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Appropriations for FY2002: Transportation and Related Agencies

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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 bound 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.

This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the Subcommittees on Transportation of the House and Senate Committees on 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.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

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Summary

On December 18, 2001, the President Bush signed the FY2002 Department of Transportation (DOT) and Related Agencies conference agreement (H.Rept. 107-308), appropriating a total of $59.588 billion for DOT, a 2.5% increase over the FY2001 enacted level. The enacted bill provides $507 million more than the House-passed version and $391 million less than the Senate-passed bill. At $32.895 billion, the Federal Highway Administration (FHWA) will receive slightly less than in FY2001. The Federal Railroad Administration (FRA) will receive $734 million, $21 million less than in FY2001. The other major agencies all get increases. The Federal Aviation Administration (FAA) budget will increase roughly 6% to $13.295 billion; the Federal Transit Administration (FTA) budget will increase 8% to $6.747 billion; and the Coast Guard will receive an increase of 12% to $5.031 billion. The Act also includes $1.25 billion (to be offset by user fee collections) for the new Transportation Security Administration (TSA).

The enacted conference agreement mandates significant safety and inspection requirements be met by Mexico-domiciled trucks before DOT begins processing Mexican applications for operating authority in the U.S. beyond the commercial zones along the border. It does, however, include a number of modifications in response to Administration concerns that the original Senate bill (as well as the House bill) violated provisions of the North American Free Trade Association agreement (NAFTA).

The conference agreement created a controversy when the conferees redirected and earmarked $997.6 million of Revenue Aligned Budget Authority (RABA) funds. The RABA mechanism adjusts DOT program authorization and obligation levels to reflect recent fuel tax revenues (by increasing or decreasing both the authorization and the obligation limitation). For FY2002, this added $4.5 billion to DOT programs. This redirection of RABA funds reduces the RABA portion of the states' formula funding by 10.7% from what they otherwise would have received. Authorizers see this action as a usurpation of their authority, and some vowed to oppose this sort of action in the future.

Congress responded to the terrorist attacks of September 11, 2001, by passing the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States (P.L. 107-38). That Act provides $40 billion, government-wide, to pay the costs of a variety of responses, including "providing increased transportation security." As of this writing, roughly $1.9 billion of these emergency supplemental funds have been approved for transfer to DOT.

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Most Recent Developments

On December 18, 2001, President Bush signed the FY2002 Department of Transportation and Related Agencies conference agreement (H.Rept. 107-308; P.L. 107-87) appropriating a total of $59.588 billion (a 2.5% increase above the FY2001 enacted level). The enacted bill provides $507 million more than in the House bill and $391 million less than the Senate bill. At $32.895 billion, the Federal Highway Administration (FHWA) receives slightly less than in FY 2001. The Federal Railroad Administration (FRA) is funded at $734 million, $21 million less than enacted in FY2001. The other major agencies all get increases. The Federal Aviation Administration (FAA) budget increases roughly 6% to $13.295 billion; the Federal Transit Administration (FTA) budget increases 8% to $6.747 billion; and the Coast Guard budget receives an increase of 12% to $5.031 billion.

The September 11, 2001, simultaneous hijacking of four airliners from three different airports and the enormous loss of life that resulted from the terrorists' suicide-bomber tactics had a quick impact on transportation appropriations. Congress responded to the terrorist attacks by passing the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States (*P.L. 107-38*). The bill provides $40 billion to pay the costs of a variety of responses including "providing increased transportation security." The funds may be transferred to any authorized federal activity to meet the purposes of the act. As of this writing, roughly $1.9 billion has been approved for transfer to the Department of Transportation (DOT). The length of availability of these funds varies depending on the purpose of the spending.

The Transportation Appropriations Framework

Transportation is function 400 in the annual unified congressional budget. It is also considered part of the discretionary budget. Funding for the DOT budget is derived from a number of sources. The majority of funding comes from dedicated transportation trust funds. The remainder of DOT funding is from federal Treasury general funds. The transportation trust funds include: the highway trust fund, the transit account of the highway trust fund, the airport and airway trust fund, and the inland waterways trust fund. All of these accounts derive their respective funding from specific excise and other taxes.

In FY2002 trust funds accounted for well over two-thirds of total federal transportation spending. Together, highway and transit funding constitute the largest component of DOT appropriations. Most highway and the majority of transit programs are funded with contract authority derived by the link to the highway trust fund. This is very significant from a budgeting standpoint. Contract authority is tantamount to, but does not actually involve, entering into a contract to pay for a project at some future date. Under this arrangement, specified in Title 23 U.S.C., authorized funds are automatically made available at the beginning of each fiscal year and may be obligated without appropriations legislation; although appropriations are required to make outlays at some future date to cover these obligations.

Where most federal programs require new budget authority as part of the annual appropriations process, transportation appropriators are faced with the opposite situation. That is, the authority to spend for the largest programs under their control already exists, and the mechanism to obligate funds for these programs also is in place.

Prior to the FY1999 DOT Appropriations Act, changes in spending in the annual transportation budget component had been achieved in the appropriations process by combining changes in budget/contract authority and by placing limitations on obligations. The principal function of the

limitation on obligations is to control outlays in a manner that corresponds to congressional budget agreements.

Changes in Transportation Appropriations as a Result of TEA21

Beginning in 1999, TEA21 changed the transportation budgetary process in two ways. First, it created new budget categories; and, second, it set statutory limitations on obligations. TEA21 amends the Balanced Budget and Emergency Deficit Control Act of 1985 to create two new budget categories: highway and mass transit. TEA21 further amends the budget process by creating a statutory level for the limitation on obligations in each fiscal year from FY1999 to FY2003.

The net effect of the creation of these new budget categories is a predetermined minimum level of funding for core highway and transit programs, referred to in TEA21 as a "discretionary spending guarantee." The highway and mass transit categories are separated from the rest of the discretionary budget in a way that prevents the funds assigned to these categories from being used for any other purpose. These so called "firewalls" are viewed, in the TEA21 context, as guaranteed and/or minimum levels of funding. Additional funds above the firewall level can be made available for highway and transit programs through the annual appropriations process.

In addition, TEA21 provides a mechanism to adjust the amounts in the highway account (but not the transit account) to correspond with increased or decreased receipts in highway-generated revenues. This Revenue Aligned Budget Authority (RABA) redistributes to the various states, for obligational TEA21 highway programs (also known as core programs), the trust fund revenues that are in excess of projected receipts. These additional revenues are allocated to the states using the formulas spelled out in the law. However, the FY2000, FY2001, and FY2002 Administration requests proposed redirection of RABA funds from highway programs to other DOT initiatives. In the end, the FY2000 and FY2001 DOT appropriations acts did not adopt the proposed redirection of RABA funds. In FY2002, however, the Administration request is honored in part. More importantly, the FY2002 Act makes major redistributions of RABA funding outside of the core programs. These distributions will be discussed in the Federal Highway Administration (FHWA) section of this report.

TEA21 changes the role of the House and Senate appropriations and budget committees in determining annual spending levels for highway and transit programs. The appropriations committees are precluded from their former role of setting an annual level of obligations. In addition, it appears that the TEA21 precludes, at least in part, the House and Senate appropriations committees from exercising what some Members view as their traditional option of changing spending levels for specific programs or projects. In the FY2000 appropriations act, the appropriators took some tentative steps to regain some of their discretion over highway spending. The FY2000 Act called for the redistribution of some funds among programs and added two significant spending projects. In the FY2001 appropriations act, the appropriators continued in this vein by adding funds for large numbers of earmarked projects. Further, the FY2001 Act called for redirection of a limited amount of funding between programs and includes significant additional funding for some TEA21 programs. This trend continues, and even accelerates, in the FY2002 Act as appropriators have made major redistributions of RABA funds and, in some instances, have transferred RABA funds to agencies that would not be eligible for RABA funding from TEA21.

As suggested earlier, the TEA21 firewalls appear to diminish the flexibility of the committees on appropriations to meet the goals of the annual budget process, because the committees can only adjust the DOT agency or program budgets outside the firewalls. Hence, any reduction in

spending for function 400 must be allocated to agencies or programs other than highways or transit and, as will be discussed in the next section, most aviation programs.

Changes in Transportation Appropriations as a Result of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (FAIR21 or AIR21)

FAIR21 (P.L. 106-181, signed April 5, 2000) provides a so-called "guarantee" for FAA program spending. The guarantee for aviation spending, however, is significantly different from that provided by TEA21 to highway and transit programs. Instead of creating new budget categories, the FAIR21 guarantee rests on adoption of two point-of-order rules for the House and the Senate. The first point-of-order rule prevents Congress from considering any appropriations legislation for aviation purposes that does not spend all of the "total budget resources." As defined by FAIR21, total budget resources are essentially the revenues and interest accruing to the aviation trust fund. The second point-of-order prevents any spending for Federal Aviation Administration (FAA) operations and maintenance (O&M) or for research, engineering and development (RE&D), unless the Airport Improvement Program (AIP) and the facilities and equipment (F&E) portions of the FAA account are funded at their fully authorized levels.

Almost all observers view the FAIR21 guarantees as being somewhat weaker than those provided by TEA21 for highway and transit programs because Congress can, and sometimes does, waive points-of-order during consideration of legislation. In addition, there is a sense that appropriators might still have some latitude to make significant changes to FAA O&M funding, which is dependent on both trust-fund and general-fund contributions. For FY2001 and FY2002, however, no point-of-order waivers were considered.

Supporters of FAIR21 believe the Act requires significant new spending on aviation programs. And, for at least the FY2001 appropriations cycle, this has been the case. Enactment of FAIR21 means that transportation appropriators have total control over spending for only the Coast Guard; the Federal Railroad Administration (FRA), which includes Amtrak; and a number of smaller DOT agencies. All of these agencies were concerned about their funding prospects. However, the FY2001 Act provided budget increases for all major DOT agencies, except for the FRA budget.

Supporters of the Coast Guard are especially concerned about this new transportation appropriations environment. The Coast Guard is not funded by a trust fund and cannot claim a user-fee base to support an argument for its own budget firewalls. The Coast Guard has a unique status within the transportation budget category because of its wartime role in national defense. It is not unusual for the Coast Guard to receive some funds from military appropriations during the annual appropriations process. It is possible that the Coast Guard will seek additional funding from the military side of the budget in the years ahead if additional funds from transportation appropriations do not become available. In FY2001, however, the existence of a significant budget surplus abated these concerns. For FY2002, national security concerns have overridden the budgetary issues, and the agency will receive a significant increase in funding.

Table 1. Status of Department of Transportation Appropriations for FY2002

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
H.R. 2299 6-12-01	S. 1178 7-12-01	H.Rept. 107-108 6-22-01	6-26-01	S.Rept. 107-38 7-12-01	8-01-01	H.Rept. 107-308 11-29-01	11-30-01	12-4-01	P.L. 107-87 12-18-01

Key Policy Issues

Issue Overview

With release of the Bush Administration's FY2002 budget proposal on April 9, 2001, the budget debate began in earnest. In proposing a Department of Transportation (DOT) budget of roughly $59 billion the Administration was proposing a roughly 1.5% increase over last year's budget total.[1] The FY2001 budget, however, included slightly less than $2.8 billion of what the Administration referred to as "one time projects" that were added to the budget of the Federal Highway Administration (FHWA). If these are subtracted, the Administration's FY2002 proposal could be seen as a 6.5% increase. The budget request was in conformance with the basic outline of both the Transportation Equity Act for the 21ST Century (TEA21; P.L. 105-178), which authorized spending on highways and transit, and the aviation funding authorized in the Wendell Ford Aviation Investment and Reform Act of the 21st Century (FAIR21 or AIR21; P.L. 106-181). Although there was consensus on funding the larger programs at or above their guaranteed levels, there were still number of other issues that arose during the debate.

The Conference Agreement (H.Rept. 107-308; P.L. 107-87)

Three months after the House and Senate had passed their versions of H.R. 2299, Congress agreed to the conference report on the bill that resolved differences between the two bills, not only on money and program matters, but also on the President's objections to provisions in the House and Senate bills concerning the implementation of the North American Free Trade Agreement (NAFTA) provisions on access of Mexican commercial trucks to the U.S. market. President Bush signed P.L. 107-87 on December 18, 2001.

P.L. 107-87 provides $59.6 billion for DOT, roughly $600 million more than the President requested and $1.5 billion more than enacted for FY2001. Most DOT agencies, however, are funded at or near the Administration's request.

