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Summary

For FY1998, the U.S. Department of Transportation (DOT) requested total funding of $38.384 billion, about a 2.6% decrease from the FY1997 estimate of $39.204 billion. The FY1998 budget request for the DOT was similar in many respects to the FY1997 appropriation. For many of the DOT modal administrations, for example, the Federal Railroad Administration, the Federal Aviation Administration, and the Federal Highway Administration, funding levels were requested to decrease slightly but most programs and priorities would continue. A small increase was for the U.S. Coast Guard.

There were many "macro" issues or factors that influenced the debate over the Administration's FY1998 budget request. These included: the proposed reauthorization of the federal surface transportation programs, pressure to reduce discretionary outlays to achieve a balanced budget, a $100 million request for a Transportation Infrastructure Credit Program, the recommendations of the White House Commission on Aviation Safety, and the proposed deployment of new user fees to offset costs incurred in some of the safety programs. In addition, the ongoing debate about the budget status of transportation trust funds affected the issues that developed during the FY1998 appropriations cycle.

The Administration stated that its budget proposal for DOT adequately reflected its priorities of safety, technology development, environmental enhancement, infrastructure needs, and innovative financing. Budget highlights included requests for:

- $25.6 billion for infrastructure investments;
- over $1 billion on transportation research and development (R&D);
- $2.9 billion for transportation safety;
- $0.7 billion for Amtrak, railroad retirement, and the Northeast Corridor between Washington, D. C. , and New York City.

The House passed H.R. 2169, DOT appropriations legislation, July 23, 1997. On July 30, the Senate passed H.R. 2169, after substituting the text of S. 1048. Following a conference, the House and Senate on October 9 agreed to the conference report, H.Rept. 105-313. The bill was signed into law by the President on October 27, 1997. Until the legislation was signed into law, the Department of Transportation operated on two, short-term continuing resolutions, H.J.Res. 94 and H.J.Res. 97. For FY1998, the conferees provided $42.132 billion of total net budgetary resources for the U.S. DOT. This report is a synopsis of selected DOT programs and the House and Senate funding recommended for those programs.

Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations. In addition, the line item veto takes effect for the first time in 1997.

This report is a guide to one of the 13 regular appropriations bills that Congress passes each year. It is designed to supplement the information provided by the House and Senate Subcommittees on Transportation Appropriations. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

Since this report was last updated, data related to the FY1998 appropriations may have changed through supplemental appropriations or rescissions, entitlement revisions, or scorekeeping adjustments. These changes will be reflected in a subsequent report.

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Most Recent Developments

Hearings on the FY1998 budget request of the Department of Transportation (DOT) and related agencies were held by the Transportation Subcommittees of the House and Senate Appropriations Committees. The House passed H.R. 2169 on July 23, 1997. On July 30 the Senate passed H.R. 2169, after substituting the language of S. 1048, as amended. The following conferees were named to represent the Senate: Senators Shelby, Domenici, Specter, Bond, Gorton, Bennett, Faircloth, Stevens, Lautenberg, Byrd, Mikulski, Reid, Kohl and Murray. On September 3, the following conferees were named for the House: Representatives Wolf, Delay, Regula, Rogers, Packard, Callahan, Tiahrt, Aderholt, Livingston, Sabo, Foglietta, Torres, Olver, Pastor, and Obey. While the House and Senate were resolving differences between the two versions of the appropriations legislation, H.J.Res. 94, passed the House on September 29 (355-57), passed the Senate on September 30 (99-0), and was sent to the President. The resolution extended funding for the Department of Transportation at FY1997 levels for an additional three weeks. A second continuing resolution, H.J.Res. 97, extended the first until November 7, 1997. However, on October 9, the House and Senate agreed to the Conference Report, H.Rept. 105-313. The President signed the bill into law October 27, 1997 (P.L. 105-66; a bill "Making Appropriations for the Department of Transportation and Related Agencies for the Fiscal Year Ending September 30, 1998, and for Other Purposes"). At the end of the five-day waiting period, the President had offered three line-item vetoes, making a $6.2 million adjustment to the $42 billion appropriations legislation. The first would have provided $5,280,000 to rehabilitate an Alaskan Railroad dock in Seward, Alaska. The second would have provided $500,000 to establish an electronic bulletin board for disposing of surplus transit equipment, and the third would have provided $450,000 to establish an emergency preparedness center at Arab, Alabama. An override of these vetoes did not occur.

