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SECRETARY DOLE SAYS DOT BUDGET CONTINUES COMMITMENT TO SAFE, EFFICIENT TRANSPORTATION SYSTEM

Secretary of Transportation Elizabeth Hanford Dole today unveiled a proposed budget for Fiscal Year 1986 "which continues our commitment to maintain a safe and efficient national transportation system."

At the same time, the Secretary said the proposed request for \$24.7 billion in budget authority will reduce the share of the Federal deficit attributable to the cost of transportation programs.

"The budget request represents a \$3.8 billion reduction from the FY 1985 level, or 13 percent," she said. "More significant in the long term fight to reduce the deficit, that portion of the budget authority proposed to be financed by user fees will continue to increase -- from 70 percent of total DOT budget authority in FY 1985 to a proposed 85 percent in FY 1986."

The budget continues emphasis on highway and traffic safety programs and the multi-year modernization of the nation's airway system. A \$1.1 billion formula program is proposed to provide capital assistance for mass transit to be funded from one cent of the Federal gasoline tax already dedicated to mass transit. This would replace the program which has been financed from general funds.

Secretary Dole said the proposed budget:

- Provides continued support for transportation safety and programs which have a national impact.
- Continues the FY 1985 level of capital investment for the nation's highway system and highway safety.
- Provides full funding of the airport improvement program.
- Reduces funding for programs that are not supported by user fees or which do not benefit the general taxpayer.
- Encourages the private sector to expand its role in providing efficient transportation services.

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Highlights of the proposed budget:

The Federal Highway Administration (FHWA) requested budget authority is \$15.2 billion. Total obligations of \$14.2 billion are proposed under the Federal-Aid highway programs, which will provide for construction and rehabilitation of highways and bridges at the 1985 level. Virtually all of FHWA's funding will come from the Highway Trust Fund, which is financed by the Federal gasoline tax and other highway user fees.

The total budget authority requested for the National Highway Traffic Safety Administration (NHTSA) is \$257.9 million, including \$45.7 million for programs to be transferred from the Federal Highway Administration under proposed legislation. These programs include operations of the Bureau of Motor Carrier Safety, highway and motor carrier safety grants and safety research. A total program level of \$97.2 million is proposed for Operations and Research, which includes funding for safety programs ranging from occupant protection to intensified efforts to combat drunk driving. The budget request includes \$20 million for implementation of the national occupant protection program designed to reduce traffic accident injuries and fatalities. The funding level proposed for safety grants to states is \$155 million for programs including police traffic services, emergency medical services, and drunk driving prevention.

For the Federal Railroad Administration (FRA), a total of \$53.6 million is proposed. No funds are requested for Amtrak or other Federal rail subsidy programs. The budget also reflects the transfer of the Alaska Railroad to the State of Alaska, which took place on Jan. 5, 1985. A total of \$27.3 million is requested for enforcement of Federal railroad safety laws and regulations, and \$10.4 million for safety-related research and development in equipment, operations, hazardous materials, track safety and track-train safety testing.

Eighty percent of the \$1.4 billion budget authority requested for the Urban Mass Transportation Administration (UMTA) will be derived from the one cent per gallon highway motor fuels tax dedicated to financing mass transit. A proposed \$1.1 billion formula grant program will provide capital and planning assistance to transit agencies, replacing the program which had been financed from general tax revenues. Funds will be allocated equitably among the various transit authorities by a legislative formula. Federal funds will no longer be available for transit operating costs, since transit operating decisions are made at the state and local level.

The Federal Aviation Administration (FAA) budget authority request is for \$5.1 billion, approximately 85 percent of which is proposed to be financed from user charges through the Airport and Airway Trust Fund. The budget includes \$2.7 billion to operate and maintain the nation's air traffic control and navigation systems, establish and enforce civil air regulations and administer the airport grants program. Funding of \$196.5 million is proposed for FAA research, engineering and development activities. Funding for planned facilities and equipment procurements is requested at \$1.15 billion for the multi-year program to modernize and replace outmoded facilities and equipment (NAS Plan). Major new systems or replacement programs include airport surveillance and surface detection radars, air traffic control computers, airport traffic control towers and microwave landing systems. A total of \$1 billion is requested for the airport grants program.

The \$2.5 billion in budget authority for the Coast Guard continues plans to modernize and replace outmoded facilities and equipment and improve its capability in safety enforcement, national defense and maritime law administration. A total of \$303 million is requested to fund capital improvements, including aircraft procurement and cutter acquisition and renovation. Funding of \$1.8 billion is proposed for the operation and maintenance of Coast Guard ships, aircraft and shore units. To maintain a Reserve strength of 12,500, the budget requests \$61.5 million. To provide grants to assist states in developing boating safety programs, a funding level of \$13.6 million is proposed. Proposed legislation will permit establishment of user fees for certain Coast Guard services.

The Maritime Administration (MARAD) budget authority request to continue operating subsidies to U.S. carriers and to finance agency operations is for \$369 million. The budget also proposes a \$900 million limitation on loan guarantees for Federal Ship Financing, of which \$300 million is to be used as needed in the interest of national security.

For other elements of the Department, \$19.1 million of budget authority is proposed for the Research and Special Programs Administration (RSPA), \$27 million for the Office of the Inspector General (OIG), and \$56 million for the Office of the Secretary (OST). No funds are provided for the Essential Air Service Program which is proposed to be terminated. The St. Lawrence Seaway Development Corporation (SLSDC) shares with Canada the operation of the water access route from the Great Lakes to the Atlantic and is funded through user fees. SLSDC expects to fully utilize its estimated toll revenues of \$13 million for operational expenses, replacement and maintenance of equipment and administration.

The budget proposes an average on-board Departmental staffing level of 98,770 employees, including 38,220 Coast Guard military personnel. The FY 1986 level also includes the first full year of staffing those aviation functions transferred to DOT from the Civil Aeronautics Board (CAB) on January 1, 1985.

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