

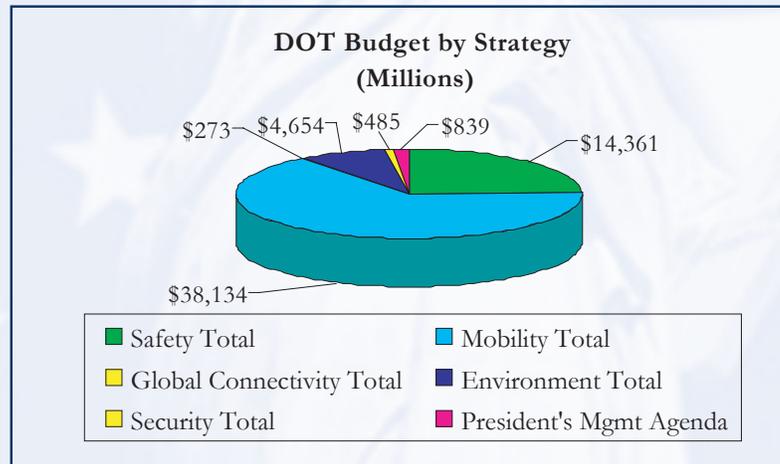
## Overview

### Introduction

The American people deserve a safe, secure, and efficient transportation system. The quality of our lives, the shape of our communities, and the productivity of our Nation's economy depend on the U.S. Department of Transportation's (DOT) success in fulfilling these goals.

Established in 1967, DOT sets Federal transportation policy and works with State, local, and private sector partners to promote a safe, secure, efficient, and interconnected national transportation system of roads, railways, pipelines, airways, and seaways. DOT's overall objective of creating a safer, simpler, and smarter transportation program is the guiding principle as we move forward to achieve specific goals.

The President's fiscal year (FY) 2005 budget request for the Department of Transportation totals \$58.7 billion in appropriations, obligation limitation, user fees, and exempt obligations. This represents an overall increase of \$0.1 billion when compared to the FY 2004 enacted funding level. The Department's five key strategic objectives are: (1) to improve safety; (2) to increase mobility for all Americans; (3) to increase global transportation connectivity in support of the Nation's economy; (4) to protect the environment; and (5) to support national security. These five goals, along with furthering the objectives outlined in the President's Management Agenda through organizational excellence, form the foundation for the FY 2005 budget request.



### Safety

Transportation safety is the Department of Transportation's top strategic priority. Because the human toll and economic cost of transportation accidents are massive, sustaining continuous progress in improving transportation safety is the first objective of all DOT operations. Evaluations using the Office of Management and Budget's (OMB) FY 2004 and 2005 Program Assessment Rating Tool (PART) support DOT's decision to retain safety as the number one strategic objective, and form the foundation for much of this resource request.

The FY 2005 budget request proposes overall transportation safety funding of \$14.4 billion. This request will fund the aviation and surface transportation safety programs and initiatives of the Federal Aviation Administration (FAA), the Federal Highway Administration (FHWA), the Federal Motor Carrier Safety Administration (FMCSA), the National Highway Traffic Safety Administration (NHTSA), the Federal Railroad Administration (FRA), the Federal Transit Administration (FTA), and the Research and Special Programs Administration (RSPA).

## BUDGETARY RESOURCES BY STRATEGIC AND ORGANIZATIONAL GOALS

(Dollars in Millions)

### FY 2005 Request

Operating Administration	Total	FY 2005 Request					
		Safety	Mobility	Global Connectivity	Environmental Stewardship	Security	Organizational Excellence
Federal Aviation Administration	13,965.8	8,815.8	3,946.1	45.3	571.6	159.6	427.5
Federal Highway Administration	34,477.9	4,142.1	26,262.2	178.2	3,796.9	62.9	35.6
Federal Motor Carrier Safety Administration	455.3	414.1	4.4	0.0	0.0	7.8	29.0
National Highway Traffic Safety Administration	689.3	687.1	0.0	0.2	2.0	0.0	0.0
Federal Transit Administration	7,266.1	15.8	6,949.5	0.9	236.8	37.7	25.4
Federal Railroad Administration	1,088.0	179.5	904.2	0.0	0.7	0.7	3.0
Research and Special Programs Administration	137.3	103.4	0.0	0.0	22.5	5.6	5.8
Maritime Administration	234.3	0.0	7.4	2.8	22.1	201.3	0.8
St. Lawrence Seaway Development Corporation	16.0	0.0	0.0	15.7	0.0	0.3	0.0
Office of the Inspector General	59.0	0.0	0.0	0.0	0.0	0.0	59.0
Surface Transportation Board	21.0	0.0	10.5	0.0	0.0	0.0	10.5
Bureau of Transportation Statistics	[32.3]	[2.7]	[9.1]	[14.1]	0.0	0.0	[6.4]
Office of the Secretary	336.1	3.2	50.0	29.7	1.6	9.0	242.6
<b>TOTAL, Department of Transportation</b>	<b>58,746.2</b>	<b>14,361.0</b>	<b>38,134.2</b>	<b>272.7</b>	<b>4,654.2</b>	<b>484.8</b>	<b>839.2</b>
Share of Total DOT Budgetary Resources	100.0%	24.4%	64.9%	0.5%	7.9%	0.8%	1.4%

Overall DOT strategies and resources, and each DOT operating administration's contribution to each of these goals, are discussed on the following pages.



