

U.S. Department of Transportation

Budget in Brief – FY 1999

Foreword

From the Secretary

The Department of Transportation budget for fiscal year 1999 invests in the nation's future, even as the President proposes an overall Federal budget that is in balance for the first time in thirty years.

I have often observed that transportation is about more than concrete, asphalt, and steel. It is about providing opportunity for all Americans. The budget we propose will advance our highest priority — safety — and at the same time will continue the course set out by President Clinton six years ago to "rebuild America." People have long recognized that the nation's transportation infrastructure is a major part of the foundation for our economic growth and standard of living. It also clearly contributes to the mobility and quality of life for all Americans. Our FY 1999 budget provides the resources to build on past successes and advance America's transportation system into the 21st century.

This budget reflects an historic level of transportation infrastructure investment, 42% higher than the average of the first four years of this decade (1990-1993). It includes an 11% increase in funding for safety programs above the level in the current year. It features strategic investments in operations for the nation's airways and waterways, continued enhancement of the environment, development of several key technologies as investments in our future, and a strong program for the security of our transportation system.

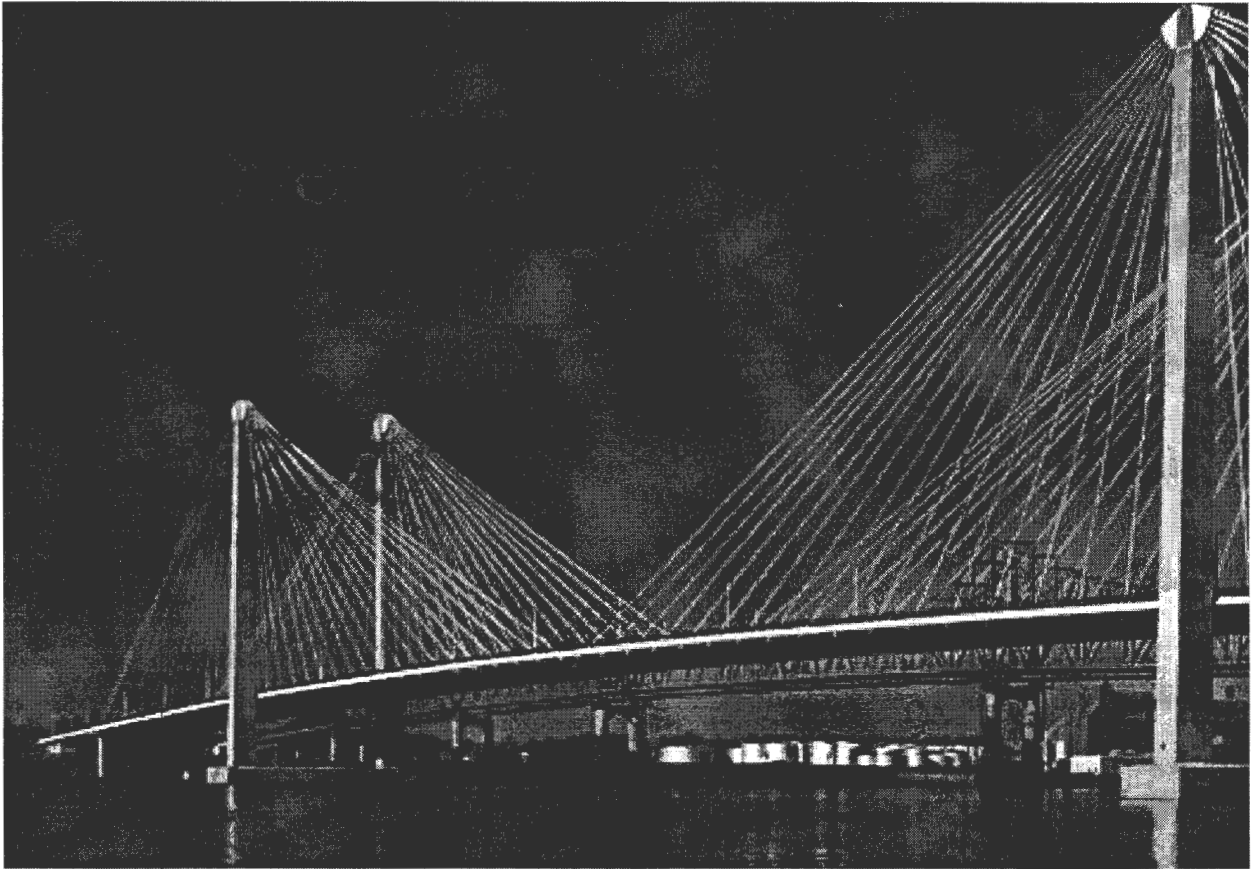
Our greatest challenge is to build an integrated transportation system that is international in reach; intermodal in form; intelligent in character; and inclusive in service. These touchstones guide our programs in the Department of Transportation. They help ensure that we can deliver the system and services that people expect. The FY 1999 budget provides the resources to meet these challenges but it must be complemented by long term legislation. Therefore it is critical that the Congress complete reauthorization of the surface transportation programs, as well as reauthorization of the aviation programs that will be submitted shortly. I am committed to these aims, and I am proud to present this budget request as a measure of that commitment.

Rodney E. Slater
Secretary



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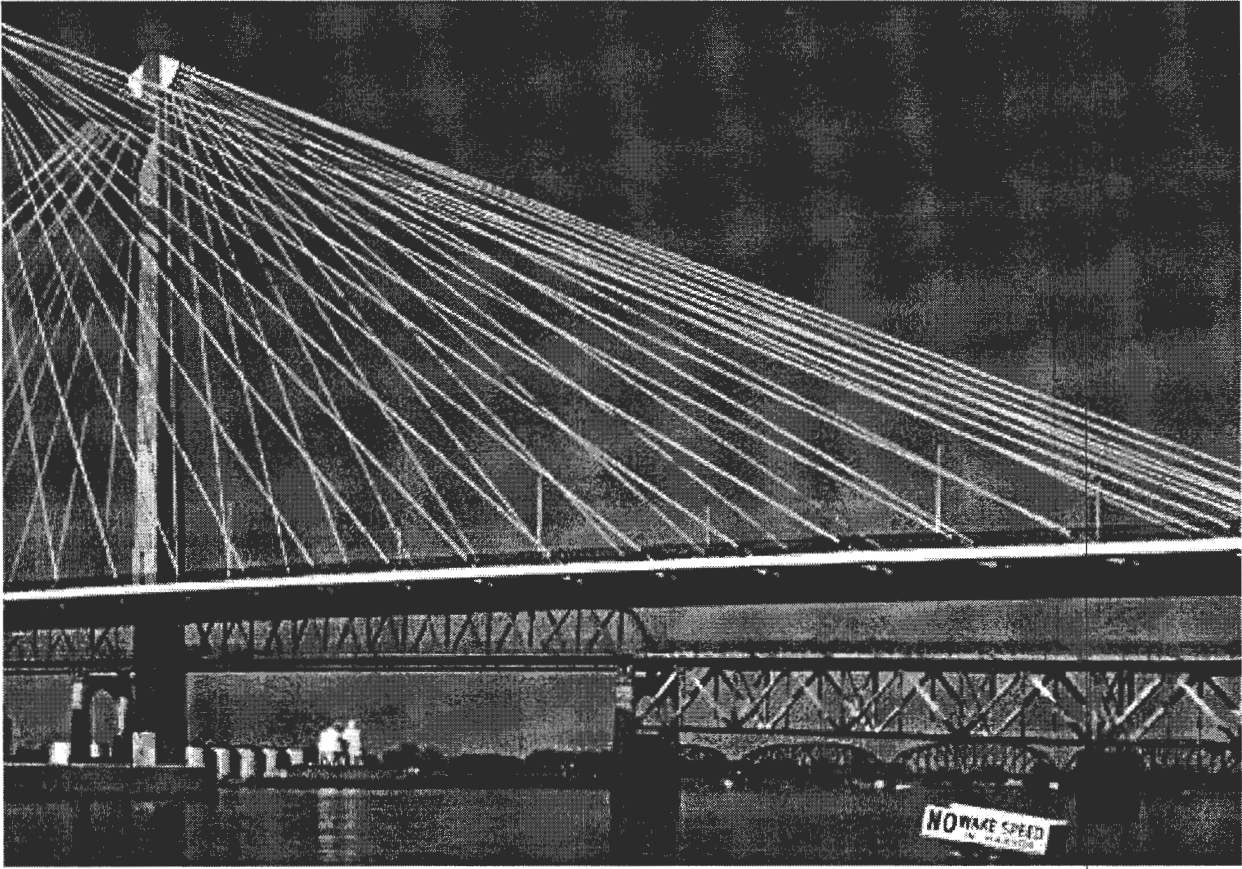


Since colonial days, transportation has fueled America's geographic expansion and economic growth. A strong and efficient transportation system provides businesses with access to materials and markets, and it provides people with access to goods, services, recreation, and other people. It can help provide these things when and where people want them, and at a cost that has made this nation extraordinarily competitive in the global economy. The challenge is to maintain and advance this position.