Compared to FY2001, the FY2002 DOT appropriations act (hereafter referred to as the FY2002 Act) provides significant increases for most DOT agencies. The Federal Aviation Administration (FAA) budget increases roughly 6% to $13.295 billion; the Federal Transit Administration (FTA) budget increases 8% to $6.747 billion; and the Coast Guard receives an increase of 12% to $5.031 billion. Two agencies get slightly less than in FY2001: at $32.895 billion, the Federal Highway Administration (FHWA) receives slightly less than in FY 2001; the Federal Railroad

[1] This report relies on figures from tables provided by the House Committee on Appropriations. Because of differing treatment of offsets, rescissions, and the structure of DOT appropriations bills, the totals will at times vary from those provided by the Administration. The DOT appropriations bills do not fund the Maritime Administration, but do fund some smaller entities that are not included in the DOT budget, i.e, the Architectural and Transportation Barriers Compliance Board and the National Transportation Safety Board.

Administration (FRA) is funded at $734 million, $21 million less than enacted in FY2001. The FY2002 Act also provides $1.25 billion (to be offset by newly authorized user and airline fees) for the Transportation Security Administration, recently created by the Aviation and Transportation Security Act (P.L. 107-71).

Transit Issues

The Administration's budget request had proposed to convert the Federal Transit Administration's (FTA) Bus and Bus Facilities Program and Job Access and Reverse Commute Program from discretionary to formula programs. Both these programs have been subject to earmarking in the past. Formula programs are generally not available for earmarking. Both the House and Senate rejected these program changes.

The Administration also proposed to reduce the maximum federal share under the FTA's New Starts Program from 80% to 50%, beginning in FY2004. There are always many more transit project proposals than funds to support them. Supporters of this change see it as a way to fund more New Starts projects, and also argue that a 50% local share would assure that only projects supported by a strong local commitment would get funded. On the other hand, some argue that the reduced federal share could skew the awards process to favor projects in wealthier urban areas and make the provision of funding less needs based. The FY2002 Act directs FTA not to sign any new full-funding grant agreements after September 30, 2002, that have a maximum federal share higher than 60%.

RABA Distribution and Congressional Earmarking

When the FY2002 DOT budget debate began, there were a number of reasons to expect that the treatment of RABA would be at issue. First, the Bush Administration's budget request proposed two RABA set-asides. One would have provided $56 million to support construction of state and federal motor carrier inspection facilities along the U.S.-Mexico border. A second set-aside, of $145 million, would have supported two pilot programs that make up the Administration's proposed New Freedom Initiative. Of this amount, $45 million would have been used to promote innovative transportation solutions for the disabled. The remaining $100 million would have been used to fund competitive matching grants to promote access to alternative transportation. Second, the Clinton Administration had previously proposed RABA set-asides in its FY2000 and FY2001 budgets. Congress, however, did not adopt the requested redirection of RABA funds during those years. Third, the FY2000 and FY2001 DOT Appropriations Acts did make a modest change in the RABA distribution. Both years' Acts redirected the RABA funds from allocated (commonly referred to as discretionary) programs, which are under the aegis of the FHWA, to the core highway programs that are distributed to the states by formula. Some observers thought this might happen again in FY2002. Finally, the large size of the FY2002 RABA, $4.543 billion, increased the attractiveness for using these funds for congressional initiatives or for earmarking.

The FY2002 Act sets aside $56.3 million of RABA funds for U.S.-Mexico border infrastructure but no RABA funds are set aside for the President's New Freedom Initiative.

More controversial is FY2002 Act's redirection of $423 million of the RABA revenues that under TEA21 are added to the formula funds distributed to the states. Instead, the $423 million is added to the $574 million of FY2002 RABA, that, under TEA21, is distributed to the allocated (i.e. discretionary) programs. This made a total of $997 million in RABA funding available for distribution to the FHWA's allocated programs. The conference report language, however, specifies the programs that are to be funded and provides the dollar amounts for each. Only programs provided with RABA set asides in the conference report receive any of the money; i.e.,

allocated programs that are not given set asides get no RABA funding. Most notable of the programs that lose their RABA funds under FY2002 Act is the High Priority Project program. Among the programs benefitting from these additional funds are: Indian Reservation Roads ($35.6 million); Public Lands Highways ($31.8 million and $45.1 million); Park Roads and Parkways ($21.3 million); ferry boats and ferry terminal facilities ($25.6 million); the Corridors and Borders program ($352.3 million); the Transportation and Community and System Preservation pilot program ($251.1million); the Interstate Maintenance Discretionary program ($76 million); the Bridge Discretionary program ($62.5 million); and for border infrastructure improvements ($56.3 million). Most of the money from these RABA set-asides is earmarked in conference report H.Rept. 107-308.[2] Some members of Congress have expressed dissatisfaction with the degree to which these set asides are in nonconformance with TEA21.

Section 330 of the conference report also provides an appropriation of $144 million for surface transportation grants. The funds are earmarked in H.Rept. 107-308. The extent of earmarking, especially of RABA funds, continues to be controversial.

NAFTA Implementation and the Mexican Trucking Issue

The most contentious debate during both House and Senate consideration of the DOT appropriation involved the implementation of the North American Free Trade Agreement (NAFTA) provisions regarding the operation of Mexican trucks throughout the U.S. NAFTA provisions prescribe a phased-in implementation which was to be completed by January 1, 2000. Citing safety concerns, the Clinton Administration refused to allow Mexican trucks beyond the border commercial zones. Mexico filed a complaint against the U.S. under NAFTA dispute resolution. Recently the arbitration panel held against the U.S. The Bush Administration announced its intention to implement the trucking access provisions of NAFTA by the end of 2001. A provision added by amendment in the House to H.R. 2299, prohibited the use of funds to process applications by Mexico-based trucking firms for authority to operate beyond U.S. border municipalities and commercial zones. Taking a different approach, the Senate bill included a series of safety requirements and preconditions to be met before any funds appropriated can be used to review or process an application by a Mexican motor carrier to operate trucks beyond the border commercial zone. Among the requirements and preconditions required in the Senate bill were: full on-site safety compliance review of Mexican motor carrier companies; equipping all U.S.-Mexico border stations with weigh-in-motion systems; proof of valid insurance with a U.S.-based insurance company; and requiring that Mexican commercial motor vehicles may not cross at a border crossing unless an inspector is on duty. After long and contentious debate, the Senate passed H.R. 2299 (as amended) with virtually all of the Mexican trucking provisions intact.

The FY2002 ACT incorporates Senate provisions, some of which have been modified, regarding processes and measures to promote the safety of cross-border trucking between the United States and Mexico. The modifications were sufficient to overcome Bush Administration concerns that the Senate-passed version of the bill might violate NAFTA. The agreement provides for $25.866 million for salaries, expenses, and capital costs to implement these provisions. These funds are in addition to funds provided in the appropriation for the Federal Motor Carrier Safety Administration (FMCSA) and the Motor Carrier Safety Assistance Program (MCSAP) that also are intended to enhance the ability of U.S. DOT and the states to promote the safety of Mexican trucks and buses entering the United States. (See CRS Report RL31028, *North American Free Trade Agreement: Truck Safety Considerations*, by Paul Rothberg)

[2] The conference report also provides for the set-aside and transfer of $23.9 million to the Federal Motor Carrier Safety Administration (FMCSA) per P.L. 106-159.

Antiterrorism Emergency Supplemental Appropriations

The September 11, 2001, simultaneous hijacking of four airliners from three different airports and the enormous loss of life that resulted from the terrorists' suicide-bomber tactics quickly had an impact on transportation appropriations. Congress responded to the terrorist attacks by passing the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States (P.L. 107-38), hereafter referred to as the Emergency Supplemental Appropriations Act. The bill provides $40 billion to pay the costs of a variety of responses including "providing increased transportation security." This $40 billion was divided into three categories of availability: $10 billion was available immediately for allocation; $10 billion was to be made available 15 days after congressional notification; and the final $20 billion, which requires separate legislation to appropriate the funds. The funds may be transferred to any authorized federal activity to meet the purposes of the Act.

As of November 30, 2001, $640 million of the immediate and 15-day funds have been allocated for transportation security purposes. Of the final $20 billion authorized, the President requested $734 million be made available for transportation security through appropriating legislation. The FY2002 Department of Defense (DOD) appropriations bill (H.R. 3338; P.L. 107-117) was the vehicle for allocating funds from the final $20 billion. The FY2002 DOD Appropriations Act allocated $1.296 billion for transportation projects and activities, mostly for security purposes. All together, P.L. 107-38, provided $1.936 billion in emergency appropriations for transportation. (For detail on the proposed allocation of the emergency supplemental funding see: CRS Report RL31187. *Terrorism Funding: Congressional Debate on Emergency Supplemental Allocations*, by Amy Belasco and Larry Nowels).

In this report, the agency totals, the agency funding charts, and table 3 at the end of the report do not include these supplemental amounts. The emergency supplemental appropriations are, however, discussed in the text where appropriate.

Major Funding Trends

Table 2 shows DOT actual or enacted funding levels for FY1988 through FY2001. Total annual DOT funding more than doubled from FY1988 through FY2001. The FY2002 enacted funding for DOT, at roughly $59.6 billion, continues the upward trend in FY2002.

Table 2. Department of Transportation Appropriations:FY1988 to FY2002

(in millions of dollars)

Fiscal Year[a]	Appropriation[b]
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
FY1995 Actual	38,878
FY1996 Actual	37,378

Fiscal Year[a]	Appropriation[b]
FY1997 Actual	40,349
FY1998 Actual	42,381
FY1999 Actual	48,067
FY2000 Enacted[c]	50,683[c]
FY2001 Enacted	58,107[c]
FY2002 Enacted	59,588[c]

a. "Actual" amounts from FY1988 to FY1998 include funding levels initially enacted by Congress in the Department of Transportation and Related Agencies Appropriations bill as well as any supplemental appropriations and rescissions enacted at a later date for that fiscal year.

b. Amounts include limitations on obligations, DOD transfers, and exempt obligations.

c. FY2001 and FY2002 enacted figures are drawn from budget tables provided by the House Committee on Appropriations.

Transportation Security Administration

The Aviation and Transportation Security Act (P.L. 107-71), passed in the aftermath of the September 11 attack, created a new agency in the DOT—the Transportation Security Administration (TSA). This new agency will be headed by an Under Secretary for Security who is appointed by the President and confirmed by the Senate for a fixed five-year term. With respect to air transportation, the Under Secretary assumes the civil aviation security functions of the FAA as promulgated under 49 U.S.C. 449. TSA is responsible for hiring, training, testing, and developing standards for security personnel who screen passengers and baggage and is also responsible for day-to-day screening operations. The new security administration also deploys Federal Security Managers at each airport to oversee screening and deploys Federal Air Marshals for every flight with "high security risk." TSA is assigned the task of improving airport perimeter-access security and acquires and deploys explosive-detection machines and other equipment designed to detect chemical or biological weapons. The Act imposes various deadlines in the coming year that the agency must meet in providing aviation security services.

TSA is responsible for the security of all modes of transportation, passenger and cargo. During a national emergency, TSA coordinates and oversees domestic transportation for air, rail, maritime (including seaports), and other surface transport modes and liaises threat assessments among appropriate federal, state, and local agencies. The agency develops policies, strategies, and plans for dealing with security threats, and undertakes R&D activities to enhance transportation security.

The FY2002 Act provides $1.25 billion in FY 2002 for the TSA. This appropriation is to be offset with collections from the "security service fee" authorized under the Aviation and Transportation Security Act (ATSA). ATSA imposes a fee of up to $2.50 per passenger (limited to $5 per one-way trip) to pay for civil aviation security services. If this fee proves to be insufficient to pay for the cost of security services, TSA may impose a fee on air carriers. The revenue collected from this air carrier fee is limited to the amount air carriers paid in calendar year 2000 for screening services.

Emergency Supplemental Appropriations Act (P.L. 107-38)

An allocation of $94.8 million in emergency funds made available in P.L. 107-38 is designated for TSA in the FY2002 DOD Appropriations Act (P.L. 107-117). $93.3 million is for security grants to national seaports and $1.5 million is for intelligence and security activities.

