

## FEDERAL HIGHWAY ADMINISTRATION

**Overview:** The mission of the Federal Highway Administration (FHWA) is to enhance the quality and performance of our Nation's highway system and its intermodal connectors through innovation, leadership, and public service. Highways are the critical link in our Nation's transportation system, as virtually every trip we take and every good consumed passes over a road at some point. The challenge is to preserve and improve the 160,000-mile National Highway System, which includes the Interstate System and other roads of importance for national defense and mobility, while also improving highway safety, minimizing traffic congestion, and protecting the environment on these and other key facilities. Through surface transportation programs, innovative financing mechanisms, and increased use of innovative pavement and highway operational technology, FHWA will increase the efficiency by which people and goods move throughout the Nation, and improve the efficiency of highway and road connections to other transportation modes. The FY 2008 budget request of \$40.3 billion in budgetary resources will allow the FHWA to address these challenges and support Departmental efforts towards the achievement of its strategic goals and performance targets, specifically in new key focus areas: passenger vehicle occupants, non-occupants (pedestrians, cyclists, etc.), motorcycle riders, and large trucks and buses.

### FEDERAL HIGHWAY ADMINISTRATION BUDGET

(DOLLARS IN MILLIONS)

	2006 <u>Actual</u>	2007 <u>Cont. Res.</u>	2007 <u>Pres. Bud.</u>	2008 <u>Pres. Bud.</u>
FEDERAL-AID HIGHWAYS OBLIGATION LIMITATION	34,183 <sup>1/</sup>	35,551	38,244	39,585
REVENUE ALIGNED BUDGET AUTHORITY (RABA)	0	0	842	0
RABA TRANSFER TO FMCSA	0	0	-4	0
<b>SUBTOTAL: FEDERAL-AID HIGHWAYS OBLIGATION LIMITATION</b>	<b>34,183</b>	<b>35,551</b>	<b>39,083</b>	<b>39,585</b>
EXEMPT MANDATORY FEDERAL-AID HIGHWAYS	739	739	739	739
LIMITATION ON ADMIN EXPENSES [NON-ADD]	[361]	[361]	[373]	[385]
EMERGENCY RELIEF SUPPLEMENTAL GENERAL FUND (GF)	3,452	0	0	0
APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM (GF)	<u>20</u>	<u>82</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b>38,394</b>	<b>36,372</b>	<b>39,822</b>	<b>40,324 <sup>2/</sup></b>

<sup>1/</sup> Reflects \$121 million transfer to NHTSA per P.L. 109-115 and \$1.4 billion flex funding transfer to FTA.

<sup>2/</sup> The FY 2008 budget also proposes cancellations of unobligated balances in the Miscellaneous Highway Trust Funds account (-\$260 million) and Miscellaneous Appropriations account (-\$149 million), as well as cancellations of Federal-aid contract authority (-\$2 billion).

### SUMMARY OF FEDERAL-AID HIGHWAYS FY 2008 INCREASES AND DECREASES

(DOLLARS IN MILLIONS)

	Federal-aid Highways Obligation <u>Limitation</u>	Exempt Mandatory Federal-aid Highways	<u>Total</u>
<b>FY 2007 Base</b>	<b>39,083</b>	<b>739</b>	<b>39,822</b>
Pay Inflation Adjustments	6	0	6
Non-Pay Inflation Adjustments	4	0	4
Annualization of FY 2007 Initiatives	0	0	0
Non-recurring Costs or Savings	0	0	0
Base Re-engineering, Reductions or Adjustments	492	0	492
<b>FY 2008 Current Services Levels</b>	<b>39,585</b>	<b>739</b>	<b>40,324</b>
<b>Program Initiatives</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FY 2008 Request</b>	<b>39,585</b>	<b>739</b>	<b>40,324</b>

## FY 2008 Budget

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), enacted August 10, 2005, provides for increased transportation infrastructure investment, strengthens transportation safety programs and environmental programs, and continues core research activities. SAFETEA-LU, along with Title 23, U.S.C. ("Highways") and other supporting legislation, provides authority for the various programs of the Federal Highway Administration designed to improve highways throughout the Nation. The budget request for FY 2008 continues transportation infrastructure investment to reduce congestion, increase the mobility and productivity of the Nation, strengthen transportation safety programs, and provide a focus on program efficiencies, oversight, and accountability.

In FY 2008, the Federal Highway Administration continues major programs, including the Surface Transportation Program, the National Highway System, Interstate Maintenance, Highway Bridge Replacement and Rehabilitation Program, Congestion Mitigation, and Air Quality Improvement Program, and Transportation Infrastructure Finance and Innovation programs.

SAFETEA-LU authorizes a new Highway Safety Improvement Program (HSIP), and an Equity Bonus program that replaces the Transportation Equity Act for the 21st Century's (TEA-21) Minimum Guarantee program. Other new programs include the Highways for LIFE pilot program, National Corridor Infrastructure Improvement Program, Projects of National and Regional Significance, and Safe Routes to School.

