Views and Estimates of the Committee on Transportation and Infrastructure for Fiscal Year 2011

Overview

The Committee's legislative priorities this year include authorization of surface transportation programs; reauthorization of the Federal Aviation Administration (FAA), the Economic Development Administration (EDA), selected provisions of the Clean Water Act and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Coast Guard, and the Federal Emergency Management Agency; and enactment of a water resources development act.

Transportation Investment Leads to Economic Growth

Increased investment in transportation infrastructure has far-reaching effects on our nation's economy, our competitiveness in the world marketplace, and the quality of life in our communities. Each day, every American and every business will benefit from such investment by experiencing shortened travel times, increased productivity, and improved safety.

Throughout our nation's history, economic growth, prosperity, and opportunity have followed investments in the nation's infrastructure. From the "internal improvements" of the early 1800s – canals, locks, and roads – to the Interstate Highway System of today, infrastructure investment has been our foundation for economic growth. For example, between 1980 and 1991, almost one-fifth of the increase in productivity in the U.S. economy was attributable to investment in highways.[1]

Our nation's highways, transit and rail systems, pipelines, airlines, airports, harbors, and waterways not only provide the backbone of our economy by moving people and goods, they also employ millions of workers and generate a significant share of total economic output. In 2008, transportation-related goods and services contributed $1.38 trillion, or 9.5 percent, to the total U.S. Gross Domestic Product of $14.44 trillion. Economic growth and vitality are also dependent upon high quality water and wastewater infrastructure systems.

In addition to facilitating economic growth and global competitiveness, our transportation system has a direct and significant impact on the daily lives of nearly all Americans. To the average American, higher Federal investment in transportation infrastructure will mean:

- Shorter commutes that save time, fuel, and reduce pollution.
- Better access to work, school, health care, and recreation.

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[1] "Transportation and the Economy: National and State Perspectives," American Association of State Highway and Transportation Officials, May 1998.

- Lives saved – many of the more than 37,000 highway fatalities each year could be prevented by building better roads and improving the safety features of existing roads.
- Safer systems to accommodate the transportation of hazardous materials, estimated at 1.2 million daily movements and 3 billion tons of regulated hazardous materials transported each year.
- Safer technologies to prevent passenger and freight train collisions, such as the tragic rail accident in Chatsworth, California, in 2008.
- Fewer delays for the more than 700 million passengers who travel by air each year.
- Facilities to accommodate the increased number of air passengers projected to travel in the future.
- River and harbor channel depths that can accommodate the efficient movement of consumer goods from domestic and foreign trade.

Despite the importance of transportation to both our economy and the quality of life in our communities, many of our nation's transportation infrastructure needs are going unmet. This has resulted in, among other things, an alarming increase in congestion.

Congestion Crisis

Congestion is a major national problem. In February 2004, a highway organization study found that the number of severe highway bottlenecks had increased by 40 percent in the past five years. In 1999, 167 major highway bottlenecks located in 30 States and the District of Columbia were identified. Using the same methodology, the number of bottlenecks grew to a total of 233 in 2004, located in 33 States and the District of Columbia.

According to the Texas Transportation Institute's 2009 Urban Mobility Study, traffic congestion in the Nation's 439 urban areas leveled off in 2007 as high gas prices brought about a slight reduction in traffic. However, congestion remains significant and will likely continue growing once the economy rebounds.

Over time, both the severity and the duration of congestion have increased. In 1982, extreme or severe congestion occurred during just 11 percent of peak period travel. In 2007, extreme or severe congestion occurred during 30 percent of peak period travel.

The extra time needed for rush hour travel has nearly tripled since 1982. The average Travel Time Index for the nation's urban areas in 2007 was 1.25 (meaning a trip during rush hour took 25 percent longer than the same trip during free-flowing travel conditions). The average in 1982 was only 1.09. Thirty-four urban areas now have a Travel Time Index above 1.20, compared with only one such area in 1982.

Congestion imposes a high cost both on our economy and on motorists. In 2007, traffic congestion cost urban motorists $87.2 billion in terms of wasted time and fuel, compared to $87.1 billion in 2006, and just $6.7 billion in 1982.[2] This cost equates to an average annual cost per traveler of about $757 in 2007, down slightly from $758 in 2006, but

[2] In constant 2007 dollars.

up significantly from $290 in 1982. The hours of delay and gallons of fuel consumed due to congestion are only the elements that are easiest to estimate. The effect of uncertain or longer delivery times, missed meetings, business relocations and other congestion impacts are not included in this estimate.

The uncertain and longer delivery times caused by congestion are a serious problem for freight transportation. The vast majority of freight is transported via truck. Over the last two and a half decades, the volume of freight has grown dramatically. Highway system improvements have not kept pace with this growth. For example, between 1980 and 2008, truck vehicle-miles traveled more than doubled, while roadway lane-miles increased by only 7.1 percent.

According to the Federal Highway Administration (FHWA), the demand for freight transportation will continue to increase in the future. Over 19 billion tons of freight worth more than $13 trillion was transported in 2002. Roughly two-thirds of this freight was transported by truck. By 2035, freight volumes are expected to almost double and the value of shipments is expected to grow to nearly $42 trillion. Assuming no changes in highway capacity, the FHWA estimates that increases in truck and passenger vehicle traffic will expand recurring, peak-period congestion to 40 percent of the National Highway System (NHS) in 2035, compared with 11 percent in 2002. This will slow traffic on nearly 20,000 miles of the NHS and create stop-and-go conditions on an additional 45,000 miles.

Congestion negatively impacts our environment, as well, by increasing emissions and wasting fuel. Vehicles in stop-and-go traffic emit more pollutants – particularly carbon monoxide and volatile organic compounds – than they do when operating without frequent braking and acceleration. In 2007, traffic congestion in the nation's urban areas wasted an estimated 2.8 billion gallons of fuel.

Perhaps most importantly, reducing highway congestion would save lives. If modest improvements were made to improve the traffic flow at the 233 severe bottlenecks identified in the highway organization study discussed above, the number and severity of vehicle crashes would be lessened. Over the 20-year life of the projects, such improvements would prevent more than 449,500 crashes, including some 1,750 fatalities and 220,500 injuries.

Although the slowing economy and the terrorist attacks of September 11, 2001, temporarily reduced aviation congestion beginning in 2001, the number of air travelers subsequently rebounded and reached a new record-high in 2007. With the rebound in airline travel, the number of delayed flights increased. In 2007, travelers experienced the highest number of delayed flights -- 1.8 million -- in the 13 years since the Department of Transportation (DOT) has collected such data. The economic recession that began in December 2007 subsequently weakened demand for air travel once again, and the number of delayed flights declined to 1.5 million in 2008 and 1.2 million in 2009.

Although the demand for air travel fluctuates over the business cycle, it is generally forecast to increase over time, with continued population and economic growth. Absent aviation system capacity improvements, delays will continue to increase in the future. Delays at large hub airports have persisted even with the drop in overall system congestion. These delays ripple throughout the National Airspace System, causing system-wide impacts.

Infrastructure Investment Needs

To alleviate congestion and reap the economic benefits of an efficient transportation system, our transportation infrastructure needs must be met. These needs, which are discussed in more detail later in this document, are significant:

- $105.6 billion a year just to maintain highways and bridges at their current conditions, or $174.6 billion a year to improve conditions.
- $15.1 billion a year just to maintain transit systems at the current condition and performance, or $21.1 billion a year to improve conditions and performance.
- $18.9 billion a year in airport capital needs.
- Over $3 billion per year to meet the capital needs of the Federal Aviation Administration, including modernization of the air traffic control system.
- Between $11-12 billion over the next nine years to bring the Northeast Corridor to a state-of-good-repair (including backlog, growth, and trip time improvements) and for other improvements to the national rail passenger transportation system, including equipment replacement.
- $162 billion over the next 20 years to re-establish the national intercity passenger rail and high-speed rail network.
- $39 billion over the next 26 years to expand capacity on our nation's Class I freight railroads.
- $13 billion over the next 26 years to upgrade shortline and regional railroads to accommodate heavier rail cars and meet demand.
- $35 billion over the next ten years to fund cumulative capital improvement needs at the nation's largest public ports.
- $7.5 billion to finish currently authorized inland waterway construction needs.

The nation's commercial shipping ports, which handle 95 percent of our international trade, face severe access problems on both the waterside and landside. With more than two billion tons of cargo valued at more than $2 trillion moving through our ports and waterways annually, we must ensure adequate infrastructure to meet the growing demands of international trade. Investments of at least $3.5 billion per year are needed by Federal and nonfederal sources to improve ports and keep pace with the growth of commerce.

The nation's inland waterways contain a series of outdated and antiquated locks and dams that, unless rehabilitated or improved, will continue to hinder the movement of coal, grain, and other bulk products. Close to 55 percent of the lock chambers on the system have exceeded their 50-year design lives. With the use of the aging inland waterway system expected to increase, including through expanded use of short-sea shipping, delays are likely to continue to rise.

Currently authorized construction needs for the inland waterway system are valued at $7.5 billion, but we are currently investing at a pace that will see us falling further behind these needs. Additional investment of hundreds of millions of dollars will be needed each year for modernization and replacement of the nation's locks and dams to meet the demands on the inland waterway system.

Our wastewater infrastructure also is facing substantial funding needs in order to meet and maintain clean water restoration goals. Communities throughout the United States continue to struggle financially to meet their ever-increasing wastewater treatment infrastructure needs. The Environmental Protection Agency (EPA) has reported that a failure to increase investment in wastewater treatment infrastructure would erode many of the water quality achievements of the past 30 years.

The nation's failure to adequately restore and maintain the integrity of its waters can have devastating effects on the economy. Cities and towns, commercial fishing and shellfish harvesting, tourism, recreation, and many sectors of industry rely on the availability of clean, safe water supplies.

Estimates of the nation's clean water infrastructure needs over the next 20 years exceed $400 billion. The needs are especially urgent for areas trying to remedy the problem of combined sewer overflows and sanitary sewer overflows and for small communities lacking sufficient independent financing ability. Drinking water infrastructure needs are estimated at nearly $500 billion over the next 20 years. Current spending by all levels of government is one-half of the estimated needs. Increased investment by Federal, state, and local governments, as well as by the private sector, will be needed to close the gap between current spending and projected needs.