Coast Guard

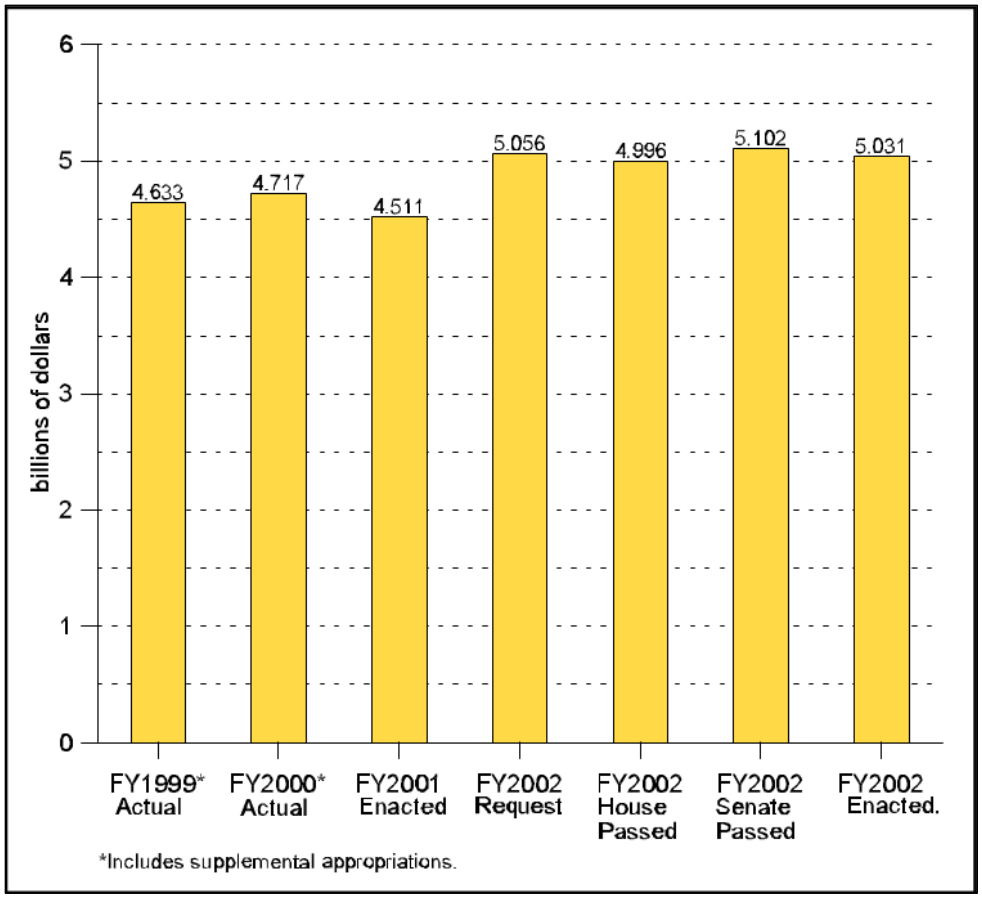
http://www.uscg.mil/

The Coast Guard appropriation is constrained, and its management challenged, by increased responsibilities for drug and illegal immigrant interdiction on the high seas as well as by its aging water craft and aircraft. The Administration requested $5.056 billion for Coast Guard funding in FY2002. Compared to the $4.511 billion appropriated in FY2001, the FY2002 request was $545.2 million, or 12%, more. The House approved $4.966 billion (H.R. 2299; H.Rept. 107-108), $60 million less than requested. In addition to these discretionary funds, there are mandatory funds of $64 million for State Boating Safety grants and $61.2 million from the Oil Spill Liability Trust Fund.[3] The Senate approved $5.102 billion (H.R. 2299; H.Rept. 107-108, amended by S. 1178, in the nature of a substitute).[4] Conferees provided $5.03 billion, which is the enacted amount. Coast Guard programs are usually authorized every 2 years; see CRS Report RS20924, *Coast Guard Legislation in the 107th Congress*, for discussion of current congressional consideration of authorization bills. P.L. 107-20 (H.R. 2216), an FY2001 emergency supplemental appropriations bill, increased FY2001 Coast Guard funding by $92 million.

[3] The House Appropriations Committee does not count these funds in the Coast Guard appropriations total. Some Administration sources do count these mandatory appropriations, which lifts the Coast Guard total to $5.181 billion for FY2002.

[4] The Senate Committee on Appropriations total includes $48.5 million from the Oil Spill Liability Trust fund but does not include $64 million in mandatory boating safety grants. This lifts the S. 1178 total to $5.166 billion. The total also reflects an $8.7 million rescission of prior years' budget authority. The total FY2002 program level for the Coast Guard is $5.75 billion.

Figure 1. U.S. Coast Guard Appropriations



The FY2002 budget request was intended to allow the Coast Guard to continue its activities against drug smuggling and to recapitalize aircraft and vessel fleets. The requested $3.38 billion ($197.8 million, or 6%, more than FY2001) was for operation and maintenance of a wide range of ships, boats, aircraft, shore units, and aids to navigation. The $3.38 billion included $340.3 million in defense-related funding. The House approved $3.38 billion for operation and maintenance; the Senate approved $3.428 billion; and, the conferees $3.38 billion, which is the enacted amount. Another major component of the request was for additional funds for acquisition, construction, and improvement. The Administration sought $659.3 million, $245.2 million, or 59%, more than current year funding. The House approved $600 million, $59.3 million less than requested. The Senate approved $669.3 billion, while the conferees approved $636.4 million. For complying with environmental regulations and cleaning up contaminated Coast Guard sites, the budget sought and the conferees approved $16.9 million, the same as current year funding. The $15.5 million requested and approved for altering bridges would be the same as current year funding. The $20.2 million approved for research and development is slightly less than current year funding and than the amount requested. The allocation for retirement pay will be $876.3 million, or 13% greater than FY2001. The Administration requested and the conferees approved $83.2 million to train, support, and sustain a ready military Selected Reserve Force of 8,000 members for direct support to the Department of Defense. Other Coast Guard requested funding included $50 million for spill clean-up and initial damage assessment, available without further appropriation from the Oil Spill Liability Trust Fund.

A prominent issue has been the Coast Guard's management of a major planned replacement of aging and outmoded high seas vessels and aircraft, with a special emphasis on improving the Coast Guard's capabilities on the high seas or in deep waters. Only planning and analysis funds were included for FY1998 through FY2001. Key dates include July 2001, when industry teams were to submit their design and construction proposals; and the second quarter of FY2002, when the Coast Guard will award the contracts to begin the replacement program. For FY2002, $338 million was requested. The FY2002 Act provides $320 million. Actual purchases of nearly $10 billion are anticipated over a 20-year period beginning in FY2002. The language of the enacted FY2002 appropriations bill includes provision for a penalty rescission of $100,000 per day for each day after the initial submission of the FY2003 budget request that the Coast Guard capital investment plan has not been submitted to Congress. CRS Report 98-830, *Coast Guard Integrated Deepwater System: Background and Issues for Congress*, discusses the issues associated with the program.

Emergency Supplemental Appropriations Act (P.L. 107-38)

Under provisions of P.L. 107-38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, the Coast Guard received $18 million in immediate funds for the costs of New York City harbor patrols and the recall of Coast Guard reservists. The FY2002 DOD Appropriations Act, allocates an additional $209.15 million of funds authorized in P.L. 107-38 to the Coast Guard. The funds are available until September 30, 2003. They are distributed as follows: $110 million for Reserve activation; $33.507 for restoration of FY2002 reductions; $41.293 million for anti-terrorism activities; $2.5 million for chemical/biological strike teams; and $21.85 million for National Defense Authorization Act entitlements. These supplemental amounts are not included in the totals for the Coast Guard's FY2002 annual appropriations totals in this report.

Federal Railroad Administration (FRA)

http://www.fra.dot.gov

The FY2002 Act provides $733.6 million in funding for the FRA. This is slightly less than the $744 million provided in FY2001. The Act provides $521 million for Amtrak, which is the same amount as provided in FY2001. Core safety and operations receive $111 million, a $9 million increase over the FY2001 level.

The Act eliminates funding for Rhode Island rail development and for a comparable program in West Virginia that was contained in the FY2001 Act. Alaska, however, will receive $20 million for Alaska Railroad rehabilitation, which is the same level of funding it received last year. Funding for the ongoing Pennsylvania Station relocation project in New York City is maintained at the $20 million level. Spending for next generation high-speed rail development is increased to $32.3 million, $7 million more than was provided in FY2001.

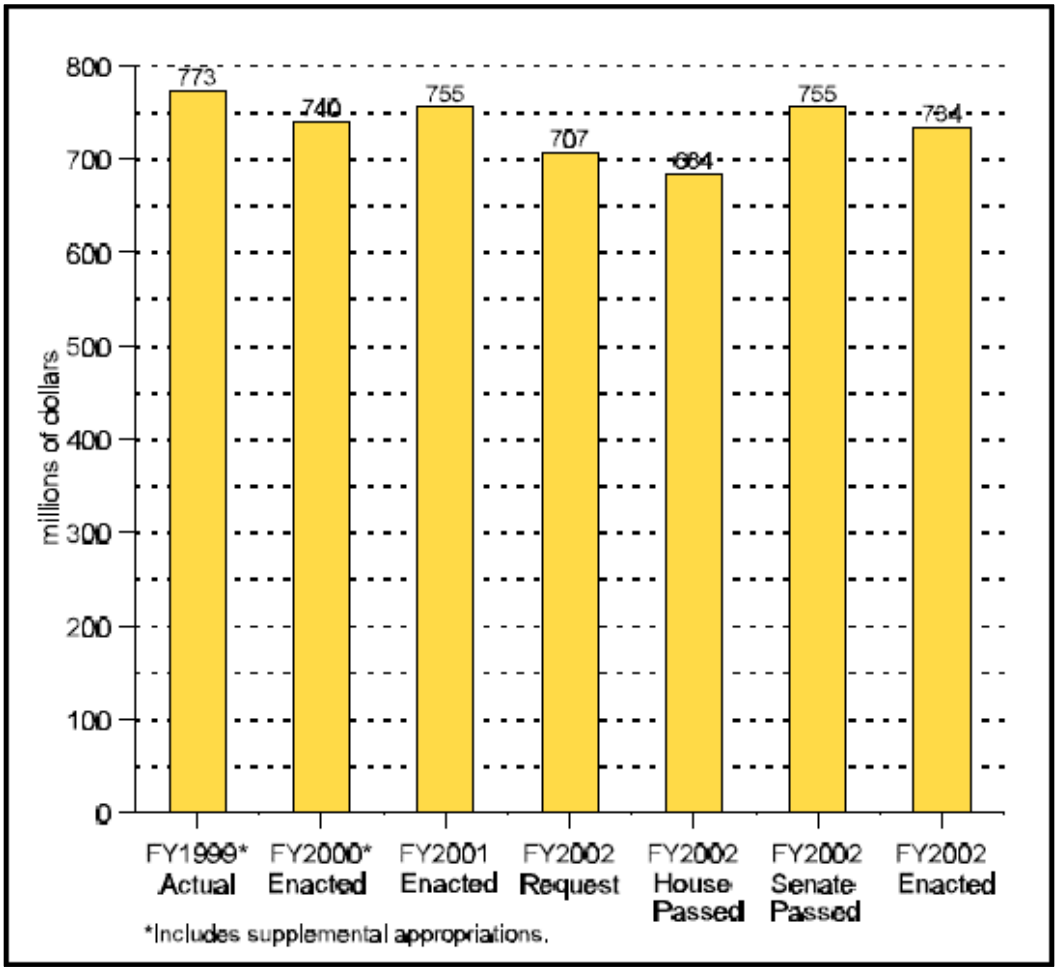
Although most of the debate involving the FRA budget centers on Amtrak, Next Generation High-Speed Rail, and agency safety activities (which receive more detailed treatment following this section), also likely to be discussed is the issue of how states might obtain additional funds for high speed rail initiatives.

Railroad Safety and Research and Development

The FRA is the primary federal agency that promotes and regulates railroad safety. The Bush Administration proposed $111.4 million for FRA's safety program and related administrative and

operating activities. Most of those funds are used to pay for salaries, as well as associated travel and training expenses for field and headquarters staff, and for information systems monitoring the safety performance of the rail industry.[5] The Administration's request for FY2002 represents a nearly 10% increase above the $101.7 million provided in the FY2001 DOT Appropriations Act (P.L. 106-346) for those expenses. The FY2002 Act provides $110.9 million for railroad safety.

Figure 2. Federal Railroad Administration Appropriations



The request for FRA's safety and research and development programs included a proposal to impose a rail-user fee on the industry. The collected funds would have offset costs of safety-related activities, raising an estimated $55 million that would have been credited to a special fund in the U.S. Treasury while general funds appropriated for the programs would have been reduced by similar amounts. Industry, in the past, has objected to such a proposal, maintaining that it already pays its share of taxes and that it invests heavily in safety. Both the House and Senate bills denied the Administration's request to collect user fees to help fund FRA safety and R&D activities.