Introduction

For FY1998, the DOT requested total funding of $38.384 billion, about a 2.6% decrease from the FY1997 estimate of $39.204 billion. The Department's FY1998 budget request was similar in many respects to the FY1997 appropriation. For many of the DOT modal administrations, for example, the Federal Railroad Administration, the Federal Aviation Administration, and the Federal Highway Administration, funding levels were requested to decrease slightly but program areas and priorities generally continue. A small increase was requested for the U.S. Coast Guard. Competition for transportation funds was intense for a variety of reasons, including pressure to reduce discretionary outlays to arrive at a balanced budget.

This report analyzes the FY1998 budget request and final action from a number of perspectives. First, funding proposals for several national transportation priorities, such as safety, national security, infrastructure needs, and technology development, are highlighted and selected policy issues associated with these are presented. Second, historical funding trends are analyzed. Third, highlights of the FY1998 budget request for several key modal administrations, such as the Federal Highway Administration, the Federal Aviation Administration (FAA), and the U.S. Coast Guard, are summarized. Finally, the report provides information on the congressional response to DOT funding requests.

Status

Table 1. Status of FY1998 Transportation Appropriations, H.R. 2169/S. 1048/P.L. 105-66

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conference Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
6/24/97	7/15/97	H.Rept. 105-188 7/16/97	7/23/97	S.Rept. 105-55 7/22/97	7/30/97	H.Rept. 105-313 on H.R. 2169	10/7/97	10/9/97	P.L. 105-66 10/27/97

Key Policy Issues

One of the major challenges facing the appropriators continued to be the allocation of funds for the U.S. Department of Transportation among numerous competing interests. Competition for these funds stemmed from various transportation interests, and from the modal administrations themselves seeking "portions of the transportation pie." Monies were allocated for a diverse array of purposes, for example, to pay for the expenses of the U.S. Coast Guard, to improve safety across the transportation system, and to help finance various infrastructure needs. In the DOT and Related Agencies Appropriations Act, monies are also provided to support the National Transportation Safety Board, and the Surface Transportation Board (STB), and several other transportation-related agencies.[1]

The perennial question of priorities surrounded the appropriations process. Throughout the budget request, the DOT continued to emphasize several key areas which are its priorities, namely, infrastructure, innovative financing, environmental enhancement, technology, national security, and safety.

Infrastructure

The Administration continued to emphasize spending for new and improved transportation infrastructure as a way to increase national productivity and hence competitiveness. The largest single component of the DOT budget was for transportation infrastructure. Annual federal investment in transportation infrastructure averaged $25.5 billion for FY1994-FY1997. The Administration's FY1998 budget proposed $25.6 billion. Most of this spending was intended for highways, transit facilities and equipment, air traffic facilities and airports. The Administration considered its request to balance infrastructure needs and safety in the transportation system with the need to balance the budget by 2002. During their deliberations, both the House and Senate Appropriations Committees adjusted the bill to reflect interests expressed by the members.

Innovative Financing

The Administration attempted to find more funding for infrastructure by changing the way infrastructure was financed. To accomplish this objective, the DOT proposed to continue

[1] DOT proposed that the Surface Transportation Board (STB) be fully funded by user fees in FY 1998. The STB and its predecessor, the Interstate Commerce Commission, have never been fully funded by user fees.

supporting State Infrastructure Banks (SIBs) at the $150 million level and to finance a new Transportation Infrastructure Credit Program at the $100 million level for FY1998.

The SIB program combines federal/state/private funding to help finance a variety of transportation improvements, such as toll roads and intermodal terminals. The SIB program has been adopted by 10 states already, with an additional 15 expressing interest. Examples of innovative financing include the new Transportation Infrastructure Credit Program intended to leverage federal dollars and encourage private sector investment in projects of national significance that may be too large to attract local capital.[2] The Administration also is trying to improve the efficiency of federal funds distribution. In dollar terms, the Administration's efforts to promote innovative financing represent a small portion of the total DOT budget.

According to H.Rept. 105-188, the SIB program and the proposed Transportation Infrastructure Credit Program would not be funded for FY1998. S.Rept. 105-55 also recommended elimination of funding for both of these programs. The conferees also did not provide this funding and no provisions are contained in P.L. 105-66.

Technology

The Administration proposed to spend over $1 billion on transportation research and development (R&D) during FY1998, about $100 million over the FY1997 planned expenditure. In addition to supporting the Department's safety and regulatory programs, DOT's multi-faceted R&D program contributes to other national objectives, such as enhancing economic productivity and national security. Increased investment in research and development continued to be a key theme of the Clinton Administration and this emphasis has been reflected in the Department's budget during the last few years.