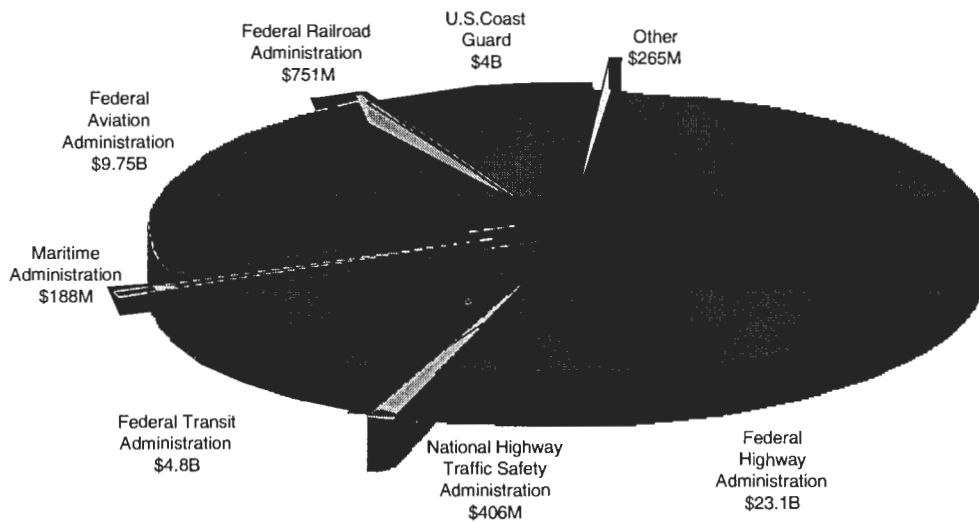
Transportation contributes 11% of the nation's gross domestic product (GDP). More significantly, it constitutes 19% of spending by the average household in America — as much as for food and health care combined, and second only to spending on housing.

The U.S. Department of Transportation (DOT) is the lead Federal agency for our nation's transportation system. For over 200 years, Federal transportation programs have aimed to advance various parts of this system, and for 30 years we have been doing it collectively in a single Department. The fiscal year (FY) 1999 budget request provides the resources to ensure a safe, efficient, accessible and convenient transportation system that meets our vital national interests and enhances the quality of life of the American people, today and into the 21st century. That is our mission. It's what the American people expect and deserve from their support of this system.

A total of \$43.3 billion is proposed for transportation investments in FY 1999, to implement the five goals of the DOT strategic plan.



Five Strategic Goals



See page 42 for details.

All of DOT's programs are aimed ultimately at achieving these five strategic goals. But most programs help advance more than one of these goals. This leverages resources for greater effect and gives an enhanced return for the taxpayer's dollar.

Transportation programs are administered by DOT's ten operating administrations. For FY 1999, these programs will be focused on six major kinds of investments, or activities:

- Safety
- Infrastructure Investment
- Improving Critical Federal Transportation Operations
- Environmental Enhancement
- Technology Development
- National Security

Safety

Transportation safety has always been — and remains — the Department's highest priority, and the FY 1999 budget proposes \$3.1 billion in direct safety funding as a reflection of DOT's commitment to improving transportation safety. This is an 11% increase over the FY 1998 level and is a record 7.3% of total DOT resources.

Highway crashes in particular are a significant burden on our society, not to mention the impact on families and communities. They kill almost 42,000 people every year, injure some three million people each year, and affect millions of families. They drain our economy by \$150 billion annually, including \$14 billion paid directly by taxpayers for expenses such as health care and emergency services.

The death toll on America's highways has dropped substantially. Had the 1967 death rate persisted in 1996, more than 130,000 people would have died from motor vehicle crashes instead of the 41,907 fatalities that actually occurred. But there is no room for complacency. There are many more things we can do to improve the safety of the transportation system.

In FY 1999, the Department proposes \$406 million, 22% above FY 1998, for the National Highway Traffic Safety Administration (NHTSA) to advance highway safety. These resources will help encourage states to pass strong anti-drunk driving legislation and to strengthen occupant protection laws. They will also help states fight their highway problems directly through increased enforcement and education programs designed to meet local conditions.

Funding for aviation safety will increase by 18% to \$975 million in FY 1999, adding an additional 45 aviation safety inspectors and certification personnel to reach a total level of 5,819.

Maritime safety spending for Coast Guard programs will increase by 5% to \$808 million, for critical safety programs like Search and Rescue, Boating Safety, and Marine Safety. In 1997, the Coast Guard saved over 4,500 lives, assisted 90,000 people in distress, saved nearly \$2 billion in property, and protected another \$3 billion in property.

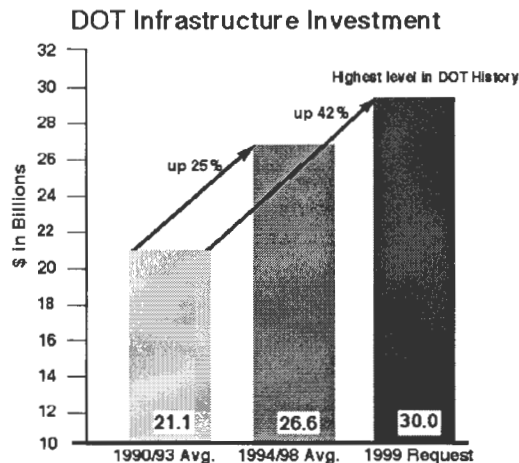
Direct rail safety spending will increase by over 8% to \$62 million in FY 1999, adding an additional 32 rail safety employees to reach a total of 578, and strengthening the Federal Railroad Administration's (FRA) new results-oriented approach to safety. FRA has refocused its Railroad Safety program by promoting active partnerships with railroad labor and management. Programs like the Safety Assurance and Compliance Program, in which railroad workers and managers work with FRA to identify the root causes of systemic safety problems and develop long-term solutions; and the Rail Safety Advisory Committee, a collaborative rulemaking body that harnesses the collective knowledge and expertise of over 500 individuals representing all segments of the rail industry, have achieved impressive results. Even with increases in railroad traffic in 1997, the number of train accidents decreased by close to 12%, highway-rail fatalities decreased by almost 10%, and total injuries declined by over 6%.

Infrastructure Investment

The U.S. transportation system carries over 4 trillion passenger miles of travel and 3.7 trillion ton miles of domestic freight every year — generated by more than 260 million people and 6 million businesses. This transportation is becoming increasingly intermodal in nature.

Over the past five years, we have begun to deliver on the President's commitment to "rebuild America." And with more than a 25% increase in transportation infrastructure investment above the first four years of this decade, we have begun to see results. For example,

- conditions measured by pavement roughness have improved on most highway systems over the past two years;
- transit capacity has increased by 3.5% in just two years;
- nationally important roads and bridges have been improved; and
- a number of airport capacity expansion projects have been undertaken.



Despite significant progress, the transportation system still requires more capacity, enhanced use, better connections, and better conditions and performance in order to continue meeting the needs of the public and American businesses.

The FY 1999 budget provides close to \$30 billion for transportation infrastructure investment, 42% above the average level of funding in the first four years of this decade (1990-1993).

The proposed National Economic Crossroads Transportation Efficiency Act (NEXTEA) builds on recent successes, and provides state and local communities the flexibility to target investments to meet their needs. Highway and transit

funding for FY 1999 is consistent with the levels proposed in NEXTEA.

The Federal Aid Highway obligation limitation is proposed at \$21.5 billion. In addition, to develop innovative financing of significant transportation projects, \$250 million in FY 1999 is proposed for programs such as State Infrastructure Banks and the new Transportation Infrastructure Credit Enhancement Program. These funds will provide alternatives to help launch projects sooner, by attracting private and non-federal public investment. As a result, we can facilitate faster and safer transport options.

For the 80 million Americans who do not drive, transit provides access to school, work, or to the market. Through the formula grant and major capital investment program, the Federal Transit Administration helps our nation's transit systems move people safely and efficiently. Transit lessens congestion and helps the environment by slowing the growth of auto traffic. These programs are funded at \$4.6 billion in the FY 1999 budget.

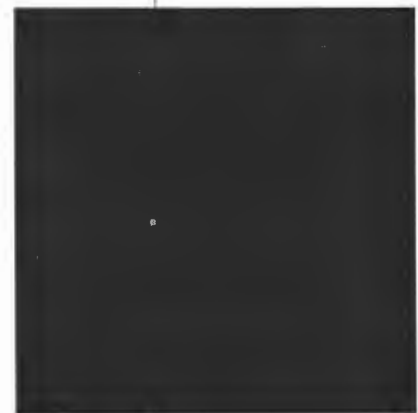
For some of our citizens, the lack of transportation is a major obstacle which prevents them in moving from welfare to work. The Department is committed to helping these people as one of its priorities. The FY 1999 budget includes \$100 million for the Access to Jobs and Training initiative, to help the unemployed and disadvantaged secure affordable transportation to work and training opportunities that support their finding and holding jobs.

Passenger rail service is another critical piece of our Nation's inclusive transportation network. The FY 1999 budget proposes historic funding levels for Amtrak — \$621 million in capital, in addition to about \$2.2 billion available in FY 1998 and FY 1999 from the Taxpayer Relief Act of 1997 (TRA). This funding will give Amtrak the ability to upgrade its system, and to replace aging rail cars in preparation for the demands of the 21st century. The Administration is committed to Amtrak because of the vital role it plays in densely populated regions like the Northeast Corridor and in many rural areas where it is the only alternative to the automobile. This will help Amtrak to move forward its goal of operating self-sufficiency.

To increase capacity, improve safety and help mitigate noise for areas adjacent to airports, \$1.7 billion is requested for airport improvement grants in FY 1999.



With the help of federal transit funds, Baltimore's light rail system gained intermodal connections in 1997, extending to Baltimore-Washington International Airport and Amtrak.