[5]Those funds also are used to conduct a variety of initiatives, including the Safety Assurance and Compliance Program (SACP), the Railroad Safety Advisory Committee (RSAC), and field inspections. SACP involves numerous partnerships forged by railroad management, FRA personnel, and labor to improve safety and compliance with federal railroad safety regulations. RSAC uses a consensus-based process involving hundreds of experts who work together to formulate recommendations on new or revised safety regulations for FRA's consideration.

The last railroad safety Reauthorization statute was enacted in 1994, and funding authority for that program expired at the end of FY1998. FRA's safety program continues using the authorities specified in existing federal railroad safety law and funds provided by annual appropriations. Although hearings have been held since then, the deliberations have not resulted in a consensus to enact a law to authorize continued funding for FRA's regulatory and safety compliance activities or change any of the existing authorities used by FRA to promote railroad safety. A reauthorization statute changing the scope and nature of FRA's safety activities would most likely affect budgets after FY2002.

The adequacy and effectiveness of FRA's grade-crossing safety activities continue to be of particular interest. Relevant safety issues include: How effectively is FRA helping the states deal with the grade-crossing safety challenge? Is FRA's FY2002 budget adequate to deal with that challenge? Congressional reaction to these questions had a bearing on the railroad safety budget for FY2001. In its FY2002 budget, FRA requested funding to strengthen its grade-crossing safety program and associated public education activities.

To improve its safety regulations and industry practices, the FRA conducts research and development (R&D) on an array of topics, including: fatigue of railroad employees, technologies to control train movements, and track dynamics. In the reports accompanying the House and Senate transportation appropriation bills and in the annual conference report, the appropriations committees historically have allocated FRA's R&D funds among various research categories pertaining to safety. The FY2001 DOT appropriations act (P.L. 106-346), provided $25.3 million for the FY2001 R&D program. For FY2002, FRA requested $28.3 million for railroad R&D activities. The FY2002 Act provides $29 million.

Next Generation High-Speed Rail R&D

In FY2001, $25.1 million was made available for the Next Generation High-Speed Rail Program. The FRA requested $25.1 million to continue this program in FY2002; the FY2002 Act provided $32.3 million, a 29% increase over the FY2001 level. This included $3 million for study and design of a high-speed rail corridor in Florida, supporting that State's constitutional mandate to develop high-speed rail service.

Emergency Supplemental Appropriations Act (P.L. 107-38)

The FY2002 Department of Defense Appropriations Act (P.L. 107-117; H.Rept. 107-350) provides $6 million authorized under P.L. 107-38 to FRA for safety and operations. The funding is for additional expenses related to: overtime and the hiring of police and security officers; increased inspections of rail infrastructure; additional security personnel; additional inspector travel; and other security measures.

Amtrak

http://www.amtrak.com

The FY2002 authorization for Amtrak is $955 million. President Bush's FY2002 budget request for Amtrak was $521.5 million, the same as in FY2001 (the government-wide rescission for FY2001 reduced Amtrak's funding to just over $520 million). The President's budget, however, would allow Amtrak to use their entire appropriation immediately, rather than being given 40% in the first year and 60% in the second year, as in previous years' appropriations. This would give Amtrak a total of $833 million for FY2002 ($521.5 million appropriated for FY2002, plus $312

million carried over from FY2001). The FY2002 Act provides $521.5 million; it is silent on the accelerated funding arrangement, though both the House and Senate bills approved it.

After September 11, Amtrak increased security at its main passenger terminals and along its tracks. Demand for Amtrak's services skyrocketed during the time that commercial air travel was suspended. Even after air travel was restored, many travelers preferred not to fly, increasing demand for Amtrak's services. At the same time, however, after September 11 many people preferred not to travel at all, with the result that eventually Amtrak's overall passenger load was down slightly. The increased spending on security and decreased passenger demand exacerbated Amtrak's revenue shortfall.

The Amtrak Reform and Accountability Act of 1997 (P.L. 105-134) prohibits the appropriation of federal operating grant funds for Amtrak after FY2002 (Section 201). However, the Congress has appropriated only capital grant funds to Amtrak for several years now, with the understanding that those funds may also be used for operating expenses. The Act also requires that if the Amtrak Reform Council determines that Amtrak will not be able to operate without federal operating grant funds after FY2002, it shall notify the President and Amtrak's authorizing committees. The Council will then have 90 days to submit to the Congress an action plan for a restructured national intercity passenger system (P.L 105-134, Section 204). At the same time, Amtrak will have 90 days to submit a liquidation plan to the Congress. The Amtrak Reform Council, on November 9, 2001, formally declared that Amtrak would need operating assistance after FY2002. Consequently, a plan for restructured national passenger rail service, and an Amtrak liquidation plan, are due to the Congress by February 7, 2002. The FY 2002 Department of Defense Appropriations Act (P.L. 107-117), however, prohibits the use of appropriated funds or Amtrak revenues to develop the action plan for Amtrak liquidation.

In addition to operating assistance, the DOT Inspector General (IG) estimates that over the next several years Amtrak will require $2.7 billion to $4 billion in federal funds for new equipment and improvements to signaling and track. In February 2001, Amtrak released a FY2001-2005 capital improvements plan which calls for $973 million in capital spending each year to maintain its current level of service and an additional $584 million each year to expand its level of service. The combined total is $1.56 billion each year. In its long-range plan (FY2006-2020), Amtrak foresees a capital investment need of $1.52 billion each year for maintenance and expansion of service.

Emergency Supplemental Appropriations Act (P.L. 107-38)

The FY2002 Department of Defense Appropriations Act (H.R. 3338; H.R. Rept. 107-350), provided $100 million, authorized by P.L. 107-38, for post-September 11security work on Amtrak rail tunnels in New York City. The funds remain available until expended.

Amtrak Reform Council

http://www.amtrakreformcouncil.gov

Amtrak Reform Council (hereafter referred to as the Council) funding is presented within the FRA budget request, although the Council is an independent federal commission. The budget request for the Council is $785,000 in FY2002 compared to $748,000 enacted in FY2001. The FY2002 Act provided $225,000; perhaps the Congress felt that the Council's work would be finished after submission of its national passenger rail restructuring plan in February 2002.

The Council was created by the Amtrak Reform and Accountability Act of 1997 to perform an independent assessment of Amtrak's labor agreements, Amtrak's progress in increasing employee

productivity, and (any time after December 2, 1999) Amtrak's ability to operate without federal operating assistance after September 30, 2002. If, as the Council concluded, Amtrak requires federal operating grant funds after FY2002, then federal law requires the Council to submit an Amtrak reorganization plan to the Congress and requires Amtrak to submit to Congress an Amtrak liquidation plan. The Council made this finding on November 7, 2002; these plans are due to the Congress by February 7, 2002.

The Council submitted its second annual report to Congress in March 2001. In it, the Council recommended that the Congress should provide stable and adequate funding for the capital needs of passenger rail operations, and that Amtrak's multiple roles (as a quasi-government agency, maintainer of rail infrastructure, and provider of commercial passenger service) be separated. The Council suggested several possible structures for this new arrangement of responsibilities

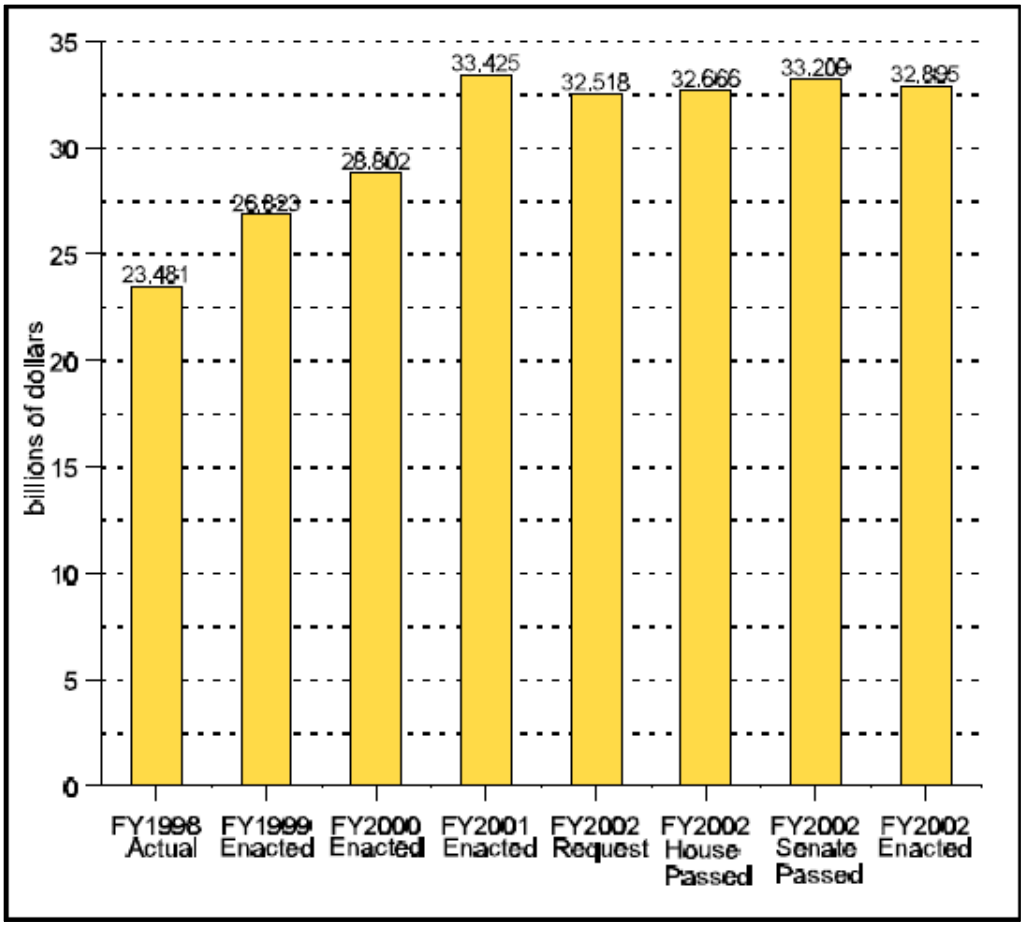
Federal Highway Administration (FHWA)

http://www.fhwa.dot.gov

The FY2002 Act approves $32.895 billion in total funding for FHWA. This represents an increase of $1.22 billion over the FY2001 enacted level. The obligation limitation, which supports most of the federal-aid highway program, is set at $31.799 and is significantly more than the $29.661 billion provided in FY2001. Funding for exempt programs (emergency relief and a portion of minimum guarantee funding) is set at $995 million, down slightly from FY2001's $1.069 billion. There are some distortions in the comparisons between FY2002 and FY2001 because of $2.759 billion in earmarked projects and additional Emergency Relief funding from sources outside the highway trust fund added in FY2001. Setting that aside, the FY2002 Act still represents a significant increase over core program spending in the FY2001 Act.

The most controversial element of the FY2002 Act is the redirection and earmarking of just under $1 billion in RABA funds from the way they would have been distributed by TEA21. To accomplish this redistribution, the Act removes nearly half a billion dollars from core program redistribution to the states. Additional monies are derived by zero funding a number of programs that would have been eligible for RABA funding from TEA21. The Act directs that these funds be distributed to specific discretionary programs under the control of the appropriations process. For example, the Corridor and Border (CORBOR) program gets over $352 million in RABA funding, in addition to its $140 million annual authorization. These funds are then earmarked to 124 specific projects. The provision of RABA funds to programs outside FHWA (to the Motor Carrier Safety Administration) is also somewhat controversial.

Figure 3. Federal Highway Administration



As a result of these actions, the states lose significant amounts of core program funding that they expected as part of the RABA distribution process. In addition, the Act eliminates RABA funding for programs such as the High Priority Projects that are operated by the states outside the core program. The redistribution of these funds has raised concerns, among the states and amongst several leaders of House and Senate transportation authorizing committees, that the Act disregards the guidance of TEA21. These same Members have indicated that they might attempt to undo some of the Act's earmarking, but no specific mechanism has yet been identified to accomplish this.