The Federal Government is continuing to under-invest in its wide variety of buildings and facilities that house Federal employees, the judiciary, and cultural institutions. The General Services Administration (GSA)-controlled inventory of existing Federal buildings is aging and requires extensive repair and renovation to ensure that Federal employees are housed in safe, modern facilities. These GSA-controlled facilities have a functional replacement value of $41 billion, and an estimated backlog exceeding $7 billion to repair and modernize existing Federal buildings. Similarly, the Smithsonian Institution estimates its repair and alteration backlog to be in excess of $2.5 billion. Funding provided by the American Recovery and Reinvestment Act of 2009 (Recovery Act) (P.L. 111-5) will partially address these backlogs. Specifically, the Recovery Act provided GSA with $5.55 billion in funds for repair, alteration, and construction of Federal buildings, courthouses, and border stations, with a focus on energy efficiency and conservation. The Recovery Act also provided an additional $25 million for repair and alteration of the Smithsonian's facilities. However, even with this additional funding, many buildings are having basic repair needs delayed or derailed. Delaying these necessary repairs threatens the missions of the agencies that occupy this space.

Transportation Trust Funds

To help meet some of the infrastructure investment needs discussed above, Congress established a series of trust funds to collect user fees and invest those funds in capital improvements and maintenance. These funds include the Highway Trust Fund, the Airport and Airway Trust Fund (Aviation Trust Fund), the Inland Waterways Trust Fund, and the Harbor Maintenance Trust Fund. Each of these trust funds invests dedicated user fee revenues in infrastructure programs to finance long-range construction and maintenance activities that benefit from the funding certainty provided by the trust funds.

Recently, increased fuel prices and the economic recession have resulted in lower than anticipated trust fund revenues. Despite the recent downturn, the trust funds still remain an important source of funding for our infrastructure investments.

One of this Committee's highest priorities is to ensure that the user fees deposited into these trust funds are in fact used for their intended purposes – to rebuild our nation's infrastructure. These trust funds represent a contract between the government and the user. This contract specified that certain user fees would be levied on the users of highways, airports, inland waterways, and ports. In return, the government pledged to use the receipts to build transportation infrastructure for the taxpayer's use.

While recent surface and aviation reauthorization acts have upheld the contract for the Highway and Aviation Trust Funds, the two remaining funds face unique challenges for addressing both the Inland Waterways and Harbor Maintenance needs of the nation. The Inland Waterways Trust Fund balance by the end of fiscal year (FY) 2010 is estimated to be $23 million, at the same time that authorized Inland Waterways construction needs are estimated at $7.5 billion. The Harbor Maintenance Trust Fund balance at the end of FY 2010 is estimated to be $5.519 billion, at the same time that currently authorized harbor maintenance needs are not being met.

Similar to the reforms achieved for the Highway and Aviation Trust Funds, the full receipts and balances of the Inland Waterways and Harbor Maintenance Trust Funds should be made available to serve their intended purpose – meeting our infrastructure needs.

Extension of Spending Caps and Budget Process Reforms

Given the Transportation and Infrastructure Committee's commitment to achieving budget reforms for the transportation trust funds, other budget process legislation, including any extension of the discretionary spending caps, is of significant interest to this Committee.

The Transportation and Infrastructure Committee would strongly oppose any effort to reinstate the discretionary spending caps in a manner that fails to recognize the unique nature of Trust-Funded programs, or negatively impacts the traditional funding guarantees that have been established for highway, transit, and aviation programs.

Waste, Fraud, Abuse, and Improving Governmental Performance

Pursuant to section 425 of the FY 2010 congressional budget resolution, S. Con. Res. 13, the Committee submits the following recommendations regarding waste, fraud, and abuse, and improving governmental performance.

Implementation of American Recovery and Reinvestment Act of 2009

The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (Recovery Act) provided $64.1 billion for programs within the jurisdiction of the Committee on

Transportation and Infrastructure. Oversight of the use of these funds has been a major focus of the Committee over the past year.

The Committee has held 15 oversight hearings on the Recovery Act since October 2008, including eight Full Committee hearings and seven subcommittee hearings. These 15 hearings included a total of 117 witnesses and spanned over 61 hours. The breadth of witnesses included Ray LaHood, Secretary of the U.S. Department of Transportation (DOT) and Lisa Jackson, Administrator of the U.S. Environmental Protection Agency (EPA), as well as other Federal, State, and local government officials, and private industry leaders actively engaged in implementing the Recovery Act.

To assist in its oversight of Recovery Act programs, the Committee wrote to Governors, Metropolitan Planning Organizations, and transit agencies who are direct recipients of funds under the Recovery Act to request expedited and additional reporting on the use of Recovery Act funds, beginning in April 2009 and continuing monthly thereafter. Letters were sent to the 50 Governors of the United States, the Mayor of Washington, DC, and the Governors of American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the Virgin Islands. In addition, letters were sent to 156 Metropolitan Planning Organizations for transportation management areas (areas with populations greater than 200,000 people) and 256 major public transit agencies (areas with populations greater than 200,000 people) that directly receive Federal-aid highway and public transit funding under the Recovery Act. The information requested by the Committee goes beyond the transparency and accountability requirements of the Recovery Act, and has enabled the Committee to track more closely the implementation and use of Recovery Act funds.

In an effort to spur improved performance, the Committee has periodically issued rankings of the best and worst performing States in utilizing Recovery Act funds, based on the information reported to the Committee. Additionally, in August and October of 2009, the Committee wrote letters to the Governors of the best and worst performing States in utilizing Recovery Act highway formula funds. In November 2009, the Committee wrote letters to the Governors of the best and worst performing States in utilizing wastewater infrastructure Recovery Act funds.

In 2010, the Committee will continue to monitor closely the implementation of transportation and infrastructure provisions of the Recovery Act to ensure that the funds are invested quickly, efficiently, and in harmony with the job-creating purposes of the Act.

Leasing of Federal Office Space

In most circumstances, the use of long-term leases to satisfy the need for Federal office space is a wasteful use of appropriated funds, because such leases are typically more expensive than Federal construction. The current guidelines for the budgetary treatment of leases, which have been in place since 1991, require the full cost of a capital lease or lease-purchase to be scored up-front, rather than on an annual basis. This scoring rule has had the unintended and undesirable effect of forcing GSA into using long-term operating leases, which contain no ownership option, to meet Federal office space requirements. Under the current scoring rule and budget constraints, more cost-effective options, such as lease-purchase, cannot be considered; rather, GSA is left with just two options for meeting the

Federal Government's office space needs – either direct appropriations or long-term leases. Due to budget constraints, direct appropriations are often not a viable option, resulting in the inefficient use of long-term leases.

The Federal Buildings Fund depends on the rent payment by agencies in government-owned space, which then allows GSA to construct, maintain, and repair buildings in the Federal inventory. Recent trends toward leasing buildings has led to a steady shrinking of the Federal Buildings Fund, which in turn limits the Federal Government's ability to not only maintain its inventory of buildings and facilities but also generate funds for new Federal construction to house Federal employees. This "leased-to-owned" ratio trend presents a distressing portrait of the condition of an essential government function.

The Government Accountability Office's (GAO) work over the years has shown that building ownership often costs less than operating leases, especially for long-term space needs. For example, in 1995, GAO reported in GAO/T-GGD-95-149 that 55 of 73 operating leases that GSA had entered into cost a total of $700 million more than construction. In 1999, GAO reported in GAO/GGD-99-49R that, for eight of nine major operating lease acquisitions that GSA had proposed, construction would have cost less than leasing and saved the Federal Government $126 million over 30 years. In 2005, GAO testified that, for the Patent and Trademark Office's long-term requirements in northern Virginia, the cost of an operating lease was estimated to be $48 million more than construction and $38 million more than lease-purchase of the necessary office space. Similarly, GAO estimated that the U.S. Department of Transportation building in Washington, D.C., would have cost $190 million less to construct than to enter into an operating lease. In 2008, GAO reported in GAO-08-197 that for four of seven GSA building leases GAO examined, leasing was more costly over the long-term than construction – by an estimated $83.3 million over 30 years.

According to GAO, the current practice of relying on costly leasing to meet long-term space needs results in excessive costs to taxpayers and does not reflect a sensible or economically rational approach to capital asset management. If GSA's budget cannot be increased such that it can accommodate the up-front scoring rule while still meeting the space needs of the Federal Government, then the Committee recommends that GSA be authorized to acquire Federal space through lease-to-ownership leases, without up-front scoring, if such a lease-purchase is more cost-effective than an operating lease.

Emergency Management

The Committee recognizes the inherent tension between providing disaster relief in an expeditious manner while at the same time minimizing waste, fraud, and abuse. Nevertheless, the Committee expects the Federal Emergency Management Agency (FEMA) to fulfill its obligation to be a good steward of the public's funds and trust. The Committee recognized the importance of this issue when it passed the Post-Katrina Emergency Management Reform Act of 2006, which includes Subtitle F, "Prevention of Waste Fraud and Abuse" (6 U.S.C. 791 -797). In 2007, the Committee continued to provide oversight to prevent waste, fraud, and abuse by holding the following oversight hearings to examine whether FEMA was carrying out these duties: "Post-Katrina Temporary Housing: Dilemmas and Solutions" (March 2007); and "FEMA's Emergency Food Supply System" (April 2007).

In addition, in the 111th Congress, the Committee has examined FEMA's operation of the Integrated Alerts and Public Warnings System (IPAWS), which is authorized under section 202 of the Stafford Act. Two hearings of the Subcommittee on Economic Development, Public Buildings and Emergency Management have raised questions as to whether FEMA is effectively implementing this program to deliver critical messages to the nation in times of disaster or crisis and whether FEMA is effectively using the resources provided to accomplish this mission. Those hearings were "Assuring Public Alert Systems Work" (June 2008) and "This is NOT a Test: Will the Nation's Emergency Alert System Deliver the President's Message to the Public?" (September 2009) .

The Committee will continue its vigorous oversight of FEMA's disaster relief program and emergency management operations to ensure the effective use of funds.