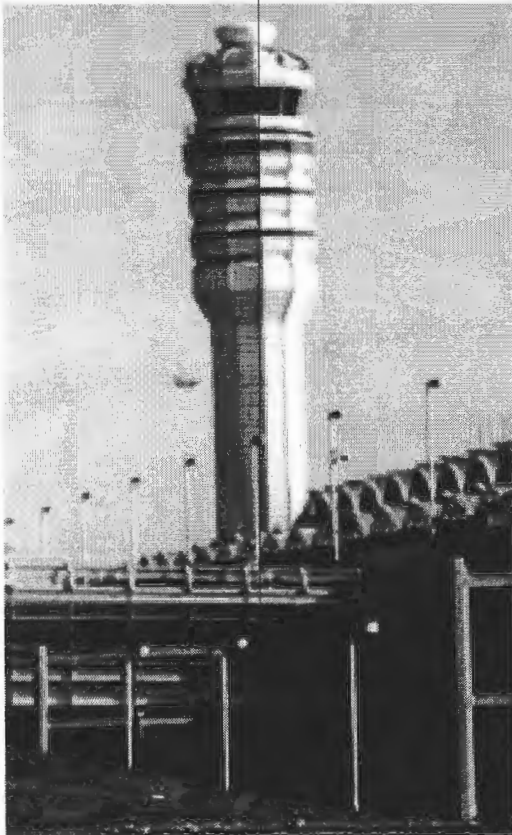
Improving Critical Federal Transportation Operations

The Federal Government is responsible for direct operations in some areas of transportation, like air traffic control and waterways management. To ensure efficient and safe transportation in these areas, the FY 1999 budget proposes funding critical Coast Guard and FAA operations and operational improvements.

The Coast Guard operations budget is proposed at close to \$2.8 billion, 2% above FY 1998. This will provide for continued Coast Guard national security and drug interdiction operations, and will maintain services to the public in safety, mobility, and environmental protection.

The FAA operations budget is proposed at \$5.6 billion, 5.5% above the FY 1998 level. This will provide for an additional 185 controllers, 45 safety inspection and aircraft certification personnel, and 150 maintenance technicians to accommodate an expected increase in aviation operations, and for the fielding of new equipment.

The new tower at Washington National Airport.



Modernizing the air traffic control system will permit aircraft to fly more efficient routes over the Atlantic and Pacific, helping air carriers (both domestic and international) save fuel and transport time. The FY 1999 budget continues modernization of the air traffic control system, with new systems expected to be fielded in FY 1999.

The Display System Replacement (DSR) will replace the air traffic controller workstations in the en route centers. DSR will improve overall system efficiency and safety, as air traffic controllers will be managing traffic with state-of-the art equipment, with lower maintenance costs.

The Wide Area Augmentation System (WAAS) will provide accuracy and integrity information on GPS satellites to allow GPS to be used for aerial navigation.

In an effort to increase efficiency and global competition, the Department will continue to pursue a policy of Open Skies, seeking to establish free markets for air commerce between the U.S. and other nations of the world. In 1997, the U.S. more than doubled the number of signed Open Skies agreements from 13 to 28.



Environmental Enhancement

The FY 1999 budget includes several programs and initiatives aimed at reducing air and water pollution, preserving wetlands and open space, and making transportation facilities more compatible with the environment. No matter how much is done to improve the capacity and efficiency of our transportation system, we can not call our approach "intelligent" unless we tend to the effects on our environment, and ultimately our health.

Through the Congestion Mitigation and Air Quality (CMAQ) program and other transportation enhancements, the Department helps communities meet national standards for healthy air by funding innovative projects which promote transit ridership, clean fuels, and emissions-reducing inspection and maintenance programs. In addition, bicycle and pedestrian-oriented projects have provided community and recreational alternatives to the car in many of our heavily populated urban areas. The Department proposes \$1.26 billion in FY 1999 for the CMAQ program.

Both the Coast Guard and FAA play vital roles in protecting the quality of the environment and helping to prevent the adverse health effects from environmental damage. For FY 1999, the Department requests \$309 million for the Coast Guard to prevent pollution, conduct pollution investigations, and supervise federally-funded cleanups; and \$39 million to ensure that all DOT facilities are environmentally safe.

Prolonged exposure to high-levels of noise is a critical environmental concern. To continue addressing this problem, the FY 1999 budget includes funds for the FAA's Noise Mitigation program, which helps families and businesses relocate away from airports where noise exceeds healthy levels.

A member of the Coast Guard's National Strike Force responds to an oil spill.

Technology Development

As transportation needs continue to grow, our system faces serious challenges of insufficient capacity, congestion, competition for space, and degradation of the environment. Building more physical capacity is an obvious response, but not always the preferred or even the most cost-effective approach. Technology and innovation can often provide new answers to old problems, and help us stretch our existing physical capacity while reducing its adverse effects. The FY 1999 budget includes several programs that change the way we do things, and offer "more" from the existing system.

The Department's Intelligent Transportation Systems (ITS) program is a key component in an overall strategy of expanding capacity through technology. By helping with technology like electronic bill collection and en route travel information, drivers can select the best route for a trip so they can avoid unnecessary delay and help keep down congestion on our roads. In FY 1999, the budget includes \$250 million for development and deployment of ITS programs.

The Nationwide Differential Global Positioning System (NDGPS) will provide positioning, navigation, and timing accuracy for the nation's surface intermodal transportation network. This system, funded at \$8.5 million in FY 1999, will help provide for the safe and efficient movement of trains and other modes of transportation throughout the nation.



Secretary Slater receives a demonstration of the new St. Lawrence Seaway Development Corporation's GPS program.

The Flight 2000 program will take advantage of the advanced technology offered by the Global Positioning System to help modernize the air traffic control system. In the first phase, FAA will test and validate equipment and procedures required to move from ground-based air traffic control to satellite based, collaborative air traffic management. Pilots will be able to choose their own routes, reducing fuel costs. And the FAA will improve safety, as air traffic controllers will have a more sophisticated system to manage traffic. The FY 1999 budget proposes \$90 million to initiate research for the Flight 2000 program.

To improve transportation's energy efficiency, \$10 million is proposed to promote the development and demonstration of Advanced Vehicles, Components, and Infrastructure in cooperation with the Department of Energy. This research effort will be geared to demonstrate technologies for enhancing energy efficiency and reducing dependence on foreign oil.



National Security

DOT plays a critical role in ensuring that the U.S. transportation system is secure, that U.S. borders are safe from illegal intrusion, and that the transportation system can meet national defense needs in time of emergency.

As international travel continues to grow, we must remain vigilant in our efforts to prevent terrorism, to protect Americans and our visitors as well. For FY 1999, the budget proposes \$100 million for the FAA to continue to purchase explosive detection equipment to be deployed at our nation's airports.

Last year, the Coast Guard intercepted and confiscated a record 103,617 pounds of cocaine and 102,538 pounds of marijuana. To protect our shores from drug smugglers, the FY 1999 budget proposes \$437 million for the Coast Guard's drug interdiction program.

In order to improve U.S. competitiveness globally and to meet our national security needs, MARAD's Title XI program helps maintain U.S. shipbuilding capacity. Since 1994, this program has guaranteed 296 ship construction projects and 6 shipyard modernization projects, together totaling over \$2.1 billion. In FY 1999, the budget proposes \$16 million to provide loan guarantees totaling an estimated \$520 million.

The budget also includes \$98 million to provide operating assistance to 47 vessels under the Maritime Security Program.

Conclusion

A successful transportation system should be international in reach; intermodal in form; intelligent in character; and inclusive in service. The FY 1999 budget reflects these guiding principles, and will allow DOT to continue developing a transportation system that is the safest and most accessible, economic, and efficient in the world.

Federal Highway Administration

Dollars in millions

	FY 1997 Actual	FY 1998 Enacted	FY 1999 Request
Federal-aid Highways Ob Lim	18,934	21,500	21,500
Motor Carrier Safety Grants Ob Lim	78	85	100
State Infrastructure Banks	150	-	150
Transportation Infrastructure Credit Enhancement Program	-	-	100
Other *	732	300	0
TOTAL	19,894	21,884	21,850
Mandatory Federal-aid Highways	1,877	1,606	1,273

* Includes Supplemental funding in FY1997 and \$300 million for the Appalachian Highway System in FY1998.

The highway system is the backbone of the nation's intermodal surface transportation infrastructure, providing the mobility and efficiency the economy demands. Our challenge is to maintain a high-quality highway network that meets our safety goals, is more environmentally friendly, and is within the government's overall resource constraints.

The budget request of the Federal Highway Administration (FHWA) and the Department's surface transportation reauthorization proposal focus on providing maximum flexibility to state and local officials in their use of Federal resources to meet local priorities, while maintaining an interconnected system.

Highlights of FY 1999 Budget:

- A \$21.5 billion obligation limitation for the **Federal-aid Highway Program** to maintain the highways critical to interstate transportation. This funding would be allocated according to our NEXTEA proposal, which:
 - Emphasizes safety, providing \$675 million for programs to improve state efforts that enhance the safety of roadways and commercial vehicle operations.
 - Improves the movement of goods and people at the nation's borders, providing \$90 million for two new programs.
 - Promotes economic prosperity by assuring a connected, economically efficient highway system, emphasizing con-

tinued funding of those highways that carry a significant part of interstate personal and commercial traffic—the National Highway System, including the Interstates.

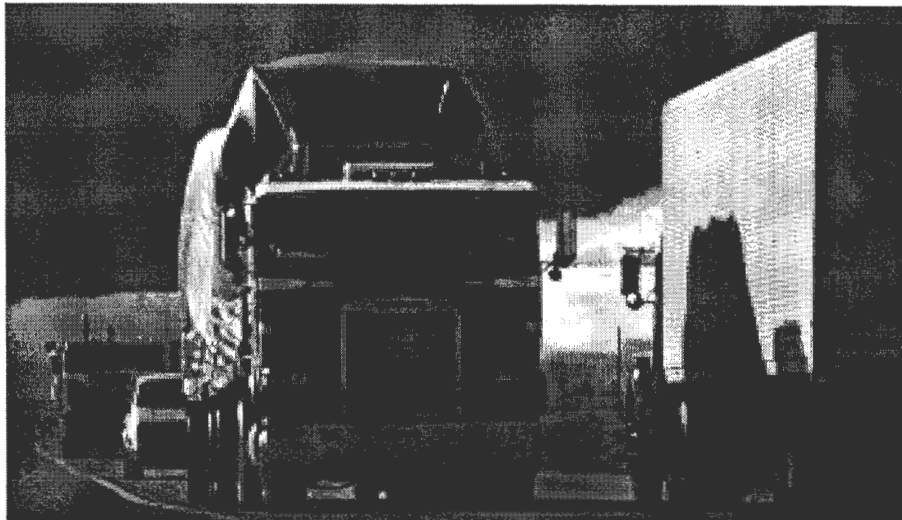
- Supports improved quality of life by providing flexible funding for such alternatives as bicycle paths, walking paths and transit.
- Follows in the tradition of the Intermodal Surface Transportation Efficiency Act (ISTEA) by addressing the relationship between highway construction and air and water quality.



