



DEPARTMENT OF TRANSPORTATION

Highlights:

- The mission of the Department of Transportation (DOT) is to ensure that: the Nation has the safest, most efficient, and modern transportation system in the world; the system improves the quality of life for all American people and communities, from rural to urban; and the system increases the productivity and competitiveness of American workers and businesses.
- The Budget request for DOT streamlines the Department to focus on its vital Federal safety mission, and provides critical investments necessary for regionally and nationally significant projects. The Budget also ensures taxpayer dollars are spent prudently, by reducing, eliminating, and reforming programs that are ineffective, inefficient, and unaccountable, or lack a clear Federal nexus and fail to encourage innovation.
- The Budget requests \$15.6 billion in discretionary budget authority for 2019, a \$3.7 billion or 19-percent decrease from the 2017 enacted base discretionary level of \$19.3 billion (which excludes supplemental emergency relief funding). The Budget also provides \$60.9 billion in mandatory funds and obligation limitations. For programs funded from the Highway Trust Fund, the Budget is consistent with the fourth year of the Fixing America's Surface Transportation Act (FAST Act) of 2015.

The President's 2019 Budget:

DOT oversees the safety, security, mobility, efficiency, and interconnectedness of the Nation's vast transportation networks. DOT's highest priority is the safety of the American people. The Budget reflects this priority by providing DOT the resources necessary for ensuring that the Nation's air, surface, and maritime transportation systems are safe. Another top priority is improving the condition and performance of the Nation's transportation infrastructure. The Budget ensures that DOT would continue to advance nationally and regionally significant projects, via Federal financial assistance and timely, prudent regulatory and permitting decision-making. While providing the funds to support these and other important priorities, the Budget also reflects reductions and eliminations of programs that are inefficient, ineffective, or should be carried out by States, local government, or the private sector.

Ensures the Safety of the Nation's Transportation System. The Budget prioritizes the resources necessary for fulfilling the Department's safety missions. The human and economic costs of transportation accidents are severe, and DOT is committed to preventing as many accidents as possible through its educational outreach, investments, and oversight of safety standards. The vast majority of transportation-related fatalities occur on the Nation's highways: 37,461 in 2016. The Budget provides

Promise Made:

"Our infrastructure will again be the best in the world."

President Donald J. Trump
August 15, 2017

Promise Kept:

To dramatically modernize the Nation's infrastructure, and make it the best in the world, the Administration is proposing a comprehensive Infrastructure Initiative. The initiative is designed to: spur additional State, local, and private infrastructure investment by awarding incentives to project sponsors for demonstrating innovative approaches that would generate new revenue streams, modernize procurement practices, and improve project performance; support bold, innovative, and transformative infrastructure projects that can significantly improve existing conditions; support rural economic competitiveness through a Rural Formula Grant program; and accelerate the delivery of nationally and regionally significant projects with increased Federal loan support. The Administration is also advocating for transformational reform to the environmental permitting process, to shorten the timelines it takes to permit a project, while still maintaining good environmental outcomes. These programs would support additional investment in highways, bridges, airports, rail, ports, and other types of infrastructure in urban and rural America.

\$2.6 billion to the Federal Highway Administration's (FHWA) Highway Safety Improvement Program, to assist States in the implementation of their safety plans. The Budget also funds other FHWA, National Highway Traffic Safety Administration (NHTSA), and Federal Motor Carriers Safety Administration (FMCSA) safety programs, to prevent highway fatalities. In addition, the Budget provides resources to support the development of autonomous vehicles and infrastructure, which hold promise to dramatically improve highway safety and deliver many other benefits. The Budget also supports the continued emphasis on ensuring that the air, rail, transit, and pipeline systems are the safest in the world.

Continues Investment in Surface Transportation. Americans' quality of life and long-term economic prosperity depend, in part, on the condition and performance of the Nation's transportation infrastructure. To address these challenges, the Budget requests \$57.4 billion in mandatory funds and obligation limitation to improve the Nation's highways, bridges, and transit systems. The Budget includes \$46 billion for highway infrastructure and safety programs, \$9.9 billion for transit infrastructure, and \$1.4 billion for NHTSA and FMCSA safety programs. These levels match the authorized amounts in the FAST Act.

