

## Section 14: Department of Transportation

In FY 2010, the Department of Transportation received \$21.8 billion in discretionary funding, a 31 percent from non-emergency discretionary level.

This amendment would rescind \$1 billion (five percent) from the Department and direct the Secretary to eliminate and consolidate more than 19 duplicative programs and eliminate waste to produce savings.

### Duplicative Transportation Programs

#### Regionally Specific Development Highway Systems

The **Appalachian Development Highway System** (ADHS) funds the construction of the Appalachian corridor highways in 13 states to promote economic development and to establish a State-Federal framework to meet the needs of the region.<sup>1</sup>

The 2005 surface transportation bill authorized \$470 million annually from 2005 through 2009 for the ADHS. Additional funds have been earmarked for West Virginia portions of this highway system. This multi-state project has come under scrutiny because Virginia has refused to build its part of the ADHS, calling into question the benefit of funding the ADHS.<sup>2</sup>

In his FY 2010 budget, the President recommended terminating funds earmarked for this program because such funding is duplicative and siphons funds from state transportation departments.<sup>3</sup>

The **Denali Access System** funds planning, design, engineering, and construction of road and other surface transportation infrastructure identified for a region in Alaska, through the Denali Commission. The funds go directly to the commission, to connect isolated rural communities to a road system, and to foster regional economic growth. These funds may also be used as the non-federal share of the costs of other federal transportation projects.<sup>4</sup>

In his FY 2010 budget, the President recommended eliminating additional earmarked funds for this regional program, because of duplication concerns and because “regional set asides such as this one are over and above formula

---

<sup>1</sup> <http://www.fhwa.dot.gov/safetealu/factsheets/appalachia.htm>

<sup>2</sup> <http://www.cnn.com/2009/US/03/12/corridor.h/index.html>

<sup>3</sup> <http://www.whitehouse.gov/omb/budget/fy2010/assets/trs.pdf>, page 18

<sup>4</sup> <http://www.fhwa.dot.gov/safetealu/factsheets/denali.htm>

allocations that allow States to set their own priorities and address local and regional needs.”<sup>5</sup>

The **Delta Regional Transportation Development Program** supports multistate transportation projects in the eight states comprising the Delta Region (Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee).

Each of these regional transportation programs are duplicative of several federal efforts and other Transportation Department programs, including the following:

- The **Appalachian Local Access Roads grant program** is intended to provide access to industrial, commercial, educational, recreational, residential, and related transportation facilities which directly or indirectly relate to the improvement of the areas determined by the States to have significant development potential under the program entitled Appalachian Regional Development.<sup>6</sup>
- The **Appalachian Regional Development grant program** is intended to help the regional economy become more competitive by putting in place the building blocks for self-sustaining economic development, while continuing to provide special assistance to the Region's most distressed counties and areas. This includes building the Appalachian Development Highway System to reduce Appalachia's isolation.<sup>7</sup>
- The **Highway Planning and Construction program** assists state transportation agencies in the planning and development of an integrated, interconnected transportation system important to interstate commerce and travel by constructing and rehabilitating the National Highway System (NHS).<sup>8</sup>
- The **Highway Research and Development Program** funds research needed to maintain and grow our vital transportation infrastructure, including intermodal connectivity.<sup>9</sup>
- The **Economic Development Administration** is a national federal program intended to help economically distressed communities<sup>10</sup> attract jobs and business with economic adjustment grants to local governments and nonprofit

---

<sup>5</sup> <http://www.whitehouse.gov/omb/budget/fy2010/assets/trs.pdf>, page 20

<sup>6</sup> <http://www.federalgrantswire.com/appalachian-local-access-roads.html>

<sup>7</sup> <http://www.federalgrantswire.com/appalachian-regional-development-see-individual-appalachian-programs.html>

<sup>8</sup> <http://www.federalgrantswire.com/highway-planning-and-construction.html>

<sup>9</sup> <http://www.federalgrantswire.com/highway-research-and-development-program.html>

<sup>10</sup> Areas with an unemployment rate at least one percentage point greater than the national average; per capita income that is 80 percent or less of the national average; or a special need, as determined by EDA; 13 CFR 301.3

agencies for public works, planning, economic development practice research, economic adjustment assistance, and other projects.

- The **Denali Commission** is an independent federal agency designed to provide critical utilities, infrastructure, and economic support throughout Alaska. It receives \$10 million in annual funding.<sup>11</sup>
- The **Delta Regional Authority** (\$16 million in FY 2010), an independent federal agency, addresses parochial concerns including infrastructure improvements in an effort to improve the regional economy.

### **The Rail-line Relocation Grants Program**

The Rail-line Relocation grant program, which is primarily distributed through earmarks, was funded at \$34 million in FY 2010, provides assistance for local rail line relocation and improvement projects across the country.

