

## DEPARTMENT OF TRANSPORTATION

The President's 2016 Budget is designed to bring middle class economics into the 21st Century. This Budget shows what we can do if we invest in America's future and commit to an economy that rewards hard work, generates rising incomes, and allows everyone to share in the prosperity of a growing America. It lays out a strategy to strengthen our middle class and help America's hard-working families get ahead in a time of relentless economic and technological change. And it makes the critical investments needed to accelerate and sustain economic growth in the long run, including in research, education, training, and infrastructure.

These proposals will help working families feel more secure with paychecks that go further, help American workers upgrade their skills so they can compete for higher-paying jobs, and help create the conditions for our businesses to keep generating good new jobs for our workers to fill, while also fulfilling our most basic responsibility to keep Americans safe. We will make these investments, and end the harmful spending cuts known as sequestration, by cutting inefficient spending and reforming our broken tax code to make sure everyone pays their fair share. We can do all this while also putting our Nation on a more sustainable fiscal path. The Budget achieves about \$1.8 trillion in deficit reduction, primarily from reforms to health programs, our tax code, and immigration.

A safe, efficient, and well-functioning transportation system is critical to America's economic future. Our nation's economy relies on our transportation system to move people and goods safely, facilitate commerce, attract and retain businesses, and support jobs. The President's Budget provides a total of \$94.7 billion in discretionary and mandatory funding in 2016 for the Department of Transportation to support infrastructure projects critical for long-term growth; improve America's roads, bridges, transit systems, railways, and aviation systems; enhance safety; spur job creation; and improve the way federal dollars are spent.

### **Funding Highlights:**

- The Budget provides a total of \$94.7 billion in discretionary and mandatory budgetary resources for the Department of Transportation in 2016.
- Includes \$478 billion for a six-year surface transportation reauthorization proposal to improve safety, support critical infrastructure projects and create jobs while improving America's roads, bridges, transit systems, and railways. This includes:
  - Providing \$1.25 billion per year for the competitive TIGER Grant program, which helps States and local communities support innovative projects that deliver exceptional transportation and economic benefits;
  - Implementing a new six-year \$18 billion freight program designed to eliminate existing freight transportation bottlenecks and improve the efficiency and safety of moving goods in support of the President's National Export Initiative;
  - Increasing funding for transit and passenger rail programs to \$23 billion in 2016, and \$144 billion over six years, expanding transit capital investment grants, significantly improving existing and new intercity passenger rail service, and strengthening the economic

competitiveness of our freight rail system; and

- Proposing \$6 billion over six years to cover the subsidy cost of providing credit assistance for nationally or regionally significant transportation projects through the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program, which leverages private sector investments in public infrastructure projects.
- Reinforces the Department's commitment to safety by making targeted investments that will strengthen the safety of our transportation system, including:
  - Creating a new Office of Safety Oversight to coordinate and continuously improve safety efforts across all modes of transportation.
  - Developing a \$29.4 billion six year Critical Immediate Safety Investments Program to provide targeted infrastructure investments towards bridges and roads that are deficient and pose a safety risk.
  - Providing nearly \$6 billion over six years to increase the National Highway Traffic Safety Administration's capability to ensure that vehicles on the road meet the highest safety standards and that the agency has the personnel and tools to identify vehicle defects early and respond quickly.
  - Investing \$935 million over six years in the future of vehicle safety and innovation, including the advancement of vehicle automation and vehicle-to-vehicle technologies.
- Provides \$14.3 billion in discretionary resources to fund air, maritime, rail safety, and pipeline and hazardous material transportation activities, including:
  - Modernizing our aviation system through the Next Generation Air Transportation System.
  - Providing increases in staffing and existing programs to respond to emerging concerns with the safe transport of energy products by rail and truck

**Reforms:**

- Modernizes the infrastructure permitting process by cutting through red tape and getting more timely decisions on Federal permits and reviews.
- Dedicates approximately \$6 billion over six years for a competitive grant program designed to create incentives for State and local partners to adopt critical reforms in a variety of areas, including safety and peak traffic demand management.
- Focuses airport grants to support smaller airports, while giving larger commercial service airports additional flexibility to raise their own resources.