Coast Guard Acquisition Reform

The Committee has continued its oversight of Coast Guard acquisitions programs in the 111th Congress. In March 2009, the Committee held a hearing to examine the Coast Guard's current acquisition programs, as well as the policies and procedures the service is implementing to strengthen its management of the entire acquisition process. Specifically, the Committee examined the efforts the Coast Guard has undertaken to respond to the extensive criticisms of the early Deepwater[3] effort and the Rescue 21 program by creating a new Acquisitions Directorate; issuing and continuing to revise a "Blueprint for Acquisition Reform" which guides the acquisition management systems it is building; and extracting Deepwater from the Integrated Coast Guard Systems (ICGS) team and bringing the Lead Systems Integration functions back in-house. During the hearing, Rear Admiral Gary Blore, the Assistant Commandant for Acquisition, also announced that under an agreement signed the morning of the hearing, all options for extending the Deepwater contract with the ICGS team beyond the date of expiration of the current award, January 24, 2011, had been eliminated.

Last year, the House passed H.R. 1665, the "Coast Guard Acquisition Reform Act of 2009". H.R. 1665 strengthens Coast Guard acquisition management processes and establishes personnel-related standards and policies for individuals in the Coast Guard's acquisition workforce. The legislation responds directly to the acquisition failures during the early years of the Deepwater procurements that led to the expenditure of what the GAO has estimated to be nearly $300 million on projects that were cancelled or subsequently restructured, including $95 million wasted in the failed effort to lengthen 110-foot patrol boats to 123 feet; $119 million wasted on the first effort to develop a vertical unmanned aerial vehicle; and $66 million wasted on the first designs for the Offshore Patrol Cutter and the Fast Response Cutter.

The legislation would require the appointment of a Chief Acquisition Officer who, at the Commandant's choice, can be either a member of the military or a civilian member of

[3] The Deepwater program is the Coast Guard's effort to replace or rehabilitate aircraft and cutters that operate primarily 50 miles offshore.

the Senior Executive Service, but who must be a Level III Program Manager and who must have 10 years of professional experience in acquisition management.

Additionally, the legislation would require that the Coast Guard put in place systems to ensure that it effectively defines operational requirements before initiating acquisition efforts, and that all acquired assets undergo thorough developmental and operational testing to ensure that they will meet mission needs, meet the highest quality standards, and pose no safety risks to Coast Guard personnel.

This legislation would also ensure that the service develops and, critically, maintains the expertise within its workforce that it will need to effectively and efficiently manage acquisition efforts in the future by requiring the service to designate the members of its acquisition workforce and establish career paths in acquisition.

The Committee will continue oversight of the Coast Guard's implementation of the Deepwater procurements.

Hazardous Material Safety Program

The Committee held an oversight hearing on September 10, 2009, to examine concerns with the Pipeline and Hazardous Material Safety Administration's (PHMSA) oversight and management of hazardous material safety in the United States. Prior to the hearing, Committee Majority staff released preliminary findings of a staff investigation of PHMSA which found that PHMSA's performance of its primary safety mission was less than diligent in far too many instances, including oversight and management of its special permits and approvals programs.

The hearing coincided with the release of preliminary findings of a DOT Inspector General's audit of PHMSA which found serious deficiencies in PHMSA's review and authorization of special permits and approvals; coordination between PHMSA and affected operating administrations, the Federal Aviation Administration in particular, before issuing special permits and approvals; and oversight and enforcement of approved parties' compliance with the terms and conditions of special permits and approvals.

The Committee subsequently ordered reported H.R. 4016, the "Hazardous Material Safety Act of 2009", which would address many of the deficiencies found as a result of the oversight investigation and hearing and calls for significant enhancements to the hazardous material safety program through an increase in personnel, including inspectors, training, significant improvements to data collection and analysis, and a more well-defined mission. The legislation also requires PHMSA to: (1) enhance training for emergency responders; (2) issue regulations for the safe transportation of lithium cells and batteries on board aircraft, in coordination with the Federal Aviation Administration; (3) eliminate transportation of flammable materials in external product piping; (4) strengthen the special permits and approvals programs; (5) establish a working group to improve the collection, analysis, and reporting of data related to hazmat transportation accidents; and (6) carry out a hazmat enforcement training program. The legislation also directs the Secretary to increase the number of personnel by 84 full-time employees to carry out PHMSA's important hazardous materials safety mission.

H.R. 4016 proposes $51.3 million for the hazardous material safety program in FY 2011, $10.9 million above the President's Budget request. Without a higher level of funding as proposed in H.R. 4016, it will be difficult for PHMSA to correct the significant deficiencies in its hazardous material safety program which, in turn, could jeopardize safety.

Conclusion

The detailed views and estimates presented below urge that the Congressional Budget Resolution meet the important needs discussed above, to improve our nation's infrastructure and transportation safety and ensure that vital services, such as those provided by the Coast Guard, are maintained. While the cost of meeting our nation's transportation and infrastructure investment needs may seem high, the cost of not meeting them is greater still.

This report was circulated to all Members of the Committee on Transportation and Infrastructure for their review and comment, and was approved in a Full Committee meeting on March 3, 2010. While the report reflects a bipartisan effort, the Committee wishes to emphasize that not all Members of the Committee necessarily agree with every aspect. Accordingly, the Committee reserves its flexibility to determine program needs and recognizes the potential for funding changes as the Committee and Congress work their will through the legislative process.

Aviation

Since airline deregulation in 1978, air travel has become an essential form of transportation for much of the nation. The number of commercial air travelers has grown dramatically since then, from 312 million travelers in 1980 to a record-high of 765 million in 2007.

This unprecedented number of air travelers pushed our nation's air traffic control system and over-crowded airports to the brink of gridlock. In 2007, travelers experienced the highest percentage of late arrivals – 24.2 percent – in the 13 years since DOT has collected such data.

Increased fuel costs and a slowing economy caused enplanements to decline in 2008 and 2009, and overall on-time performance improved. However, delays at large hub airports have persisted even with the drop in overall system congestion. These delays ripple throughout the National Airspace System, causing system-wide impacts. Absent further improvements in aviation system capacity and efficiency, delays will likely increase significantly as the number of air travelers rebounds and continues to grow in the future.

FAA Facilities & Equipment

Increased capital investment in our air traffic control system is necessary to increase system capacity and avoid gridlock. These investments have traditionally been funded by the FAA's Facilities & Equipment (F&E) account.

The FAA has embarked upon on a major new Next Generation Air Transportation System (NextGen) program to increase system capacity. In 2007, the interagency Joint Planning and Development Office (JPDO) issued both an Enterprise Architecture and a Concept of Operations for NextGen. These documents provide a high-level blueprint for how to technologically transform the National Airspace System and triple capacity by the year 2025. In January 2009, the FAA issued a mid-term architecture, focusing on objectives through the year 2018. Despite the completion of these documents, the cost of transitioning to the NextGen remains uncertain.

The President's Budget requests $2.97 billion for F&E in FY 2011, an increase of $34 million (1.2 percent) above the FY 2010 enacted level of $2.936 billion. Within the total amount requested for F&E, $1.023 billion is requested for NextGen programs, an increase of $234.5 million (30 percent) above the FY 2010 enacted level of $788.3 million. Relative to the FY 2010 enacted funding level, the FY 2011 request would shift approximately $200 million away from procurement and modernization of en route and terminal facilities, and put it toward Engineering, Development, Test and Evaluation, in support of NextGen programs.

As it makes the investments necessary to develop NextGen, the FAA also needs to properly invest in the maintenance and upkeep of existing infrastructure. A lack of sufficient funding for the F&E program would likely result in continued deferred maintenance and repair of the FAA's existing infrastructure.

To ensure that our nation's air traffic control system remains safe, reliable, and efficient, and is ready to accommodate the significantly increased number of passengers anticipated in the near future, the Committee recommends that the F&E program be funded at no less than $3.353 billion in FY 2011, consistent with the funding level authorized by H.R. 915, the "FAA Reauthorization Act of 2009", as approved by the House last year.

Airport Improvement Program (AIP)

Increased investment in our airport infrastructure is also necessary to maintain a safe and efficient aviation system. The FAA estimates that $49.7 billion of AIP-eligible infrastructure development will be needed between 2009 and 2013 based on the latest National Plan of Integrated Airport Systems (NPIAS) report dated September 30, 2008.

An airport trade association's Capital Needs Survey, conducted in December 2008 - January 2009, estimates that airport capital development costs for AIP-eligible and other necessary projects will total approximately $94.4 billion during the same time frame (2009-2013), an average annual cost of $18.9 billion.

To allow the AIP program to keep pace with inflationary cost increases, and begin to address the investment gap in airport safety and capacity needs, the Committee recommends that AIP be funded at least at $4.0 billion in FY 2010, $4.1 billion in FY 2011, and $4.2 billion in FY 2012, consistent with H.R. 915, the "FAA Reauthorization Act of 2009", as approved by the House last year.

FAA Operations and Maintenance

For FAA's operating costs, the Committee recommends providing at least $10.094 billion for FY 2011, consistent with the authorized funding level in H.R. 915, the "FAA Reauthorization Act of 2009", as approved by the House last year. This is an increase of $301 million (3.1 percent) above the President's Budget request of $9.793 billion. The authorized funding level will allow the FAA to maintain current operations, as well as hire additional aviation safety inspectors and carry out additional airspace redesign initiatives.

Small Community Air Service Development

Inadequate service to small communities has been a concern since airline deregulation. Although the benefits of airline deregulation have been significant, they have not been evenly distributed. In certain small- and medium-sized communities, the lack of competition among airlines has resulted in significantly higher fares. Other small communities lack air service altogether. The Small Community Air Service Development program addresses these problems by helping underserved communities improve their air service through the use of strategies such as marketing support and revenue guarantees.

Demand for this program has far exceeded the funding available. When this program received its initial funding of $20 million in FY 2002, DOT received 179 applications totaling more than $142.5 million from communities in 47 states. The program continued to receive $20 million in each of FYs 2003 through 2005, $10 million in each of FYs 2006 through 2008, $8 million in FY 2009, and $6 million in FY 2010. However, the administration requests no funds for this program in FY 2011. The Committee recommends this program be funded from the General Fund in FY 2011 at the $35 million level authorized in H.R. 915, the "FAA Reauthorization Act of 2009", as approved by the House last year.