The Act, as mentioned in the RABA discussion above, continues a trend of earmarking an ever larger share of FHWA's non-core formula programs. Some discretionary activities, i.e., the Transportation and Community and System Preservation Pilot Program, are now completely earmarked. The growth in earmarking is controversial. Opponents of earmarking contend that this process negates the intent of authorizing legislation, in this case TEA21, that seeks to make some of these funds available on a competitive basis. Appropriators, however, believe that they should have a role in determining when and where funds are spent. Further, they believe they are simply responding to the desires of Members of Congress who have filed large numbers of earmarking requests with the Committee.

The Administration's FY2002 proposal requested that a portion of the $4.543 billion in RABA funds be set aside for designated new projects: $145 million for a New Freedom Initiative intended to increase mobility for Americans with disabilities, and $56 million for Federal motor

carrier inspection facility construction at the U.S.-Mexico border. The FY2002 Act provides funding for border inspection facilities at a level in excess of the Administration request, but provides no funding for the New Freedom Initiative.

The TEA21 Funding Framework

TEA21 created the largest surface transportation program in U.S. history. For the most part, however, it did not create new programs. Rather, it continued most of the highway and transit programs that originated in its immediate predecessor legislation, the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA, P.L. 102-240). Programmatically, TEA21 can be viewed as a refinement and update of the ISTEA process. There are a few new funding initiatives in TEA21, such as a Border Infrastructure Program, but the vast majority of funding is reserved for continuing programs.

There are several groupings of highway programs within the highway firewall. Most of the funding is reserved for the major federal aid highway programs, which can be thought of as the core programs. These programs are: National Highway System (NHS), Interstate Maintenance (IM), Surface Transportation Program (STP), Bridge Replacement and Rehabilitation (BRR), and Congestion Mitigation and Air Quality Improvement (CMAQ). All of these programs are subject to apportionment on an annual basis by formula and are not subject to program-by-program appropriation.

There is a second category of highway funding within the firewalls. This so called "exempt" category consists of two elements: an additional annual authorization of minimum guarantee funding ($639 million per fiscal year) and emergency relief ($100 million per fiscal year). These funds are not subject to the annual limitation on obligations.

A further set of programs, which are also within the firewall, are known as the "allocated" programs. These programs are under the direct control of FHWA or other governmental entities. These programs include: the Federal Lands Highway Program, High Priority Projects (former demonstration project category), Appalachian Development Highway System roads (formerly ineligible for trust fund contract authority), the National Corridor Planning and Border Infrastructure Program, and several other small programs.

As discussed earlier, TEA21 provides a link between the highway-generated revenues that flow into the highway account and highway spending. The Act requires that the Secretary of Transportation make an annual evaluation of revenues into the highway account during the previous fiscal year vis-a-vis spending authorized within the highway firewall for the new fiscal year. If revenues go up, program spending is increased. Conversely, spending can go down if revenues go down. TEA21 specifies a formula to determine the direction and amount of highway funding adjustment. Known as RABA, this Revenue Aligned Budget Authority was employed beginning in FY2000.

FHWA Research, Development, and Technology (RD&T) Programs

The Administration proposed increased funding for various RD&T activities from $437.2 million in FY2001 to $528.7 million in FY 2002. The FY2002 Act provides for an obligation limitation of $447.5 million, consistent with the contract authority specified in TEA21. RD&T funds are used primarily to advance and deploy technologies intended to improve highway pavements, structures, roadway safety, highway policies, and intelligent transportation systems (ITS). The largest requested increases, in dollar amounts, are in FHWA's Surface Transportation R&D and Intelligent Transportation Systems (ITS) programs. The ITS deployment program provides funds

for states and local governments to use advanced communication and information systems to improve the management and safety of their surface transportation systems.

An issue associated with the ITS deployment program is the earmarking of funds. During the last few years, the appropriators have designated a substantial portion of the incentive funds intended to accelerate ITS deployment. This practice was continued in the FY2002 Act. Some Members and proponents of ITS would prefer to have the deployment funds competitively awarded. TEA21, however, also specifies several projects which are to receive some of the ITS deployment funds. During debate in the Senate, a provision was inserted in the Senate bill requiring that funds set aside for Intelligent Transportation Systems (ITS) be dedicated "to the achievement of the goals and purposes set forth in the Intelligent Transportation Systems Act of 1998."

Emergency Supplemental Appropriations Act (P.L. 107-38)

The FY2002 Department of Defense Appropriations Act (P.L. 107-117; H.Rept. 107-350) provides $175 million (from the Highway Trust Fund), to be obligated from amounts provided in P.L. 107-38, to FHWA. Of this amount, $100 million is for the expansion of interstate ferry service "necessitated by the attacks of September 11th," between New York and New Jersey, and $75 million is for FHWA's Emergency Relief Program. An additional $10 million for the repair and reconstruction of non-federal-aid highways that were destroyed by the collapse of the World Trade Center buildings is provided under the Federal Emergency Management Agency.

Federal Transit Administration (FTA)

http://www.fta.dot.gov/

President Bush's FY2002 budget proposal for FTA was $6.75 billion, essentially the TEA21 guaranteed level; the FY2002 Act provided this amount. This is an 8% increase above FTA's FY2001 appropriation of $6.26 billion.[6]

The transit appropriations shown in **Figure 4** illustrate the significant increase in FTA funding from FY1999 to FY2002 that occurred following the enactment of TEA21 in 1998. As **Figure 4** shows, transit funding under TEA21 reached its highest funding level to date in FY2001.[7] The $6.75 billion passed for FY2002 continues the impact of TEA21 on transit spending.

FTA Program Structure and Funding

There are two major transit programs: the Capital Investment Grants and Loans Program and the Urbanized Area Formula Grants Program. There are also several smaller formula and planning and research programs.

Capital Investment Grants and Loans Program (Section 5309)

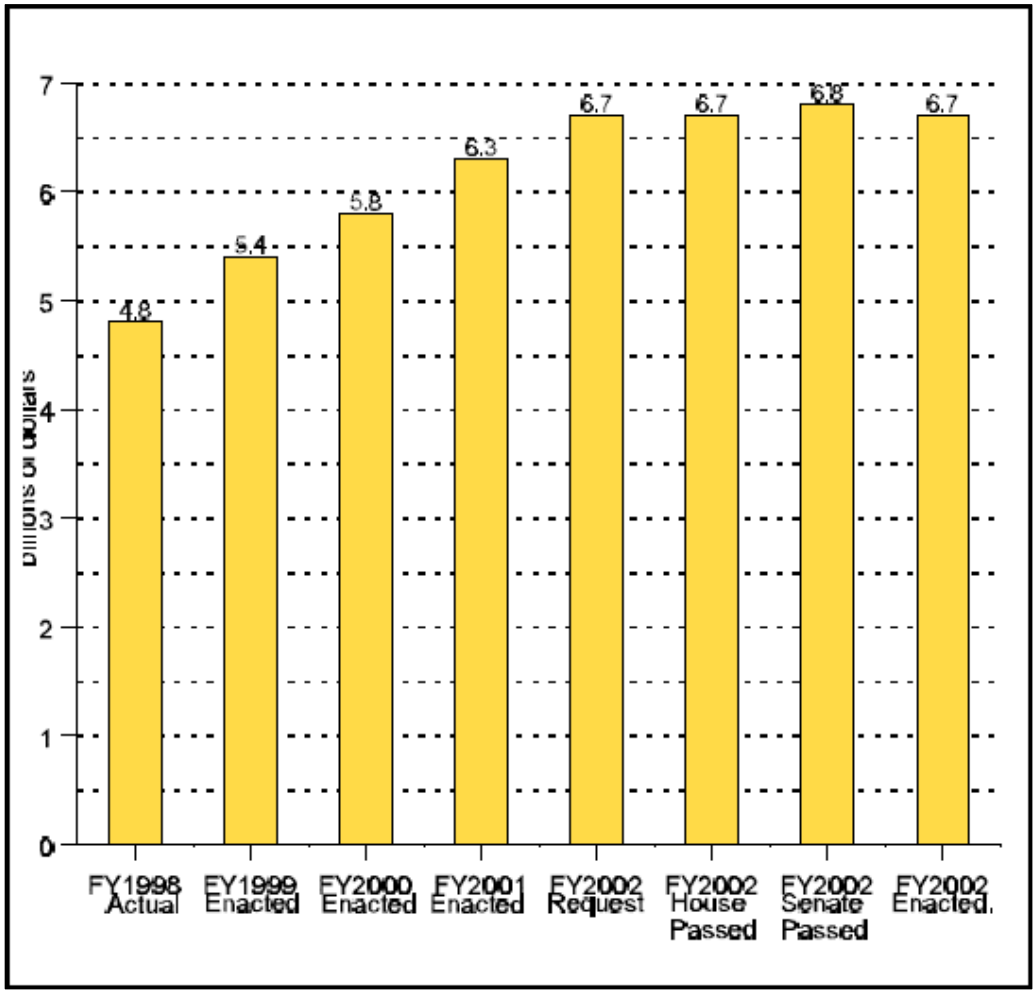
This program (formerly known as Section 3) has three components: new transit starts, fixed guide way modernization, and bus and bus facilities. For FY2002, the Administration proposed funding

[6] These figures for FTA do not include any projections to account for possible flexible funding transfers from FHWA to FTA. In FY2000 such transfers amounted to $1.647 billion. The Bush Administration budget assumes that flex-funding transfers between FHWA and FTA will continue.

[7] Pursuant to the government-wide 0.22% rescission at the end of the 1st Session, FTA programs were cut by $17.6 million from the level provided in the FY2000 Act.

this program at $2.841 billion, up from $2.695 billion[8] in FY2001; the FY2002 Act provides $2.891 billion,[9] a 5% increase over FY2001. These funds are allocated among these three components on a 40-40-20 basis, respectively; funds for the fixed guide way component are distributed by formula, while funds for the other components are distributed on a discretionary basis by FTA or earmarked by Congress. For FY2002 and FY2003, the Administration proposed to shift the bus and bus facilities component ($568 million in FY2002, plus $50 million transferred from the Clean Fuels formula program) to a formula based on population and population density factors. The conference report is silent on this proposal; in FY2002, as in FY2001, virtually all the money in this component was earmarked by Congress. In fact, the $568 million allocated to the bus and bus facilities program was increased by $50 million transferred from the Clean Fuels formula program (as in FY2001). In addition, $1.7 million in unobligated bus facilities funds from previous appropriations acts is included for a total of $619.7 million in FY2002 funding.

Figure 4. Federal Transit Administration Appropriations



The Bush Administration also proposed that, beginning in FY2004, the federal matching share for "new starts" under the Capital Investment Grants and Loans Program (Section 5309) be reduced

[8] This figure includes $50 million transferred from the Clean Fuels formula program and a $1 million rescission.

[9] This figure includes $50 million transferred from the Clean Fuels formula program.

to a maximum of 50% from the current maximum of 80%. The rationale for this change was that there are more applicants for "new starts" funding than there are funds available, so reducing the federal share would spread the available funding to more projects. Critics countered that raising the local share requirement would increase the difficulties for those cities and states which have fewer fiscal resources to draw on for their local share and which thus need more help. The FY2002 Act provides that after FY2002 FTA is not to sign any new full funding grant agreements that have a maximum federal share greater than 60%.

Urbanized Area Formula Program (Section 5307)

The program (formerly known as Section 9) provides for capital and, in some cases, operating needs for urbanized areas (population 50,000 or more). These activities include bus and bus-related purchases and maintenance facilities, fixed guide way modernization, new systems, planning, and operating assistance. For FY2002, the Administration proposed $3.22 billion (the TEA21 guaranteed amount), an increase over the $2.94 billion provided in FY2001. These funds are apportioned on a formula based, in part, on population (areas with populations over 1,000,000 receive two-thirds of the funding; urbanized areas with populations under 1,000,000 receive the remaining one-third) and transit service data. The FY2002 Act provides $3.0 billion. This is less than the guaranteed amount; the difference appears to have gone to oversight ($17 million) and transportation for the Paralympiad for the Disabled ($5 million).

With the enactment of TEA21, operating assistance funding was eliminated for urbanized areas with populations over 200,000. However, preventive maintenance, generally considered an operating expense, is now eligible for funding as a capital expense. Urbanized areas under 200,000 population, and non-urbanized areas (Section 5311), can use formula funds for either capital or operating purposes.

Other Transit Programs

There are several smaller formula grants programs (with FY2002 Administration funding requests and final funding figures):

- Non-Urbanized Areas Formula Program (Section 5311), which provides capital and operating needs for non-urbanized areas (areas with populations under 50,000)–$225 million requested for FY2002–the Act provides $223 million;
- Grants for Elderly and Individuals with Disabilities (Section 5310)–$85 million requested for FY2002–$85 million provided by the Act;
- Clean Fuels (Section 5308)–$50 million requested for FY2002–$50 million provided by the Act (but transferred to the Bus and Bus Facilities Capital Grants program); and
- Rural Transportation Accessibility Incentive Program (Section 3038), also known as the over-the-road bus accessibility program–$6.95 million requested for FY2002–$6.95 million provided by the Act.