DOT is involved in a variety of technology programs, including the Partnership for a New Generation of Vehicles, the National Advanced Driving Simulator, and the Advanced Technology Transit Bus. Support for the Intelligent Transportation Systems (ITS) program was proposed to increase from about $235 million for FY1997 to $250 million for FY1998 of both contract authority and appropriated funds.[3] Included in this amount was $100 million of proposed contract authority for a deployment initiative to stimulate investment in ITS projects which integrate a variety of different technologies and for ITS projects pertaining to commercial vehicles. The House Appropriations Committee added $50 million and the Senate Appropriations Committee added roughly $77 million for additional operational tests of ITS projects that were not requested in the Administration's FY1998 budget request under the Limitation on General Operating Expenses (LGOE). The conferees agreed to $130,160,000 of appropriated funds under LGOE. The amount of FY1998 contract funds will be determined when the debate over reauthorization of the highway program is completed. The Federal Railroad Administration requested that funding for the Next Generation of High Speed Rail Program be reduced from about $24.8 million in FY1997 to about $19.6 million in FY1998. The program is funded at $20,395,000 for FY1998. The Coast Guard requested $19 million for research, development, testing and evaluation. Funds will provide for technologies, materials, and human factors research directly related to improvement of the Coast Guard's mission performance and delivery of services to the public. The conferees agreed to provide $19 million for these activities, provided however, that $3,500,000 be derived from the Oil Spill Liability Trust Fund.

[2] U.S. DOT. Budget in Brief, 1997, p. 5.

[3] ITS are a broad group of technologies that use sensors, computers, or information/communications to improve the management and control of roadways, vehicles, driving tasks, or their interfaces.

National Security

DOT is involved in national security through a variety of missions, including: Coast Guard readiness, training, and interdiction activities; FAA air traffic control; and Maritime Administration's Ready Reserve Force and Maritime Security Program. The Department requested over $300 million for the Coast Guard's defense-related missions in FY1998. These monies were intended to pay for military training and exercises, harbor defense and security functions, and maritime interdiction operations in support of United Nations sanctions. They would also have been used for providing maritime security and training to developing countries; and establishing, servicing, and maintaining aids to navigation in support of Department of Defense military operations. Conferees included $300,000,000 in the report for these activities. The FY1998 budget request included $54 million in new budget authority for the Maritime Security Program. This would have made funding available to operators for 45 U.S.-flag ships involved in foreign trade. Participating carriers would have been required to enroll in an Emergency Preparedness Program established to provide sealift support in time of war or national emergency. Language providing the $54 million did not appear to be included in the conference report.

Safety

Safety has long been considered a top priority at the Department. The DOT request for various transportation safety programs increased from the FY1997 level of $2.7 billion to the FY1998 level of $2.9 billion. The Conference Committee provided roughly this amount. Although funding for these safety programs collectively represent a relatively small portion of the overall DOT budget, relatively substantial increases were requested for the safety activities of the Federal Aviation Administration, the National Highway Traffic Safety Administration (NHTSA), and the Federal Highway Administration. Both the House and Senate Appropriations Committees recommended significantly increasing funding for the National Transportation Safety Board (NTSB) to enhance this Agency's capabilities to conduct investigations. Both Committees denied the Administration's request to collect $6,000,000 in user fees related to NTSB costs. The conferees increased funding for NTSB from $42,407,000 for FY1997 to $49,371,000 for FY1998.

As a major component of its highway reauthorization legislation, the Administration proposed an array of changes to the Department's safety programs. For example, funding was sought for an expanded National Motor Carrier Safety Program, which was intended to improve commercial motor carrier safety and associated information systems. For these activities, funding was requested to increase from the $78 million level for FY1997 to $100 million for FY1998. Both the House and Senate Appropriations Committees recommended approximately $85 million for these activities. A similar amount was recommended in the Conference Report.

Under the President's request, aviation safety spending would have increased 12%, from $746 million in FY1997 to $839 million proposed in FY1998. If approved, this funding would have increased the safety inspector and aircraft certification work force by 273, for a total employment level of 4,135.

Likewise, spending for NHTSA's highway safety programs was proposed to increase by 11%, from $300 million in FY1997 to $333 million in FY1998. Increased funding for grants and research to improve the protection of automobile occupants was requested: $9 million was proposed for a new occupant protection grant program; and $8 million was proposed for increased research on air bag safety. The 1998 Department of Transportation Appropriations Act

provides $186,500,000 for obligations for highway traffic safety grants, and $146,962,000 for operations and research, for a total of $333,462,000 for NHTSA's activities.

