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PRESS RELEASE

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MODEST INCREASES FOR TRANSIT IN FY 2007 BUDGET, \$45 MILLION FOR CLEAN FUEL BUSES

WASHINGTON, D.C. - U.S Transportation Secretary Norman Y. Mineta unveiled a \$65.6 billion fiscal year (FY) 2007 Budget to fund the nation's roadways, rail and air transportation. The proposal includes modest funding gains for transit, resources for cleaner buses, reduced support for Amtrak passenger rail and an initiative to explore alternatives to the gas tax, currently the principal source of transportation revenue.

Key provisions in the Department of Transportation (DOT) Budget include:

Transit funding **increases** by \$300 million **from \$8.5 billion** (appropriated) in FY 2006 to **\$8.8 billion** in FY 2007. The budget request for Formula and Bus Grant Programs, which fund transit in urban and rural areas, transportation needs of the elderly and paratransit, is \$7.26 billion, up from \$6.9 billion in FY 2006.

- **Bus and Bus Facilities Program** - The request for the Bus and Bus Facilities Program, the principal source of funds for bus and bus-related infrastructure projects is \$846.9 million, down from \$855.5 million authorized in the transportation bill, "Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy For Users" (SAFETEA-LU, P.L 109-59).
- **Clean Fuels Grant Program** - The Clean Fuels Grants Program receives a huge boost with the administration requesting **\$45 million** in funding. **This is the first time that the DOT has requested separate funding for this program since it was authorized in 1999.** The Clean Fuels Grants Program should be a very valuable resource for promoting clean bus deployment through the funding of advanced technologies and fuels in buses. It is authorized at \$238.1 million over five years in SAFETEA-LU.
- **Transit Research** – The DOT is also requesting \$40.4 million for National Research and Technology Programs to develop solutions to improve public transportation. Included in the proposal is a **\$1.2 million request for the clean fuels and electric drive bus deployment program** to encourage deployment of hybrid and zero-emission buses by transit agencies across the country.
- **Amtrak** – After zeroing out funding for Amtrak in its FY 2006 request, the DOT is now proposing a funding level of \$900 million. While this level is \$400 million below what Congress appropriated for Amtrak in FY 2006, inclusion of any funding represents a victory for supporters of intercity passenger rail.
- **Gas Tax Alternatives** – The DOT proposal includes \$100 million for a pilot program to test alternatives to the gas tax which is the principal source of transportation funds. The DOT will partner with five states to implement approaches such as fees and tolls to raise revenues for transportation projects.

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