In the House, the provision that would transfer the $50 million of Clean Fuels formula funds to the Bus Discretionary component of the Capital Investment Grants and Loan Program, where it would have been available for earmarking, was defeated on a point-of-order; in the Senate, a similar provision was removed by floor amendment. But the conferees re-inserted the provision.

Slightly less than 90% of the FY2002 formula grants funding is for the Urbanized Area Formula Program, and just over 6% is for the Non-Urbanized Area Formula Program (less than 50,000 population). The remaining 4% is split between the other programs.

TEA21 authorized a new discretionary Job Access and Reverse Commute grant program. This program provides funding for transportation projects that assist welfare recipients and low-income persons to find and get to work in suburban areas. The Administration proposed that this program be funded at $125 million in FY2002, up from $100 million in FY2001. The Administration also proposed to convert this program to a formula basis in FY2002. In recent years, much of the funding for this program has been earmarked by the Congress. The FY2002 Act provides $125 million, but is silent on the conversion proposal.

Emergency Supplemental Appropriations Act (P.L. 107-38)

An immediate allocation $10 million was provided under the Act for Washington Metropolitan Area Transit Authority for increased security. An additional $23.5 million for FTA formula grants and $100 million for FTA capital grants, authorized for under P.L. 107-38, has been provided for in the FY2002 Department of Defense Appropriations Act (H.R. 3338; H.Rept. 107-350). The $23.5 million in formula grants are for replacement of destroyed buses and transit kiosks, for technical aid for transit agencies to develop security and emergency response plan, for detection of chemical or biological agents, and for security training for transit operators. The $100 million in capital investment grants for repair of the New York City transit systems damaged by the September 11 attack.

Federal Aviation Administration (FAA)

http://www.faa.gov/

The FAA is provided with total budgetary resources of $12.978 billion for FY2002. This represents a significant increase over the FY2001 enacted level of $12.074 billion (after rescission).

The vast majority of FAA funding is provided from the Airport and Airway Trust Fund. In FY2002 a Treasury general-fund contribution of $1.113 billion is provided for in the Act. This is significantly less than the $2.13 billion provided by the Treasury general funds in FY2001. Historically, a significant portion of the agency's budget has come from general-fund revenues, the rationale being that the public at large realizes some benefit from aviation whether it uses the system or not.[10] The Act increases funding for all FAA activities. There are few significant new policy initiatives, excluding the transfer of all FAA security functions to the new Transportation Security Administration (although funding for existing security activities is shown in the FAA portion of the Act). Rather the bills focus on continued safety and infrastructure upgrades.

Operations and Maintenance (O&M)

FY2002 funding of $6.886 billion is included in the Act, an increase of $341 million over the FY2001 level. The majority of funding in this category is for the salaries of FAA personnel engaged in air traffic control, certification, and safety related activities. The O&M budget dedicates much of the increase in funding to mandatory pay raises and some new hiring.

[10] General fund appropriations have varied substantially, both in dollar terms and as a percentage of FAA appropriations as a whole, from year to year. Over the last 12 years the share has ranged from 0% to 47%. See table 1, in CRS Report RS20177, *Airport and Airway Trust Fund Issues in the 106th Congress*, by John W. Fischer.

Facilities and Equipment (F&E)

F&E receives $2.9 billion in the FY2002 Act. This is the same amount requested by the Bush Administration and represents an increase of 10% over the FY2001 level. F&E funding is used primarily for capital investment in air traffic control, safety, and security. There are no significant new F&E spending initiatives in the Administration proposal.

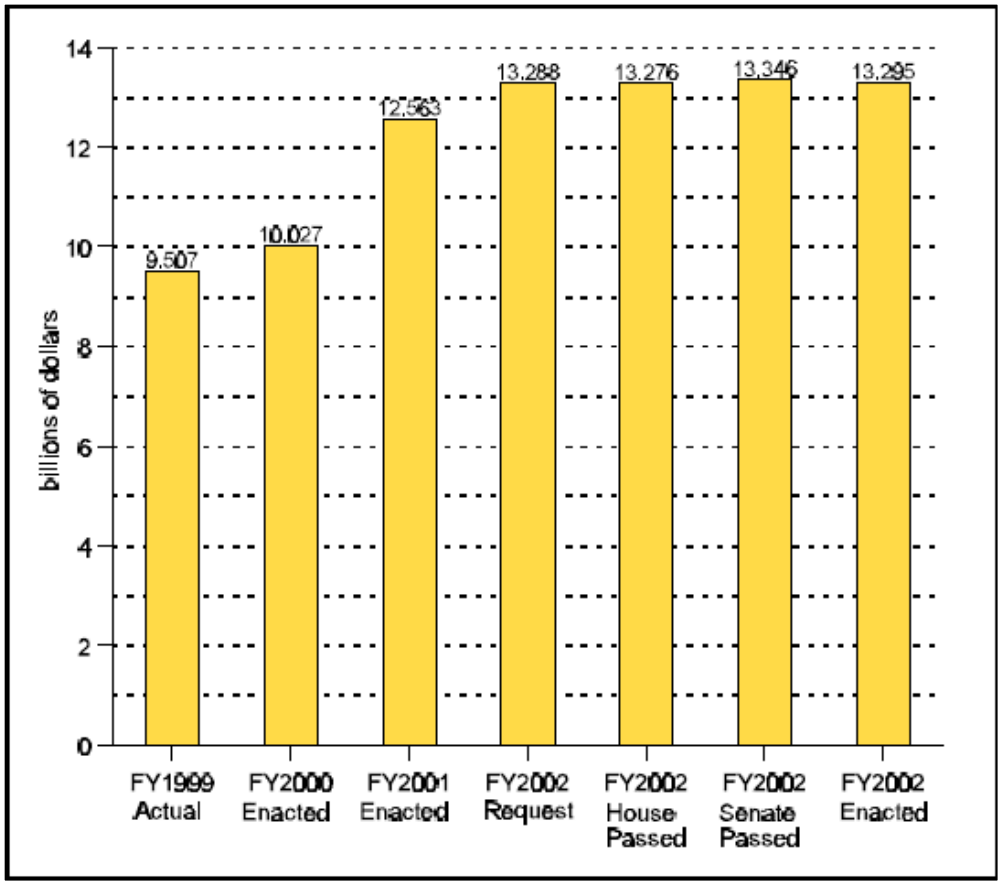
Research, Engineering, and Development (RE&D)

The FY2002 Act provides $195 million for RE&D, a small increase over the FY2001 enacted level of $187 million. The funding level provided by the Act is well below the $249 million authorized for this activity by FAIR21.

Essential Air Service (EAS)

The EAS program is operated through the Office of the Secretary of Transportation (OST), and receives its funding from designated user fees collected from overflights of United States territory by foreign aircraft. EAS has an annual authorized funding level of $50 million. For FY2002, the Bush Administration predicts that overflight user fees will generate only $40 million. It, therefore, asked that $10 million in AIP funding be provided from the airport and airway trust fund to make the program whole. The EAS program received $52 million in FY2001.

Figure 5. Federal Aviation Administration Appropriations



A more controversial proposal in the Administration budget would have significantly affected participation in the EAS program. At present, 78 communities outside of Alaska receive EAS subsidized service. The Administration proposed that 18 communities lose their subsidy payments in order to compensate for higher costs involved with providing service at the remaining EAS communities. The proposal would have accomplished this adjustment by changing some of the distance restrictions (driving distance to alternate airports) in the existing program.

The House agreed with the Administration that funding for the current program was inadequate, but chose to provide an additional $13 million for the program to preclude any loss of EAS service. The House Committee also provided $10 million in funding for the somewhat related **Small Community Air Service Development Pilot Program (SCASD).** This program, created by FAIR21 to increase service to small and rural communities, was not funded in FY2001. The $10 million for the program was to be derived from the AIP small airports fund. This proposal, however, was struck from the bill during House consideration on a point-of-order.

The Senate bill provides EAS with $50 million from overflight user fees. If collections do not reach this level, the FAA Administrator is given the authority to transfer up to $10 million to the program from the AIP program. The Senate accepted the Administration's proposed eligibility requirements for participation in the program, and provided no additional funding to retain eligibility for the 18 communities that would lose service. The Senate bill also provided $20 million to fund the **SCASD** and funds it from within the FAA budget.

The FY2002 Act provides $63 million for EAS. Of this $13 million is in new appropriations and $50 million is from overflight fees. Any shortfall in revenue is to be funded from unobligated balances of the F&E account. The Act also provides $20 million for **SCASD**.

An additional $50 million for EAS, available through FY2003, is provided in the FY2002 DOD Appropriations Act from funds provided for in the Emergency Supplemental Appropriations Act (P.L. 107-71).

Grants-in-Aid for Airports

The Airport Improvement Program (AIP) provides grants for airport development and planning. The FY2002 Act provides $3.3 billion for AIP. This is a 3% increase over the FY2001 enacted level. The request is in conformance with the FAIR21 funding guarantees for AIP. The Act does not include a House proposal to use $10 million of AIP contract authority for EAS. It does, however provide $20 million for **SCASD**. The FY2002 Act provides for a rescission of $301.7 million of previous year budget authority. This rescission should have no programmatic impact on the AIP funding available for FY2002.

Emergency Supplemental Appropriations Act (P.L. 107-38)

Under provisions of the Emergency Supplemental Appropriations Act (P.L. 107-38) a total of $1.145 billion is made available to FAA, for security purposes. The President requested immediate and 15-day-wait allocations of roughly $611.5 million for FAA (in FY2001 and FY2002). Of this amount the operations budget allocations total $434 million for increased airport security and for sky marshals as well as another $40 million for the Metropolitan Washington Airports Authority (MWAA) for compensation to MWAA and concessionaires for the federal closure of Ronald Reagan Washington National Airport. The FAA has also received $50 million for the Aviation Insurance Revolving Fund to support war risk insurance for air carriers. The Facilities and Equipment (F&E) account has received $87.5 million for accelerated purchase of security equipment.

The FY2002 DOD appropriations act (P.L. 107-117; H.Rept. 107-350) provides FAA with $533.5 million, $125 million more than requested, from funds provided in the emergency appropriations bill (P.L. 107-38) that required further legislative action prior to transfer to DOT. According to provisions of the FY2002 DOD Appropriations Act, FAA operations receives $200 million, including: $100 million for cockpit door modifications; $65 million for sky marshals; $20 million for security experts; and $15 million for training facilities. These operations funds are available through FY2003. The DOD Act provides $108.5 million, available through FY2004, for F&E, for explosive detection systems. For R,E,&D the Act provides $50 million, available through FY2003: $25 million for proof of concept demonstrations of secure security information systems and the remainder of the funds for projects that involve potential new security concepts and technologies. AIP receives $175 million, to remain available until expended, for reimbursement to airports for direct costs associated with additional or revised security requirements since the September 11th attacks. Most of these funds are to be available until expended. In addition, $50 million, available until expended, is added to the budget of the Office of the Secretary of DOT for the Essential Air Service program. This lifts the total supplemental appropriations for aviation purposes under P.L. 107-38 to $1.195 billion.