Essential Air Service

The financial condition of the airlines, higher fuel costs, and increased regulatory costs have also increased demands on the Essential Air Service (EAS) program over the past several years. Before September 11, 2001, a total of 106 communities required EAS subsidy (32 in Alaska and 74 elsewhere in the United States). As of February 2010, there are 159 communities requiring EAS subsidy (45 in Alaska and 114 in other States), a 50 percent increase compared to 2000. The cost of funding the current array of contracts in FY 2010[4] is approximately $182 million. This does not assume any new communities require subsidy, or any subsidy increases are required as contracts expire and are re-let. To meet increased costs of renewing existing contracts, as well as the cost of providing service to communities

[4] As of February 1, 2010.

that may begin to require subsidy, the Committee recommends EAS be funded in FY 2011 at the $200 million level authorized in H.R. 915, the "FAA Reauthorization Act of 2009", as approved by the House last year.

Coast Guard and Maritime Transportation

The Committee recommends $10.2 billion in FY 2011 for U.S. Coast Guard activities, which is an increase of $346 million (or 3.5 percent) above the total amount enacted for FY 2010 and $623 million (6.5 percent) above the FY 2011 President's Budget. Of this $623 million increase, $308.5 million was requested for Coast Guard operations within the President's Budget request for other agencies. The Committee recommends that this funding be included in the Coast Guard's budget to provide a more accurate accounting of the resources available to the service to carry out its missions.

This recommendation is designed to sustain the Coast Guard's ability to support America's maritime safety, security, and stewardship, interests for FY 2011. A detailed break-out of this recommended funding level by program is provided below.

The Committee believes it is imperative that the Coast Guard receive the resources necessary to protect America while implementing the service's core missions such as search and rescue, marine safety, fisheries law enforcement, drug interdiction, migrant interdiction, aids to navigation, marine environmental protection, and boating safety. Therefore, the Committee makes the following recommendations.

Coast Guard Operating Expenses

The Committee recommends $7 billion for Operating Expenses (OE), an increase of $192 million (2.8 percent) over the FY 2010 enacted level and $346 million (5.2 percent) above the FY 2011 President's Budget. The OE account comprises more than two-thirds of the Coast Guard's budget. Funding from this account supports all of the Coast Guard's missions, including Search and Rescue, Marine Safety, Aids to Navigation, Living Marine Resources, Drug and Migrant Interdiction, Marine Environmental Protection, Other Law Enforcement, Ports Waterways and Coastal Security and Defense Readiness. This funding also covers the costs associated with the Coast Guard's workforce comprised of more than 42,170 active duty personnel, 8,100 reservists and 7,700 civilians.

Approximately $79.983 million of the President's Budget request will be allocated to operation and maintenance funding to support follow on and new costs related to shore facilities and aids-to-navigation, delivery of 18 Response Boat-Mediums, Rescue 21, Nationwide Automatic Identifications System, Defense Messaging System, rescue swimmer training facility, and surface and air asset follow-on.

The Committee's recommendation includes the transfer of $54 million from the National Science Foundation to the Coast Guard for the operation of the Coast Guard Cutters POLAR STAR, POLAR SEA, and HEALY. The Committee's recommendation also includes the transfer of $254.5 million from the Navy to the Coast Guard for Overseas Contingency Operations.

In contrast to the President's Budget, the Committee recommends restoring the following units and assets that were proposed for elimination:

- Two High Endurance Cutters;
- Five H-65 helicopters; and
- Five Maritime Safety and Security Teams (MSST).

The President's Budget proposed to decrease the Coast Guard's total budget by $35.1 million and the workforce by 773 personnel. Restoring these units and assets will increase the Coast Guard's budget request by $37.7 million and number of personnel by 841.

The Committee recommends restoring funding for two High Endurance Cutters that the President's Budget proposed to decommission, which will increase the budget request by $14 million.

The Committee recommends restoring funding for five H-65 helicopters that the President's Budget proposed to remove from active service, which will increase the budget request by $5.5 million. Hearings last year indicated the Coast Guard needs additional helicopters to deploy in drug interdiction patrols; therefore the Committee recommends increasing the budget request by $5.5 million to keep the helicopters in active service.

The Committee recommends restoring funding for the five Maritime Safety and Security Teams (MSST) the President's Budget proposed to decommission, which will increase the budget request by $18.2 million.

Reserve Training

The Committee recommends $135.7 million for reserve training; an increase of two percent over the FY 2010 enacted level.

Environmental Compliance and Restoration

The Committee recommends $13.3 million for environmental compliance and restoration operations, a one percent increase over the FY 2010 enacted level. This funding will provide the resources necessary to meet the mandated milestones of major cleanup efforts and other environmental restoration needs. Significant increases in this account will be necessary in future years to allow the Coast Guard to complete the decommissioning of the LORAN system.

Coast Guard Capital Funding (Acquisition, Construction & Improvement (AC&I))

The Committee recommends $1.64 billion to fund all planned Coast Guard capital acquisitions in FY 2011, a $106 million (7 percent) increase above the FY 2010 enacted level. These funds support the acquisition, construction, and improvement of vessels, aircraft, information management resources, shore facilities, and aids to navigation.

The Committee's recommendation includes $108 million above the President's request to purchase long lead time material for the sixth National Security cutter.

The Committee's recommendation includes $1.22 billion for the Integrated Deepwater Systems program, to replace or rehabilitate cutters and aircraft, a $66.2 million (5.7 percent) decrease from the FY 2010 enacted level.

The Committee's recommendation also includes $153 million to support the construction of a new combined buoy tender-icebreaker for service on the Great Lakes which was included in H.R. 1747, the "Great Lakes Icebreaker Replacement Act", which passed the House on April 27, 2009.

Research, Development, Test and Evaluation

The Committee recommends $20 million for Research, Development, Test and Evaluation. The Committee continues to support full funding of this account under the Coast Guard's direct control.

Alteration of Bridges

The Committee recommends $16 million for the Alteration of Bridges, a $12 million (300 percent) increase above the FY 2010 enacted level of $4 million. The Coast Guard has determined eight bridges to be unreasonable obstructions to navigation and an additional 32 bridges as potentially unreasonable obstructions to navigation. Funding for this program is imperative to the safe navigation of recreational and commercial vessels.

Port Security Grants

The Committee supports providing at least $300 million for port security grants in FY 2011.

Federal Maritime Commission

The Committee recommends approximately $25.5 million for the Federal Maritime Commission in FY 2011.

Economic Development, Public Buildings, and Emergency Management

Economic Development

The Committee has jurisdiction over five existing economic development programs: the Economic Development Administration (EDA), the Appalachian Regional Commission, the Denali Commission, the Delta Regional Authority, and the Northern Great Plains Regional Authority. In addition, the "Food, Conservation, and Energy Act of 2008" (P.L. 110-246) authorized the creation of three new regional commissions: the Southeast Crescent Regional Commission, the Southwest Border Regional Commission, and the Northern Border Regional Commission. During the 111th Congress, the Committee intends to reauthorize EDA.

The administration requests $246 million for EDA's Economic Development Assistance Programs (EDAP) in FY 2011, a decrease of $9 million or 3.5 percent below the FY 2010 enacted level of $255 million. For EDA's salaries and expenses, the administration requests $40.2 million in FY 2011, a slight increase of $2.2 million above the FY 2010 enacted level of $38 million.

Regional Economic Development Commissions

Regional commissions have a proven track record of efficiently and fairly meeting the needs of the regions they serve by providing grants for infrastructure and economic development plans. These plans undergo a rigorous and thorough vetting process to ensure that only the best plans receive funding. The Committee remains committed to ensuring the full funding of these programs.

In 2008, P.L. 110-371 reauthorized the Appalachian Regional Commission (ARC) through FY 2012. For FY 2011, $108 million is authorized for ARC programs, and an additional $13.5 million is authorized for economic and energy development initiatives. The administration's FY 2011 funding request for the ARC is $76 million, which is equal to the FY 2010 enacted level. The Committee supports full funding at the authorized level for this important economic development program, 50 percent of which goes to Appalachian counties that are economically distressed. The Committee also supports continued funding for the Appalachian Development Highway System, which will be reauthorized as part of the upcoming surface transportation authorization legislation to be considered later this year.

The Committee supports funding the Denali Commission at levels sufficient to allow it to continue with effective sustainability and development programs. The administration has requested $12 million for the Denali Commission for FY 2011, which is equal to the FY 2010 enacted level.

The administration has requested $13 million for the Delta Regional Authority (DRA) for FY 2011, which is equal to the FY 2010 enacted level. The Committee recommends funding the DRA at $30 million for FY 2011, equal to the authorized level. A failure to fully fund the DRA significantly hampers its ability to meet its mission.

The administration has requested $1.5 million for the Northern Border Regional Commission for FY 2011, which is equal to the FY 2010 level. The Northern Border Regional Commission will play a vital role in the economic renewal of the upper northeast border region. The Committee recommends funding the Authority at $30 million for FY 2011, equal to the authorized level.

The President's Budget did not include any funding for the Northern Great Plains Regional Authority, which will play a vital role in the economic renewal of the Great Plains region. The Committee recommends funding the Authority at $30 million for FY 2011, equal to the authorized level.

The administration has requested $250,000 for the Southeast Crescent Regional Commission for FY 2011, which is equal to the FY 2010 enacted level. The Committee also recommends providing $30 million for both the Southeast Crescent Regional Commission and the Southwest Border Regional Commission established by P.L. 110-246 in FY 2011, which is the authorized funding level.

Public Buildings

In the area of public buildings, the Committee intends to address a number of issues concerning the Public Buildings Service of GSA. These issues include the continued viability of the Federal Buildings Fund (FBF), GSA's courthouse construction program, border station construction, the need for increased funds for repairs and alterations, and the use of leased space.

The FBF, the primary source of funding for GSA's capital investment program, while receiving consistent funding over the past several years, is barely maintaining its present position with regard to providing funding for construction of new Federal buildings and the repair of existing buildings. The FBF is supported by lease payments charged to Federal agencies occupying space in GSA facilities. GSA is increasingly relying on the use of leased space because it lacks funds for construction, repair, alteration, and modernization of Federally-owned facilities. The Committee recommends that the administration carefully review the amount of funds made available for the construction, repair, and alteration of Federally-owned facilities as well as reconsider the increased reliance on leased space and how these issues impact the FBF.

