

Transportation R&D Funding Declines in House

AAAS R&D Funding Update on R&D in House FY 2006 DOT Appropriations

Highlights

- **Department of Transportation (DOT) R&D funding is in limbo as Congress struggles to reauthorize transportation programs, but the House would provide an estimated \$727 million for DOT R&D programs in FY 2006, a cut of 2.4 percent** (see Table). Pending the outcome of transportation authorization negotiations, there would be a modest increase in highway R&D to \$345 million.

- R&D in the Federal Aviation Administration (FAA) would decline 6.5 percent to \$246 million in the House plan, mirroring similar House-approved cuts to aeronautics research in NASA and aviation security R&D in the Department of Homeland Security (DHS).

DOT R&D in FY 2006 House Appropriations

On June 30, the House of Representatives finished the first phase of its FY 2006 appropriations process by debating and approving its version of the FY 2006 Transportation-Treasury appropriations bill, the last of its 11 appropriations bills to win approval. The bill funds all of the Department of Transportation (DOT), as well as the Departments of Treasury, Housing and Urban Development, and miscellaneous agencies. The same day, the House approved an eighth extension of an expired transportation authorization bill as Congress struggles to reauthorize highway and transit programs.

The FY 2006 House Transportation-Treasury bill, along with estimates of the pending transportation bill, would provide \$62.8 billion for the total DOT budget, an increase of \$2.8 billion or 4.6 percent from this year. **R&D is a relatively small part of the DOT budget and would total \$727 million in the House plan for FY 2006, a cut of 2.4 percent** or \$17 million in contrast to a requested increase (see Table). Although the President's budget request would have given DOT's R&D portfolio the largest percentage increase among the major R&D funding agencies, the House and the Senate are likely to reject the increase, reflecting a perennial give-and-take between DOT and Congress over transportation spending priorities. (For details of the President's request for DOT R&D, please see Chapter 13 of *AAAS Report XXX: R&D FY 2006* or the March 2 DOT R&D Funding Update).

Transportation funding is unusual in that although funds are appropriated, as they are for other discretionary programs, minimum funding levels each year are guaranteed by transportation authorization bills. Transportation appropriators must provide the funds necessary to meet these guarantees, occasionally adding to them or modifying them, before appropriating funds for programs outside the authorization bills. More than half of the DOT budget goes to the Federal Highway Administration (FHWA), mostly for spending out of the highway trust funds for road projects managed by state and local governments. Trust fund spending is guaranteed in multi-year authorizations to give state and local governments predictability as they plan multi-year projects. The last highway and transit transportation authorization bill covered fiscal years 1998-2003, and expired at the end of September 2003. Congress has been unable to agree on a new authorization bill, so these programs have been authorized out of temporary extensions since then. Congress is now in final negotiations over a new bill, but was unable to finish work before the seventh extension expired on June 30 so lawmakers instead passed an eighth extension into July. In the absence of a final authorization, only preliminary estimates of FY 2006 funding for highway and transit DOT R&D programs are available. (FAA programs are authorized under a separate aviation authorization bill, which is still in effect.)

Nearly all the funds from the transportation authorization bill go to the Federal Highway Administration (FHWA) for state and local road projects. The Bush Administration budget would increase FHWA R&D by 32.0 percent for a total of \$445 million. Similarly large proposed increases in past years have been denied by Congress, and at this stage of the process it appears that the House would once again scale back the increase. While the Administration would shuffle FHWA accounts to allow for more spending on highway R&D, the House would choose to maximize state and local highway spending instead. **The House would allocate an estimated \$345 million for FHWA R&D, up 2.3 percent.** Detailed allocations will not be available until after the House approves the final transportation authorization bill.

Federal Aviation Administration (FAA) R&D would total \$246 million in the Transportation-Treasury bill, a cut of 6.5 percent that would mirror other agencies' proposed and House-approved cuts in aviation and aeronautics R&D. At the National Aeronautics and Space Administration (NASA), aeronautics research would fall 6 percent down to \$906 million in the House Science-Commerce-Justice-State bill, while the Department of Homeland Security (DHS) would reduce funding for aviation security R&D from \$178 million down to roughly \$100 million in FY 2006 in the latest House plan. The President's budget proposed similar cuts. FAA's R&D addresses a number of aviation-related topics, including weather research, aircraft safety technology, human factors research, and development of 'free flight' technologies to improve aviation system capacity. The FAA's R&D portfolio used to be much larger in the \$300 to \$400 million range annually before the September 2001 terrorist attacks, but most of its aviation security R&D portfolio transferred to the Department of Homeland Security (DHS) in 2003.