***Invests in Infrastructure Critical for Job Creation and Long-Term Growth***

**Improves Our Infrastructure While Creating Jobs.** To spur economic growth and allow States to initiate sound multi-year investments, the Budget includes a six-year, \$478 billion surface transportation reauthorization package to support critical infrastructure projects and create jobs while improving America's roads, bridges, transit systems, and railways. The reauthorization proposal will also include reforms to improve the review process and delivery of infrastructure projects; support American exports by improving movement within our country's freight networks; increase economic mobility by linking economically isolated communities to job opportunities; permanently authorize the TIGER grant program to help spur innovation by competitively awarding funding to projects around the Nation; improve regional coordination by Metropolitan Planning Organizations (MPOs) to stimulate economic development; and advance the Climate Action Plan by building more resilient infrastructure, reducing transportation emissions by shifting travel growth from roads to transit, and encouraging sounder transportation planning. The Administration is committed to spurring the dialog on surface transportation by providing a legislative proposal that reflects this critical blueprint.

**Creates a New Office of Safety Oversight.** Safety is the Department's top priority and the budget creates a new Office of Safety Oversight within the Office of the Under Secretary for Policy. This Office will have oversight over all safety-related activity in the Department's Operating Administrations and will focus on better integrating the safety activities across modes.

**Supports New Transit Investments.** The Budget provides an increase of over \$7 billion for 2016, and, over the course of the Administration's six-year proposal, increases average annual transit spending levels by more than 75 percent over 2015 Resources to support both existing capacity and capacity expansion (New Starts) in projects involving bus rapid transit, subway, light rail, and commuter rail systems. Rural transit providers will have access to \$1.6 billion in FY 2016 to support capital projects and assist with operating costs. These investments – driven by data showing that demand for public transit continues to climb – would represent a historic increase in transit funding. Additional funding would enable a major expansion of new transit projects in suburbs, fast-growing cities, small towns, and rural areas across the country, while meeting the growing needs of established – and aging – transit systems which will improve the quality of life in our neighborhoods and communities. All of these efforts will also help ensure that workers can access jobs, supporting economic mobility and opportunity.

**Proposes Dedicated Funding for Multi-Modal Freight and High Performance Rail Investments.** The Budget provides \$18 billion over six years for a dedicated regional freight infrastructure investment program to support multi-modal, corridor-based projects designed to eliminate existing freight transportation bottlenecks and improve the efficiency of moving goods in support of the President's National Export Initiative. The Budget also provides \$28.6 billion over six years to fund the development of high-performance rail and other passenger rail programs as part of an integrated national transportation strategy. This system will provide 80 percent of Americans with convenient access to a high-performance passenger rail system within 25 years. The proposal also benefits freight rail and significantly restructures Federal support for Amtrak to increase transparency, accountability, and performance.

**Pays for Transportation Investment in Part with Savings from Comprehensive Business Tax Reform.** The President believes that reforming our business tax code can help create jobs and spur investment, while ensuring a fairer and more equitable tax system that eliminates the loopholes that reward companies for moving profits overseas and allows them to avoid paying their fair share. Because

rebuilding our transportation infrastructure is an urgent need, the Budget uses savings from reforms to the business tax system to fully offset baseline Highway Trust Fund solvency needs and the new spending included in the surface and rail transportation reauthorization proposal.

**Enhances Safety on our Highways.** The Administration provides \$7.5 billion for the new Critical Immediate Safety Investments program to focus on the reconstruction, restoration, rehabilitation, and, ultimately, safety improvement of existing highway assets, in particular bridges. The increased funding level will rapidly address emerging traffic and vehicle safety issues, new technologies, and the hard-to-reach populations and constituents that still account for over 30,000 deaths per year.

