

The Potential Impact of Sequestration on the Department of Transportation

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As required by the Sequestration Transparency Act of 2012, the White House released a report last week on the impact that sequestration could have on agency budgets. The data provided by the White House lists agency accounts at the budget account level. The report does not provide details on the specific accounts, but we can develop insight into the potential impact on agency IT by comparing the listed budget account with information provided in the FY 2013 agency budget requests.

In this blog, I will point out notable exemptions as specified in the White House report, as well as notable sequestration amounts for the Department of Transportation.

Notable Exemptions:

The Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) as amended, identifies programs exempt from sequestration and subject to special rules. The percentage cuts in the Office of Management and Budget's sequestration report, and the identification of exempt and non-exempt accounts, reflect the requirements set forth in the BBEDCA. The administration cannot choose which programs to exempt, or what percentage cuts to apply.

Notable exemptions (>\$200m) to budget accounts for the Department of Transportation are shown below:

Dept./Bureau	Budget Account	Total Budget Amount (\$m)	Exempt Amount (\$m)
Transportation			
Office of the Secretary	Working Capital Fund	495	495
	Working Capital Fund, Volpe National Transportation Systems Center	260	260
Federal Aviation Administration	Operations	11,498	6,895
	Grants-in-aid for Airports (Airport and Airway Trust Fund)	3,516	3,515
	Administrative Services Franchise Fund	466	466
Federal Motor Carrier Safety Administration	Motor Carrier Safety Grants	307	307
	Motor Carrier Safety Operations and Programs	271	271
Maritime Administration	Ready Reserve Force	340	340
National Highway Traffic Safety Administration	Highway Traffic Safety Grants	550	550

The highest dollar value exemptions for Department of Transportation are the Federal Aviation Administration's Operations budget and Airports Grants-in-Aid program. The exemption of \$7 billion in the FAA's operations budget leaves approximately \$4.5 billion vulnerable to sequestration. The exemption of \$3.5 billion in the Airports Grants-in-Aid program means those grants will be protected.

The FAA's Operations budget provides funding for the Air Traffic Organization (ATO), the entity responsible for managing the air traffic control system. Cuts to this budget could therefore potentially have a major impact on the funding of components for the Next Generation Air Transportation System, including the following systems:

- Aviation Surface Weather Observation Network (ASWON)
- Aeronautical Information Management Program (AIM)
- Terminal Automation Replacement System (STARS)
- Terminal Primary Surveillance (TPS)
- Instrument Flight Procedure Automation (IFPA)
- Next Generation Air/Ground Communications (NEXCOM) Segment
- Voice Switching and Control System (VSCS) Tech Refresh
- Wide Area Augmentation System (WAAS)
- Weather and Radar Processor (WARP)
- Airport Surface Detection Equipment - Model X (ASDE-X)
- Alaskan Satellite Telecommunication Infrastructure (ASTI)
- ATC Beacon Interrogator Replacement (ATCBI-6)
- En Route Automation Modernization (ERAM)
- Oceanic Automation System: Advanced Technologies and Oceanic Procedures (ATOP)
- Traffic Management Advisor (TMA) System
- Terminal Automation Modernization and Replacement (TAMR)

- Automatic Dependent Surveillance-Broadcast (ADS-B)
- Traffic Flow Management (TFM)
- NextGen CATMT Work Package Programs
- Data Communications NextGen Support (DataComm)
- NextGen NAS Voice System (NVS)
- Terminal Automation Modernization and Replacement Phase III (TAMR3)
- Next Generation Air/Ground Communications (NEXCOM) Segment 2
- NextGen R&D Collaborative Air Traffic Management (CATM)
- NextGen R&D Reduce Weather Impact (RWI)
- NextGen R&D Demonstrations and Infrastructure

The FAA had been poised to gain \$99 million for work related to the Next Generation Air Transportation System in the FY 2013 budget request, making it a program area where increased spending previously had been anticipated.

Notable Sequester Amounts:

Notable sequestration amounts per budget account (>\$200m) for Transportation are shown below:

Dept./Bureau	Budget Account	Total Budget Amount (\$m)	Sequestration Amount (\$m)
Transportation			
Federal Aviation Administration	Trust Fund Share of FAA Activities (Airport and Airway Trust Fund)	5,061	415
	Operations	-	377
	Facilities and Equipment (Airport and Airway Trust Fund)	2,819	229
Federal Highway Administration	Payment to the Transportation Trust Fund	6,200	471

The most notable amount potentially relevant to IT programs is the \$377 million sequestered from the FAA's Operations budget. Given that a total of \$4.5 billion of this budget was vulnerable to sequestration the fact that only \$377 million is actually slated for sequestration is encouraging for those working on FAA Next Generation projects.