Research and Special Programs Administration (RSPA)

For FY2002, RSPA requested a budget of $110 million (including $12 million to be offset by a proposed user fee) compared to an appropriation of $80.5 million in FY2001. The FY2002 Act

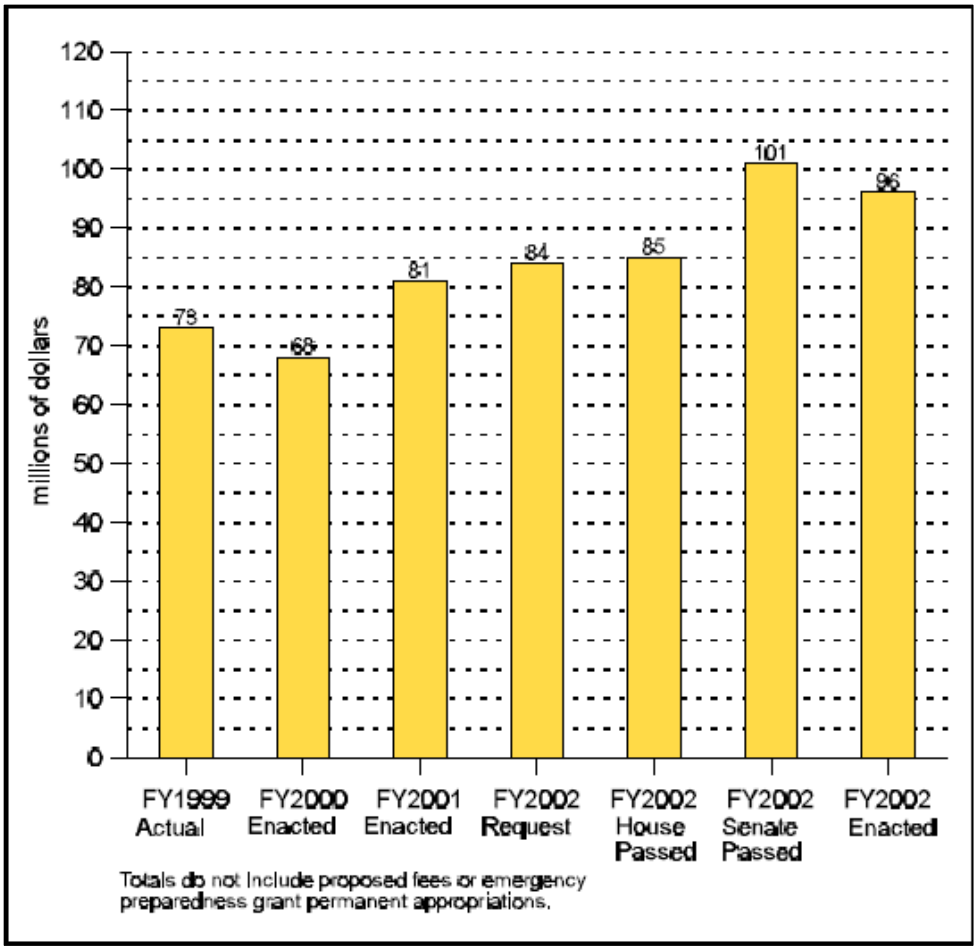
provides $95.7 million. Most of RSPA's budget is allocated to activities that promote transportation safety. For its pipeline transportation safety program, RSPA proposed $53.8 million in FY2002, an increase of $6.7 million over FY2001. The Act provides $58.3 million for pipeline safety in FY2002. For its hazardous materials transportation safety program, the agency requested $21.2 million, an increase of $2.4 million over FY2001. The enacted conference agreement provides $21.2 million in FY2002 for hazardous materials transportation safety.

Currently, much of the cost of RSPA's pipeline safety program is paid for by a fee that is imposed on the regulated industry. However, only the cost of the emergency grant program administered by RSPA's hazardous materials safety program is offset by a registration fee paid for by specified regulated companies. The Bush Administration proposed to offset additional costs of both the pipeline and hazardous materials safety programs by imposing increased user fees on industry. In the past, the hazardous materials (hazmat) industry has objected to user fees to pay the basic costs of RSPA's hazmat regulatory and enforcement program. Likewise, the pipeline industry has been willing to pay only what it considers to be a reasonable increase in the fees imposed to support RSPA's pipeline safety program. Neither the House nor the Senate Committee on Appropriations agreed with the request to begin funding the hazmat safety program from user fees.

Emergency Supplemental Appropriations Act (P.L. 107-38)

The President requested $6 million for the DOT Crisis Management Center as authorized by P.L. 107-38, that require separate legislation for appropriation. The request was addressed in the FY2002 DOD Appropriations Act (P.L. 107-117). The Act provides for $2.5 million, available until expended, for costs related to the crisis management center.

Figure 6. Research and Special Programs Administration



National Highway Traffic Safety Administration (NHTSA)

http://www.nhtsa.dot.gov/

For FY2002, the Administration requested a total of $419 million for NHTSA, a 4% increase above the Agency's FY2001 enacted funding of roughly $403 million. The FY2002 Act provides total NHTSA funding (both general funds and contract liquidation authority) of approximately $425 million.

Operations and Research (O&R)

The Administration requested $196 million, a 2.6% increase over the $191 million enacted for FY2001. The FY2002 Act provides a total of $201.8 million for O&R. The conference report language noted that the "Safety Performance" initiative (within O&R) was being provided an additional $7.9 million to expedite key motor vehicle safety standards including TREAD activities and several other backlogged regulatory items.[11] The conference report also noted that, "NHTSA is directed to submit a notification letter to the House and Senate Committees on Appropriations if there is a reasonable likelihood that the agency will not meet any deadlines

[11] Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, P.L. 106-414.

specified in the TREAD Act. In addition, NHTSA shall submit a strategic implementation plan to both the House and Senate Committees on Appropriations with the submission of the fiscal year 2003 budget that specifies timetables, milestones, and the research necessary to implement each provision of TREAD, as well as the amounts provided to these activities in fiscal years 2001 and 2002."[12]

Highway Traffic Safety Grants

The Administration requested, and the FY2002 Act provides, $223 million, a 5% increase over the enacted level of $213 million for FY2001. This $223 million is to be distributed as follows: $160 million for State and Community Highway Safety Grants; $38 million for Alcohol-Impaired Driving Countermeasures Incentive Grants; $15 million for Occupant Protection Incentive Grants; and $10 million for State Highway Safety Data Grants.

NHTSA Program Responsibilities

The National Highway Traffic Safety Administration'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 (through safety grants) to reduce drunk driving and to encourage the use of occupant protection devices. The Bush Administration has continued a long-standing DOT priority that, "Improving transportation safety is the number one Federal Government transportation objective." NHTSA plays a key role in implementing this objective.

In its policy statements, the Department of Transportation, through NHTSA, has targeted specific program activities that have potential for reducing highway deaths and injuries. Included among these are programs to: reduce drunk and drugged driving; reduce the incidence of aggressive driving and "road rage"; aid in the development of "smart air bags" that will continue to provide protection to occupants, while reducing risk associated with the bags themselves; enhance infant and child safety in vehicle crashes; and explore transportation options and safety programs for an aging population.

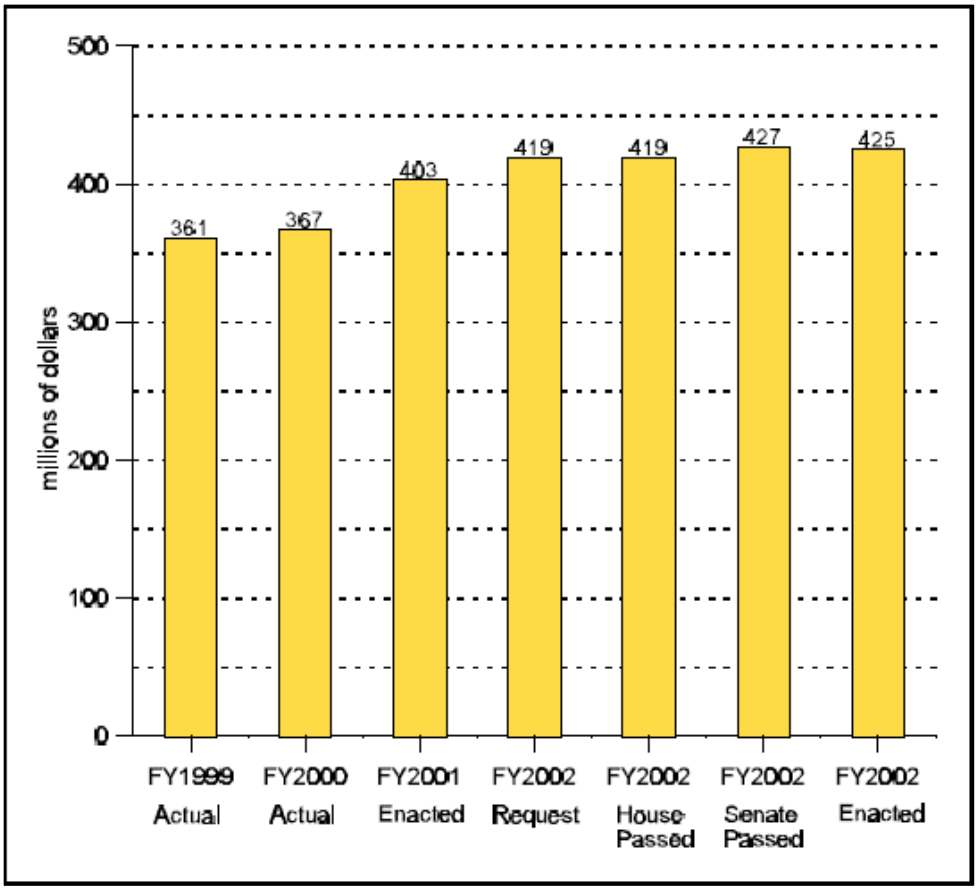
Last year, following investigations into the failure of Firestone tires and associated rollover fatalities, Congress added additional responsibilities to NHTSA through enactment of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, P.L. 106-414.[13]

These new responsibilities for NHTSA include: establishing a dynamic rollover test for light duty vehicles; updating the tire safety and labeling standards; improving the safety of child restraints; and establishing a child restraint safety rating consumer information program.

[12] Making Appropriations for the Department of Transportation and Related Agencies for the Fiscal Year Ending September 30, 2002, and for Other Purposes, Conference Report to Accompany H.R. 2299, H.Rept. 107-308, p. 96.

[13] For additional information, see CRS Report RL30710, *Firestone Tire Recall: NHTSA, Industry, and Congressional Responses*, Paul F. Rothberg, Gwenell Bass, and Duane Thompson.

Figure 7. National Highway Traffic Safety Administration Appropriations



In its report, the conference committee approved of NHTSA's safety initiatives, but expressed its disappointment with the Agency's inability to increase the use of seatbelts up to the Presidential directive of 85% by 2000. The conferees directed the Agency to refocus its program to achieve meaningful results by engaging in two additional initiatives. First, NHTSA is to provide a report to the House and Senate Committee on Appropriations describing its plans to accelerate progress in raising seat belt use. The report is due by February 1, 2002. Second, NHTSA shall contract with the national Academy of Sciences to conduct a study on the benefit and acceptability of technologies that may enhance seat belt usage in passenger vehicles, as well as any legislative or regulatory actions that may be necessary to enable installation of devices, as proposed by the House.

Federal Motor Carrier Safety Administration (FMCSA)

The FMCSA was created by the Motor Carrier Safety Improvement Act of 1999 (MCSIA), P.L. 106-159.[14] This agency became operational on January 1, 2000, and assumed the responsibilities and personnel of DOT's Office of Motor Carrier Safety.[15] FMCSA issues and enforces the

[14] During various hearings held in the first session of the 106th Congress, a number of organizations, including DOT's Inspector General, the General Accounting Office, and many industry associations raised a variety of concerns regarding the effectiveness of the federal truck and bus safety program. In response to these concerns, Congress created the FMCSA.

[15] DOT's Office of Motor Carrier Safety, which operated from October 9 through December 31, 1999, replaced the Office of Motor Carriers of the Federal Highway Administration of the DOT.

Federal Motor Carrier Safety Regulations, which govern the operation and maintenance of interstate commercial truck and bus operations and specify requirements for commercial drivers. FMCSA also administers several grants and programs to help states conduct their truck and bus safety activities. Most of the funds used to conduct FMCSA activities are derived from the federal highway trust fund. The FY2002 request for the FMCSA was $343.8 million, the appropriation for FY2001 was $268.6 million. The Administration's request would have represented an increase of 28%. The FY2002 Act provides a net total of $335.1 million for the FMCSA account.

The appropriation for the FMCSA consists of two components: funds primarily used for FMCSA's administrative expenses and funds primarily used to assist states to conduct truck and bus safety programs.

Administrative and Research Expenses

The FY2002 budget request for FMCSA administrative and operations expenses was $139 million, including funds for research and technology (R&T). The FY2002 Act provides $110 million; the FY2001 comparable appropriation was $92.2 million. The Act also provides that from FHWA's limitation on administrative expenses $4.0 million shall be available for motor carrier safety research and $0.8 million shall be available for the motor carrier crash data improvement program. The R&D program seeks to improve truck and bus safety regulations and associated safety and compliance activities conducted by both federal and state enforcement officers.