Chouteau Bridge
over the Missouri
River at Kansas
City.

- Supports the nation's defense and facilitates response to national disasters by emphasizing the continuous, uninterrupted service of a high-quality, interconnected highway system.
- A \$100 million **Motor Carrier Safety Program**, including the following elements:
 - a \$67.5 million grant program to focus on strategic safety investments and increasing flexibility for grantees;
 - \$7.5 million for Safety Performance Incentive Grants to recognize states with the most effective commercial vehicle safety programs, and enable them to pursue additional Commercial Motor Vehicle (CMV) initiatives important to their state; and

Reducing regulatory burdens on safe carriers allows for more efficient movement of goods.



- \$17 million for an Information System and Strategic Safety Initiative to focus on unsafe carriers, and for a Strategic Safety Reform Program to improve safety by targeting unsafe carriers while reducing regulatory burdens on the safe ones.

Results:

On Safety: The number of fatalities as a result of large truck crashes declined from 5,579 in 1986 to 5,126 in 1996. The fatal crash rate of these vehicles fell from 3.9 per 100 million miles of travel in 1986 to 2.6 in 1996. Increased inspections and a focus on alcohol in state enforcement funded in this budget will help continue this long-term trend towards a reduction in fatalities associated with large trucks.

On Mobility: Between 1985 and 1995 pavement conditions have improved, despite an increase in highway travel of 3.2 percent a year. Highway travel reached 2.4 trillion vehicle miles in 1995, but over this same period pavement conditions have improved. A change in methodology used to measure pavement conditions makes direct comparisons inaccurate, but both methodologies reveal a trend towards better pavement conditions. The funding proposed in FY 1999, combined with anticipated state and local funding, will continue this trend of improving highway conditions even with increased vehicle travel and road wear.

- \$496 million for **Research and Technology**, including \$250 million for the Intelligent Transportation Systems (ITS) program. The primary thrust guiding the FY 1999 ITS program is developing an intelligent vehicle and supporting deployment of intelligent infrastructure. The research budget also funds ongoing programs to improve pavements, reduce congestion, strengthen bridges, facilitate truck inspection, and enhance safety.



- \$150 million to expand the **State Infrastructure Banks** program to enable states to issue bonds, enhance credit, and make loans.
- \$100 million for a new **Transportation Infrastructure Credit Enhancement Program**, to assist in the funding of nationally significant transportation projects that otherwise might be delayed or not constructed because of their size and the uncertainty over timing of revenues.

Highway funds are used for bicycle and pedestrian projects.

The number of deficient interstate bridges declined from 1990 to 1996. 28.6 percent of Interstate bridges were either structurally or functionally deficient in 1990, but by 1996 deficient Interstate bridges had declined to 24.7 percent of all Interstate bridges. A similar improvement in conditions can be seen for bridges off the Interstate. Arterial bridge deficiencies decreased from 31.7 percent in 1990 to 27.6 percent in 1996. The percentage of deficient Collector bridges dropped from 34.5 percent in 1990 to 24.7 percent in 1996. The budget requested, combined with anticipated state and local funding, will continue this trend of improving bridge conditions.

On the Environment: Since 1983, the number of days when air pollution failed to meet National Air Quality Standards in selected cities declined from over 1,000 city-days to fewer than 494 in 1995. FHWA's Transportation Enhancements and Congestion Mitigation and Air Quality Improvement funds are intended to address the environmental impacts of transportation. Under the provisions of NEXTEA, future highway funding would continue to minimize the mobile source emissions associated with highway travel and help to improve air quality.

National Highway Traffic Safety Administration

Dollars in millions

	FY 1997 Actual	FY 1998 Enacted	FY 1999 Request
Operations & Research	132	147	173
Highway Traffic Safety Grants Ob Lim	168	187	233
TOTAL	300	333	406

The FY 1999 budget request for the National Highway Traffic Safety Administration takes a major step forward on a number of initiatives to improve the safety record of America's vehicular travel.

Traffic crashes claimed nearly 42,000 lives in 1996. The cost to society (in 1994 dollars) is at least \$150 billion annually. Although major improvements have occurred in both vehicular and driver safety in recent years, highway crashes still cause 94 percent of all transportation fatalities and 99 percent of transportation injuries. Emerging demographic trends such as increased numbers of drivers overall and significant growth in both the elderly and teenage populations pose increased traffic safety challenges.

Highlights of FY 1999 Budget:

- \$233 million for **Highway Traffic Safety Grants**, up \$46 million or almost 25 percent from FY 1998. Included in this is \$39 million for Alcohol Incentive Grants that will continue to encourage States to pass strong anti-drunk-driving legislation and \$20 million for Occupant Protection Incentive Grants to encourage States to promote and strengthen occupant protection laws.
- \$172.9 million for **Operations and Research programs**, up \$26 million from FY 1998. Included are NHTSA's vehicle, highway safety, and research programs as follows:
 - \$8 million for the **President's initiative on Drugs, Driving, and Youth**, including \$5 million for a new grant program to encourage new programs and strategies for reducing drug-impaired driving.

- Approximately \$31 million to support the **President's initiative to increase seat belt use**, including highway safety, research, and innovative grants programs.
- \$53 million for **Research and Development**, including:
 - \$22 million for the National Center for Statistics and Analysis, which supports critical data collection and maintenance as well as linking crash and medical outcome data to determine the true cost of highway crashes;
 - \$10.2 million for Safety Systems research which supports improvements in vehicle structures and occupant compartment design compatible with improvements in restraint systems;
 - \$12.7 million for the National Biomechanics Research Center, which will advance the study of what happens to the human body in highway crashes, leading to safer vehicle design; and
 - \$9 million in FHWA's budget for the construction of NHTSA's National Advanced Driver Simulator, which will allow the simulation of driver behavior for both research and training efforts.



Setting a "pattern for life" early leads to lifelong safety habits.

- \$5.1 million for the **New Car Assessment Program** (NCAP), which provides consumers with information on vehicle safety performance. NCAP will continue frontal and side impact crash tests in FY 1999, and will establish a standard for frontal offset testing.
- \$1.4 million to maintain the capacity of the **Auto Safety Hotline** to handle growing consumer demand for traffic safety information.
- \$5.9 million to initiate new **countermeasure research** for safety problems, including young drivers, increasing older drivers, and people who speed and drive aggressively.
- \$3.5 million to support NHTSA's role as the focal point in DOT for the **Partnership for a New Generation of Vehicles** (PNGV), a public/private effort to develop a fuel-efficient, low-weight automobile. NHTSA's research goal is to ensure that the overall crash and other safety attributes of the vehicles are not compromised.
- \$2.8 million for the **Safe Communities** program to expand the number of sites and increase the effectiveness of the community-based approach to improving traffic safety.

Results:

On Safety: Highway fatalities per 100 million vehicle miles traveled declined by 32 percent between 1985 and 1992 and have remained at 1.7 from 1992 through 1996. Growing vehicle traffic, however, has resulted in a rise in the total numbers of fatalities in recent years. This budget represents an aggressive effort by this administration to flatten and reverse this recent rising trend.

Safety belt use rose from 14 percent in 1983 to 68 percent in 1996. The President has established a goal for the year 2000 of 85 percent safety belt use.

Federal Transit Administration

Dollars in millions

	FY 1997 Actual	FY 1998 Enacted	FY 1999 Request
Formula Programs	2,149	2,500	3,609
Access to Jobs and Training	-	-	100
Discretionary Fixed Guideway Modernization	760	800	-
Discretionary Bus	380	400	-
New Starts/Major Capital Investments	760	800	876
Washington Metro	200	200	50
Other	133	143	140
TOTAL	4,382	4,843	4,776

Transit is a critical element in our nationwide transportation system, moving many people efficiently, reducing the costs of congestion, and helping to protect the environment. By providing basic mobility to millions of American workers, by contributing to the revitalization of urban neighborhoods, and by saving approximately \$15 billion a year in costs associated with congestion, transit provides multiple benefits to society.

The Federal Transit Administration (FTA) FY 1999 budget seeks to provide greater flexibility for local decision-making in the use of Federal funds, as envisioned by ISTEA and proposed in reauthorization legislation, while still ensuring that Federal requirements such as Clean Air Act standards, drug and alcohol testing, and the Americans with Disabilities Act, are carried out.

The FY 1999 resources proposed, when combined with State and local funding, will promote mobility and access for transit-dependent riders.

Highlights of FY 1999 Budget:

- \$3.6 billion for **Formula Programs**, available for any eligible transit purpose, including bus, van and railcar purchases; facility repair and construction; preventive maintenance; planning; and, in areas under 200,000 population, operating expenses.



Funds for the current discretionary programs of bus and bus-related equipment and facilities and Fixed Guideway Modernization are combined under Formula Programs. The Fixed Guideway Modernization funds are distributed according to current formulas, but recipients can use the funds for any purpose eligible under Formula Programs. This maximizes flexibility for transit operators and allows them to prioritize and target funds to their most important needs. These funds are critical to preserving mobility in both metropolitan and rural areas.

This budget continues to support the expansion of the transit “capital” definition to include preventive maintenance for all urbanized areas; and in urban areas under 200,000 in population, includes operating expenses. This is a key provision of NEXTEA and received concurrence from Congress in FTA’s FY 1998 appropriations. This provision allows transit operators flexibility to more effectively manage Federal capital investments.