GSA's repair and alteration program in previous years has failed to meet projected demand for the modernization of GSA's aging inventory of Federal buildings. The functional replacement value of GSA's 1,532 owned buildings is $41 billion. A significant investment will be necessary to make these buildings modern and efficient places to work. The FY 2011 repair and alteration request is $703.5 million; a 70 percent increase of the FY 2010 enacted level of $413.8 million. The requested amount will fund repairs and alterations at Federal buildings and judicial facilities. The marked increase in FY 2011 is a result of the significant decrease in the FY 2010 repair and alteration program due to the investments of the American Recovery and Reinvestment Act. The Committee recommends fully funding the FY 2011 repair and alteration program, which will allow for an increase in the level of renovations being made to Federally-owned buildings. This funding will allow GSA to locate more Federal employees in government-owned space, which will reduce the amount of office space being leased from the private sector and thereby reduce overall costs.

GSA has requested $676.4 million for the construction and acquisition of new facilities, a 24.3 percent decrease from the FY 2010 enacted level of $894 million. This request includes funding for continued agency consolidations, new border stations, funds for general infrastructure and development activities, and funds for non-prospectus level construction. The Committee supports this request and urges the full funding of GSA's construction program.

The Committee will continue to monitor GSA's leasing program. The Committee continues to be concerned about the rising amount of leased space being used to meet the requirements of the civilian branch of the Federal Government where Federal facilities are not available. The leasing program is increasing from year to year, largely as a result of the scoring rules implemented pursuant to the Budget Enforcement Act of 1990, which force GSA into short-term, expensive leases, to avoid the budget impact of a capital lease.

The Committee will also continue to exercise oversight over GSA's Federal Judiciary projects. The Committee will pursue savings on existing construction projects and carefully scrutinize newly requested courthouse space.

Emergency Management

Department of Homeland Security

The failed response to Hurricane Katrina made evident many shortcomings at the Federal level, in general, and with the Department of Homeland Security (DHS) and the Federal Emergency Management Agency (FEMA), in particular. Most of these shortcomings can be directly tied to FEMA's placement in the DHS bureaucracy. Since 2003, the Committee has held hearings showing a clear correlation between the absorption of FEMA into DHS and the deterioration of FEMA's effectiveness. Another reason for this trend is that since becoming a part of DHS, FEMA's emergency management mission has shifted toward a disproportionate focus on terrorism at the expense of other hazards. The country requires FEMA to once again function with the nimbleness and flexibility that was its hallmark before being placed within the DHS bureaucracy. Therefore, the Committee feels that FEMA would function best, and the country would be best served in times of disasters, if FEMA was once again an independent agency led by an Administrator with extensive experience in emergency management, reporting directly to the President.

Additionally, there are continuing tensions between homeland security grant programs and the all-hazards emergency management approach as was identified at a Committee hearing on "An Independent FEMA: Restoring the Nation's Capabilities for Effective Emergency Management and Disaster Response" on May 12, 2009; as well as several hearings of the Subcommittee on Economic Development, Public Buildings and Emergency Management, including "FEMA's Preparedness And Response To All Hazards" on April 27, 2007; "Readiness in the Post-Katrina and Post-9/11 World: An Evaluation of the New National Response Framework" on September 11, 2007; "FEMA's Response to the 2008 Hurricane Season and the National Housing Strategy" on September 23, 2008; and

"Post-Katrina Disaster Response and Recovery: Evaluating FEMA's Continuing Efforts in the Gulf Coast and Response to Recent Disasters" on February 25, 2009.

Federal Emergency Management Agency

Mitigation – For FY 2011, Congress enacted $140 million for mitigation grants including $100 million for Pre-Disaster Mitigation (PDM) and $40 million for flood mitigation assistance (FMA). The FY 2011 President's Budget requests $140 million for mitigation grants, including $100 million for PDM and $40 million for FMA. The PDM Program, which is authorized by the Committee on Transportation and Infrastructure, will sunset on September 30, 2010, if further action is not taken. Effective disaster mitigation spending reduces the costs incurred in managing the consequences of natural disasters. In the 111th Congress, the Committee reported and the House passed H.R. 1746, the "Pre-Disaster Mitigation Act of 2009", which authorizes an appropriation of $250 million for FY 2011. The Committee supports funding at this level.

Disaster Relief – For disaster relief programs administered by FEMA, the Committee recommends funding sufficient to meet the needs of communities hit by disasters. The total amount enacted for the Disaster Relief Fund (DRF) to date in FY 2010 is $1.6 billion, a decrease of $7.76 billion below the FY 2009 level of $9.36 billion. However, the President has requested an additional $5.1 billion in supplemental funding for the DRF in FY 2010. For FY 2011, the President's Budget requests $1.95 billion for the DRF. In addition, Congress enacted $295,000 for the Disaster Assistance Direct Loan account for FY 2010, the same as the FY 2009 level. The President's Budget requests this same funding level for FY 2011.

Flood Map Modernization – In FY 2010, Congress enacted $220 million for flood map modernization, the same level as was provided for FY 2009. For FY 2011, the President's Budget requests $194 million, a decrease of $26 million from the FY 2010 enacted level. Over the past several years, FEMA has engaged in an aggressive plan to modernize the nation's flood maps. As maps are modernized, the Committee supports FEMA's efforts to include risk identification for multiple hazards associated with these maps. The Committee supports fully funding this program to ensure that communities across the country have the most accurate information possible for insurance, planning, and mitigation activities.

Emergency Management Performance Grants (EMPG) – The EMPG program is the Federal Government's principal grant program to build basic State and local emergency management capability. In FY 2010, Congress enacted $340 million for the EMPG program, a $25 million increase above the FY 2009 enacted level of $315 million. For FY 2011, the President's Budget requests $345 million. The Committee believes the program should remain a flexible program focused on building basic emergency management capability and should not combine the funding of EMPG with terrorism-specific programs. The Committee recommends that it be funded at the authorized level of $815 million in FY 2011.

Emergency Operations Centers – In FY 2010, Congress enacted $60 million for all-hazard Emergency Operations Centers (EOCs), authorized by section 614 of the Stafford Act, an increase of $25 million above the FY 2010 enacted level of $35 million. The President's Budget proposes no funding for EOCs in FY 2011. While EOC construction is authorized under EMPG, the President's Budget requests an increase of just $5 million for EMPG.

FIRE Grants - In FY 2010, Congress enacted $810 million in all hazard assistance to firefighters in small and large communities around the nation. Of this amount, $420 million was specifically targeted to Staffing for Adequate Fire and Emergency Response (SAFER) grants, which help fire departments increase the number of frontline firefighters, and the remainder, $390 million, was for Assistance to Firefighter Grants (Fire Grants). This is an increase from the $210 million FY 2009 enacted level for SAFER, and a decrease from the $565 million FY 2009 enacted level for Fire Grants. The FY 2011 President's Budget requests $305 million for SAFER and $305 million for Fire Grants. The authorization for the Fire Grant program expired on September 30, 2009, and the authorization for the SAFER program will expire on September 30, 2010. H.R. 3791, which would reauthorize both programs, passed the House on November 18, 2009. The Committee supports funding Fire Grants and SAFER in FY 2011 at $1 billion and $1.194 billion, respectively, consistent with the funding levels authorized by H.R. 3791.

Homeland Security Grants – In FY 2010, Congress enacted $3.105 billion for Homeland Security Prevention and Protection Programs, virtually the same as the $3.106 billion FY 2009 enacted level. This amount includes $950 million for the State Homeland Security Grant Program (same as enacted in FY 2009), and $887 million for the Urban Area Security Initiative (up from $837 million enacted in FY 2009). The FY 2011 President's Budget requests $1.05 billion for the State Homeland Security Grant Program and $1.1 billion for the Urban Area Security Initiative, which includes $200 million for hosting terror-related trials. The Committee does not support the administration's proposal to fund EMPG, Fire Grants, and SAFER from this account. The Committee also does not support consolidating the Citizen Corps program into the Urban Area Security Initiative and the State Homeland Security Grant Program.

Smithsonian Institution

The FY 2011 President's Budget request for the construction and revitalization of Smithsonian facilities is $136.8 million, an increase of $11.8 million above the FY 2010 enacted level of $125 million. A recent GAO report indicated $2.5 billion is necessary over the next 10 years to address the Smithsonian's backlog of facility maintenance. Continued instability in the amount provided for facilities at the Smithsonian Institution poses a serious risk to the vitality of the Smithsonian Institution and its ability to carry out its core missions. A reduction in funding in past years has made such projects as restoration of the Arts and Industries building impossible at this time, even though this historic building has serious structural defects that have required its closure. Additionally, this lack of funding threatens the Smithsonian Institution's accreditation due to its inability to maintain and update its collection, provide adequate security at its museums, continue to fund research, and provide adequate staffing. The Committee recommends funding the Smithsonian Institution's construction and revitalization program at a level that will allow it to meet its basic needs while continuing its research and outreach activities.

Architect of the Capitol

The Architect of the Capitol's (AOC) FY 2011 budget request includes $90.8 million for House Office Buildings, $101.2 million for libraries and grounds, $14.3 million for the Botanic Gardens, and $120.6 million for the Capitol power plant. In addition, the AOC requested $50 million for the House Historic Buildings Revitalization Trust Fund. The Committee is concerned about the mounting backlog of capital requirements and urges full funding for the AOC program. The Committee intends to exercise aggressive oversight over the Capitol buildings and grounds.

John F. Kennedy Center for the Performing Arts

The FY 2011 President's Budget requests $37.4 million for the John F. Kennedy Center for the Performing Arts (Kennedy Center). These funds are exclusively for the Operations and Maintenance (O&M, $23.5 million) and Capital Repair and Restoration (CR&R, $13.9 million) activities of the Kennedy Center. This level is $3 million less than the amount enacted in FY 2010 ($40.4 million). P.L. 110-338 authorizes appropriations for the John F. Kennedy Center for the Performing Arts through FY 2012. In FY 2011, a total of $40.5 million is authorized for the Kennedy Center, including $23.5 million for maintenance, repair, and security, and an additional $17 million for capital projects. The performing arts programming and administrative support for the Kennedy Center is financed by ticket sales, auxiliary and investment income, and through private donations. The Committee recommends funding the Kennedy Center at the authorized levels to ensure that the Kennedy Center can continue to maintain its historic building and provide a world class venue for its robust programming activities.