**Responds to Emerging Concerns with the Transport of Energy Products by Rail and Truck.** DOT's mission is to provide safe transportation of goods across our country, including the growing domestic energy products traveling by train and truck, instead of the more traditional pipeline network. The Budget provides resources to expand existing programs associated with enforcement, inspections, regulatory reviews, research and outreach in the Federal Railroad Administration (FRA), Pipeline and Hazardous Materials Safety Administration (PHMSA), and the Federal Motor Carrier Safety Administration (FMCSA). It also includes \$5 million for the Office of the Secretary to coordinate across these three modes.

**Continues Support for Transportation Infrastructure Finance and Innovation Act (TIFIA) Program.** The Budget includes \$1 billion for the TIFIA Program to cover the subsidy cost of providing credit assistance for nationally or regionally significant transportation projects. The TIFIA Program makes the most of scarce budgetary resources – by offering loans, the TIFIA Program leverages \$1 billion in Federal funds to stimulate up to \$30 billion in infrastructure investment, including public-private partnerships. The TIFIA Program facilitates private participation in transportation projects and encourages innovative financing mechanisms that help advance projects sooner. The budget also requests \$2 million for a new Office of the Assistant Secretary for Innovative Finance that will assume responsibility for managing the Department's credit programs.

**Modernizes and Maintains the Nation's Air Traffic Control System.** The Budget invests \$956 million in FY 2016 for the Next Generation Air Transportation System (NextGen), the multi-year effort currently underway to improve the efficiency, safety, capacity, and environmental performance of the aviation system. These funds will continue to support the transformation from a ground-based radar surveillance system to a more accurate satellite-based surveillance system, the development of 21st Century data communications capability between air traffic control and aircraft to improve efficiency, the integration of unmanned aircraft systems into the National Airspace, and the improvement of aviation weather information. The Budget takes a coordinated and targeted approach to deploying readily-available NextGen capabilities while balancing investments in future capabilities with investments to maintain currently-operational, aging equipment.

#### *Improves the Way Federal Funds are Spent*

**Modernizes the Infrastructure Permitting Process.** In order to accelerate economic growth and improve the competitiveness of the American economy, the Administration is taking action to modernize and improve the efficiency of the Federal permitting process for major infrastructure projects. By cutting through red tape and getting more timely decisions on Federal permits and reviews, we can ensure that projects that are approved lead to better outcomes for our communities and the environment. In May 2014, an interagency Steering Committee released an Implementation Plan which contained strategies, reforms, and near- and long-term milestones that were informed by the best practices and lessons learned from initial set of high-priority projects. Turning best practice into standard practice will

improve the efficiency and effectiveness of Federal permit and review processes for all major infrastructure projects. In support of this effort, the Budget includes funding for a new Interagency Infrastructure Permitting Improvement Center and a Permitting Dashboard to be situated at DOT. Given the highly decentralized nature of the process, the Center will play an unprecedented role in driving change across nearly 20 Federal agencies and bureaus. The Permitting Dashboard – a publicly available website – will be expanded to track project schedules and metrics for all major infrastructure projects, further improving the transparency and accountability of the permitting process.

**Encourages Innovative Solutions Through Competition.** The Administration's six-year reauthorization plan would dedicate approximately \$6 billion over six years for a competitive grant program, Fixing and Accelerating Surface Transportation, designed to create incentives for State and local partners to adopt critical reforms in a variety of areas, including safety and peak traffic demand management. Federally-inspired safety reforms, such as seat belt and drunk-driving laws, have saved thousands of American lives and avoided billions in property losses. This initiative will seek to repeat past successes across the complete spectrum of transportation policy priorities. Specifically, the Department will work with States and localities to set ambitious goals in different areas – for example, implementing distracted driving (safety) requirements or modifying transportation plans to include mass transit, bike, and pedestrian options – and tie resources to goal-achievement.

**Reduces Funding in Targeted Areas.** To support these priorities, the Budget lowers funding for the airport grants program to \$2.9 billion, offset in part by eliminating guaranteed funding for large hub airports. The Budget focuses Federal grants on supporting smaller commercial and general aviation airports that do not have access to additional revenue or other outside sources of capital. At the same time, the Budget allows larger airports to increase non-Federal passenger facility charges, thereby giving larger airports greater flexibility to generate their own revenue.