- \$100 million for an **Access to Jobs and Training** program to support the administration’s welfare reform initiatives. Since only 6% of Americans on welfare own a vehicle, lack of transportation is a frequent barrier to employment and self-sufficiency. This program will make grants to states, local governments and non-profits to plan and provide transportation services to people moving from welfare to work.
- \$876 million for **Major Capital Investments**, fulfilling the Federal commitment to fund 14 full funding grant agreements for the construction or extension of fixed guideway systems. The development of these new routes and systems in metropolitan areas across America illustrates this country’s commitment to combating congestion, thereby improving the productivity and competitiveness of our urban areas.
- \$44 million for **National Transit Planning and Research Programs**, including the development of innovative transit technologies such as safety-enhancing commuter rail control systems, hybrid electric buses and fuel cell and battery-powered propulsion systems. Funding is also provided for the Transit Cooperative Research Program, National Transit Institute, and University Transportation Centers.



SEPTA (South-eastern Pennsylvania Transportation Authority), provides almost 900,000 passenger trips each work day in metropolitan Philadelphia.

- \$48 million for **metropolitan planning and statewide planning grants.**
- \$50 million for the **Washington Metropolitan Area Transit Authority**, to complete the Federal funding share of constructing the 103-mile Metrorail system.

Results:

On Mobility and the Natural Environment

Transit adds to the commercial and residential viability of neighborhoods. In metropolitan areas, transit saves residents an estimated \$20 billion annually in automobile-related costs. In rural areas, over 1,100 transit systems serve 30 million people including elderly, working poor, and individuals with disabilities. Research suggests that passengers value the basic mobility provided by transit nationwide at \$23 billion annually. Under the provisions of NEXTEA, the funding provided in this budget will continue to improve the level of transit service available to the public.

As a measure of moving toward the goals of the Americans with Disabilities Act, some two-thirds of America's full-size transit bus fleet are now accessible to individuals with disabilities. The funding proposed in this budget will continue to increase the accessibility of transportation to all persons.

On Congestion:

In urban and suburban areas, transit averts \$15 billion in congestion costs per year by easing pressure on crowded roadways. With the flexibility permitted in NEXTEA, this budget provides FTA the resources to continue to contribute to the mitigation of roadway congestion.

On Infrastructure Investment:

With Federal support, the nation's transit capacity grew by 3.5% and passenger miles grew by 4.8% between 1993 and 1995, the latest figures available from the National Transit Database. The funding proposed would continue this trend in improving capacity.

Federal Railroad Administration

Dollars in millions

	FY 1997 Actual	FY 1998 Enacted	FY 1999 Request
Amtrak*	843	594	621
Railroad Safety	51	57	62
High-Speed Rail	25	20	13
Research & Development	20	21	21
Office of the Administrator	17	20	22
Other	95	20	13
TOTAL	1,050	732	751

* Does not include an estimated \$1.1 billion in TRA funds available to Amtrak each year (FY 1998 and 1999)

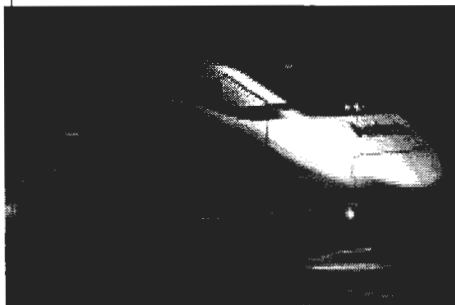
In the FY 1999 budget, the Federal Railroad Administration (FRA) is committed to continuing a strong railroad safety improvement record, advancing high-speed rail research, and moving Amtrak toward improved on-time service and operational self-sufficiency. These programs and initiatives help fulfill DOT strategic goals of safety, mobility, environmental protection, and economic growth.

Highlights of FY 1999 Budget:

- \$621 million for **Amtrak**, up 4.6% above FY 1998. This capital assistance, including a minimum of \$200 million for **Northeast Corridor** improvements, would be derived from the Highway Trust Fund. The budget proposes that Amtrak use the funding provided under the Taxpayer Relief Act of 1997 (TRA) for all eligible TRA expenses, including the maintenance of existing equipment. The

Administration's request, in conjunction with TRA funds, represents historic levels of funding for Amtrak. The over \$5 billion that would be available between FY 1998 and FY 2002 (including \$2.2 billion from the TRA) exceeds total federal capital investment in Amtrak for the last 18 years (FY 1980 to FY 1997). This level of funding, which will enable Amtrak to invest strate-

gically in capital equipment and infrastructure, is key to achieving improved on-time service, increased revenues, reduced operating costs and, ultimately, operational self-sufficiency.



Amtrak's High-Speed service coming in 1999.

- \$62 million for **Railroad Safety**, up \$4.9 million from FY 1998, which includes funding for 32 additional safety employees and related support costs to strengthen FRA's new results-oriented approach to safety. FRA's partnerships with railroad management and labor have addressed root causes of safety problems and improved communication with stakeholders, which has contributed to improved railroad safety trends.
- \$12.6 million for the **Next Generation High-Speed Rail** program, funding technology development. FRA supports high-speed passenger rail by assisting the development of affordable technology, promoting safety, and assisting State initiatives. FRA is demonstrating technologies, such as non-electric locomotives, grade crossing innovations, and radio-based train control systems that could, if successful, reduce the cost of high-speed rail systems to as low as \$2-3 million per mile — 70 to 80 percent below the cost of the Northeast Corridor upgrade.
- \$20.8 million for safety-related **Research and Development**, the same as FY 1998. Ongoing research efforts would continue in the areas of human factors of train operations, advanced train control technology, and safety issues related to high-speed rail.

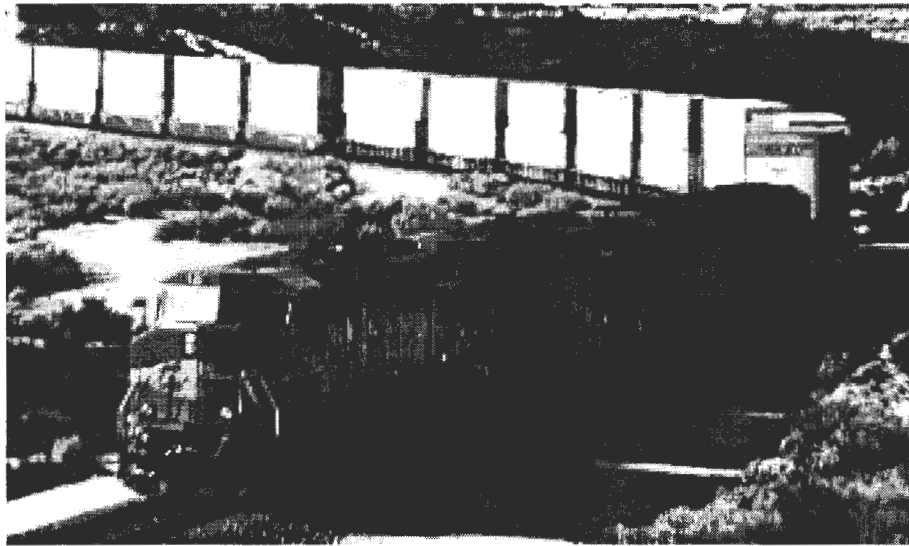


The FRA's inspection and enforcement activities have led to significant safety improvements.

In 1997, Amtrak:

- Passenger revenue was up seven percent system-wide and Amtrak West ridership was up 10.6 percent.
- Made an operating profit, for the straight second year, on its Metroliner service between New York City and Washington, DC, on a full cost basis.
- Completed 40% of electrification of the New Haven to Boston segment of the Northeast Corridor, to achieve 3-hour service between New York City and Boston starting in 1999.

DGPS supports new technology to enhance the safety and efficiency of the nation's railroads.



- \$3 million for a **Nationwide Differential Global Positioning System (NDGPS)** to enhance the nation's economic productivity and safety. The \$3 million, when combined with \$5.5 million provided by FHWA, is a substantial down payment toward the installation of NDGPS transmitters throughout the United States and will allow enhancement of the existing Coast Guard network. The NDGPS system will provide additional positioning, navigation, and timing accuracy for the nation's surface intermodal transportation networks, including the basis for a "positive train control" location determination system on our nation's railroads.

Results:

On Safety: FRA has refocused its Railroad Safety program by forming active partnerships (with railroad management and labor) and developing a consensual rulemaking process. This new way of doing business, with a focus on enforcement, has achieved important results. For example, despite increased traffic, railroad safety improved in 1997 as the number of train accidents, highway-rail fatalities, and total injuries decreased. With this budget, FRA will expand on the demonstrated success of its initiatives and continue this positive trend in rail safety.

On Mobility and Environment: Amtrak, our only national passenger railroad system, reduced its need for federal operating subsidies in 1997 by focusing on high-revenue routes. Amtrak received legislative authority to manage its operations in a flexible, cost-effective manner, which should assist its cost cutting efforts in future years. Safe, efficient passenger rail is an important part of this nation's balanced, intermodal transportation network. In populous corridors, passenger rail helps to reduce highway and airport congestion and improve air quality. In rural areas, passenger rail is often the only intercity mode of transportation for many people.

Federal Aviation Administration

Dollars in millions

	FY 1997 Actual	FY 1998 Enacted	FY 1999 Request
Operations	4,953	5,337	5,631
Facilities & Equipment	1,938	1,875	2,130
Research, Engineering & Development	208	199	290
Grants-in-Aid Ob Lim	1,460	1,700	1,700
TOTAL	8,561	9,111	9,751

The FY 1999 budget request for the Federal Aviation Administration (FAA) continues the strong commitment to a safe, efficient and modern aviation system.