Highways and Transit

The most recent long-term authorization of the Federal surface transportation program, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (P.L. 109-59), expired at the end of FY 2009. Since that time, Federal highway, highway safety, and public transportation programs have been operating under a series of short-term extensions, the most recent of which expired on February 28, 2010.

In its FY 2011 budget request, the administration has called for further extension of the program through March 31, 2011. The Committee continues to reject an extension of this duration, which would unacceptably postpone a much-needed infusion of Federal surface transportation investment, the creation of millions of new jobs, and comprehensive reforms to the Federal surface transportation program.

Despite the administration's continued call for an 18-month extension of surface transportation programs, the budget request contains a number of significant programmatic and policy proposals. The Committee believes that restructuring of and changes to the highway, highway safety and transit programs should be addressed in a comprehensive long-term authorization bill, not in a piecemeal fashion.

In June 2009, the Subcommittee on Highways and Transit unanimously reported to the Full Committee on Transportation and Infrastructure a comprehensive surface transportation authorization proposal: the Surface Transportation Authorization Act of 2009 (STAA). STAA would invest $450 billion in the nation's surface transportation network and $50 billion in high-speed rail, and would significantly transform the surface transportation programs and policies, many of which were crafted more than a half-century ago. The current programs are no longer well-suited to address today's challenges of improving the condition, performance, and safety of our system. STAA establishes programs and policies designed to achieve specific national objectives: reduce fatalities and injuries on our nation's highways; unlock the congestion that cripples major cities and the freight transportation network; provide transportation choices for commuters and travelers; limit the adverse effects of transportation on the environment; and promote public health and the livability of the nation's communities.

The increased investment called for in STAA is accompanied by greater transparency, accountability, oversight, and performance measures to ensure that taxpayer dollars are being spent effectively and in a manner that provides the maximum return on that investment. Under current Federal surface transportation programs, recipients of funding have significant flexibility in the use of funds, and tracking the benefits derived from these investments is difficult. STAA will establish programs that are outcome-based and include mechanisms to allow Congress and the American public to see the benefits achieved from the investments made.

Under existing transportation policy, the Federal highway, highway safety, and transit programs would be funded at a total level of $326 billion over the next six years. This level is not adequate to meet the needs of the system. According to the U.S. Department of Transportation's "2008 Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance" report (C&P Report), over the next 20 years, **an additional**:

- $27 billion[5] per year from all levels of government is needed simply to sustain highway conditions and performance;
- $96 billion[5] per year from all levels of government is needed to make all cost-beneficial highway improvements and to eliminate the backlog of bridge deficiencies;
- $2.3 billion[6] per year in capital investments from all levels of government are necessary to maintain the current average transit asset conditions and current transit vehicle occupancy levels; and
- $8.3 billion[6] per year in capital investment from all levels of government are necessary to improve transit conditions and performance.

The significant underinvestment in surface transportation infrastructure identified in the C&P Report confirms the findings of two commissions established by Congress to study

[5] Amount shown is an increase relative to current capital investment by all levels of Government of $78.7 billion in 2006.
[6] Amount shown is an increase relative to current capital investment by all levels of Government of $12.75 billion.

future surface transportation policy and financing needs. The National Surface Transportation Policy and Revenue Study Commission called for an annual investment level of between $225 and $340 billion – by all levels of government and the private sector – over the next 50 years to upgrade all modes of surface transportation (i.e., highways, bridges, public transit, freight rail and intercity passenger rail) to a state of good repair. Similarly, the National Surface Transportation and Infrastructure Financing Commission (Finance Commission) found that an annual investment of $200 billion by all levels of government was necessary to maintain and improve the nation's highway and transit infrastructure systems. These amounts are more than double the current levels of highway and transit capital investment (a cumulative $91.5 billion per year from all levels of government and the private sector).

At the same time, reports identify a significant and growing surface transportation investment gap, the primary source of Federal investment, the Highway Trust Fund (HTF), is facing ongoing problems of solvency due to the declining revenues going into the trust fund. According to the administration's estimates, under the President's Budget request, absent additional revenues or a General Fund (GF) transfer, the cash balance of the Highway Account of the HTF would be -$11.6 billion at the end of FY 2011. Similarly, the administration estimates that the cash balance of the Mass Transit Account of the HTF would be -$2.5 billion at the end of FY 2011 under this proposal.

In the past, the Committee has worked with the Committee on Ways and Means to address the projected shortfalls in the Highway Account. The Committee will continue to work with the Committee on Ways and Means to ensure the short-term solvency of the HTF. However, a long-term solution is necessary to provide the sustainable investment required to maintain and improve the surface transportation network. The Committee will continue to examine all current and potential methods of funding greater infrastructure investment and financing surface transportation projects.

The Committee will continue its efforts to pass a long-term intermodal surface transportation authorization that transforms the nation's surface transportation programs to meet the new challenges necessary to improve economic competitiveness, reduce congestion, return the system to a state of good repair, improve mobility and access for people and goods, and improve the safety and sustainability of our surface transportation network.

Cross-Cutting Issues

National Infrastructure Innovation and Finance Fund

The President's Budget requests $4 billion for a new National Infrastructure Innovation and Finance Fund (NIIFF) in FY 2011. The NIIFF would make grants and loans to transportation and transportation-related projects that provide a significant economic benefit to the Nation or a region. The NIIFF would be overseen by a Policy and Investment Board that would establish and maintain the criteria for the evaluation of investment projects and make investment recommendations to the Secretary of Transportation. Eligible projects would be capital projects which are either (1) primarily for a highway, tunnel, bridge, transit, commuter rail, passenger and freight intermodal facilities, passenger rail, including Amtrak, freight rail, airports, aviation, ports and maritime investment; or (2) for a transportation component of a non-transportation project; or (3) for transportation infrastructure that increases the environmental sustainability of the transportation network in a region.

The Committee is prepared to work with the administration to authorize a National Infrastructure Fund, and looks forward to receiving a detailed legislative proposal. The Committee generally supports the intent of the administration's proposal and has, in fact, proposed the establishment of a similar Fund as part of the STAA. However, the Committee views this as a substantive authorization proposal which should be dealt with in the context of a long-term surface transportation authorization, and would strongly oppose the establishment of this new program in any other context.

Livable Communities

The President's Budget would establish within the Office of the Secretary of Transportation a new Office of Livable Communities. The Budget requests $20 million for this Office in FY 2011, including $12 million for grants and technical assistance to States, local governments, and non-profit organizations for performance measurement capability, enhanced ability to perform alternatives analysis, and training and workshops. The remaining $8 million would be used for administration, including developing performance standards, building analytical capacity related to the creation of livable communities, and coordination of livability initiatives between the Department of Transportation, the Environmental Protection Agency, and the Department of Housing and Urban Development.

The President's Budget also requests funding for this initiative within the Federal Highway Administration and the Federal Transit Administration. More detailed information is included within the discussion of highway and transit programs below.

Although the Committee supports the intent of the administration's proposal to improve livable communities, the creation of such a new program should be considered within the context of a long-term surface transportation authorization.

Highways

The physical condition and operational performance of our nation's roads and bridges require substantial attention and investment. As of 2006 – the most recent year for which we have comprehensive and reliable data – only 57 percent of travel on the National Highway System (NHS) took place on pavement rated as having good ride quality. In urban areas this figure was an even lower 48 percent. Roughly 165,000 bridges, equaling more than one of every four bridges in the United States, are structurally deficient or functionally obsolete. Finally, traffic congestion impacts 30 percent of daily travel in U.S. urbanized areas, costing the nation almost $80 billion per year in lost time and wasted fuel. Taking all of this into account, the American Society of Civil Engineers recently graded the condition of America's bridges at a "C" level and America's roads as a "D-."

According to the U.S. Department of Transportation, our nation's roads and bridges will require an average of $106 billion in annual capital investment over the next two decades simply to sustain highway conditions and performance, and would need $175 billion per year in capital investment to make all cost-beneficial investments and eliminate the current backlog of bridge deficiencies. Today, the public and private sectors spend just under $80 billion per year on highway and bridge capital projects.

Pending development of the administration's comprehensive surface transportation reauthorization proposal, the President's FY 2011 budget request includes placeholder baseline funding levels (adjusted for inflation) for surface transportation programs in FY 2011. The request includes an obligation limitation of $41.4 billion for the Federal-aid Highways program and $0.7 billion in exempt contract authority, for a combined $42.1 billion. This funding level is $255.8 million above the appropriated FY 2010 obligation limitation of $41.1 billion (+0.6 percent). However, when unauthorized General Fund (GF) appropriations made in FY 2010 are considered, the budget request is $687 million (-1.6 percent) below the FY 2010 enacted level. While the Committee recognizes that this investment level represents a placeholder until a long-term surface transportation authorization is enacted, the level of investment called for in the budget proposal is well below the levels necessary to sustain and improve the nation's highways and bridges.

According to the administration's estimates, under the budget request, the cash balance of the Highway Account of the Highway Trust Fund (HTF) would be -$11.6 billion at the end of FY 2011 absent additional revenues or a General Fund transfer. By law, the Highway Account may not reach a negative balance. This indicates that, without additional revenues or a GF transfer, at some point within FY 2011 FHWA would be required to delay Federal-aid highway reimbursements to States. The budget request assumes that Congress will ensure the solvency of the HTF through FY 2011 by transferring $20.0 billion from the General Fund to the HTF ($16.0 billion for the Highway Account and $4.0 billion for the Transit Account) at some point during FY 2010.

The Committee supports a transfer of $19.5 billion to the HTF to restore interest payments foregone on Trust Fund balances since 1998 (prior to which point the HTF accrued interest). The Highway Trust Fund is currently the only Federal trust fund that does not accrue interest, and the Committee strongly supports not only the restoration of foregone interest, but also statutory changes to allow the HTF to collect interest from this point forward. H.R. 2847, the "Jobs for Main Street Act", passed by the House on December 16, 2009, included provisions that accomplished both of these objectives. The Committee continues to support the provisions in H.R. 2847 that restructure the current fuel tax exemptions and refunds provided to State and local governments so that they are supported by the General Fund rather than the HTF.

The administration's budget request proposes to cancel $263.1 million in unobligated funding under various project-related accounts authorized in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) or prior bills. On April 2, 2009, the Committee released principles for reform of member-designated surface transportation high priority projects. Among these principles, the Committee gave notice that it intends to repeal certain designations under the Transportation Equity Act for the 21st Century (TEA-21), the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), and prior authorization bills for projects that have not proceeded to construction or have remaining unused funds. The Committee intends to carry out this repeal as part of STAA.

