

OPENING STATEMENT OF THE HONORABLE JAMES B. BUSEY  
ACTING SECRETARY OF TRANSPORTATION  
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION  
WASHINGTON, D.C.  
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Mr. Chairman and members of the Subcommittee, I am pleased to appear before you as Acting Secretary during this transition period to discuss the Department's budget request for Fiscal Year 1993. This Subcommittee has provided strong support for transportation programs. I hope that as we go forward, we can build on the strong working relationship and maintain the spirit of communication and consultation which has existed since the beginning of this Administration.

The President's FY 1993 budget for the Department of Transportation asks this Subcommittee to approve \$36.3 billion in appropriations and obligation limitations. (This excludes \$312 million requested for the Maritime Administration.) This request is 6.4 percent above the FY 1992 level enacted by this Subcommittee and provides 40 percent growth versus FY 1989 when the Administration came into office. This growth rate reflects the strong support which the Appropriations Committees have given to transportation.

The Department's FY 1993 budget proposes resources to continue current policies and to address priority program increases. These priorities include implementing new statutory responsibilities--especially in surface transportation--reauthorizing aviation programs, addressing critical operating and capital requirements of the Coast Guard, continuing support for safety programs and investing in research and development.

This budget request will help create jobs and stimulate the economy. In particular, capital investment in infrastructure, which accounts for almost three-quarters of the budget, supports job creation both directly and indirectly and facilitates the productivity of American business by supporting more efficient transportation.

This focus on the viability of our transportation systems and their linkage to U.S. productivity was the centerpiece of the National Transportation Policy (NTP), which continues to guide the Department's investment decisions and policy direction. The principles of the NTP are reflected departmentwide in our FY 1993 budget request in the following ways.

**Maintain and Expand the Nation's Transportation System**

Nearly \$27 billion, or 72 percent, of the Department's budget is for programs directly supporting capital investments in highway, transit, rail and aviation infrastructure. Funds are also

requested for maritime infrastructure to facilitate navigation. This investment helps to improve current physical conditions and to expand the capacity of the nation's infrastructure. This spending also promotes economic growth through job creation, both direct and indirect, and by facilitating the movement of goods to market and people to jobs.

#### **Foster a Sound Financial Base for Transportation**

The Department continues to seek ways to lever long term investment in transportation programs without conflicting with deficit reduction goals. Consistent with the National Transportation Policy, the budget turns increasingly to user fees rather than general funds to finance transportation programs: 82 percent of the budget would be financed from user fees in FY 1993 versus 73 percent in FY 1992 and 71 percent in FY 1991. This shift is due largely to our proposals for increased investment in surface transportation infrastructure and for increasing the share of the FAA budget to be financed by user fees.

Beyond federally-collected user fees, the Department is advancing other user fees to support transportation investment. Applications have been received for passenger facility charges (PFC) at airports, which the Department proposed and Congress enacted in 1990, to help finance local airport projects. We appreciate this Subcommittee's support for providing the appropriations which were a statutory condition for PFC implementation. Provisions in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) geared to stimulating private investment, such as greater use of tolls and incentives to encourage toll financing, will be implemented to ensure that transportation programs take full advantage of the financing potential of the private sector.

#### **Ensure that the Transportation System Supports Public Safety**

The budget includes \$1.9 billion for programs that are directly safety-related. This amount, which is 8.4 percent over the FY 1992 enacted level, includes funds for inspections, search and rescue, safety grants, and transportation security. In addition, \$18 million in permanent authority is available for hazardous materials-related emergency preparedness planning and training grants to states. Of particular note, the budget proposes 19.7 percent growth in highway and motor carrier safety programs to continue the successful reduction in the traffic fatality rate which in 1991 stood at an estimated all-time low of 1.9 fatalities per hundred million vehicle miles travelled. This rate is 17 percent lower than the 1988 rate. The budget funds a 26 percent increase in highway and motor carrier safety grants including new programs to deal with drunk and drugged driving and proper use of safety belts and motorcycle helmets. The budget also strengthens our efforts to ensure that transportation

services are drug-free and includes \$731 million, an increase of 2.8 percent, to support the Nation's drug reduction strategy. In the area of national security, the budget requests \$476 million to support the Coast Guard's military readiness activities and to continue current levels of support for the Ready Reserve Force and the National Defense Reserve Fleet in the Maritime Administration.