Other agencies benefitting from the emphasis on safety include the Federal Railroad Administration, whose safety funding was targeted for an increase from $51 million (FY1997) to $57 million (FY1998) and the Coast Guard, which asked for a 4% increase to $804 million in FY1998 from $772 million in FY1997. Both the House and Senate Committees recommended approximately 10 percent increases in funding for railroad safety. The Conference Committee provided for $57,067,000, of which $5,511,000 will remain available until expended.

Other Factors

The debate on the FY1998 budget request focused partly on the Administration's funding priorities. Some Members, however, chose to focus their interests on other priorities, such as local needs for roads, transit and airports. In addition, the issue of Intermodal Surface Transportation Efficiency Act (ISTEA) reauthorization and the ongoing debate about the budget status of transportation trust funds had an impact on the FY1998 appropriations cycle.

Major Funding Trends

Table 2 shows historical funding levels for FY1988 through FY1997 for the Department of Transportation. Almost all of these funds are provided by new budget authority or a limitations on obligations in the DOT appropriations act.[4] Total DOT funding increased approximately 52% from FY1988 through FY1997 (enacted). Within the overall Department account, the largest funding increase during the last ten fiscal years was provided to the Office of the Secretary -- an increase of 225% from $67 million (FY1988) to $218 million (FY1997, enacted). The second largest increase (111%) was for the Maritime Administration, whose funding was increased from $76 million (FY1988) to $160 million (FY1997). Only the St. Lawrence Seaway Development Corporation had its funding reduced from $11 million to $10 million (-9.1%) over the period.

The following information from DOT shows appropriations, obligations limitations, DOD transfers, and exempt obligations subject to the appropriations process (in millions of dollars). According to a DOT spokesperson, this information does not include user fee collections; consequently, program totals may vary from other figures cited in the text.

Table 2. Department of Transportation Appropriations, Obligations Limitations, DOD Transfers and Exempt Obligations Subject to the Appropriations Process

(in millions of dollars)

FY1988 Actual	**25,779**
FY1989 Actual	27,362
FY1990 Actual	29,722
FY1991 Actual	32,776
FY1992 Actual	36,184
FY1993 Actual	36,681
FY1994 Actual	40,359

[4] Starting in the early 1990s, about $300 million of the funds shown in Table 1 were transferred from the DOD Appropriations budget to DOT. These monies are used to support Coast Guard activities. The amounts requested for FY1998 are provided in Table 3.

FY1988 Actual	**25,779**
FY1995 Actual	38,878
FY1996 Actual	37,378
FY1997 Enacted	39,120

Coast Guard

The Administration requested $3.861 billion for the Coast Guard in FY1998. This is up 2.5% over FY1997 and maintains the same trend since FY1996. The budget request would have allowed the Coast Guard to continue its activities against drug smuggling and to recapitalize aircraft and vessel fleets to meet the President's national security goals. Of this amount, $2.74 billion would have been for operation and maintenance of a wide range of ships, boats, aircraft, shore units, and aids to navigation, including $300 million in defense-related funding. The Administration requested $65 million to train, support, and sustain a ready military Selected Reserve Force of 7,600 members for direct support to the Department of Defense and to provide surge capacity for responses to emergencies such as clean-up operations following oil spills.

Other Coast Guard requested funding included $61 million for spill clean-up and initial damage assessment, available without further appropriation from the Oil Spill Liability Trust Fund. Boat safety grants would be funded at $55 million, and proposed legislation would convert state grants to a mandatory appropriation from the Aquatic Resources Trust Fund.

For total CG operations, the House Appropriations Committee recommended $3.882 billion for FY1998, about $200 million more than the Administration request. The House also recommended $300 million for Defense Functions (050) of the Coast Guard.

The Senate recommended $3.656 billion for all Coast Guard functions. Of this amount, $2.732 billion was earmarked for operation and maintenance. This included $300 million for Defense Functions. However, the Senate report eliminated the $300 million from Defense Functions (050) and replaced it with a $300 million transfer from the Department of Defense Appropriations Act.

The Conference Report allowed $2.72 billion for operation and maintenance, of which $300 million would be available for defense-related activities and $25 million would be derived from the Oil Spill Liability Trust Fund. Acquisition, construction, and improvements was funded at $398 million of which $20 million would be derived from the Oil Spill Liability Trust Fund. Among the other functions, environmental compliance and restoration would receive $21 million; alteration of bridges would receive $17 million; reserve training would receive $67 million; and research, development, test, and evaluation would receive $19 million. Boat safety was funded at $35 million to be derived from the Boat Safety Account.