The administration's budget request proposes the reallocation of a combined $200 million in States' FY 2011 core highway program apportionments under the Interstate Maintenance, National Highway System, Surface Transportation, Highway Bridge, Congestion Mitigation and Air Quality Improvement Programs. The administration proposes to use these funds for a new Livable Communities Program (LCP) in support of the administration's Partnership for Sustainable Communities. Under the LCP, the Federal Highway Administration would provide discretionary capacity-building grants to States, localities, tribes, and transit agencies to enhance the grant recipients' ability to plan and implement transportation projects consistent with livability goals. The creation of a such new discretionary grant program should be considered within the context of a long-term surface transportation authorization. The Surface Transportation Authorization Act of 2009, which the Subcommittee on Highways and Transit favorably reported to the Committee in June 2009, includes a number of provisions that would promote livable communities, including the creation of an Office of Livability. The Committee will address initiatives such as the LCP in the course of moving forward with the Surface Transportation Authorization Act.

Transit

According to the American Society of Civil Engineers, transit use has increased faster than any other mode of transportation. The American Public Transportation Association documented that Americans took 10.7 billion trips on public transportation in 2008, the highest level in 52 years. This increase in transit ridership is almost triple the growth rate of the population, and substantially more than the growth rate for vehicle miles traveled on our nation's highways. The infrastructure required to support these riders is extensive, and ensuring the reliability, efficiency, and safety of transit assets is a top priority of the Committee.

Unfortunately, numerous segments of the nation's public transportation infrastructure are in need of major repairs. According to the 2008 C&P Report, the number of bus and rail facilities in adequate or better condition has decreased. In 2006, 64 percent of urban bus maintenance facilities were in adequate or better condition, down from 67 percent in 2000. In 2006, 74 percent of rail facilities were in adequate or better condition, down from 80 percent in 2002. Additionally, the conditions of rail track, elevated structures, underground tunnels, and rail maintenance facilities have all declined in recent years. The C&P report also finds that $15.1 billion in total capital investment per year is needed just to maintain current transit asset conditions – representing an increase of $2.3 billion over current capital investment levels – while an average of $21.1 billion is needed annually to bring all transit assets up to a good condition. This required funding level represents an increase of $8.3 billion over current capital investment levels.

The administration's budget request proposes total budget authority of $10.8 billion for the Federal Transit Administration (FTA) programs in FY 2011. Although there is no authorization for FY 2011, the request is $459 million more than the $10.338 billion authorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) for FY 2009. In addition, the budget proposes several new initiatives, programs and budget categories, but at the same time, continues to assume an extension of current law through March 2012. The Committee views these as substantive authorization proposals which should be dealt with in the context of a long-term surface transportation authorization, and would strongly oppose making these changes in any other context.

The President's Budget proposal would create several new accounts to be funded from the Mass Transit Account of the HTF for livable communities and energy reduction initiatives. The administration's FY 2011 budget proposes redirecting $307 million in existing transit program funds to a new Livable Communities Account. This new account would include the Job Access and Reverse Commute, Alternatives Analysis, and Metropolitan and Statewide Planning programs. These are all existing Highway Trust Funded transit programs, and the new Livable Communities Account would not alter existing programmatic funding levels, formula apportionments, or eligibilities. The President's Budget also proposes a new Greenhouse Gas and Energy Reduction Account, which would include $53 million in Trust Funded amounts for a competitive grant program. The budget proposal would also combine the existing Bus and Bus Facilities discretionary and Fixed Guideway Modernization formula programs into one new program called Bus and Rail State of Good Repair. The Committee views all of these proposed changes as substantive authorization proposals, which should be dealt with in the context of a long-term surface transportation authorization.

The administration also requests $30 million and 130 new FTEs to conduct Rail Transit Safety Oversight activities. These activities require enactment of legislation to authorize FTA to regulate transit safety and provide the additional substantive authorizing language to direct a new program. The Committee believes that this proposal should be considered as part of a comprehensive authorization of surface transportation programs and policies.

According to the administration's estimates, the cash balance of the Mass Transit Account of the HTF, absent additional revenues or a General Fund (GF) transfer, would be -$2.458 billion at the end of FY 2011 under this proposal. By law, the Mass Transit Account may not reach a negative balance. Therefore, the administration's estimate indicates that without additional revenues or a GF transfer, at some point within FY 2011 FTA would be required to suspend grant approvals for transit projects. The budget request assumes that Congress will ensure the solvency of the Mass Transit Account through FY 2011 by transferring $20.0 billion from the General Fund to the HTF at some point during FY 2010. The Committee supports a transfer of $19.5 billion to the HTF to restore interest payments foregone on Trust Fund balances since 1998 (prior to which point the HTF accrued interest). H.R. 2847, the "Jobs for Main Street Act", which passed the House on December 16, 2009, included this transfer.

Highway and Motor Carrier Safety

Over the past five years, an average of 41,515 people lost their lives and almost 2.5 million people were seriously injured in motor vehicle crashes. According to the National Highway Traffic Safety Administration (NHTSA) motor vehicle crashes are the leading cause of death and disability for American ages 2 through 34. The more than six million annual motor vehicle crashes cost an estimated $289 billion related to deaths, injuries, property damage, productivity losses, medical bills, and other related costs. In addition, crashes involving large trucks resulted in 4,887 fatalities and 105,000 injured persons each year, on average, over the past five years. Recognizing the significant impact of these deaths and serious injuries, the Committee proposes to double highway and motor carrier safety funding in STAA.

The administration's budget request proposes a total obligation limitation for NHTSA's highway safety grants, alcohol-impaired driving countermeasures, occupant protection incentive grants, seat belt performance grants, high-visibility law enforcement campaigns, motorcyclist safety grants, and child passenger safety grants of $620.7 million, compared to $619.5 million made available for FY 2010.

The administration proposes that up to $50 million of the amounts authorized and provided for seat belt performance grants be made available for a new Distracted Driving Prevention Grant program. This proposal would provide incentive grants to States to enact and enforce laws combating distracted driving. While the Committee recognizes the growing evidence that driver distraction is a serious and growing cause of motor vehicle crashes, such a proposal would be more appropriately considered as part of a comprehensive review and restructuring of the highway safety programs.

To address motor carrier safety, the administration's FY 2011 budget proposes to increase funding for the Federal Motor Carrier Safety Administration (FMCSA) to $570 million, an increase of 3.6 percent over FY 2010 enacted levels and an increase of 5.3 percent over FY 2009 authorized levels.

The FY 2011 President's Budget proposes to continue FY 2010 enacted funding levels for the following motor carrier safety grant programs: Motor Carrier Safety Assistance Program (MCSAP) grants ($212.1 million); Border Enforcement grants ($32 million); Commercial Vehicle Information Systems and Networks (CVISN) grants ($25 million); Performance Registration Information Systems and Management (PRISM) grants ($5 million); and Safety Data Improvement grants ($3 million). The budget requests increased funding for the Commercial Driver's License (CDL) Improvement grants ($30 million from $25 million) and the New Entrant grants set-aside within the MCSAP program ($32 million from $29 million). FMCSA proposes to reprogram $8 million authorized for the Commercial Driver's License Information System (CDLIS) modernization grants to fund these increases. These changes leave the overall request for the Motor Carrier Safety Grants category unchanged from FY 2010 levels ($310 million). This amount represents a $3 million increase over full funding of motor carrier safety grants as authorized by SAFETEA-LU for FY 2009. The MCSAP program received the full $3 million increase in FY 2010; other programs remained unchanged in FY 2010 from FY 2009 authorized levels.

The Committee supports robust funding for the MCSAP program, as this provides States with funding to conduct motor carrier safety enforcement activities. As part of the surface transportation authorization legislation, the Committee intends to elevate the MCSAP program by consolidating several grant programs into an enhanced MCSAP program, and to improve accountability in the enhanced program through performance measures. Similarly, the Committee believes that FMCSA's CDL Improvement grant program is in need of an overhaul to ensure that States administer CDL programs in accordance with Federal standards, to institute measures to track States' performance, and to hold States not in compliance strictly accountable. FMCSA's oversight of this program has been inadequate and has failed to ensure that States use grant funds to correct deficiencies and meet Federal guidelines. The Committee supports higher levels of funding to States to issue CDLs under an improved program that ensures Federal dollars will be spent effectively.

The President's Budget requests $259.9 million for Motor Carrier Safety Operations in FY 2011, an increase of $20.1 million over FY 2010 enacted level of $239.8 million. This account includes FMCSA operating expenses, research and technology, information management, regulatory development, and outreach and education. Within this account, FMCSA requests funding for 59 additional full-time equivalent (FTE) personnel, including 25 FTEs for the enforcement of the Comprehensive Safety Analysis 2010 (CSA 2010) initiative and 12 FTEs to oversee the safety of new entrant carriers. The Committee fully supports FMCSA's effort to invest additional resources in enforcement and oversight that will improve the safety of motor carriers. However, FMCSA's budget for Motor Carrier Safety Operations represents 46 percent of the agency's total budget request; agency operating expenses alone account for 34 percent of the budget. The Committee notes that FMCSA expended funds for activities related to the cross border surface transportation pilot program between the U.S. and Mexico from September 2007 to March 2009, as well as activities leading up to the launch of this program. FMCSA did not request additional funds under the Motor Carrier Safety Operations account specifically for these activities, and did not demonstrate to the Committee what activities were curtailed to conduct activities related to the pilot program. The Committee believes that, as States should be held accountable for how they spend Federal dollars, FMCSA should demonstrate that its expenditures under the Motor Carrier Safety Operations account maximize safety benefits.

Transportation Research

The administration's request for the Research and Innovative Technology Administration (RITA) is $47 million in FY 2011, a 14.6 percent increase over the FY 2010 enacted level. The request includes $17 million in General Fund dollars for the coordination of research, development and technology. The remainder of the request is $30 million from the Highway Trust Fund to fund the Bureau of Transportation Statistics (BTS). In addition to the budget request, RITA will conduct over $300 million in transportation research done on a reimbursable basis for other agencies.