*Surface Transportation Safety*

In 2002, an estimated 42,815 lives were lost in traffic crashes. The economic cost of motor vehicle crashes is estimated to be more than \$230 billion annually. Within DOT, FMCSA and NHTSA are the two operating administrations primarily focused on regulating highway safety, and FHWA supports highway safety through its infrastructure programs. Almost exclusively, FRA's focus is on improving the railroad safety record, and RSPA's main focus is on hazardous material (hazmat) and pipeline safety.

- Improve Motor Vehicle and Driver Safety. In 2002, the fatality rate per 100 million vehicle-miles traveled stayed at its historic low of 1.5. Although OMB's updated PART review for NHTSA's safety grant program indicated that steady progress has been made in reducing highway fatalities, 2002 statistics indicated a slight uptick in the number of highway deaths. NHTSA is focusing on two significant ways to reduce the overall highway fatality rate to 1.0 per 100 million vehicle-miles traveled by 2008: (1) increasing safety belt usage from 69 percent in 1998 to at least 80 percent, and up to 85 percent, in 2005, depending on how many additional States pass primary safety belt laws; and (2) lowering the alcohol-related highway fatality rate from 0.65 per 100 million vehicle-miles traveled in 1997 to 0.53 per 100 million vehicle-miles traveled in 2005. The President's FY 2005 budget request includes \$231 million for NHTSA safety operations and research programs, and \$456 million for grants to States for targeted highway safety programs to counter drugged and drunk driving and to enforce safety belt use. This funding level is consistent with the Administration's Safe, Accountable, Flexible, and Efficient Transportation Equity Act (SAFETEA) proposal to consolidate NHTSA highway safety grant programs to the States. RSPA will continue its efforts, in concert with the Department of Energy, to develop safe hydrogen fuel infrastructure for transportation use.
- Safer and Smarter Highway and Intersection Infrastructure. FHWA's safety budget of \$4.1 billion continues the Administration's policy of providing increased flexibility in safety funding to the States to tailor their resources to address unique factors that impact highway safety, such as highway design and operation. These funds also enable FHWA to increase its research focus on safety and concentrate efforts on reducing the number of fatalities in three types of crashes: roadway departures, crashes at or near intersections, and collisions involving pedestrians. Roadway departures, including run off-the-road and head-on crashes, accounted for approximately 25,000 fatalities in 2002. Safer and smarter highway and intersection design and operation will remove roadside hazards and help keep vehicles on the roadway. Approximately 8,400 fatal crashes occurred in 2002 between vehicles in collisions at intersections. FHWA will continue to promote the use of comprehensive intersection design and operational tools and enforcement strategies, and will assist States in improving intersection safety problems at specific locations. Approximately 4,800 pedestrians are killed each year in collisions with one or more vehicles. FHWA is examining the causes of crashes in major urban areas and selected rural locations, and assisting in the design of community-based programs that fully and safely accommodate pedestrians.
- Improve Motor Carrier Safety. OMB's PART review for FMCSA's safety grant program indicated that steady progress has been made in reducing truck-related fatalities. The large truck-related fatality rate was reduced 7 percent in 2002 from the level in 2001, the fifth consecutive year of reduced fatalities and a reduced fatality rate. FMCSA met its fatality rate target in FY 2002 for the first time, and forecasts indicate the agency is on target to reduce the large truck-related fatality rate from 2.8 per 100 million truck-miles traveled in 1996 to 1.96 in 2005.



Consistent with the Administration's SAFETEA proposal, the budget requests \$455 million, of which \$227 million is for grants to support aggressive State enforcement of interstate commercial truck and bus regulations, commercial driver's license (CDL) oversight, regulatory compatibility, and safety data improvement initiatives. The remaining \$228 million will support Federal commercial motor vehicle and hazmat safety enforcement operations, border safety inspections, and safety data and analysis capabilities.