Federal Railroad Administration (FRA)

The Administration's request for the Federal Railroad Administration for FY1998 obligations from general funds was $897 million, compared to a FY1996 actual obligation of $874 million, and an FY1997 enactment of $890 million. The most notable reduction, $179 million from the FY1997 amount, would have come from funding the Northeast Corridor high-speed rail infrastructure program from the Federal Highway Trust Fund rather than from the general fund as in past years. The Northeast Corridor extends from Boston to Washington, D.C. Smaller proposed projected cuts were $80 million for high-speed rail trainsets and facilities, and $59 million for the direct loan financing program (for the Alameda Corridor Project, a port-related rail freight corridor in California). H.R. 2169, reported by the House Appropriations Committee on July 11,

provides $250 million (to remain available until September 30, 2000) for the Northeast Corridor. In S.Rept. 105-55, the Senate Committee on Appropriations recommended funding for the Northeast Corridor of $273.5 million for FY1998. The Conference Report recommends $250 million for the Northeast Corridor for FY1998. The Conference Report recommended total FY1998 budgetary resources for the FRA, including grants to Amtrak, of $936.8 million.

Amtrak

Amtrak receives its funding as part of the FRA account. The Administration requested that funding for Amtrak during FY1998 come from the Federal Highway Trust Fund, rather than from the general fund as in past years. The Administration requested $423.45 million for capital grants to Amtrak, of which not less than $200 million would have been for the Northeast Corridor. The Administration requested $344 million for operating grants.

Although the Administration requested that Amtrak general funding be eliminated and the activity funded from the Federal Highway Trust Fund, the House Report recommended a total of $543 million ($283 million for operations and $260 for capital expenses). This represents a decrease of $44 million from the estimated FY1997 amount.

The House report recommended grants of $283 million for Amtrak operations, and $260 million for capital accounts. Operations would have been reduced by $81.5 million from FY1997 enacted level. However, capital accounts would have increased $36.6 million over the $223.5 million enacted for FY1997.

The Senate report recommended funding of $344 million for operating expenses, with the assumption that capital funding for Amtrak will be provided through a new separate account. The Conference Committee recommended that $344,000,000 be made available for operating losses, and $199,000,000 be provided for capital improvements.

The Conference Report recommended $344 million for operating losses for FY 1998 and $199 million for capital during the same period, with provisions to prevent this capital funding from being added to the $2.32 billion that is conditionally provided by the budget reconciliation act of FY1998 (P.L. 105-34).

Federal Highway Administration (FHWA)

The FY1998 Conference Report provides the FHWA with total budgetary resources of $23.27 billion. This is an increase of $2.33 billion over the FY1997 level. The vast majority of these funds are included in a $21.58 billion limitation on obligations for the federal-aid highway program. Funding for programs exempt from the limitation on obligations is set at $1.39 billion. The bill adds a program to the highway component of the bill, the Appalachian Development Highway System. This program previously received funding in a different appropriations bill. None of the funds in this appropriation can be spent until the federal highway program is reauthorized. The authorization for this program expired on October 1, 1997.

The FY1997 Act had confirmed highway funding's favored status within the DOT appropriation. The FHWA was provided total budgetary resources of $22.1 billion for FY1997. This was a significant increase over the FY1996 level of $21.7 billion. The FY1997 appropriation included a limitation on obligations for federal-aid highways of $18.1 billion as opposed to a FY1996 level

of $17.6 billion. The remainder of funding was provided for exempt programs and administration.[5]

A significant policy change was enacted when the FY1996 Transportation Appropriations Act eliminated congressional earmarks for demonstration projects. This was a spending category that received $352.1 million as recently as FY1995. In previous years, earmarking was considered one of the most controversial items in the highway portion of the act. The FY1997 and FY1998 Acts continued the prohibition of new demonstration projects.

The FY1997 Act continued the State Infrastructure Bank (SIB) demonstration program at a level of $150 million. SIBs were authorized in the first session of the 104th Congress by the National Highway System Designation Act of 1995, P.L. 104-59. The use of SIBs is viewed by supporters as an innovative approach to transportation funding because they provide bonding authority that can be leveraged to provide additional funding for transportation projects. Language pertaining to the State Infrastructure Bank program is not contained in the FY1998 conference report.