Highlights of FY 1999 Budget:

Operations: \$5.631 billion, which includes \$43 million in existing user fees. This is a 5.5 percent increase over FY 1998 and provides for mandatory cost increases and additional staffing.

- FAA's primary responsibility is operating the air traffic control system. To keep pace with the growth of aviation, the FY 1999 budget for **Air Traffic Services** is \$4.4 billion, an increase of 5.5% over FY 1998. The increase provides for 185 additional air traffic controllers, for a total of 17,985 in FY 1999, and an additional 150 field maintenance technicians for a total of 8,585 in FY 1999. Further, the Air Traffic Services budget provides \$58 million to bring on-line and make operational air traffic control and aeronautical navigation equipment now being delivered as part of the modernization of the air traffic control system.



- FAA's responsibilities include ensuring the national airspace system is safe and secure. **Aviation Regulation and Certification**, responsible for safety, and **Civil Aviation Security** are funded at \$635 million and \$129 million, respectively. The budget provides for an additional 45 aviation safety inspectors and certification personnel, plus \$3 million to bring several safety-related systems on-line. The budget also includes an additional \$2 million to continue airport vulnerability

Air traffic controllers handle 4,000 to 5,000 airplanes in the air at any given time.

Training K-9 dogs to check luggage.



assessments, consistent with the recommendations of the White House Commission on Aviation Safety and Security.

Facilities & Equipment: \$2.13 billion to continue to improve and modernize the infrastructure of the national airspace system. The request includes:

- \$1,014 million for procurement and modernization of air traffic control facilities. Major projects are the standard terminal automation replacement system for terminal radar approach control facilities and the display system replacement for the enroute centers. The standard terminal automation system provides a fully digital infrastructure to modernize terminal control facilities and allow introduction of more sophisticated software automation aids for air traffic controllers. The display system replacement upgrades controller work stations used at enroute centers which increases capacity and reduces maintenance costs.
- \$423 million for engineering, development, test and evaluation of new systems. Major areas of new development are the wide area augmentation system and the air traffic management systems. These systems improve the efficiency of the air traffic control system and are also instrumental in allowing the introduction of free flight which can improve aircraft operational efficiency.
- \$177 million for procurement and modernization of non air traffic facilities and equipment. Major investments are in automation systems to support FAA safety inspectors and \$100 million to continue implementation of explosive detection devices consistent with the recommendations of the White House Commission on Aviation Safety and Security.

- \$281 million for mission support including systems engineering technical support and contractor oversight of equipment installation.

Research, Engineering, and Development: \$290 million, which includes \$35 million for continued research in aircraft structures and materials, and \$55 million for systems security research. \$90 million is proposed for Flight 2000 — a demonstration of technologies and operational procedures which will exploit new capabilities such as GPS and aeronautical data link and will lead to earlier introduction of free flight in the national airspace system. The remaining research provides for capacity enhancements through development of advanced traffic management, more sophisticated use of satellite communication and navigation, improvements in weather information, airport safety, human factors and research in support of FAA internal improvements.

Grants-in-Aid for Airports: \$1.7 billion for airport improvement grants. The Grants-in-Aid program issues grants to airports and state and local governments for projects that increase capacity, improve safety, and help mitigate noise for areas adjacent to airports.

Results:

- On Safety:** FAA performs more than 347,000 inspections and investigations and takes approximately 12,000 enforcement actions annually, helping to make air travel among the safest modes of transportation. The FY 1999 budget proposes significant advances in operations and facilities that will improve safety while increasing capacity. By 2007, FAA aims to reduce the U.S. aviation fatal accident rate by 80% from 1996 levels.
- On Mobility:** System delays of more than 15 minutes decreased by 8% from FY 1996 to FY 1997, from 270,055 to 247,161. By continuing to expand airport capacity and enhance the efficiency of the air traffic system, the FAA will help Americans get to where they are going faster and improve American productivity.
- On Economic Growth:** U.S. scheduled domestic air carriers enplaned 543 million passengers in 1997, up 3.4 percent from 1996 (524 million passengers). The FAA projects that in 2009, the scheduled domestic carriers will enplane over 822 million passengers, an annual average growth rate of 3.5 percent. This budget will advance FAA efficiency and the efficiency of the National Airspace System (NAS), permitting air transportation to both grow with the economy and fuel the economy's growth.

U.S. Coast Guard

Dollars in millions

	FY 1997 Actual	FY 1998 Enacted	FY 1999 Request
Operating Expenses	2,633	2,715	2,772
Acquisition, Construction & Improvement	375	398	443
Research	19	19	18
Retired Pay	617	653	684
Reserve Training	65	67	67
Environmental Compliance & Restoration	22	21	21
Other	56	52	0
TOTAL*	3,787	3,925	4,005

*Does not include mandatory appropriation totaling \$71M in 1997, \$81M in 1998 and \$116M proposed in 1999.

The mission of the Coast Guard is to save lives, protect the environment, facilitate commerce in our ports and waterways, and protect U.S. interests in any maritime region as required to support the national security of the United States.

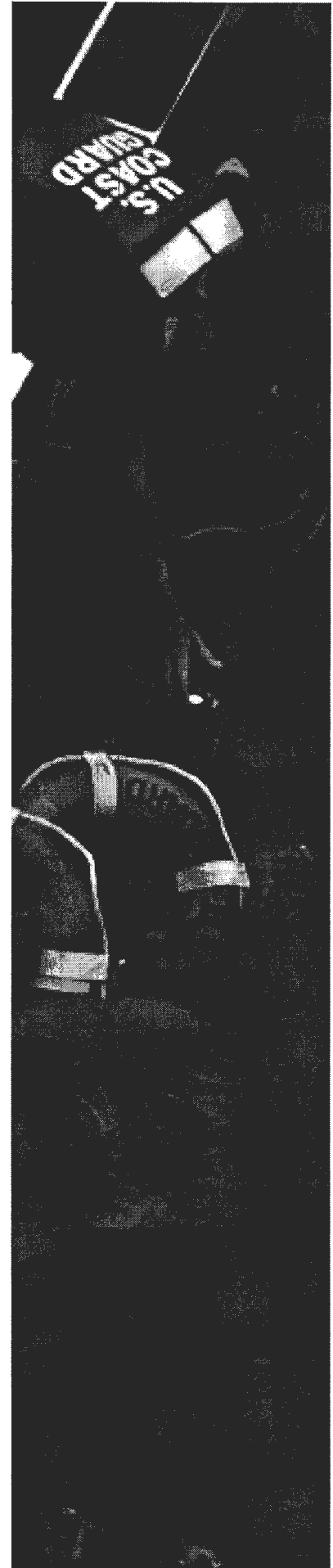
The FY 1999 budget request for the United States Coast Guard allows the Coast Guard to continue to target drug smugglers, and recapitalize aircraft and vessel fleets to meet the President's national security goals.



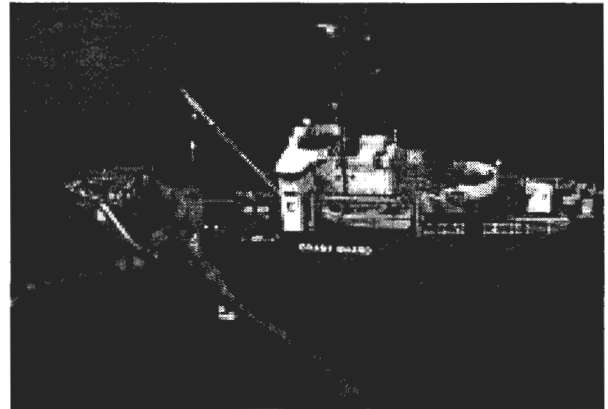
The Coast Guard intercepts illegal migrants off the Florida coast.

Highlights of FY 1999 Budget:

- \$2.77 billion, including \$309 million in defense-related funding, for the continued **operation and maintenance** of a wide range of ships, boats, aircraft, shore units and aids to navigation.
- \$443 million, including \$35 million from user fees and \$1 million from asset sales, to support the Coast Guard's **recapitalization** of vessel and aircraft fleets, information resource management systems, shore facilities and aids to navigation. Funding is also included for a deepwater capability replacement analysis, to be used in recapitalization of the Coast Guard's large cutters and aircraft set to begin in 2001.
- \$21 million to carry out the Coast Guard's **environmental compliance and restoration** responsibilities. Major clean-up projects required for enforceable regulatory agreements for FY 1999 are at Kodiak, Alaska; Elizabeth City, North Carolina; and Cape Cod, Massachusetts.
- \$67 million to fully train, support and sustain a ready military **Selected Reserve Force** of 7,600 members, required to meet current commitments for direct support to the Department of Defense and provide surge capacity for responses to emergencies, such as clean-up operations following oil spills.
- \$18 million for **Research, Development, Testing and Evaluation**. Funds will provide for technologies, materials, and human factors research directly related to improvement of Coast Guard mission performance and delivery of services to the public.
- \$55 million for **Boat Safety grants**. Proposed legislation would convert State grants to a mandatory appropriation from the Aquatic Resources Trust Fund.
- \$684 million for **retired pay**, which includes annuities and medical care for retired military personnel and former Lighthouse Service members and their dependents and survivors.



- \$61 million for **spill clean-up and initial damage assessment**, available without further appropriation from the Oil Spill Liability Trust Fund. This includes \$50 million for emergency response to oil spills, \$10 million for the payment of claims of damages from oil spills, and \$1 million for the Prince William Sound Oil Spill Recovery Institute.



Results:

On Safety: The Coast Guard saved over 4,500 lives (an average of one life every 2 hours), assisted approximately 90,000 people in distress, saved nearly \$2.0 billion in property, and protected \$3.0 billion in property in 1997. The funding proposed in this budget will sustain this high level of distress response and improve industry-wide safety.

