

**STATEMENT OF
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SECRETARY OF TRANSPORTATION
BEFORE THE SUBCOMMITTEE ON
TRANSPORTATION, HOUSING, AND URBAN DEVELOPMENT AND RELATED
AGENCIES
COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES
April 16, 2013**

Introduction

Chairman Latham, Ranking Member Pastor, and Members of the Subcommittee thank you for the opportunity to discuss the Administration's fiscal year (FY) 2014 Budget request for the U.S. Department of Transportation. Since day one, President Obama and all of us at the Department of Transportation have been committed to putting people back to work rebuilding and repairing our infrastructure and improving transportation safety. The President's budget does just that. The President is requesting \$77 billion for Transportation in FY 2014 -- a 6 percent increase above FY 2012 funding levels.

In addition, the President's plan includes an additional \$50 billion in immediate transportation investments to generate new jobs and economic growth here at home and improve our transportation infrastructure for future generations. \$40 billion of this funding will be targeted for "Fix-It-First" investments that will improve America's roads, bridges, transit system, border crossings, railways, and runways. The remaining \$10 billion will be used for programs where the Federal Government and our State and local partners use innovative strategies, foster best practices, and develop multimodal transportation solutions. Specifically, these funds will be used for TIGER/TIFIA, Transportation Leadership Awards, Rail Service Improvement, and FAA's NextGen initiative.

Investing in our Nation's Rail Systems

Four years ago, President Obama laid out his vision for high-speed intercity passenger rail in America. And we've worked hard to fulfill that vision—building or improving 6,000 miles of rail and upgrading 40 train stations nationwide. Today, we have trains hitting 110 MPH in Midwest, and the initial segment of the nation's first 220 MPH high-speed rail network is set to break ground in California this year. We have broken ground on multi-modal train stations in communities across the country—creating jobs and revitalizing downtown districts in the process.

The President's 2014 budget builds on our hard work so far—and continues to fulfill his vision to build a national high performance rail system for all Americans. The President's budget includes a bold rail reauthorization proposal that would provide \$40 billion over five-years to invest in projects that will strengthen and enhance rail services. Of the total requested, \$6.4 billion would be used in FY 2014 to significantly improve existing intercity passenger rail services, develop new high speed rail corridors, and strengthen the economic competitiveness of our freight rail system.

\$2.7 billion of the FY 2014 funds would improve our current passenger rail service. This funding targets areas such as the Northeast Corridor where investments in infrastructure and equipment would improve service levels and set the stage for future growth. Funding is also requested to help Amtrak address needed improvements in its rail facilities and operations, to implement positive train control along Amtrak routes and commuter rail systems, and to bring rail stations and facilities into compliance with the American Disabilities Act (ADA).

\$3.7 billion of the FY 2014 funds would be used to develop new passenger rail corridors and to improve the Nation's freight network by adding capacity and removing bottlenecks that lead to congestion. The request also includes funds for comprehensive network planning which will help guide decision-making for future investments that benefit both our passenger and freight rail systems.

All together, these investments will ensure that America's rail systems continue to provide reliable transportation services while at the same time laying the groundwork for future system growth and a new level of service. At DOT we have demonstrated that investments in these kinds of transportation infrastructure improvements spur economic development in local communities, provide businesses with opportunities to expand, and create needed jobs across the Nation.

Continued Investment in Surface Transportation Infrastructure and Safety

The President's FY 2014 budget fully supports the authorized funding levels, program structure, and performance based investment approach set forth in the "Moving Ahead for Progress in the 21st Century" (MAP-21) surface transportation legislation in its final year.

The President is requesting a total of \$53 billion in resources for our highway and transit programs in FY 2014. This funding ensures needed highway and transit infrastructure improvements continue and underscores our commitment to highway and transit safety as a top priority. The Budget also reserves funding in future years (after the expiration of MAP-21) for a robust, long-term surface transportation reauthorization program beginning in FY 2015. Our reauthorization funding plan, includes a proposed 25 percent increase above the FY 2014 funding levels for several years.

The budget includes increased investments for surface transportation safety. Over \$560 million is provided for the National Highway Traffic Safety Administration (NHTSA) to support State highway safety initiatives. These grants will help fund seat belt, drunk driving, and distracted driving education and enforcement. In addition, the budget includes \$572 million for the Federal Motor Carrier Safety Administration (FMCSA) to expand our bus and truck safety enforcement efforts and \$27 million for the Federal Transit Administration (FTA) for the new transit safety initiative authorized in MAP-21.

Finally, we are continuing our efforts to improve the safe transport of hazardous materials through pipelines and other transportation modes. The President's request includes \$255 million for the Pipeline and Hazardous Materials Safety Administration (PHMSA) to enhance our oversight in this area. The request will allow the Department to fund 40 more pipeline safety inspectors as part of an initiative to double the number of pipeline inspectors nationwide. These additional inspectors will work with the States to continue to ensure that pipelines are inspected frequently and that pipeline operators follow strict safety standards. The requested increase in funding for pipeline safety is offset by pipeline user fees.

Continued Modernization through FAA's NextGen Initiative

The President's plan provides \$15.6 billion for the FAA to support continued operation of the National Airspace. Nearly \$10 billion of this funding supports the operation, maintenance, communication, and logistical support of the air traffic and air navigation systems.

FAA is modernizing the management of the National Airspace System through the Next Generation Air Transportation System (NextGen) initiative. NextGen enables the FAA to build upon current capabilities and lay the groundwork for future technologies. Advancements in NextGen will improve the safety, capacity, and efficiency of air travel by replacing ground-based radar surveillance with a modern satellite-based system. NextGen also capitalizes on the latest state-of-the-art capabilities in modern aircraft technology.

The FY 2014 President's Budget request includes \$1 billion to continue to advance NextGen initiatives. This includes \$282 million to implement satellite-based surveillance capabilities, \$115 million to advance text-based communications, and \$32 million to fund consolidation of the databases used to develop new arrival and departure procedures at airports. The advances provided by NextGen help FAA move from a system of air traffic control to a system of modern air traffic management.

The request for FAA also includes a new approach for funding the Airport Improvement Program (AIP). The Budget provides \$2.9 billion for AIP and enables all PFC eligible airports to raise the Passenger Facility Charges (PFCs) from \$4.50 to \$8.00 as an alternative means to invest in airport projects. Our proposal focuses federal grant funding on smaller commercial and general aviation airports that do not have adequate access to additional revenue or other outside sources of capital. At the same time, the budget gives large hub airports and all other PFC eligible airports greater flexibility to generate their own revenue for important capital projects.

Conclusion

We became the greatest country in the world, because generations before us had the courage and the foresight to invest in a better future. Today, we have a duty to invest in a modern transportation network that will improve safety, create jobs, encourage businesses to expand and help us compete in a global economy. The President's 2014 budget will put people to work rebuilding and upgrading our nation's infrastructure—and it will help us continue to invest in a transportation network that will meet the needs of 21st century America.

Thank you for the opportunity to appear before you today to present the President's FY 2014 budget proposal for the Department of Transportation. Your support of this plan will help address the transportation needs of today as well as those of future generations of Americans.

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