The Clinton Administration's proposal for FY1998 called for total FHWA spending of $22 billion, a slight decrease from FY1997 enacted levels. The federal aid-highway program limitation on obligations was set at $20.17 billion. Increases for research, development, technology transfer, and training were proposed, however, under the Limitation on General Operations, Expenses Account.

The bill reported by the House Committee on Appropriations for FY1998 would have provided FHWA with a major increase in funding. Total FHWA spending is set at $23.2 billion. The bill provided a limitation on obligations of $21.6 billion. This is $2.8 billion more than the limitation in the FY1997 Act and $1.3 billion more than requested by the Administration. This increase would have been offset somewhat by a reduction in spending for exempt programs. The Committee bill made other changes in FHWA spending. Administration proposals to include new categories for innovative finance were essentially ignored. The Committee does not appear to agree with the concept that innovative financing techniques will increase highway spending. The bill also provided for some reductions in FHWA staffing.

The Senate report recommended total Federal Highway funding of $23.6 billion for FY1998, an amount $1.6 billion greater than the $22 billion requested by the Administration. The Senate Committee concurred with the House Committee that the State Infrastructure Bank funding be eliminated.

Federal Transit Administration (FTA)

The conference committee report for FY1998 provided a total of $4.84 billion for the FTA. This exceeded FY1997 funding by $462.0 million, an increase of more than 9%. Almost all FTA programs, with the significant exception of the operating assistance program, received funding increases. Operating assistance was set at $150.0 million, a decrease of $250.0 million from FY1997. However, preventive maintenance previously eligible for funding from operating assistance is now an eligible use under an expanded capital grants program. In addition, urbanized areas with populations under 200,000 are guaranteed operating assistance at a level equal to 75% of their FY1997 level.

Several transit programs have been controversial almost since their inception, especially the operating assistance program. Recent Administrations, beginning with the Reagan Administration, have proposed reductions and/or outright elimination of these programs. Transit

[5] Exempt program spending is used for the emergency relief and minimum allocation programs.

tends to be supported on a local basis, with the majority of support coming from urban areas. Support for sometimes competing highway programs is seen as having a much broader base, especially because of the absence of transit systems in rural areas. Transit programs have continued largely, due to strong congressional support from Members representing urban areas.

For FY1998, the Clinton Administration proposed a slight increase in total FTA funding over FY1997 levels, $4.49 billion. The proposal, however, called for a major realignment of federal transit programs. Essentially, the Administration consolidated most of the existing programs into a $3.30 billion formula program. All funding for this program would have come from the transit account of the Federal Highway Trust Fund. Only the fixed guideway modernization formulas would have been retained as a separate component of the consolidated program. The new starts programs, renamed the Major Capital Investment Program, would have continued to allocate discretionary funds for fixed guideway systems. The Clinton proposal included one new initiative for access to jobs and training. This new program would have provided $100 million to help current welfare recipients get to jobs or training.

The bill passed by the House Committee on Appropriations would have increased total transit funding for FY1998 to $4.84 billion, an increase of $455.6 million over FY1997 funding and an increase of $350.4 million over the Administration proposal. The House bill retained the existing transit program with no major changes. Funding would not have come from the trust fund as proposed by the Administration. Transit discretionary funding was increased by $100 million in FY1998 to $2 billion. The transit formula program was significantly increased to $2.5 billion for FY1998, or $350.8 million above the FY1997 funding level. Transit operating assistance would be decreased from the FY1997 level of $400 million to $200 million for FY1998. The Administration's proposal would have eliminated operating assistance in FY1998.

The Senate Appropriations Committee recommended total FTA funding of $4.693 billion for FY1998, approximately $206.0 million more than the Administration request for the period, and $311.0 million more than the FY1997 appropriation.

Federal Aviation Administration (FAA)

The Administration requested $8.461 billion for the FAA, about $199 million less that the FY1997 appropriations. The proposed budget included an 8.7% increase in FAA operations funding, to $5.386 billion. The request would have enabled the FAA to hire 500 new air traffic controllers, 273 new safety inspectors and certification personnel, and 173 new aviation security personnel beginning October 1, 1997. It is anticipated that 77% of the agency's budget will be funded from Airport and Airway Trust Fund resources.

While operations funding would have increased, all three capital accounts would have been reduced. The largest cut was proposed for the Airport Improvement Program (AIP), which would have been reduced $460 million, or 31.5%, from the FY1997 level. In competing budget priorities, the Administration reasoned that large airports can generate revenue more easily than can other types of aviation infrastructure through landing fees, concession revenue and passenger facility charges. The budget proposed that small commercial airports receive at least as much entitlement funding as they received in FY1997, however. Smaller cuts would have reduced the facilities and equipment account by 3.3% and the research, engineering, and development (RE&D) account by 3.9%.