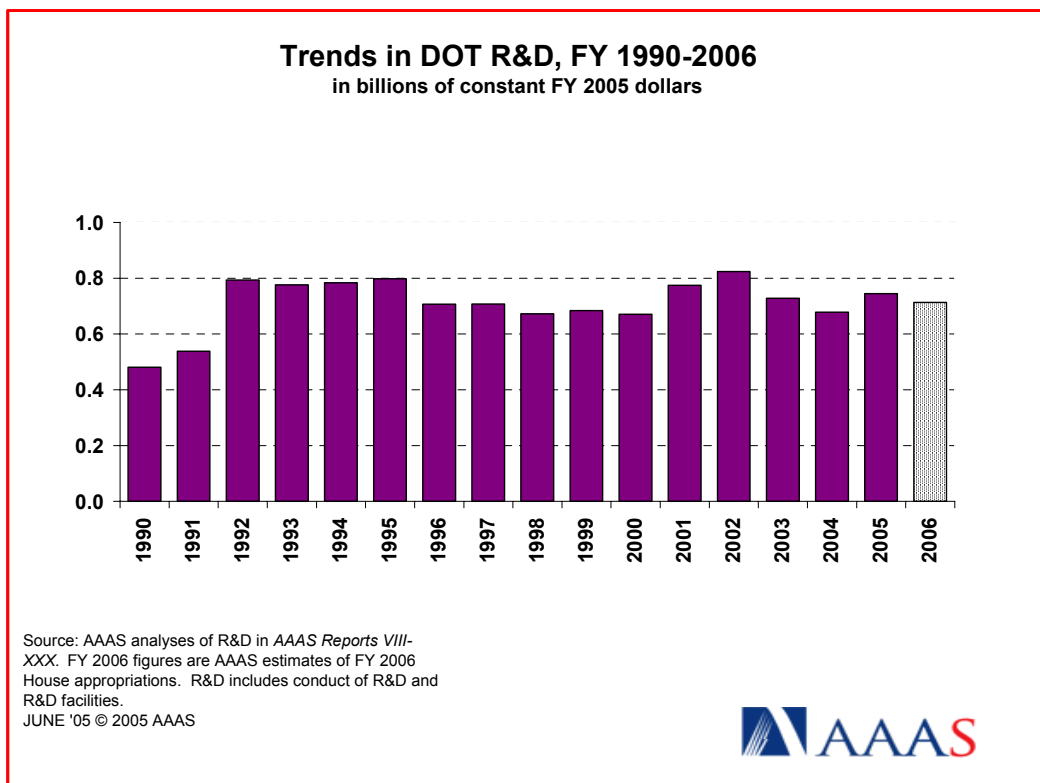


Figure 1. (click on the image for PDF)

Because of large increases for DOT R&D in FY 2001 and FY 2002 responding to the September 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 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 this year.

Next Steps

The full House approved the Transportation-Treasury bill on June 30. The Senate Appropriations Committee is expected to draft its version in July. Meanwhile, Congress has approved yet another extension of authorizations for highway and transit programs through the end of July to give lawmakers even more time to come to a final agreement on a transportation authorization bill.

- June 30, 2005

(This analysis is one of a series of AAAS R&D Funding Updates on FY 2006 congressional appropriations. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D in FY 2006 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the "FY 2006 R&D" or the "What's New" sections.)

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Table. Dept. of Transportation R&D in FY 2006 House Appropriations

**Table. Department of Transportation
House Appropriations Committee Action on R&D in the FY 2006 Budget
(budget authority in millions of dollars)**

	FY 2005 Estimate	FY 2006 Request	House Action				
			FY 2006 House	Chg. from Request Amount	Percent	Chg. from FY 2005 Amount	Percent
Federal Aviation Administration	263	233	246	13	5.6%	-17	-6.5%
Federal Highway Administration	337	445	345	-100	-22.5%	8	2.3%
Federal Transit Administration	8	2	8	5	226.5%	0	0.3%
Nat'l High. Traffic & Safety Adm.	61	62	62	-1	-1.2%	1	0.9%
Federal Railroad Administration	33	30	30	0	0.0%	-2	-7.6%
Office of the Secretary	19	9	11	2	17.5%	-9	-45.5%
Pipeline and Hazardous Materials 1/	13	12	12	0	0.0%	-1	-5.2%
Research and Innov. Tech. 1/	2	4	4	1	14.1%	2	82.1%
Federal Motor Carrier Safety Admin.	8	10	10	0	-1.4%	1	13.9%
Total DOT R&D 2/	744	807	727	-81	-10.0%	-17	-2.4%
DOT Budget (includes R&D components) 2/ :							
Federal Aviation Administration	13,549	12,710	14,427	1,717	13.5%	877	6.5%
Federal Highway Administration	35,834	35,439	37,026	1,587	4.5%	1,192	3.3%
Federal Transit Administration	7,646	7,781	8,482	701	9.0%	836	10.9%
Federal Railroad Administration	1,432	552	732	180	32.6%	-700	-48.9%
All Other 3/	1,518	1,815	2,091	276	15.2%	573	37.8%
Total DOT Budget	59,979	58,297	62,758	4,461	7.7%	2,779	4.6%

AAAS estimates based on FY 2006 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2005 and FY 2006 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.

Note: Transportation Security Administration and Coast Guard are now part of the Department of Homeland Security.

1/ Formerly the Research and Special Programs Administration.

2/ 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.

3/ Includes Office of Secretary, NHTSA, Maritime Admin., RSPA, Bureau of Transportation Statistics, and others.

June 28, 2005 - AAAS estimates of House Appropriations Committee-approved bills.

These figures may be amended or rejected by the full House.