- Improve Railroad Safety. OMB's PART review of FRA's rail safety program showed that this program is well managed and is making good progress in achieving rail safety goals. The FY 2005 budget request for FRA safety includes \$179 million to support FRA's efforts to reduce rail accidents and incidents to 17.14 per million train-miles in FY 2005. Railroad fatalities and injuries, as well as serious rail hazmat incidents, will also be avoided by reducing rail accidents and incidents. In calendar year 2002, train accidents per million train-miles dropped significantly below the 2001 rate. However, in 2003, we saw an increase in the number of accidents caused by human factors when compared to 2002 data. The funds requested in FY 2005 will address accidents caused by human factors and assist in sustaining the downward trend of train accidents experienced since 2001. From 1998 to 2002, only 12 fatalities occurred as a result of derailments. Passenger-train derailments are a low-probability, high-consequence event, akin to an airline fatal accident. This request includes funding for a third track geometry vehicle that will allow FRA to inspect an additional 30,000 miles of track each year. The request also includes funding for additional inspectors and inspector-trainees to address the increase in accidents and incidents caused by human factors, and a centralized training facility.
- Improve Transit Safety. Public transit is one of the safest modes of transportation per passenger-mile traveled. The challenge is to further reduce the rate of fatalities and injuries, even as the total number of people using transit increases. To help meet this challenge, the President's budget requests almost \$16 million for FTA safety oversight, research projects, and associated administrative costs. Continuing to fund transit safety will support efforts to keep transit fatalities at or below 0.482 per 100 million transit passenger-miles traveled in FY 2005. These funds will also contribute to reducing the rate of transit-related injuries and incidents.
- Improve Pipeline and Hazmat Safety. OMB's PART review of RSPA's hazardous materials safety grant assistance program showed that this program is well managed and making progress in achieving pipeline and hazmat safety goals. In FY 2005, \$103 million is requested for RSPA to support efforts to reduce the number of natural gas and hazardous liquid pipeline incidents to 295 in FY 2005, and for RSPA's share of the overall DOT performance target of achieving no more than 503 serious hazmat transportation incidents in FY 2005.

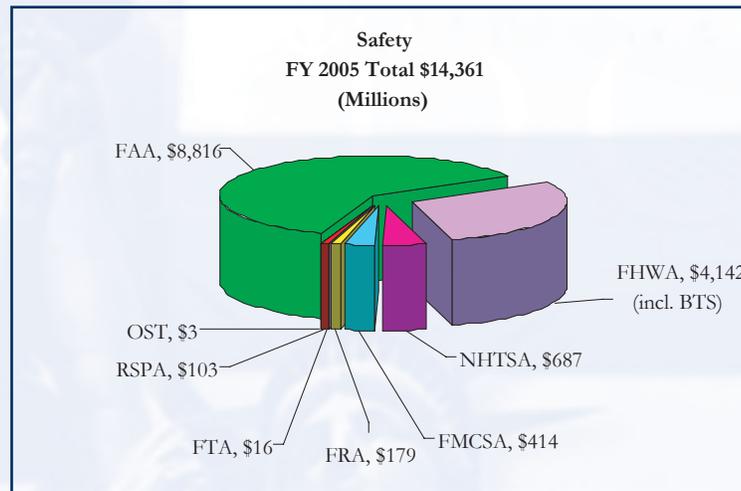
### *Aviation Safety*

- Improve Aviation Safety. OMB's PART reviews of FAA's Air Traffic Service program and aviation Research, Engineering, and Development indicated that, while good progress has been made in reducing the overall rate of fatal commercial aircraft crashes, FAA needs to make better progress in reducing the precursors of aircraft accidents (runway incursions and operational errors). The President's FY 2005 budget request for FAA includes \$8.8 billion to reduce U.S. commercial air carrier fatal accidents to 0.023 per 100,000 departures in FY 2005, and to reduce all general aviation fatal accidents to 343 in FY 2005. The request supports FAA's efforts to provide the safest possible system through additional investments in personnel and airspace safety technology, including systems to reduce the most serious runway incursions to 36, and to reduce the most serious operational errors to 610. The request provides funding for inspecting



aircraft, certifying new equipment, and ensuring the safety of flight procedures and the competence of airmen and women.

DOT's Safety Performance Budget is distributed as follows:



## Mobility

The President's budget request includes \$38.1 billion in FY 2005 to continue improvements in transportation mobility. Mobility is essential to America's economic prosperity and quality of life. In today's global economy, it is more important than ever to have seamless transitions among modes of transportation so that people and cargo can move effectively and efficiently. Over the past 20 years, congestion has increased for all modes of transportation. To address this problem and to enhance infrastructure conditions, the Department is concentrating on smart technology and system improvements. Initiatives supported by the FY 2005 budget request include expanding "intelligent highway system technology" and modernization of the airspace control system. The search for new innovative solutions to our mobility challenges is strongly supported in the FY 2005 budget request, with overall investment in research, development, and technology proposed at \$1.0 billion.

### *Surface Mobility*

- Improve Highway Infrastructure Condition and Relieve Congestion. OMB's PART reviews for the Federal-aid Highway infrastructure program and the Federal Lands Highway program affirm that these programs effectively support States in maintaining the good condition of highway infrastructure and ensuring that there is sufficient capacity and access to transportation to move people and goods.

Consistent with the Administration's SAFETEA proposal, the President's budget requests \$26.3 billion for FHWA to improve highway infrastructure conditions and relieve congestion. Of this amount, \$19.8 billion is requested to improve pavement conditions on the National Highway System (NHS) and thus increase to 93.5 percent in FY 2005 the share of travel on the NHS that meets pavement performance standards for acceptable ride. Another \$6.5 billion will be used to limit the growth in total annual urban-area road travel that occurs in congested conditions to no more than 32.8 percent in FY 2005, 0.2 percent less than unconstrained growth in urban highway congestion. Within the mobility budget request are funds for an infrastructure performance and maintenance initiative, which targets "ready-to-go" highway projects that address traffic bottlenecks and improve infrastructure conditions. Improving the condition of highways and bridges is critical to transportation mobility. The NHS is comprised of the most important