With respect to aviation security, last year's Omnibus Consolidated Appropriations Law included $225 million for the FAA to pay for some 20 aviation security improvement recommendations made by a special White House Commission on Aviation Safety and Security chaired by Vice

President Gore (Gore commission).[6] The current budget request includes $100 million to continue these efforts and to implement additional Gore commission recommendations.

As specified in the Gore commission report, it was the Administration's intent that the FAA develop more partnerships with the industry to reach goals in technology, research and training. The Administration also wanted to speed the transition to satellite-based navigation and has given the FAA six months from February 12, 1997, to specify how it will make the transition by 2005 instead of the previous date of 2012.

Trust Fund

About 75% of the FAA's annual budget is drawn from the Airport and Airway Trust Fund which receives revenues from the 10% excise tax levied on each airline ticket and from other aviation-related taxes. Authority to collect these taxes expired on December 31, 1996. For every month taxes were not collected, the Fund lost about $500 million. As a result of lapses in collecting authority last year, it was feared that the trust fund could become insolvent as early as this spring, which could dramatically affect federal spending on aviation. However, legislation to reinstate the collection of trust fund taxes through FY1997 was enacted into law. The FY1998 budget submittal assumed reenactment of the taxes to occur by April 1, 1997.

User Fees

For the first time the budget proposed the collection of user fees for services provided by the agency, with $400 million in fees indicated for FY1998. Since the proposed budget for FAA operations includes $350 million in user fee money, full funding of the account depends on Congress agreeing to new user fees.

The Office of Management and Budget suggested replacement of the aviation excise taxes with cost-based user fees beginning in FY1999. It further proposed ending by 1999 the use of general tax revenues to finance that portion of the FAA budget not covered by the trust fund (approximately $2 billion annually). Such a move would shift the burden of paying for the air transportation system completely to system users.

In its report, the House Appropriations Committee recommended $9.060 billion total budgetary resources for the FAA total operations. This amount is comprised of $7.360 billion in funding and $1.7 billion limitation on obligations. Revised estimates show that the categories with increases in funding include FAA operations, for which the Committee recommended an increase of $263.9 million over the Administration's FY1998 request of $5.036 billion, and $374.5 million over the FY1997 enacted $4.93 billion. The Committee did not approve the FAA's proposed appropriation of $300 million in new user fees, but instead provides those funds as a direct appropriation. Reliability of an income stream derived from users' fees appeared to be a consideration.

In its report, the Senate Appropriations Committee recommended a total budgetary resource of $9.129 billion[7], an amount exceeding the Administration's FY1998 request by $718 million and the enacted FY1997 amount by $805 million. Of note, the Committee has provided for an increase in the Air Traffic Services to accommodate an additional 500 air traffic controllers. The

[6] White House Commission on Aviation Safety and Security. Final Report to President Clinton. Vice President Al Gore, Chairman. February 12, 1997. [Available on the Internet: http://www.aviationcommission.dot.gov.]

[7] Fifty million dollars in users fees credited to the "Operations" appropriation increases total recommended program funding to $9.179 billion.

Senate likewise rejected the appropriation of $300 million in users' fee collection requested by the Administration.

In its conference report, the House and Senate recommended total budgetary resources of $9.076 billion for the Federal Aviation Administration, an increase of approximately 9.5% over the amount appropriated for FY1997.

National Highway Traffic Safety Administration (NHTSA)

The National Highway Traffic Safety Administration was established as a separate organizational entity in the Department of Transportation in March 1970. The agency's responsibilities include establishing minimum safety standards for automotive equipment, serving as a clearing house and information source for drivers, identifying and studying emerging safety problems, and encouraging state governments to enact laws and implement programs to reduce drunk driving, and encourage the use of seat belts and motorcycle helmets.

NHTSA's FY1997 appropriation was $303.7 million. For FY1998, the Administration requested $333 million total budgetary resources, comprised of $147.5 million program funding, and $185.5 million primarily for traffic safety grants to the states.

The House Appropriations Committee responded by recommending total resources of $333.4 million for FY1998, an increase of $0.4 million over the Administration's request, and $29.7 million over funding levels for FY1997.

The Senate Appropriations Committee has recommended a budget comparable to that of the House--$333.5 million total budgetary resources.

The Conference Committee recommended total budgetary resources of $333.5 million for FY1998, an increase of approximately 10% over the FY1997 amount.