### Protect the Environment and the Quality of Life

The budget includes \$464 million for environmental activities, a six percent increase over the FY 1992 enacted level. This includes \$59 million to clean up environmental damage and ensure environmental compliance at DOT facilities. The budget also includes, as part of grant programs, funds to help states and localities mitigate surface transportation congestion and aviation noise. Our budget proposal for Federal-aid Highways will allow states to use the newly authorized Congestion Mitigation and Air Quality Improvement Program funds for transportation projects to help meet air quality standards in non-attainment areas. Also, consistent with the Administration's proposal which was enacted in the ISTEA, states may use Federal-aid Highways funds to finance wetlands mitigation banks.

### Advance U.S. Transportation Technology and Expertise

The budget includes \$498 million for research and development, a 12 percent increase over the FY 1992 enacted level. The Department's research and development program supports our operating and regulatory responsibilities and also serves as a catalyst to promote productivity improvements and new technology for transportation systems and services. The FY 1993 budget will continue surface transportation initiatives to facilitate travel, particularly in the areas of high speed transportation and Intelligent Vehicle Highway Systems (IVHS).

Departmentwide, the budget continues efforts toward management improvement. The budget requests \$18 million for system development and improvements in the area of financial management. Funds are also requested for training and automation to improve the productivity and long term effectiveness of the Department.

Let me address the program and funding levels proposed for each operating administration in FY 1993.

### Surface Programs

Our request for the three agencies newly reauthorized by ISTEA--the Federal Highway Administration (FHWA), the National Highway Traffic Safety Administration (NHTSA), and the Federal Transit Administration (FTA)--totals \$22.3 billion, 43 percent growth since FY 1989. Implementing the new law, including its many new

programs, and facilitating infrastructure investment is a top priority for the Department.

Our request for the FHWA, excluding \$300 million in exempt obligations for Emergency Relief, totals \$19 billion, 16 percent growth over the FY 1992 enacted level. The obligation limitation for Federal-aid Highways is proposed at \$18.9 billion. We propose that the FY 1993 appropriations bill subject to the obligation limitation the minimum allocation program and highway demonstration projects, which are now exempt from limitation. This approach responds to the Appropriations Committees' concern regarding the growth in outlays associated with spending from programs exempt from limitation. The request also includes \$96 million for motor carrier and highway safety grants, as authorized, and \$15 million for the newly authorized National Recreational Trails program.

The Limitation on General Operating Expenses (LGOE) is budgeted at \$433.5 million, which includes \$56.8 million for Motor Carrier Safety previously appropriated as a separate account. Our proposal to budget within LGOE reflects our view that all motor carrier safety activities, not just the motor carrier safety grants, should be user fee financed and that salaries and expenses activities should be consolidated. The request for LGOE also includes \$30 million for IVHS, which together with \$100 million in contract authority available within the Federal-aid program, will provide strong support for continued progress in this area. We appreciate the Subcommittee's concern regarding our goals for the implementation of IVHS. The FHWA has developed an implementation plan in consultation with other agencies involved with IVHS.

Under this budget proposal, resources for NHTSA would increase by 17 percent for a total of \$306 million. NHTSA will continue its successful efforts to reduce traffic accidents and fatalities. State highway safety grant programs will increase 25 percent from \$138 million to \$173 million, including \$35 million for new programs to encourage states to enact safety belt and motorcycle helmet use laws and measures to counter drunk and drugged driving. The budget proposes \$133 million for the Operations and Research account, which is nine percent growth over the FY 1992 enacted level. Recognizing the Subcommittee's interest in biomechanics research, \$5 million is requested for this activity. Also included in this request is \$9.45 million toward the construction of the National Advanced Driving Simulator to be located at the University of Iowa. This state-of-the-art simulator will be used to conduct research in highway traffic safety, IVHS and automotive design. We hope that we will continue to have the Subcommittee's support for this project.

For FTA, the budget proposes a \$3 billion program, directed primarily at infrastructure, although operating assistance would

be available to areas under 500,000 population. The urban capital portion of Formula Grants is proposed at \$1.26 billion, a \$242 million (24 percent) increase over the FY 1992 enacted level. An estimated \$10 billion in Federal-aid highways funds could also be available for transit capital projects in FY 1993 under the transferrability provisions of ISTEA, depending on state and local decisions. To continue our efforts to strengthen FTA's grant management capability and to deal with increased workload from new statutory and regulatory requirements, the budget proposes an increase of 23 Full Time Equivalents (FTE) for a total of 483 FTE, which would continue the staffing growth requested by the Administration and supported by this Committee. The budget also includes \$182 million for the Washington Metro, which supports WMATA's request, toward completion of the last 13.5 miles of the system.

