

## DOT R&D Gains 7 Percent in Final 2008 Budget

### AAAS R&D Funding Update on DOT R&D in FY 2008 Final Appropriations

#### Highlights

- Congress has reached a compromise on the **Department of Transportation's (DOT) R&D funding for 2008, bringing the DOT R&D total to \$852 million (up 7.3 percent; see Table)**. There would be cuts to aviation R&D combined with increases for highway R&D.

#### DOT R&D in FY 2008 Final Appropriations

On November 14, a House-Senate conference committee reached a compromise between House and Senate versions of the FY 2008 Transportation-Treasury appropriations bill (HR 3874) providing funding for the Department of Transportation (DOT) and other programs, which the full House quickly approved. But the Senate never voted on the bill, so it was rolled essentially unchanged into the 2008 omnibus appropriations bill in December. President Bush signed the omnibus bill into law on December 26. The bill provides \$65.5 billion for DOT in 2008, \$3.3 billion more than 2007 and \$1.0 billion more than requested (see Table).

The Department of Transportation (DOT) funds a broad range of highway, aviation, traffic safety, rail, transit, and marine transportation programs. **R&D is a relatively small part of a \$66 billion DOT budget and would total \$852 million in the FY 2008 final appropriation, an increase of 7.3 percent or \$58 million over 2007 and \$39 million more than DOT requested (see Table)**. Funding for aviation R&D would fall, but highway R&D would continue to increase by \$49 million to \$410 million.

DOT programs are operating under a transportation authorization bill signed into law in August 2005 that dramatically increases highway R&D funding beginning in 2006 and extending through 2009. Nearly all the funds from the transportation authorization bill go to the Federal Highway Administration (FHWA) for state and local road projects, mostly in formula distributions. FHWA's R&D portfolio is a mixture of formula funds for state transportation R&D, earmarked R&D projects, and intramural research. The highway bill helped FHWA R&D climb in 2006 and 2007 to record highs, and the 2008 budget would sustain those increases with a \$410 million R&D investment, an increase of 13.7 percent. Congress would approve the full requested increase. The surface transportation research portfolio on highway safety, pavement technologies, highway operations, environmental impacts, and other road topics would increase \$20 million to \$136 million in FY 2008. The Intelligent Transportation Systems (ITS) portfolio of innovative technologies to improve traffic flow would also increase dramatically to \$84 million, up \$20 million. The FHWA budget also includes state highway R&D, distributed to state and local governments to support their R&D efforts, with a 5.7 percent increase to \$172 million.

**Federal Aviation Administration (FAA) R&D would total \$274 million in 2008, a sharp cut of 9.8 percent or \$30 million.** Congress would add to the requested increase for FAA's main Research, Engineering, and Development account, mostly to insert performer-specific R&D earmarks. The core R&D program would mostly stay even with current-year funding, but there would be increases for R&D on wake turbulence, fire research and safety, and human factors. There would be steep cuts in other FAA R&D, mostly on advanced technology development for next-generation aviation systems.

#### Outlook and Impacts for the DOT Budget

Because of large increases for DOT R&D in FY 2001 and FY 2002 responding to the 9/11 terrorist attacks on U.S. aviation, DOT's support for R&D reached a peak in FY 2002, after adjusting for inflation (see

Figure 1). But with the transfer of aviation security R&D to the Department of Homeland Security (DHS), recent reductions in key programs, and the transfer of the Coast Guard and its R&D program to DHS, DOT R&D declined sharply in FY 2003 and 2004 before rebounding, nearly reaching the peak funding level in 2006. The 2006 budget actually exceeded previous highs, however, after adjusting for the Coast Guard and FAA transfers to DHS. 2007 funding and the 2008 appropriation would retreat slightly from the 2006 peak.

