



February 7, 2006

Dear Florida Transportation Supporter-

President Bush's fiscal year 2007 budget, submitted to Congress yesterday, requests funding for the federal-aid highway program of \$39.086 billion. This is \$3.4 billion more than the FY 2006 number, a 9.6 percent increase. This figure includes both the \$38.244 billion obligation limit recommended in the SAFETEA-LU law and an additional \$842 million in revenue aligned budget authority (RABA) spending.

RABA is the mechanism established in TEA-21, and reauthorized in SAFETEA-LU, that requires a look back and adjustment to ensure that each year's funding matches actual Highway Trust Fund revenue. SAFETEA-LU changed the way in which RABA is distributed by requiring the additional funding first be used to help donor states reach a 92 percent rate of return. Therefore the additional funds are expected to go to the following 20 donor states: AZ, CA, CO, **FL**, GA, IL, IN, IA, MD, MI, NJ, NC, OH, OK, SC, TN, TX, VA, WA. Any funds left after these states achieve 92 percent return should be distributed according to the funding formula. In past years, however, the Appropriations committees have earmarked the RABA funds for specific projects.

The budget request also proposes \$100 million for a pilot program for states to test the viability of alternatives to the gasoline fuel tax for financing highway construction and managing congestion. The pilot program would allow up to five states to test fees, tolls, and other approaches designed to examine new ways to raise revenue and at the same time ease traffic on congested roads.

The Federal Transit Administration would receive \$8.875 billion in FY 2007, \$370 million more than in FY 2006 (4.4 percent). The primary account (formula and bus grants) would receive \$7.263 billion, the amount authorized in SAFETEA-LU. The new starts program would be funded at \$1.466 billion, \$100 million less than recommended by SAFETEA-LU.

The budget requests \$12.2 billion for the Federal Aviation Administration in 2007, a \$2.1 billion (15 percent) cut from last year. The Airport Improvement Program would receive an obligation limitation of \$2.75 billion, \$765 million less than last year (a 22 percent cut).

The budget requests \$1.085 billion for the Federal Railroad Administration. Of that amount, \$900 million is a pass-through for Amtrak – \$394 million less than last year (a 30 percent cut). The budget would give \$500 million to Amtrak for capital grants and

would put the other \$400 million in the hands of the Secretary of Transportation to dispense for various Amtrak routes and projects as he sees fit, leaving no operating subsidy directly at Amtrak's disposal.

Now remember, these budget requests will be the starting point for the appropriations committees when they begin their deliberations.

Thanks for your support of “better transportation” in Florida! -Doug

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*Floridians for Better Transportation (FBT) is a statewide business and transportation association dedicated to making transportation safer and more efficient in Florida. FBT has a diverse membership of 180 businesses, organizations, and individuals, including the Florida Chamber of Commerce, the Florida Transportation Builders Association, Publix Super Markets, AAA Auto Club South, SunTrust Bank, the Florida Institute of Consulting Engineers, the Florida Public Transportation Association, the Florida Ports Council, the Florida MPO Advisory Council, the Florida Airports Council, and numerous local businesses, Chambers of Commerce, MPOs, and transit providers all across the Sunshine State.*