I would also point out that, as part of the Administration's tax proposals, the Administration seeks to encourage commuting by public transit. This proposal would increase the amount of employer-provided transit fare reimbursement which taxpayers could exclude from gross income from \$21 per month to \$60 per month. The proposal would create more parity between the tax treatment of commuting by public transit and commuting by automobile. The Department, by the way, instituted a transit fare reimbursement program in FY 1991 for DOT employees.

For Federal Railroad Administration programs, the budget requests \$429 million, which includes an 11 percent increase for safety and research and development programs. The request for Railroad Safety of \$41 million includes funds for an additional 14 FTE to add the third class of inspector trainees to strengthen the rail safety inspection program and to implement new regulations mandated by the Sanitary Food Transportation Act of 1990 and the Omnibus Transportation Employee Testing Act of 1991.

With respect to Maglev and high speed rail transportation, the budget proposes \$15 million within the \$25.8 million requested for Research and Development to conduct safety assessments and to support technical, economic and environmental assessments related to the viability of these systems. Completion of these studies is necessary before the Government can determine whether to proceed with the development of a maglev prototype. We believe that both the Administration and the Appropriations Committees need to consider the results of these studies before taking action that could lead to a several hundred million dollar expenditure. For this reason, the budget proposes that no obligations should be incurred pursuant to the National Magnetic Levitation Prototype Development and High Speed Ground Transportation programs authorized by ISTEA.

The request for Amtrak is \$343 million. The Administration supports Amtrak and the contribution of Amtrak's service to help

meet the nation's passenger transportation needs. However, we also support Amtrak's goal of eliminating Federal operating subsidies. Amtrak, Congress and the Administration must pursue every opportunity to control operating expenses in order to achieve this goal.

### Aviation Programs

For the Federal Aviation Administration, we propose a budget of \$9.4 billion, which provides six percent growth over the FY 1992 enacted level. Aviation programs must be reauthorized for FY 1993 and we will transmit shortly our proposed reauthorization legislation. The capital component of the budget request totals \$4.83 billion, a seven percent increase over the FY 1992 enacted level, and includes \$2.7 billion for Facilities and Equipment (F&E), \$230 million for Research, Engineering and Development (RE&D) and \$1.9 billion for Airport Grants. The request for F&E provides 13 percent growth (\$306 million) over the FY 1992 enacted level which is necessary to support the Capital Investment Plan, including continued implementation of National Airspace System modernization projects and sustaining the current infrastructure. We appreciate the Subcommittee's attention to our major acquisition process. Our detailed budget justification for F&E, which will be transmitted shortly, features a restructuring of budget activities to track more closely the transition from development to production which we believe will respond to Subcommittee concerns in this area.

FAA Operations is proposed to increase six percent to \$4.6 billion. Air traffic controller employment levels will total 17,871 controllers, an increase of 150 controllers over the expected FY 1992 end-of-year employment level. Although these levels are below the 17,945 controller workforce requested and supported by the Congress for FY 1992, we believe that the proposed staffing levels are sufficient, given the decline in aviation activity in 1991 from 1990 and the revised projections for the future. Further, we believe we have provided the appropriate balance to ensure that relocation, training and support costs for the controller workforce are addressed. Strengthening the FAA's security programs continues to be a priority. The budget proposes to increase the employment level for the Civil Aviation Security workforce from 875 at the end of FY 1992 to 900 by the end of FY 1993. This will result in a 76 percent increase in security staffing since the FY 1989 level of 511 personnel.

We are proposing that 85 percent of the FAA budget be financed by the Airport and Airway Trust Fund, consistent with civil aviation's share of the use of the aviation system. With the FY 1993 budget request of \$9.4 billion, this proposal would reduce the surplus in the Airport and Airway Trust Fund from \$7.5 billion estimated at the end of FY 1992 to \$6.2 billion at the

end of FY 1993.

### Maritime Programs

The budget request for the United States Coast Guard totals \$3.7 billion, a five percent increase over the FY 1992 enacted level. For Operating Expenses, the budget proposes \$2.6 billion including \$142 million to be appropriated in the Defense budget for transfer to Coast Guard. The request provides five percent growth (\$126 million) and includes funds to operate new facilities coming on stream such as HH-60 helicopters, to provide critical vessel, boat and shore facility maintenance, to provide new initiatives to improve financial management and to support the Coast Guard workforce. Training, workforce diversity and other support programs are key to the long term effectiveness of the Coast Guard in carrying out its missions.