Grants to States and Other Activities

These funds are used primarily to pay for the Motor Carrier Safety Assistance Program (MCSAP), a grant program that helps the states enforce their truck and bus safety regulations. The MCSAP provides grants to cover, typically, up to 80% of the costs of a state truck and bus safety program. Under the program, the agency partners with some 7,000 state and local public-utility and law-enforcement officers to annually conduct more than 2.1 million inspections of trucks and buses at the roadside. Some funds provided under this sub-account are also used to pay for information systems and analysis as well as other state compliance activities. The FY2002 Bush Administration budget requested a limitation for these activities of $204.8 million. The FY2002 Act provides a limitation on obligations of $205.9 million for these activities. Of this total, $23.9 million is derived from the RABA. Of this amount, $18 million is to be spent on additional safety grants to the border states and most of the balance for improvements to commercial drivers' licensing programs. The FY2001 DOT appropriations act included a limitation on obligation of $177 million for the "National Motor Carrier Safety Program."

Mexican Trucking Provision

During floor consideration of H.R. 2299, the House approved an amendment that provided that "none of the funds in this Act may be used to process applications by Mexico-domiciled motor carriers for conditional or permanent authority to operate beyond the United States municipalities and commercial zones adjacent to the United States-Mexico border." The FY2002 Senate-passed bill differed significantly from this provision and would require that various inspection, infrastructure, and administrative conditions be met before any Mexican carriers receive operating authority to go beyond the border zones. The requirements included on-site audits of Mexican motor carriers, proof of insurance, and safety inspector staffing provisions. The Senate bill included $103.2 million for border safety inspection activities, facilities, and staffing. During floor debate, some of these preconditions were vigorously opposed by supporters of the Bush

Administration who view such provisions as discriminatory toward Mexico and as a violation of the NAFTA.

The conference agreement on the FY2002 appropriation primarily incorporates Senate provisions, some of which have been modified, regarding processes and measures to promote the safety of cross-border trucking between the United States and Mexico. The enacted conference agreement provides for $25.866 million for salaries, expenses, and capital costs to implement these provisions, see Section 350 of the Act. These funds are in addition to funds provided in the appropriation for the Federal Motor Carrier Safety Administration (FMCSA), including funds for the Motor Carrier Safety Assistance Program (MCSAP) that also are intended to enhance the ability of U.S. DOT and the states to promote the safety of Mexican trucks and buses entering the United States. The FY2002 Act also provides $56.3 million for border infrastructure improvements from RABA funds and $12 million for Texas border inspection facilities construction.

Table 3. Budgetary Resources of Selected Agencies and Selected Programs

(in millions of dollars—totals may not add)[a]

Agency	Final FY2001 Enacted[b]	FY2002 Request	House-Passed H.R. 2299	Senate-Passed H.R. 2299	Conf. Report	FY2002 Enacted
FHWA	33,425	32,518	32,666	33,209	32,895	32,895
(Limitation on Obligations)	29,597	31,563	31,717	31,919	31,799	31,799
(Exempt Obligations)	1,069	995	995	955	955	955
Additional funds (trust fund)	2,160[g]	–	–	–	–	–
Addnl. funds (general fund)	599[g]	–	–	350[g]	200[g]	200[g]
NHTSA.	403	419	419	427	425	425
FRA	755	707[i]	684	755	734	734
Amtrak (total)	520	521	521	521	521	521
Amtrak Reform Council	0.748	0.785	0.450	0.420	0.225	0.225
FTA	6,253	6,747	6,747	6,847	6,747	6,747
Formula Grants (general fund)	658	718	718	718	718	718
Formula Grants (trust fund)	2,625	2,874	2,874	2,874	2,874	2,874
Capital Invest. (general fund)	538	568	568	668	568	568
Capital Invest. (trust fund)	2,152	2,273	2,273	2,273	2,273	2,273
FAA	12,563[c]	13,288[c]	13,276[c]	13,346[c]	13,295	13,295
Operations (trust fund & general fund)	6,530	6,886	6,870	6,916	6,886	6,886
Facilities & Equipment	2,651	2,914	2,914	2,914	2,899	2,899

Agency	Final FY2001 Enacted[b]	FY2002 Request	House-Passed H.R. 2299	Senate-Passed H.R. 2299	Conf. Report	FY2002 Enacted
(F&E) (trust fund)						
Grant-in-aid Airports (AID) (trust fund) (limit. on oblig.)	3,195[c]	3,300[c]	3,300[c]	3,300[c]	3,300[c]	3,300[c]
Research, Engineering & Development (RE&D) (trust fund)	187	188	191	196	195	195
TSA					1,250	1,250
USCG[d]	4,511	5,056	4,996	5,102	5,031	5,031
Operating Expenses	3,185	3,383	3,383	3,428	3,382	3,382
Acquisition, Construction, & Improvements	415	659	600	669	636	636
St. Lawrence Seaway	13	13	13	13	13	13
OIG	48	53	51	53	51	51
RSPA	81[e]	84[e]	85[e]	101	96	96
OST	87	87	99	95	105	105
Essential Air Srvc (trust fund)	52	50	63	50	63	63
STB[f]	17	18	19	18	18	18
NTSB	63[i]	64	66	70	68	68
FMCSA	269	344	298	302	335	335
Budgetary Resources Grand Total (estimated)[h]	58,107	58,971	59,081	59,978	59,588	59,588

Sources and notes:

a. The totals for FY2002 do not reflect supplemental appropriations authorized under P.L. 107-38. Unless otherwise noted, figures in **Table 3** were taken from tables provided to CRS by the House Committee on Appropriations. Because of differing treatment of offsets, the inclusion of the NTSB and Architectural and Transportation Barriers Compliance Board, and the exclusion of the Maritime Administration, the totals will not always match the Administration's totals. The figures 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 or exclusion of smaller program line-items.

b. The figures in this column reflect both the additional appropriations and the government-wide 0.22% rescission provided for in the FY2001 Consolidated Appropriations Act (P.L. 106-554). For FHWA the rescission totals $71.34 million, additional appropriations total $15.1 million, and an additional $29 million of exempt obligations is carried over as unobligated FY2000 exempt obligations. For NHTSA the rescission is $0.89 million. For FRA the rescission is $1.64 million. The post-rescission total of $755 million for FRA includes $20 million in advance appropriations for Pennsylvania Station (in New York City) and $10 million transferred from DOD (P.L. 106-259) to realign track at Elmendorf Air Force Base and Fort Richardson. For FTA the rescission is $13.8 million. The conference report transferred $50 million of FTA formula grant funds to the Capital Investment Grants program. P.L. 106-554 provided an additional $4.5 million for 3 transit projects. For FAA the rescission was $27.7 million. P.L. 106-554 also provided an additional $2.5 million for the Airport Improvement Program. The conference report funding for FAA operations is

reduced by a $14 million transfer to the Essential Air Service Program. For the U.S. Coast Guard the rescission was $8.23 million. The $778 million for retired pay appears to be exempt from the rescission. The rescission for the St. Lawrence Seaway is $30,000. The rescission for the Office of the Inspector General is $110,000. For RSPA the rescission is $180,000. For the STB the rescission is $40,000. For the Office of the Secretary the rescission is $190,000. For FMCSA the rescission is $590,000. For the NTSB the rescission is $138,600.

c. The FY2001 DOT Appropriations Act (P.L. 106-346) provides for a rescission of $579 million of FY2000 AID contract authority. The FY2002 request includes an AID previous year rescission of $331 million, the House bill (H.R. 2299), as well as the Senate reported bill, provides for a rescission of $302 million. The FY2002 Act rescinds $301.7 million. These rescissions have no impact on the budgetary resources available for FAA programs for FY2001 and FY2002 but are subtracted from the grand totals because they are significant in relation to the overall budget cap for the transportation function. The FY2001 figure includes an additional $2.5 million for AID from P.L. 106-554. The FAA total, in the FY2000 Senate-passed bill, also includes $20 million for the Small Community Air Service Development Pilot Program.

d. FY2001 figures are budget authority. The figures do not include the annual $64 million in mandatary funding for boat safety grants. The FY2002 figure in Senate-reported S. 1178 includes a rescission of $8.7 million.

e. For FY2001, $3 million in the pipeline safety reserve and $13 million in the emergency preparedness reserve are also available to RSPA. The Bush Administration request proposes to finance $12 million of this program by hazardous materials registration fees in FY2002. The total also does not reflect $14 million in permanent appropriations. Therefore, the request total resources for RSPA may be seen as $110 million.

f. Includes Surface Transportation Board offsetting collections for FY2001 and estimated collections for FY2002.

g. This figure includes, from the highway trust fund, $720 million for the Emergency Relief Program , $1.37 billion in additional "miscellaneous highway" project funds, $5 million for Muscle Shoals, Alabama, and an additional $55 million for the Appalachian development highway system. An additional $600 million for the Woodrow Wilson Memorial Bridge (which crosses the Potomac River at Washington, DC) is to be drawn from general Treasury funds. The FY2002 Senate-reported bill includes an additional $350 million for the Appalachian Development Highway Program, although the conference report reduced this to $200 million.

h. The DOT and related agencies appropriation does not fund the Maritime Administration (MARAD) or the Federal Maritime Commission (FMC), and their budgets are therefore not included in this report. They receive funding from the Commerce, Justice, State appropriations bills. The Administration budgets do not include the NTSB or the Architectural and Transportation Barriers Compliance Board budgets; they are included in this total because their budgets are included in the DOT Appropriations bills. The rescission of unobligated previous years contract authority have been subtracted from this total. Because they have no impact on the budgetary resources available for FY2001 and FY2002, the total resources available for these years could be seen as $58.478 billion for FY2001 enacted, $59.349 billion for FY2002 requested, $59.424 billion for House passed bill for FY2002, $60,262 for the Senate Appropriations Committee recommendation, and $59.89 billion for FY2002.

i. P.L. 106-246, the emergency supplemental appropriations act provided $19.7 to cover expenses connected with the Egypt Air 990 and Alaska Air 261 accidents.

j. Includes $55 million in offsets from proposed user fees.

k. Includes an additional $100 million from the general fund for New Starts.

For Additional Reading

CRS Products

CRS Report RS20177. *Airport and Airway Trust Fund Issues in the 106th Congress*, by John W. Fischer.

CRS Issue Brief IB10026. *Airport Improvement Program,* by Robert S. Kirk.

CRS Report RL30659. *Amtrak: Overview and Options*, by David Randall Peterman.

CRS Issue Brief IB90122. *Automobile and Light Truck Fuel Economy: Is CAFÉ Up to Standards?*, by Rob Bamberger.

CRS Report RS20469. *Bicycle and Pedestrian Transportation Policies*, by William Lipford and Glennon J. Harrison.

CRS Report RS20600. *Coast Guard FY2000 and FY2001 authorization issues*, by Martin R. Lee.

CRS Report RS20790. *The Coordinated Border Infrastructure Program: Issues for Congress*, by Robert S. Kirk.

CRS Report RS20841. *Environmental streamlining provisions in the Transportation Equity Act for the 21st century: status of implementation*, by David Michael Bearden.

CRS Report RL30915. *Federal Motor Carrier Safety Administration: Status and Challenges*, by Paul F. Rothberg and Hussein Hassan.

CRS Report 98-890 STM. *Federal Traffic Safety Provisions in the Transportation Equity Act for the 21st Century: Analysis and Oversight Issues*, by Paul F. Rothberg and Anthony J. Solury.

CRS Issue Brief IB10030. *Federal Railroad Safety Program and Reauthorization Issues*, by Paul F. Rothberg and John Williamson.

CRS Report RL31027. *High-Speed Rail: Development and Investment Issues in the 107th Congress*, by David Randall Peterman and Steven Maguire.

CRS Report RL31028. *North American Free Trade Agreement: Truck Safety Considerations*, by Paul Rothberg.

CRS Report RL31150. *Selected Aviation Security Legislation in the Aftermath of the September 11 Attack,* by Robert S. Kirk.

CRS Report 98-749 E. *The Transportation Equity Act for the 21st Century (TEA21) and the Federal Budget*, by John W. Fischer.

CRS Report 98-646 ENR. *Transportation Equity Act for the 21st Century (P.L. 105-178): An Overview of Environmental Protection Provisions*, by David M. Bearden.

CRS Issue Brief IB10032. *Transportation Issues in the 107th Congress*, coordinated by Glennon J. Harrison.

Selected World Wide Web Sites

Department of Transportation, Chief Financial Officer

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

House Appropriations Committee

http://www.house.gov/appropriations

Maritime Administration

http://www.marad.dot.gov/

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.gpo.gov/usbudget/fy1998/fy1998_srch.html

Senate Appropriations Committee

http://www.senate.gov/committees/committee_detail.cfm?COMMITTEE_ID=405

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