The FY 2008 budget request of \$40.3 billion supports the Administration's blueprint for the future, as described in SAFETEA-LU. This funding level will support the Secretary's goals and continue efforts to improve highway safety dramatically, slow the growth of traffic congestion, and promote good stewardship of the environment. FHWA will also strengthen its stewardship of Federal surface transportation funds by improving oversight and increasing accountability to ensure every dollar spent achieves maximum benefits for Americans.



**Federal-aid Highways Program:** The Federal-aid Highways Program (FAHP) provides Federal financial assistance to the States to construct and improve the National Highway System, urban and rural roads, and bridges. The FY 2008 budget request includes an obligation limitation of \$39.6 billion for the FAHP. When additional resources from State and local governments that utilize the funds for highway investment are included, this amount is more than doubled. In total, investments in highway improvements support the achievement of safety, reduced congestion, environmental stewardship, and security, preparedness, and response strategic goals. FHWA will continue its efforts to increase oversight and accountability, including large-project management and oversight, to ensure the protection of the large Federal investment, while maintaining the prerogatives of the States in the delivery of highway transportation projects to the public. The Federal-aid Highways Program includes the following:

- National Highway System (NHS): \$5.7 billion for the NHS program, consisting of roads of primary Federal interest. These include the current Interstate system, other rural principal arterials, urban freeways and connecting urban principal arterials, facilities on the Defense Department's designated Strategic Highway Network, and roads connecting the NHS to intermodal facilities.
- Surface Transportation Program (STP): \$6.0 billion for the STP program, which supports projects on any Federal-aid highway, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities.
- Interstate Maintenance (IM): \$4.7 billion for the IM program, which is designed to rehabilitate, restore, resurface, and reconstruct the interstate system.
- Bridge Replacement and Rehabilitation: \$4.0 billion for the bridge program, which enables States to improve the condition of their bridges through replacement, rehabilitation, and systematic preventive maintenance.
- Congestion Mitigation and Air Quality Improvement Program (CMAQ): \$1.6 billion for the CMAQ program, which supports transportation projects that assist in meeting and maintaining national ambient air quality standards.
- Highway Safety Improvement Program (HSIP): For FY 2008, \$1.0 billion is estimated for the new highway infrastructure safety program (previously funded by a set-aside from STP) that was established as a core program beginning in FY 2006. The program, which features strategic safety planning and performance, devotes additional resources and supports innovative approaches to reducing highway fatalities and injuries on all public roads.
- Research and Intelligent Transportation System (ITS): To support the FAHP and the Federal Lands Highway Program (FLHP), FHWA conducts and manages a comprehensive research, development, and technology program. For FY 2008, \$410 million is estimated for Research and ITS. FHWA will continue to work on identifying ways to reduce the number of injuries and fatalities on our Nation's roadways by demonstrating the application of innovative technologies in highway safety, deploying and evaluating safety technologies and innovations at the State and local levels, and assuring the deployment of best practices in training, management, design, and planning.

- Federal Lands Highway Program (FLHP): FLHP improves access to and within national forests, national parks, Indian reservations, and other public lands. The \$908 million estimated for the FLHP in FY 2008 will support the President's initiatives to enhance the protection of America's national parks and protect these national treasures for present and future generations. This will include enhancement of ecosystems, improvement of outdoor opportunities, improved infrastructure, and greater accountability.
- Transportation Infrastructure Finance and Innovation Act (TIFIA) Program: Under the TIFIA program, FHWA, on behalf of the Department of Transportation, will use FY 2008 estimated obligations of \$93 million to help stimulate private capital investment in transportation infrastructure. Approved applicants receive credit assistance in the form of direct loans, loan guarantees, and lines of credit for up to one-third of the cost of large infrastructure construction projects of national or regional significance.
- Limitation on Administrative Expenses (LAE): A FY 2008 LAE of \$385 million is requested for the necessary salaries and on-going administrative expenses in support of the above Federal programs and to provide for congestion relief efforts.
- Emergency Relief Program: The Emergency Relief (ER) program provides funding for the repair or reconstruction of Federal-aid highways and roads on Federal lands that have suffered serious damage as a result of natural disasters or catastrophic failures from an external cause. Section 125 of title 23, United States Code, authorizes \$100 million annually.

**Congestion Reduction Initiative:** In support of the President's Energy Initiative and a Department-wide effort to address congestion in all modes of transportation, the FY 2008 budget directs \$175 million of funds to a new highway congestion reduction initiative. This funding is included in the budget to advance variable pricing programs that increase throughput; build new facilities; add lanes to existing facilities, or remove bottlenecks in specific locations or corridors; implement the Corridors of the Future program; enable the use of public-private partnerships to successfully build roads and highways faster and more economically; and, continue developing the next generation of system operations capabilities that improve real-time information collection and dissemination to enable State and local transportation agencies to better quantify performance, better utilize congestion management techniques, and place better information in the hands of transportation decision-makers.