In his FY 2010 budget, the President recommended terminating this program.<sup>12</sup> It is duplicative of several federal efforts, including the following:

- The **Railway-Highway Crossings program**, which has annual appropriations of \$220 million achieves the same goal based on a formula allocation that allows states to set their own priorities; and
- The **Railroad Rehabilitation and Improvement Financing Program (RRIF)** provides direct loans and loan guarantees for the purpose of constructing a rail connection between a plant or facility and a second rail carrier.<sup>13</sup>
- **Railroad Development grants** are awarded for a number of projects, including rail line relocation and improvement projects.<sup>14</sup>
- **Community Development Block Grants** could be used as well to accomplish the same projects.

### **Community and Regional Choice Program**

The Community and Regional Choice Program is intended to be an alternative to the Essential Air Service Program (EAS) in which eligible communities are funded directly and can then use the funds toward a variety of air transportation options that are not available under the traditional EAS program.

---

<sup>11</sup> [http://www.denali.gov/index.php?option=com\\_content&view=section&id=4&Itemid=8](http://www.denali.gov/index.php?option=com_content&view=section&id=4&Itemid=8)

<sup>12</sup> <http://www.whitehouse.gov/omb/budget/fy2010/assets/trs.pdf>, page 20

<sup>13</sup> <http://www.federalgrantswire.com/railroad-rehabilitation-and-improvement-financing-program.html>

<sup>14</sup> <http://www.federalgrantswire.com/railroad-development.html>

However, an article written in 2009, found that this program has not received one application for a grant since its inception.<sup>15</sup> Given the fact that this program has never been used, it is duplicative and unnecessary.

- The **Airport Improvement Program** (\$3 billion in annual funding) provides grants for the planning and development of public-use airports that cover 75 to 95 percent of eligible costs.
- **Federal Transit Capital Investment Grants** assist in financing the acquisition, construction, reconstruction, and improvement of facilities, rolling stock and equipment for use in public transportation service, including in establishing new or enhanced coordination between transit and other transportation.
- **Federal Transit Formula Grants** are for cities with over 50,000 residents for capital projects to finance the planning, acquisition, construction, cost-effective lease, improvement, and maintenance of equipment and facilities for use in transit.<sup>16</sup>
- **Transit Planning and Research grant program** funds a variety of transit research, including research on mobility management, transit operational efficiency, safety and emergency preparedness, transit capacity building, and innovation, and strategic research program planning.<sup>17</sup>

## **Waste and Mismanagement at the Department of Transportation**

The Department of Transportation ends each fiscal year with billions of dollars in unspent and unobligated funds. In 2009, the total amount of unobligated DoT funds is projected to be approximately **\$26 billion**..<sup>18</sup>

Using Highway Trust Fund moneys, Congress appropriated **\$224 million** on projects to rehabilitate and operate historic transportation buildings, structures, and facilities.<sup>19</sup>

DOT officials cost the American taxpayer **\$259 million in travel costs** this past budget year.<sup>20</sup>

DOT wasted **\$1.47 billion** on improper payments in FY 2009. DOT is in non-compliance with the Improper Payments Information Act for a third year in a row, and has oversight and control deficiencies, according to the DOT Inspector General, which will increase vulnerability to improper payments, “including fraud and abuse, and other ethics issues involving agency officials and contractors,

---

<sup>15</sup> <http://www.visaliatimesdelta.com/article/20091121/NEWS01/911210324>

<sup>16</sup> <http://www.federalgrantswire.com/federal-transitformula-grants.html>

<sup>17</sup> <http://www.federalgrantswire.com/transit-planning-and-research.html>

<sup>18</sup> <http://www.whitehouse.gov/omb/budget/fy2009/pdf/balances.pdf>

<sup>19</sup> <http://coburn.senate.gov/public/files/OutofGas730Final0.pdf>

<sup>20</sup> <http://www.govexec.com/features/0809-15/0809-15s6.htm>

including schemes related to bribery and kickbacks, bid rigging, and over-billing of labor and materials.”<sup>21</sup>

**\$28 million** in DOT funding has been prioritized over highways to establish 55 transportation museums, instead of directing this funding to critical highway infrastructure needs.<sup>22</sup>

Congress has appropriated more than \$30 billion for Amtrak rail service since the program’s inception, even though the Rail Passenger Service Act of 1970 required that Amtrak “operate rail passenger service on a for-profit basis...,” and Congress again demanded Amtrak become self-sufficient by 2003 in 1997. Assuming just a 10 percent loss every year to Amtrak waste, taxpayers are losing **\$100 million** annually.

In 2005, the Government Accountability Office (GAO) found that Amtrak loses over **\$85 million** a year in food and beverage service. Amtrak and Congress have refused to increase food prices even as Amtrak continually loses money and requires more than \$1 billion in annual federal subsidies. By requiring Amtrak to charge food prices that cover the cost of providing food onboard such as the way airlines charge for food service, federal taxpayers could millions of dollars.

Amtrak recently paid **\$310,000 for a severance package** for their previous Inspector General upon his resignation.<sup>23</sup>

---

<sup>21</sup> <http://www.gao.gov/new.items/d09628t.pdf>

<sup>22</sup> <http://coburn.senate.gov/public/files/OutofGas730Final0.pdf>

<sup>23</sup> <http://www.politico.com/news/stories/0809/25796.html>