Reforms Air Traffic Control. Consistent with the 2018 Budget, the Budget includes a multiyear reauthorization proposal to shift the air traffic control function of the Federal Aviation Administration to a non-governmental, independent air traffic services cooperative, making the system more efficient and innovative while maintaining safety. Similar to successful efforts in many other developed countries, the goal is to create a system that can respond to changing air travel demand by deploying cutting-edge technology and giving airlines, general aviation users, and passengers a system that is a good steward of their financial resources.

Reforms the Essential Air Services (EAS) Program. EAS was designed as a temporary program nearly 40 years ago. However, today many EAS flights

are not full and have high per passenger subsidy costs. Several EAS eligible communities are relatively close to major airports. The Budget includes a legislative reform proposal to modify the definition of essential air service, to ensure that Federal funds are efficiently targeted at the communities most in need. These reforms aim to reduce support for service that results in high per passenger subsidies (often hundreds of dollars per passenger) and end subsidies to communities that are relatively close to other airports. The Budget requests \$93 million in discretionary resources, a reduction of \$57 million from the 2017 enacted level of \$150 million.

Reforms Amtrak Long Distance Services. While Amtrak has in recent years improved its ridership and revenue on the Northeast Corridor and State Supported Routes, Amtrak continues to rely exclusively on Federal subsidies to operate long distance train routes, which have large operating losses and serve a small number of passengers. The Budget proposes reforms to Amtrak to improve efficiencies in long distance services and reduce reliance of the Federal Government. In particular, the Budget proposes that States begin to share the operating subsidy costs of Long Distance routes with the Federal Government. This would make States more equal partners with the Federal Government, and would strengthen the responsiveness of Amtrak to the communities they serve. State contributions to long distance routes is only one tool in the menu of options for reform the Administration will be exploring to improve the current system and reduce Federal subsidies in the Long Distance network.

Eliminates Discretionary Grant Programs. Consistent with the 2018 Budget, the Budget eliminates funding for the unauthorized Transportation Investment Generating Economic Recovery discretionary grant program, which awards grants to projects that are generally eligible for funding under existing surface transportation formula grant and loan programs. In addition, DOT’s Infrastructure For Rebuilding America grant program, authorized by the FAST Act, supports larger highway and multimodal freight projects with demonstrable national or regional benefits. The Budget also proposes to wind down the Federal Transit Administration’s Capital Investment Grant program (known as New Starts), by limiting funding to projects with existing full funding grant agreements only. The President’s Infrastructure Initiative is designed to incentivize States and localities to raise new revenue and funding dedicated for infrastructure investment, via competitive Federal grant awards and other incentives. Those new State and local funds would be available for transportation projects prioritized by those communities, which are better equipped to understand their infrastructure needs. The Federal Government would continue to be a partner in advancing large, regionally- or nationally-significant projects via expanded Federal credit support.

Reorganizes the Department of Transportation. The Budget includes proposals in response to Executive Order 13781, which requires each agency to prepare a plan to reorganize the agency, if appropriate, in order to improve its efficiency, effectiveness, and accountability. One such proposal is to modernize Air Traffic Control. Another proposal to increase effectiveness is to explore the transfer of certain surface transportation job training programs to the Department of Labor, the Federal Agency with the most expertise in job training programs. The Department is also undertaking a major shared services effort to consolidate acquisitions, human resources, and information technology functions within the Department.

Large Increase in 2017 Loans for Transportation Infrastructure Renewal

(Dollars in millions)

	2015	2016	2017
Loans Closed	7	6	12
TIFIA Assistance ...	\$2,384	\$2,180	\$3,851
Total Project Costs ..	\$8,776	\$6,793	\$14,602

Source: DOT

DOT’s Build America Bureau provides innovative financing support for large, complex transportation infrastructure projects. One of the major financial tools the Bureau executes is the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program. TIFIA loans leverage substantial non-Federal investment to support nationally or regionally significant transportation projects. In 2017, the Bureau provided \$3.9 billion in TIFIA assistance, \$1.7 billion or 77 percent more than in 2016. This assistance supported \$14.6 billion in infrastructure improvements, \$7.8 billion or 115 percent more than in 2016. Examples of recently financed projects include construction of a bridge and roadways connecting Indiana and Kentucky; a public-private partnership toll road project in Harris County, Texas; and a 17.6-mile tunnel connecting the Norfolk/Virginia Beach areas to Virginia’s eastern shore.