

April 11, 2013

FISCAL YEAR 2014 ADMINISTRATION BUDGET SUMMARY
TRANSPORTATION

Yesterday, President Barack Obama delivered his fiscal year (FY) 2014 federal budget to Capitol Hill, asking for \$3.77 trillion in spending for the budget year that begins on October 1, 2013. The budget “roll-out” provides the President’s funding priorities for the whole of the federal government, and this update deals specifically with various transportation programs under the government’s purview.

Among the programs the President is looking to implement in the year ahead is a proposal he has supported numerous times before, and recently outlined in his State of the Union address to Congress earlier this year. The proposal would allocate \$50 billion as an immediate “economic investment” in our nation’s infrastructure designed to create jobs and spur growth. Of this \$50 billion, eighty-percent of the funds would be used on “fix it first” proposals to meet current infrastructure needs. Specifically, \$25 billion would be used for repairs to bridges, highways, and other public roads; \$9 billion would go towards transit repair, capital improvement, and operations costs; \$2 billion would be set-aside for Amtrak; and \$2 billion would be spent on airport improvements. The remaining \$10 billion requested by the President would be used for such activities as NextGen air traffic control upgrades (\$1 billion), rail service/rail corridor upgrades (\$3 billion), and infrastructure grants and financing to states and localities for capital improvement needs (\$4 billion).

Overall, the Department of Transportation’s fiscal year 2014 funding plan comes in at \$76.6 billion in total discretionary and mandatory spending. At that level, transportation funding would rise 5.5 percent over fiscal year 2012 baseline expenditures (not counting the \$50 billion “economic investment” described above). Of that amount, some \$41 billion in budget authority would be made available to the Federal Highway Administration to fund its surface transportation programs. In addition, the budget would provide a total of \$10.9 billion for transit funding, consisting of a base level of \$8.6 billion for core transit programs, and \$2 billion in capital investment grants which are meant to support both new starts and existing fixed guideways projects. The budget also includes \$1 billion for the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to provide “contract authority for grant loan subsidies and administrative costs” that help boost the ability to fund “significant” transportation projects. Further, the President has again proposed the creation of a national infrastructure bank to help initiate projects of national importance. The Administration proposes to help pay for its rail and surface transportation proposals by using “savings” realized by decreased expenditures on overseas military operations.

In anticipation of a reauthorization of federal passenger rail programs, the Administration proposes to spend \$2.7 billion in FY 14 on a current passenger rail service program (CPRS) “to ensure

passenger rail assets are maintained to provide safe and reliable life-cycle service.” The CPRS program would be slated to receive \$13.2 billion over five years as part of an overall \$40 billion proposal. For the coming fiscal year, \$675 million of that \$2.7 billion would be allocated to the Northeast Corridor to bring “infrastructure and equipment into a state of good repair to enable future growth and service improvements.”

For the Federal Aviation Administration (FAA), the White House’s budget includes slightly more than \$9.7 billion in operation costs “to promote aviation safety and efficiency.” The budget also lowers Grant-In-Aid funding to airports across the country from its FY12 level of \$3.35 billion to \$2.9 billion in the coming fiscal year “offset in part by eliminating passenger and cargo entitlement funding for large hub airports.” Under the budget, commercial airports would also be able to raise the non-federal passenger facility charge (PFC) “thereby giving airports greater flexibility to generate their own revenue.”

The President’s budget also resurrects a fee that has been previously proposed which would institute a \$100 per flight surcharge on those who operate within controlled U.S. airspace “to more equitably distribute the cost of air traffic services across the aviation user community” according to the DoT. The fee would exclude “military aircraft, public aircraft, piston aircraft, air ambulances, aircraft operating outside of controlled airspace, and Canada-to-Canada flights.”

In the days and weeks ahead, members of the Administration will be appearing at numerous Capitol Hill hearings to testify in support of the White House’s funding request for these and other programs.

To view dollar amount details of the Administration’s Transportation budget proposal, please click on the following link:

[FY 2014 Budget](#)

To view Department of Transportation budget highlights, please click on the following link:

[FY 2014 Budget Highlights](#)

To view detailed budget explanation documents from each of the agencies of the Department of Transportation, please click on the following link:

[FY 2014 Agency Budget Estimates](#)

For additional information about the Administration’s transportation budget proposal, please contact Peter Phipps at pphipps@newenglandcouncil.com or 202-547-0048.