

Flat Funding for DOT R&D in Senate Plan

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

Highlights

- **The Senate would provide an estimated \$742 million for DOT R&D programs in FY 2006, a slight cut of 0.3 percent** (see Table).

- The Senate would reverse proposed cuts to R&D in the Federal Aviation Administration (FAA) with an 8.4 percent boost to \$285 million, but would trim highway R&D by 5.3 percent down to \$319 million.

DOT R&D in FY 2006 Senate Appropriations

On July 21, the Senate Appropriations Committee drafted its version of the FY 2006 Transportation-Treasury appropriations bill (HR 3058). The House version of the bill was approved by the full House on June 30. The bill funds all of the Department of Transportation (DOT), as well as the Departments of Treasury, Housing and Urban Development, and miscellaneous agencies. This week, Congress approved an 11th extension of an expired transportation authorization bill and hopes to give final approval to a new authorization by the end of July.

The FY 2006 Senate Transportation-Treasury bill, along with estimates of the pending transportation bill, would provide \$64.2 billion for the total DOT budget, an enormous increase of \$4.3 billion or 7.1 percent from this year. **R&D is a relatively small part of the DOT budget and would total \$742 million in the Senate plan for FY 2006, a slight cut of \$2 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 have rejected 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. For details of House appropriations for DOT, see the June 30 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. These programs have been authorized out of 11 temporary extensions since then. The final transportation authorization bill may be filed as early as today (July 28) and could be signed into law by the end of the week. 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 for FY 2006 the House and the Senate would once again scale back the increase. While the Administration would shuffle FHWA accounts to allow for more spending on highway R&D, Congress would choose to maximize state and local highway spending instead. **The Senate would allocate an estimated \$319 million for FHWA R&D, down 5.3 percent.** Detailed allocations be available after Congress finalizes the transportation authorization bill.

Federal Aviation Administration (FAA) R&D would total \$285 million in the Senate plan, a boost of 8.4 percent because the Senate would add \$21 million for an airport technology R&D program, restore proposed cuts to other aviation R&D programs, and fund most of a requested increase for a Joint Program and Development Office to develop the next-generation air transport system in cooperation with other federal agencies. 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.

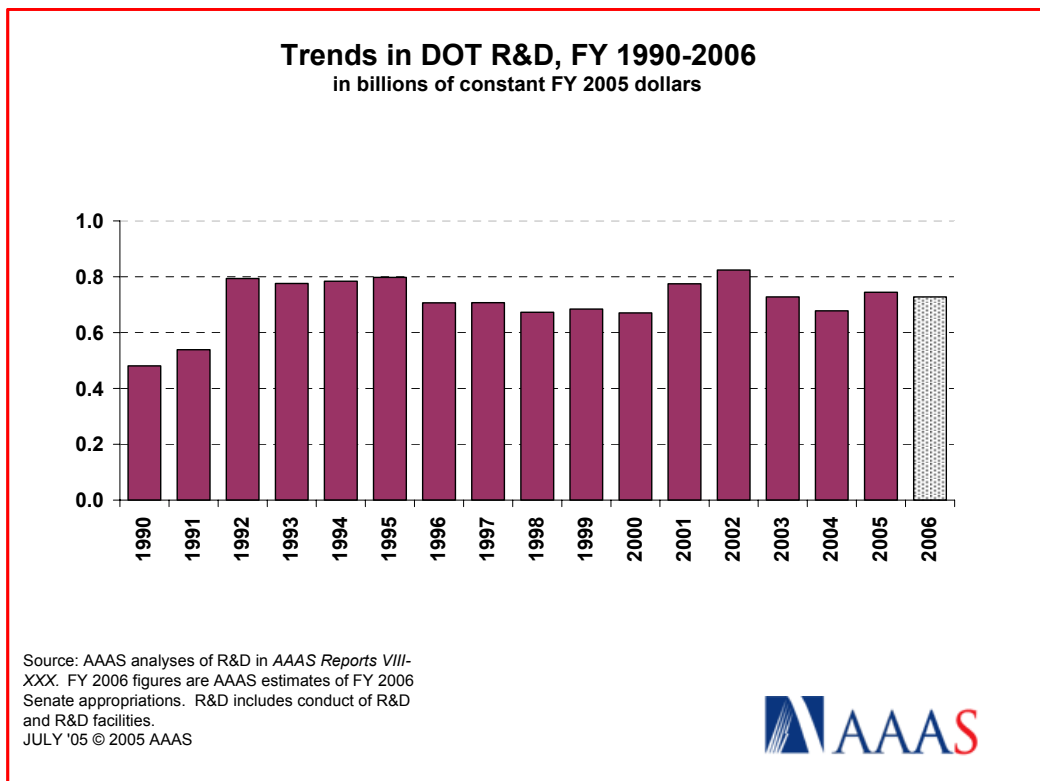


Figure 1. (click on the image for PDF)

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 version may be debated and approved in September after the summer recess. Meanwhile, Congress is just hours away from finalizing the transportation authorization bill, which should be enacted into law by the end of the month.

- July 28, 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.)

AAAS R&D Budget and Policy Program
1200 New York Avenue, NW
Washington, DC 20005
(202) 326-6607
AAAS R&D Web site: <http://www.aaas.org/spp/rd>



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

	FY 2005 Estimate	FY 2006 Request	FY 2006 House	FY 2006 Senate	Senate Action			
					Chg. from Request Amount	Percent	Chg. from FY 2005 Amount	Percent
Federal Aviation Administration	263	233	246	285	52	22.3%	22	8.4%
Federal Highway Administration	337	445	345	319	-126	-28.3%	-18	-5.3%
Federal Transit Administration	8	2	8	7	5	200.6%	-1	-7.7%
Nat'l High. Traffic & Safety Adm.	61	62	62	60	-2	-3.9%	-1	-1.9%
Federal Railroad Administration	33	30	30	30	0	-1.1%	-3	-8.6%
Office of the Secretary	19	9	11	15	6	66.1%	-4	-23.0%
Pipeline and Hazardous Materials 1/	13	12	12	12	0	0.0%	-1	-5.2%
Research and Innov. Tech. 1/	2	4	4	4	1	14.7%	2	83.1%
Federal Motor Carrier Safety Admin.	8	10	10	10	0	-0.3%	1	15.1%
Total DOT R&D 2/	744	807	727	742	-65	-8.1%	-2	-0.3%
DOT Budget (includes R&D components) 2/ :								
Federal Aviation Administration	13,549	12,710	14,427	13,610	900	7.1%	60	0.4%
Federal Highway Administration	35,834	35,439	37,026	38,713	3,274	9.2%	2,879	8.0%
Federal Transit Administration	7,646	7,781	8,482	8,209	428	5.5%	562	7.4%
Federal Railroad Administration	1,432	552	732	1,669	1,116	202.1%	237	16.5%
All Other 3/	1,518	1,815	2,091	2,038	224	12.3%	521	34.3%
Total DOT Budget	59,979	58,297	62,758	64,238	5,941	10.2%	4,259	7.1%

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., Bureau of Transportation Statistics, and others.

July 27, 2005 - AAAS estimates of Senate Appropriations Committee-approved bills.

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