On the Environment: The Coast Guard supervised nearly 600 federally funded oil and chemical spill clean-up operations in 1997. The FY 1999 budget proposes to continue trends reducing both the risks of oil spills in our waters as well as the amount of solid wastes that wash up on our beaches.

On National Security: The Coast Guard intercepted over 2,100 illegal migrants before they reached U.S. borders in 1997. The FY 1999 budget will sustain efforts and results in this vital area.

The Coast Guard also interdicted over 103,000 pounds of cocaine and 102,000 pounds of marijuana in 1997, keeping them off America's streets and away from America's schools. The FY 1999 budget will sustain efforts and results in protecting our youth from drugs.

On Mobility: The Coast Guard provided vessel construction, design, and inspection services, along with a national aids to navigation system and ice breaking assistance, to ensure safe operation of domestic and foreign vessels transporting more than 95 percent of the Nation's imports and exports.

On Efficiency: In FY 1998, the Coast Guard completed streamlining and achieved a full year savings of approximately \$380 million and 3,472 positions, and identified further efficiencies in FY 1999 of \$70 million.

Research and Special Programs Administration

Dollars in millions

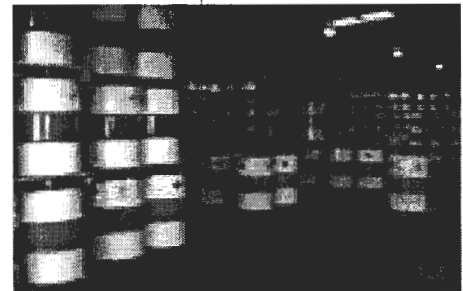
	FY 1997 Actual	FY 1998 Enacted	FY 1999 Request
Research & Special Programs	30	28	30
Emergency Preparedness Grants	7	7	14
Pipeline Safety	32	33	35
TOTAL	69	68	79

The Research and Special Programs Administration (RSPA) focuses on hazardous materials, emergency transportation and pipeline safety programs, and planning and training grants to States for emergency preparedness. RSPA coordinates and advances research, technology, and education activities in support of the Department's commitment to achieve safe, technologically advanced and efficient transportation systems that promote economic growth and international competitiveness. RSPA also plans and coordinates the Department's response to transportation emergencies, including national and technological disasters, terrorist incidents, economic disruptions, and military contingencies.

Highlights of FY 1999 Budget:

- \$16 million for the **Hazardous Materials Safety Program** to improve the safety of hazardous materials shipments, both domestic and international. The FY 1999 funding will help to maintain or reduce the low number of fatalities and injuries in the transportation of hazardous materials.
- \$14 million — up from \$7 million enacted for FY 1998 — for **Emergency Preparedness grants** to states. These grants are used to train hazardous materials responders and improve response plans. Currently, this assistance can be provided to a small portion of the response community; the increase would help to ensure that training could be provided to a larger segment of this community and would give grantees the option to provide compliance assistance to small businesses and help address one of the major safety issues — undeclared shipments of hazardous materials.

RSPA intends to propose a rulemaking to increase the annual level of funding for the Emergency Preparedness Grants program to approximately \$14.3 million beginning in 1999. RSPA is considering a number of ways to increase registration collections to this level.



The Trans-Alaskan Pipeline system transports 22% of the nation's crude oil.



- \$15 million for a **State Pipeline Safety Grant Program**, a \$1.5 million increase to protect distribution systems and densely populated areas. The request includes \$1.0 million for States to continue one-call response programs. One-call programs, “Call before you Dig” and “Ms. Utility,” are a single source of information for excavators and others to use. External damage is the single largest cause of pipeline failures in this country.
- \$3 million for programs including **oversight of pipeline operators’ oil spill response plans**, which mitigate the environmental and property damage resulting from pipeline spills. RSPA reviews and approves oil spill response plans, and conducts periodic exercises to measure the adequacy of those plans.
- \$4 million for **pipeline risk management**, which is a regulatory alternative that gives pipeline operators the flexibility to assign resources to areas that pose the greatest potential risk. To enhance risk management, the request includes \$1.8 million for pipeline safety information systems, \$.5 million for State risk grants, and \$1.2 million to support the risk demonstration program.
- \$1 million for the **Emergency Transportation Program**, which executes DOT’s responsibilities to assist the victims of disasters and protect the nation’s economy and security. Included in the program is the central DOT Crisis Management Center, which supports Federal, State and local emergency responders during disasters and provides the Department with critical information with which to make

timely and informed decisions on restoring transportation infrastructure.

- \$4 million for **transportation research, technology and training** in three areas: strategic transportation planning and transportation system assessment; coordinating and facilitating research; and Intermodal research and education.

RSPA leads the department's effort to partner with transportation industry and educational institutions to interest students of all ages in transportation careers and make sure they have the math, science and technology skills for the future. The **Garrett A. Morgan Transportation and Futures Program** will continue to provide opportunities to students, while helping DOT find competent people to fill the ever increasing number of challenging positions in the field of transportation.

RSPA will also serve as the Department's lead in a DOT/DOE initiative that would support public/private partnership to promote design, development, and deployment of alternative fuels and propulsion systems focusing on medium and heavy vehicles; develop strategies for enhancing energy efficiency; provide means for improving mass transit; and reduce dependence on foreign oil.

Results:

On Safety, Mobility and the Environment:

The goal of RSPA's safety programs is to reduce the risk of transporting hazardous materials. Through compliance monitoring and promotion of advanced technology and risk management strategies, the hazardous materials safety program has helped to achieve an annual average of 8 fatalities and 14 serious injuries per 100 million population. The FY 1999 funding will help to further reduce this low number of fatalities.

In the pipeline safety program, RSPA's top priority is to help eliminate accidents caused by non-compliance with pipeline regulations and to work with operators to reduce threats to pipeline integrity. The number of pipeline incidents caused by outside force damage has been reduced to 127, a 14 percent reduction from 1995. We expect our damage prevention efforts to continue this progress.

RSPA's research, technology and analysis program — through several new private-public technology partnerships — will support long-term, high-risk transportation research to enable major improvements in today's transportation capabilities.

Maritime Administration

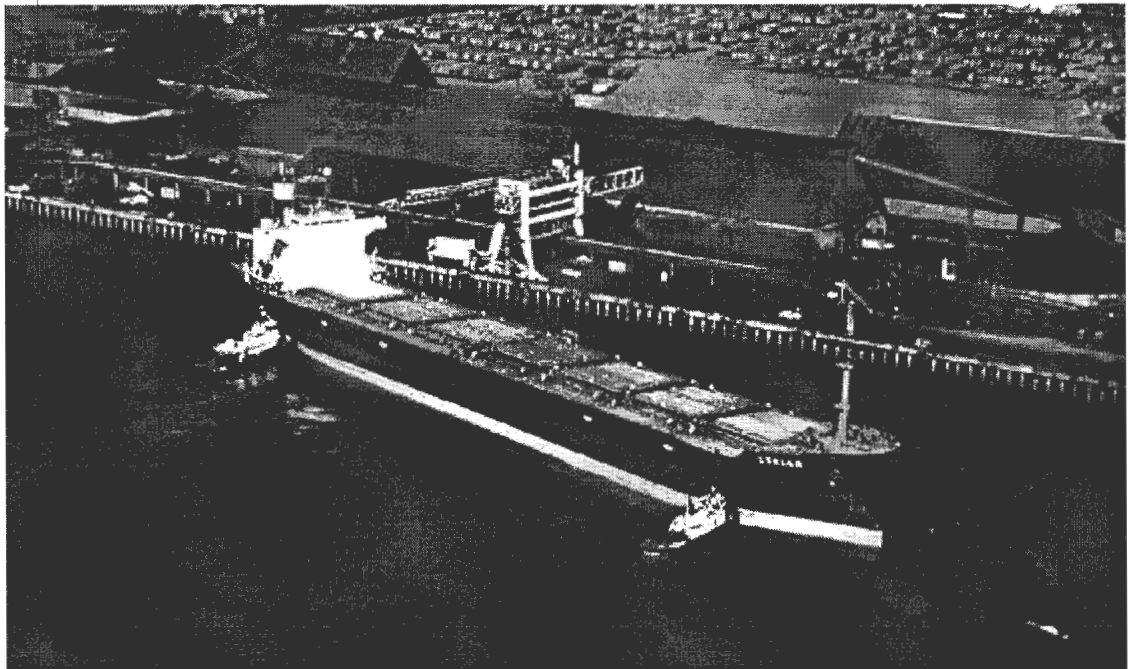
Dollars in millions

	FY 1997 Actual	FY 1998 Enacted	FY 1999 Request
Operations & Training	65	68	71
Maritime Security	54	36	98
Title XI Guaranteed Loans	41	36	20
TOTAL	160	139	188

The Maritime Administration (MARAD) aids in the development, promotion and operation of the U.S. merchant marine, and organizes emergency merchant ship operations in support of the Department of Defense.

Highlights of FY 1999 Budget:

- \$98 million in support of the Department of Defense (DOD) to provide operating assistance to 47 vessels under the **Maritime Security Program**. Vessels supported by this program are committed to carry military cargo during war or national emergencies. In addition, participating carriers must make available to the DOD their intermodal service network.



The Department of Defense relies on commercial ships and intermodal networks to move military cargo during war or national emergencies.



Since FY 1994, the Title XI program has guaranteed loans for 226 barges and 70 other vessels.

- \$20 million for the **Title XI program** to cover the subsidy costs of loan guarantees for U.S.-flag and export ship construction and for shipyard modernization and administrative costs in FY 1999.
- \$71 million for **Operations and Training** including support of the U.S. Merchant Marine Academy, State maritime schools, and MARAD operations.
- The **Ready Reserve Force (RRF)** is managed by MARAD, but funded in the DOD budget. The FY 1998 level for the RRF is \$302 million. MARAD will maintain the current readiness level of the RRF with the \$260 million requested by DOD for FY 1999 activities through planned capacity reductions.