Table 3. Total Budgetary Resources of Selected Agencies/Offices

(in millions of dollars)

Admin.	FY1997 Enact.*	FY1998 Req.*	S.Rept. 105-55	H.Rept. 105-188	Conference (H.Rept. 105-313**)	P.L. 105-66***
Fed. Highway Admin.	22,113.0	20,030.0	23,582.0	23,246.0	23,275.0	--
Bur. of Trans. Stat	25.0.0	31.0	25.0	25.0	25.0	--
Nat'l Highway Traffic Safety Admin.	300.0	333.0	333.5	333.4	333.5	--
Fed. Railroad Admin.	890.0	897.0	772.0	918.8	936.8	--
Fed. Transit Admin.	4,382.0	4,382.0	4,685.0	4,838.0	4,843.7	--
Fed. Aviation Admin.	8,262.0	8,461.0	9,129.0	9,060.0	9,076.0	--
U.S. Coast Guard	3,466.0	3,861.0	3,656.0	3,882.0	3,916.0	--

Admin.	FY1997 Enact.*	FY1998 Req.*	S.Rept. 105-55	H.Rept. 105-188	Conference (H.Rept. 105-313**)	P.L. 105-66***
St. Lawrence Seaway Dev. Corp.	10.0	0.0	0.0	11.2	11.2	--
Office of Inspector Gen.	38.0	41.0	38.9	42.0	42.0	--
Research and Special Prog. Admin.	58.0	70.0	59.6	59.6	59.9	--
Off. of the Sec.	220.0	133.0	81.5	74.8	75.8	--
Surface Trans. Bd	12.0	14.0	12.3	15.9	13.9	--
Grand Total--Budgetary Resources	39,751.0	38,384.0	42,374.0	42,506.0	42,608.8	--

Sources:
* Budget of the United States Government, Fiscal Year 1997, Appendix, United States Department of Transportation.
**Information taken from the tabular portion of the Conference Report, H.Rept. 105-313.
***Amounts the same as the conference report except for $6.2 million in line item vetoes.

Note: Numbers within this table may differ slightly from those in the text due to supplemental appropriations, rescissions, and other funding actions. Columns may not add due to rounding.

For Additional Reading

CRS Issue Briefs

CRS Issue Brief 97030. *Amtrak and the 105th Congress*, by Stephen J Thompson.

CRS Issue Brief 97029. *Supplemental Appropriations and Rescissions for FY1997*, coordinated by Stephen Daggett.

CRS Reports

CRS Report 96-67 E. *The Surface Transportation Board (STB): An Overview and Selected Public Policy Issues*, by Stephen J Thompson.

CRS Report 96-901. *Automobile Air Bags: New Issues/New Research*, by Duane A. Thompson.

CRS Report 97-271. *Federal Traffic Safety Programs and Grants: Issues and Options for Reauthorization*, by Paul F. Rothberg and Brad A. Trullinger.

CRS Report 97-194. *Highway and Transit Program Reauthorization: ISTEA Revisited?*, by John W. Fischer.

CRS Report 96-803. *Reauthorization of the Motor Carrier Safety Assistance Program: Options to Promote Flexibility and Performance*, by Paul F. Rothberg, et al.

CRS Report 96-989. *Transportation Trust Funds: The Off-Budget Debate Continues*, by John W. Fischer.

CRS Report 97-691. *Intelligent Transportation Systems Program: Importance, Status, and Options for Reauthorization*, by Paul Rothberg, Frederick W. Ducca, and Brad A. Trullinger.

CRS Report 97-951. *Traffic Safety Provisions in Various Highway Reauthorization Bills*, by Paul F. Rothberg.

Selected World Wide Web Sites

Department of Transportation Budget Site:

http://www.dot.gov/affairs/dot5496.htm

Department of Transportation, Chief Financial Officer:

http://ostpxweb.dot.gov/budget/

House Appropriations Committee:

http://www.house.gov/appropriations

Interactive Budget Web Site:

http://ibert.org/civix.html

Maritime Administration (financial reports):

http://marad.dot.gov/finstatm.htm

National Highway Traffic Safety Administration (budget & planning):

http://www.nhtsa.dot.gov/nhtsa/whatis/planning/perf-plans/gpra-96.pln.html

Office of Management and Budget:

http://www.access.gpo.gov/omb/omb003.html

Saint Lawrence Seaway Development Corporation (Fiscal Year 1995 Annual Report):

http://www.dot.gov/slsdc/95anrep.htm

Senate Appropriations Committee:

http://www.senate.gov/committee/appropriations.html

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