



## February 13, 2012

This Update is primarily focused on the release of the Administration's FY'13 budget request.

Here is a [link](#) to the annual US DOT Budget in Brief. Here is a [link](#) to Secretary LaHood's statement on the Budget. The full set of government-wide budget documents released by OMB can be found [here](#).

The \$74B US DOT budget request is based on the assumption that Congress will pass a six-year \$476B surface transportation authorization bill (down from a similar \$555B proposal last year), however neither the House nor the Senate are currently considering such a bill. The Administration proposes to pay for the program using one-half of the six-year savings from ramping down the wars in Iraq and Afghanistan, a plan first mentioned by President Obama in his State of the Union address that has not garnered much interest in Congress.

It seems unlikely this budget request will be embraced by Congress.

Highlights of the budget recommendations include:

**FAA** – The budget includes \$3.35B for the Airport Improvement Program (AIP), the same amount recently authorized by Congress, although below the \$3.5B funded in FY'11. However, the DOT budget also indicates that if Congress were to approve an increase in the Passenger Facility Charge (PFC), the recommended amount for the AIP program would drop to \$2.4B. However, the recently passed four-year FAA authorization bill does not include a PFC increase.

**FHWA** – The budget request includes a highway obligation limitation of \$41.83B, an increase of \$2.7B over the current FY'12 funding level, but only slightly above the previous FY'11 level. There does not appear to be a request to fund a National Infrastructure Bank as there has been in past budgets. Neither the pending House nor Senate surface transportation reauthorization bills include a National Infrastructure Bank. The budget requests \$500M for the TIFIA loan program.

**ETA** – The budget requests a total of \$10.84B for transit programs, an increase of \$233M over FY'12. The budget proposes the same programmatic restructuring as last year which Congress has generally rejected in the pending House and Senate reauthorization bills. This makes it difficult to compare current funding with the Administration FY'13 recommendations.

See page 30 of the DOT Budget in Brief for a list of the New Start/Small Start projects that US DOT is recommending to fund. The list includes \$1.17B for 12 projects which currently have FFGAs, \$696M for five projects with Pending FFGAs, \$70M for one project



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newly recommended for an FFGA, \$120M for three "Other" capital investment projects and \$127M for eight Small Start projects. Including greater funding for Oversight, the total recommended for the Capital Investment Program is \$2.23B.

FTA is expected to release its FY'13 Capital Investment Program/New Starts Report Tuesday or Wednesday.

FRA – The FRA budget request is also difficult to compare with the current programs because US DOT merges the high-speed intercity passenger rail program with Amtrak and divides the total funding into Network Development and System Preservation programs. The FY'13 budget request includes \$1B for high-speed intercity passenger rail and \$1.5B for Amtrak. In addition, the Administration is requesting \$4B in supplemental funding in current FY'12 funds for high-speed rail which Congress is not likely to approve. High-speed rail continues to be a top priority for the President and Secretary LaHood; however, in FY'11 and FY'12 Congress did not appropriate any funds for this program.

TIGER – The FY'13 budget includes a \$500M request funding for a TIGER-like discretionary grant program. In addition, US DOT is requesting \$4B for a similar TIGER program as a supplemental FY'12 appropriation which Congress is unlikely to support.

RLTA – The budget recommends moving the existing Research & Innovative Technology Administration (RLTA) to a new Office of the Assistant Secretary for Research & Technology, bringing it under the direct oversight of the Secretary.

Information about other federal agency budget requests will be reported on shortly.