For Coast Guard's capital program, Acquisition, Construction and Improvements, \$414 million is requested--an increase of six percent. Nearly \$371 million of the request is to continue the replacement and modernization of major components of the Coast Guard's extensive vessel and boat fleets--including buoy tenders, motor life boats, patrol boats and icebreakers--and shore facilities. Nearly \$45 million is for investments to facilitate navigation such as vessel traffic systems. The budget also includes \$30 million to continue efforts to improve Coast Guard family housing.

With this budget proposal, Coast Guard's Environmental Compliance and Restoration program would increase 42 percent (\$9 million) to \$31 million. This reflects the Coast Guard's commitment to clean up and restore Coast Guard locations which have suffered or caused environmental damages.

The budget requests \$12.1 million for the Saint Lawrence Seaway Development Corporation, a 14.5 percent increase over the FY 1992 level. Funds are included to dredge the Wiley-Dondero Canal which is needed to reduce the risk of accidents and facilitate vessel transits through the locks.

### Other DOT Programs

For the Office of the Inspector General, the budget request totals \$42.2 million, a 13.5 percent increase over the FY 1992 level, to support audit, inspection/evaluation, and investigative activities. In particular, the budget requests an increase of \$4.2 million to finance audits of financial statements required by the Chief Financial Officers Act. Under the Act, the Inspector General is responsible for audits of financial statements prepared for the Department's trust funds, revolving funds, and commercial type activities.

For the Research and Special Programs Administration (RSPA), the budget requests \$43 million in appropriations, an increase of 20 percent over the FY 1992 level. This significant growth will help RSPA carry out its safety and research activities which promote public safety and environmental protection, particularly in the areas of hazardous material regulation and inspection, transportation research and technology transfer, and maintaining a sound airline statistics data base. Pursuant to the Hazardous Materials Transportation Uniform Safety Act, beginning in FY 1993, the budget requests \$850 thousand for development of an emergency response training curriculum. This program, together with \$18 million in permanent authority for state planning and technical assistance grants, will be financed from registration fees paid by hazardous materials shippers and carriers.

The budget also includes \$1 million to fund the first year of operation of the Presidential Task Force on the Trans-Alaska Pipeline which was authorized by the Oil Pollution Act of 1990 to conduct an audit of the pipeline system. The request for the Pipeline Safety program is \$15.6 million, a 15 percent increase over the FY 1992 enacted level. The grant program is continued at \$7 million. Increased funding is requested to support RSPA's oversight of alcohol and drug testing requirements.

Featured for the first time, the budget includes \$6 million in FY 1993, transferred from the Federal-aid highways account, to finance the new Bureau of Transportation Statistics, which was directed by the Appropriations Committees and authorized by ISTEA. The purpose of the Bureau is to compile and publish transportation statistics suitable for use in cost-benefit analyses, establish a long-term data collection program regarding the performance of the national transportation system, and to identify needed information not currently collected. Under the law, the Director is appointed by the President and confirmed by the Senate for a four-year term.

For the Office of the Secretary, the budget requests \$267 million. Excluding \$147 million for rental payments to the General Services Administration, which are consolidated in this budget at the Appropriations Committees' direction, the request provides a 9.5 percent increase over the FY 1992 level. Funds are requested to continue the Essential Air Service program (\$38.6 million) and the Transportation, Planning and Research program (\$3.1 million) at FY 1992 levels. Resources for the Office of Commercial Space Transportation total \$4.9 million, excluding \$300 thousand in licensing fee revenues credited to this account.

For Salaries and Expenses, the budget requests \$72.4 million including funds to strengthen management oversight in the areas of information technology, acquisition and grants management and financial management and to continue office automation and

of information technology, acquisition and grants management and financial management and to continue office automation and development of financial management systems. The Office of the Secretary will assume the responsibilities, in close conjunction with the operating administrations, of the Office of Intermodalism, authorized by the ISTEA.

Finally, the budget proposes \$16.7 million and 216 FTE to transfer to the Department certain rail activities of the Interstate Commerce Commission (ICC), subject to the enactment of economic deregulation legislation which would sunset the ICC.

The safety and soundness of the transportation infrastructure is vital to the Nation's economy. The FY 1993 President's Budget for the Department of Transportation continues the priority this Administration has placed on investment--in infrastructure, in research and development and in safety--which is key to America's future.