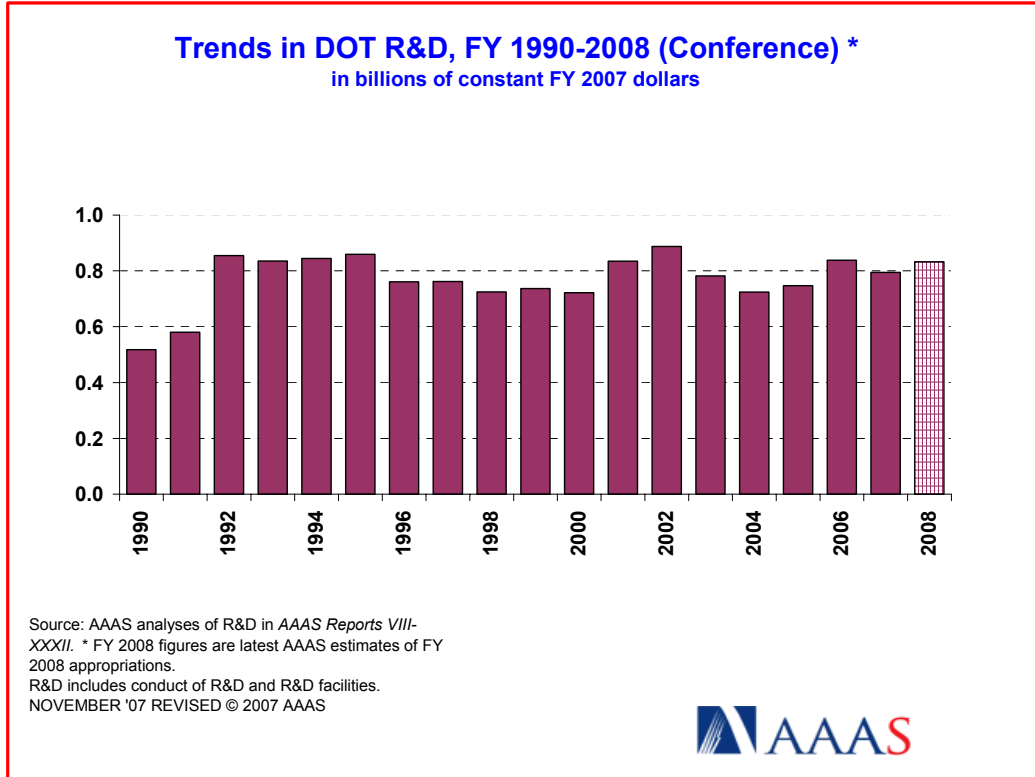


Figure 1. (click on the image for PDF)

## Outlook and Next Steps

The President signed the omnibus bill into law on December 26, bringing the 2008 appropriations season to a close just weeks before the February 4 release of the proposed FY 2009 budget. Although the President's restrictive budget targets for domestic spending gave congressional appropriators fits, the special status of transportation funding enabled DOT R&D to increase despite tight budget limits on most of the domestic budget. Highway R&D is expected to continue to do well in the 2009 budget for the last year of the current transportation authorization, but aviation and other transportation R&D could continue to suffer in 2009 since they are more affected by the tight domestic spending limits the Bush Administration has consistently supported.

(This analysis is one of a series of AAAS R&D Funding Updates on FY 2008 congressional appropriations. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D in FY 2008 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the "FY 2008 R&D" or the "What's New" sections.)

- January 2, 2008



Table. Dept. of Transportation R&amp;D in FY 2008 House-Senate Conference (REVISED)

**Table. Department of Transportation  
House-Senate Conference on R&D in the FY 2008 Budget (REVISED)  
(budget authority in millions of dollars)**

	FY 2007 Estimate	FY 2008 Request	FY 2008 CONF.	House-Senate Conference			
				Chg. from Request		Chg. from FY 2007	
				Amount	Percent	Amount	Percent
Federal Aviation Administration	303	258	<b>274</b>	16	6.1%	-30	-9.8%
- Research, Eng. & Development	131	140	<b>147</b>	7	4.9%	16	11.9%
- Facilities and Equipment	97	108	<b>117</b>	9	8.3%	20	20.4%
- All Other	75	10	<b>10</b>	0	0.0%	-65	-86.5%
Federal Highway Administration	361	410	<b>410</b>	0	0.0%	49	13.7%
- Surface Transportation Res.	116	136	<b>136</b>	0	0.0%	20	17.0%
- Intelligent Transportation Sys.	64	84	<b>84</b>	0	0.0%	20	30.3%
- State Planning and Research	163	172	<b>172</b>	0	0.0%	9	5.7%
- All Other	17	18	<b>18</b>	0	0.0%	1	5.4%
Federal Transit Administration	10	13	<b>17</b>	5	36.6%	7	70.3%
Nat'l High. Traffic & Safety Adm.	58	66	<b>69</b>	3	5.3%	12	20.3%
Federal Railroad Administration	36	36	<b>40</b>	4	10.5%	4	10.1%
Office of the Secretary	5	9	<b>14</b>	5	52.3%	9	182.8%
Pipeline and Hazardous Materials	10	7	<b>10</b>	4	58.9%	0	0.6%
Research and Innov. Tech.	2	8	<b>8</b>	0	0.0%	6	253.1%
Federal Motor Carrier Safety Admin.	9	7	<b>9</b>	2	35.3%	0	2.3%
<b>Total DOT R&amp;D 1/</b>	<b>794</b>	<b>813</b>	<b>852</b>	<b>39</b>	<b>4.8%</b>	<b>58</b>	<b>7.3%</b>
DOT Budget (includes R&D components) 1/ :							
Federal Aviation Administration	14,482	14,077	<b>14,604</b>	527	3.7%	123	0.8%
Federal Highway Administration	36,255	37,915	<b>38,068</b>	153	0.4%	1,813	5.0%
Federal Transit Administration	9,010	9,422	<b>9,329</b>	-93	-1.0%	320	3.5%
Federal Railroad Administration	1,478	1,072	<b>1,561</b>	490	45.7%	83	5.6%
All Other 2/	1,956	1,994	<b>1,964</b>	-30	-1.5%	8	0.4%
<b>Total DOT Budget</b>	<b>63,181</b>	<b>64,479</b>	<b>65,527</b>	<b>1,047</b>	<b>1.6%</b>	<b>2,346</b>	<b>3.7%</b>

AAAS estimates based on FY 2008 appropriations bills. Includes conduct of R&D and R&D facilities.  
FY 2007 and FY 2008 request figures based on OMB R&D data and supplemental agency budget data.  
Figures are rounded to the nearest million. Changes calculated from unrounded figures.

1/ Includes budget authority from appropriations, limitation on obligations from trust funds, and other budgetary resources.

Figures are rounded to the nearest million. Percentage changes calculated from unrounded figures.

2/ Includes Office of Secretary, NHTSA, Maritime Admin., RITA, Bureau of Transportation Statistics, and others.

**December 17, 2007 - AAAS estimates of REVISED House-Senate Conference appropriations.**

**These appropriations may be rejected by the House or Senate, and may be vetoed by the President.**