Results:

On Infrastructure Investment:

Through FY 1997, MARAD has approved over \$2.1 billion of Title XI financing for 296 vessels and 6 shipyard modernization projects under the President's National Shipbuilding Initiative. This budget proposes to continue these efforts and grow the orderbook for American-built ships.

On National Security:

The Ready Reserve Force (RRF) is a key element of strategic sealift, transporting military equipment and initial resupply for U.S. forces deployed anywhere in the world, during the critical period before commercial ships can be marshaled. RRF response time during the Bosnian peacekeeping effort averaged only 2 days. During FY 1997, the RRF met the assigned readiness activation times for DOD no-notice activations 100 percent of the time. Funding in FY 1999 will sustain this high level of performance, which is vital to our national security.

Saint Lawrence Seaway Development Corp.

For FY 1999, \$12.6 million is estimated as the mandatory payment for the Saint Lawrence Seaway Development Corporation (SLSDC) from the Harbor Maintenance Trust Fund. This payment together with miscellaneous other revenues will finance SLSDC's FY 1999 activities, including a contribution to emergency reserves.

The SLSDC is proposed as a **Performance Based Organization** (PBO). Restructuring of the Corporation is pending congressional approval of legislation submitted to the Congress by the Secretary on May 5, 1997.

Surface Transportation Board

The FY 1999 budget request for the Surface Transportation Board totals \$16.0 million, to be fully financed by user fees. The Board, established in 1996 by the ICC Termination Act of 1995, is responsible for the economic regulation of the rail industry, the transportation of commodities by pipeline other than oil and gas, and certain non-licensing regulation of motor and water carriers.

The Board is charged with promoting substantive and procedural regulatory reform in the economic regulation of surface transportation, and providing an efficient and effective forum for the resolution of disputes. During 1997, the Board exempted certain commodities and classes of transactions from regulation. It also adopted several rulemakings that eliminated unnecessary regulations, streamlined existing regulations, and provided for expedited procedures and deadlines to handle various adjudicative matters before the Board. In addition, it has processed various matters brought before the Board in a way that has promoted private sector negotiations and resolutions and facilitated appropriate market-based transactions.

Transportation Administrative Services Center

No separate obligation limitation is requested for the Transportation Administrative Services Center (TASC). TASC provides administrative services on a negotiated fee-for-service basis to DOT's operating administrations and other government organizations.

Office of Inspector General

The FY 1999 budget request for the Office of Inspector General is \$42.5 million for audits and investigations that promote the economy, efficiency and effectiveness of the Department's programs, as well as prevent and detect fraud and abuse. This \$0.6 million increase over FY 1998 is for cost of living expenses. In addition, \$0.7 million of reimbursable authority from the Highway Trust Fund (HTF) is requested to audit the HTF financial statements, in accordance with the Department's proposed surface transportation reauthorization legislation.

Bureau of Transportation Statistics

The FY 1999 budget request for the Bureau of Transportation Statistics is \$31 million. The request assumes continued Bureau funding as contract authority from the Highway Trust Fund. The FY 1998 request was also \$31 million. However, authorization for BTS is currently pending in Congress. The FY 1999 request would support continuation of the Bureau's major programs:

- providing easy, timely, and convenient access to transportation data and information,
- providing information services such as publications and special reports;
- conducting surveys such as the Commodity Flow Survey and the American Travel Survey;
- conducting transportation analysis including describing patterns of passenger travel and goods movement;
- operating and maintaining the National Transportation Library;
- serving as a resource for geographic information services in transportation such as providing spatial data, mapping, and spatial analysis support, and;
- providing timely and accurate financial, traffic, and economic data about air carriers.

With the requested resources, the Bureau will continue to provide decision-makers with the transportation related information that is necessary to make appropriate decisions on safety, infrastructure investment, and national welfare.

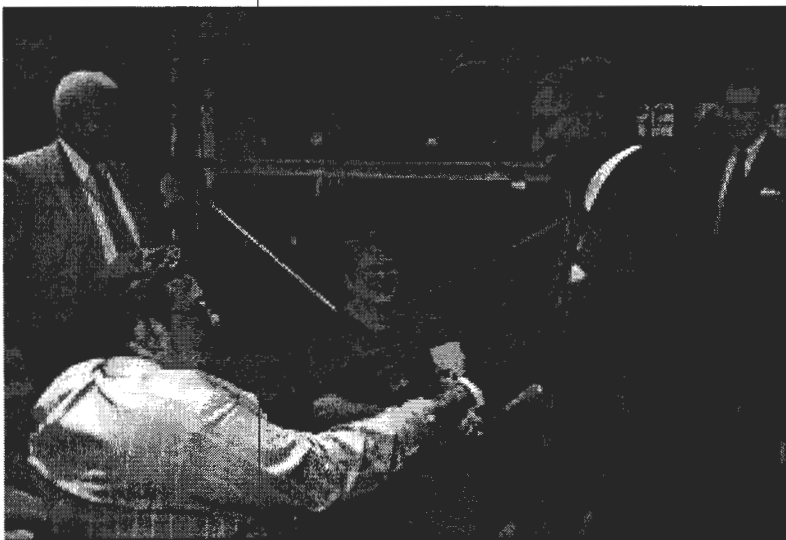
Office of the Secretary

Dollars in millions

	FY 1997 Actual	FY 1998 Enacted	FY 1999 Request
Salaries & Expenses	52	61	62
Transportation Planning, Research & Development	3	4	5
Rent	127	0	0
Civil Rights/ Minority Business	10	10	12
Essential Air Service/Rural Airports	26	50	50
TOTAL	222	125	128

Highlights of FY 1999 Budget:

- The overall level of funding for the Office of the Secretary (OST) is increased by \$3.1 million above the FY 1998 level, to cover inflation and increases in the civil rights program.
- \$61.9 million is requested for **Salaries and Expenses**, which would support a staff level of 479 Full Time Equivalent employees (FTE)—16 FTE below the FY 1998 level. Since 1993, OST has reduced personnel by more than 20 percent.



- \$7 million is requested for the **Office of Civil Rights**, \$1.4 million above FY 1998, to cover inflation and to handle the increasing level of cases in the Department's internal employment discrimination complaint process. The funds would support staff at Headquarters and six regional offices.

- \$4.7 million is requested for **Transportation Planning, Research, and Development**. The request includes \$3.6 million for studies to support the formulation of national transportation poli-

cies and \$1.1 million for continued improvements to the Department's Dockets Management System.

- \$50 million in mandatory funds is requested for the **Essential Air Service/Rural Airports program**. The program is financed through aviation overflight fees.
- \$4.8 million is requested for **Minority Business Resource Center (MBRC)** activities, the same level as in FY 1998, including \$1.9 million to support a \$13 million short-term lending program to assist disadvantaged and women-owned transportation related businesses, and \$2.9 million for the MBRC Outreach program, including a clearinghouse for national dissemination of information on transportation related projects and grants to minority educational institutions.

Results:

- On Economic Growth:** OST staff actively promotes the Department's "Open Skies" policy, which seeks to establish free markets for air commerce between the U.S. and other nations. In 1997, the number of signed agreements increased from 13 to 28. Under this budget, efforts will continue to improve the competitiveness of air travel.
- On Customer Service:** Through its automated Docket Management System, OST provides DOT customers worldwide with desktop access to regulatory information, and allows them to participate in rulemaking from their offices and homes via the Internet. Currently half a million pages of docketed materials are available on line.

DOT Appropriations

(\$ in millions)

Administration	FY 1997 ACTUAL	FY 1998 ENACTED	FY 1999 REQUEST
Federal Highway Administration	\$19,894	\$21,884	\$21,850
Bureau of Transportation Statistics /1	[25]	[25]	[31]
National Highway Traffic Safety Administration	300	333	406
Federal Railroad Administration	1,050	732	751
Federal Transit Administration	4,382	4,843	4,776
Federal Aviation Administration	8,561	9,111	9,751
U.S. Coast Guard	3,787	3,925	4,005
Maritime Administration	160	139	188
Saint Lawrence Seaway Development Corporation /2	10	11	0
Office of Inspector General	38	42	42
Research and Special Programs Administration	69	68	79
Office of the Secretary	222	125	128
Surface Transportation Board	15	16	16
SUBTOTAL	38,488	41,230	41,993
Federal-aid Highways mandatory obligations	1,860	1,598	1,265
TOTAL DOT Appropriations	\$40,349	\$42,828	\$43,259

NOTE: Columns may not add due to rounding. Includes Appropriations, Obligation Limitations, User Fees, Asset Sales and Mandatory Highway Obligations in annual Appropriations Acts.

/1 BTS funding is from the Highway Trust Fund, within FHWA.

/2 \$12.6 million of mandatory funding is requested for Saint Lawrence Seaway Development Corporation for FY 1999.

Outlays

(\$ in millions)

Administration	FY 1997 ACTUAL	FY 1998 ENACTED	FY 1999 REQUEST
Federal Highway Administration	\$20,797	\$21,988	\$22,960
National Highway Traffic Safety Administration	286	336	383
Federal Railroad Administration	1,131	877	674
Federal Transit Administration	4,581	4,150	3,907
Federal Aviation Administration	8,815	8,972	9,288
United States Coast Guard	3,790	3,737	3,934
Maritime Administration	251	289	125
Saint Lawrence Seaway Development Corporation	11	12	13
Office of Inspector General	38	43	42
Research and Special Programs Administration	65	70	71
Office of the Secretary	193	124	128
Surface Transportation Board	14	15	1
SUBTOTAL	39,972	40,614	41,527
Deduct: Proprietary Receipts from the Public	(133)	(141)	(235)
TOTAL	\$39,839	\$40,473	\$41,292

NOTE: Includes mandatory and discretionary outlays. Columns may not add due to rounding.

FY 1997 FY 1998 FY 1999