Railroads, Pipelines, and Hazardous Materials

Federal Railroad Administration

The Committee reauthorized the Federal Railroad Administration's (FRA) rail safety program in the 110th Congress through enactment of the Rail Safety Improvement Act of

2008 (P.L. 110-432). Prior to enactment of the Rail Safety Improvement Act (the Act), the FRA's rail safety program had not been reauthorized since 1994.

The Act implements a number of longstanding National Transportation Safety Board (NTSB) recommendations by strengthening hours-of-service standards for certain railroad workers; mandating installation of positive train control (PTC) on most major rail lines by December 31, 2015; directing the FRA to study the use of cell phone and other personal electronic devices in the locomotive cab and to prohibit the use of such devices if the study supported such a prohibition; requiring Class I railroads to provide emergency escape breathing apparatus for all crewmembers on freight trains carrying hazardous materials; strengthening track and grade crossing safety; and enhancing worker training.

The Act also prohibits railroads from denying, delaying, or interfering with the medical treatment of injured workers; increases civil penalties for certain railroad safety violations; strengthens bridge and tunnel safety; establishes a program at the NTSB to assist victims and their families involved in a passenger rail accident, modeled after a similar aviation disaster program; and ensures that State governments are able to protect their citizens against environmental hazards, such as noxious fumes or leaks into groundwater, which could result from operation of a waste processing facility by a railroad.

To ensure that the FRA is able to meet the numerous goals set forth in the Act, the Committee authorized a total of $245 million for FY 2011, plus an additional $50 million to assist freight, commuter, and intercity passenger railroads in implementing the PTC mandate. The President's Budget proposes $153.8 million for a new Federal Railroad Operations account and $49.5 million for a new Railroad Safety account, for a total request of $203.3 million for rail safety and operations. This is an increase of $31.1 million above the FY 2010 enacted level of $172.3 million, but $41.7 million less than the FY 2011 authorized level of $245 million. Although the Committee recognizes that the President's Budget proposal represents an 18 percent increase for FRA from FY 2010 enacted levels, the Committee supports funding at the authorized level.

The President's Budget proposes to zero-out funding for the Railroad Safety Technology Grant Program, which provides financial assistance to freight, commuter, and intercity passenger railroads to implement the PTC mandate. In FY 2011, $50 million is authorized for the program. The Committee supports the authorized level.

The President's Budget also proposes to establish a new rail safety user fee to offset enforcement costs. There is no current statutory authority for imposing such a fee, and the Committee strongly opposes the authorizing language included in the budget that would prescribe these user fees.

Passenger Rail

The Committee reauthorized Amtrak in the 110th Congress. The Passenger Rail Investment and Improvement Act of 2008 (the Act) (P.L. 110-432) provides a total of $13.06 billion over five years for passenger rail programs, including $9.77 billion over five years for Amtrak, $1.9 billion for capital grants to States for development of new and improved intercity passenger rail service, and $1.5 billion for the planning and development of high-speed rail corridors in the United States.

Amtrak

In addition to authorizing $9.776 billion for Amtrak for FY 2009 through 2013, the Act included a number of measures to reform Amtrak's operations and financial and accounting procedures; improve Amtrak's on-time performance; reduce Amtrak's debt; and resolve disputes between commuter and freight railroads.

On February 1, 2010, Amtrak submitted its General and Legislative Annual Report to Congress for FY 2011 which requested a total of $2.196 billion in FY 2011, including $592 million for operating assistance, $1.018 billion for capital grants, $305 million for debt service, and $281 million for compliance with the Americans with Disabilities Act (ADA).

The amount authorized for Amtrak for FY 2011 is $1.927 billion, which includes $592 million for operating assistance, $1.025 billion for capital grants, $288 million for debt service, and such sums as may be necessary for compliance with ADA. However, the President's Budget proposed $1.637 billion for Amtrak, including $563 million for operating grants, $483 million for capital grants, $288 million for debt service, $281 million for ADA compliance, and $22 million for the Amtrak Office of Inspector General.

The Committee supports fully funding Amtrak at the authorized levels for FY 2011. In addition, Amtrak is required to meet ADA accessibility requirements at all stations by July 26, 2010. According to Amtrak's ADA stations development plan, only 12 of Amtrak's stations will be fully compliant in 2010. The Committee supports additional capital funding for ADA compliance and requests strict language directing Amtrak to use the funds solely for meetings its responsibilities under this landmark civil rights law.

High-Speed Rail

The Committee supports the President's goal of providing additional funding for planning and development of high-speed rail corridors in the U.S., building upon the $8 billion provided in the American Recovery and Reinvestment Act for high-speed rail, and the additional $2.5 billion provided in the FY 2010 appropriations bill.

It is clear that the United States lags woefully behind the rest of the world when it comes to developing high-speed rail. Japan, the nation that unveiled the world's first high-speed rail system in 1964, has a 1,350-mile network and is already at work building a line that will connect Tokyo with Osaka at speeds of over 300 mph.

France, which holds the world speed record for steel wheels-on-steel rail—357 miles per hour—used its high-speed rail system to pull entire regions from isolation, ignite growth, and remake quiet towns into thriving tourist destinations. After inaugurating its high-speed rail system in 1981, France developed a 1,180-mile network and plans to add another 1,500 miles. The system currently carries a remarkable 100 million passengers annually.

Spain changed the demographics of entire regions with its high-speed rail line from Madrid to Seville, which opened in 1992. The line is so successful that more people travel between the two cities by rail than by car and airplane combined. Spain plans to spend more than $100 billion over the next decade to build Europe's largest high-speed rail network. The project will put nearly everyone in Spain within 30 miles of a train station, and will create tens of thousands of jobs.

Earlier this year, China announced a plan to expand its high-speed rail system to a network of over 16,000 miles by the year 2020. In this year alone, China has poured more than $50 billion into this system.

The Committee believes that a robust, high-speed rail system will go a long way toward solving some of our nation's economic, energy, environmental, and transportation challenges. These benefits, however, do not come without a price tag, and experience in other countries makes clear that a successful high-speed rail system will require a significant financial commitment.

The Surface Transportation Authorization Act, which the Committee unveiled last June, provides $50 billion for high-speed rail over a six-year period. It also provides funding for planning high-speed rail projects and for research, development, and demonstration of high-speed rail.

Given the fact that the FRA received requests totaling $57 billion from States for the $10.5 billion that is currently available, the Committee believes that additional funding is warranted in FY 2011.

Pipelines and Hazardous Materials Safety Administration

The Committee expects to reauthorize the Pipeline and Hazardous Materials Safety Administration's (PHMSA) hazardous material safety program in the 111th Congress; the prior authorization expired in 2008. On November 19, 2009, following Department of Transportation Inspector General (DOT IG) and Committee Majority staff investigations, the Committee ordered reported H.R. 4016, the "Hazardous Material Transportation Safety Act of 2009". The findings of both investigations revealed serious deficiencies in PHMSA's hazardous material safety program, in particular the special permits and approvals programs.

H.R. 4016 addresses many of those deficiencies and calls for significant enhancements to the hazardous material safety program through an increase in personnel, including inspectors, training, significant improvements to data collection and analysis, and a more well-defined mission. The legislation also requires PHMSA to: (1) enhance training for emergency responders; (2) issue regulations for the safe transportation of lithium cells and batteries on-board aircraft, in coordination with the Federal Aviation Administration; (3) eliminate transportation of flammable materials in external product piping; (4) strengthen the special permits and approvals programs; (5) establish a working group to improve the collection, analysis, and reporting of data related to hazmat transportation accidents; and (6) carry out a hazmat enforcement training program. The legislation also directs the Secretary to increase the number of personnel by 84 full-time employees to carry out PHMSA's important hazardous materials safety mission.

H.R. 4016 proposes $51.3 million for the hazardous material safety program in FY 2011, $10.9 million above the President's Budget request of $40.4 million. Without a higher level of funding as proposed in H.R. 4016, it will be difficult for PHMSA to correct the significant deficiencies in its hazardous material safety program which, in turn, could jeopardize safety.

With respect to pipelines, the Committee expects to reauthorize PHMSA's pipeline safety program in the 111th Congress; the program expires in 2010. The program was last reauthorized at the end of the 109th Congress through enactment of the Pipeline Inspection, Protection, Enforcement and Safety Act of 2006.

The President's Budget calls for $111.1 million for pipeline safety, an increase of 5.6 percent over funding enacted for FY 2010.

Water Resources and Environment

Army Corps of Engineers

The Committee supports Federal investment in the Civil Works program at levels sufficient to address the nation's current and future needs for navigation, flood damage reduction, and environmental restoration. In total, the Committee recommends a minimum appropriation of $8.0 billion for the Corps of Engineers for FY 2011. The President's recommendation for FY 2011 is $4.9 billion. A detailed break-out of the Committee's recommended funding level by program is provided below.

Our existing aging infrastructure must be modernized and adequately maintained. With a growing backlog of Corps construction and maintenance projects, including projects and studies authorized through enactment of the Water Resources Development Act of 2007, and given the importance of these water resource projects to the economy, the Committee believes the Corps should be funded at the level that allows it to achieve its full capability.

With trade expanding and highways and railways congested, efficient water navigation must be provided and maintained. The ports and waterways constructed and maintained by the Corps program also assist in the movement of military equipment for overseas deployment. While much has been done to discourage development in floodplains, there are still many areas where floods create tremendous economic and personal hardship. In addition, in the aftermath of Hurricanes Katrina, Rita, and Ike, the nation is coming to learn that much of its flood-damage reduction infrastructure, including the nation's interconnected network of Federal, state, and locally-constructed levees, is either in need of significant repair or is wholly insufficient to protect the populated areas of the country.

The vast array of navigation and flood damage reduction infrastructure is important to the nation's economy, and a secure economy is a necessary part of a secure nation. But this infrastructure has suffered from many years of inadequate funding for maintenance and replacement. The capital stock value of Corps water resources infrastructure has been decreasing since the late 1970s. Significant increases in investment for maintenance of existing facilities and the construction of modern ones are urgently needed.

In the 110th Congress, in an effort to address the growing need for navigation, flood damage reduction, and environmental restoration projects, the Water Resources Development Act of 2007 (WRDA 2007) was enacted. This important legislation authorized approximately $23 billion in Federal assistance for new Corps projects and studies, and modifications to existing Corps projects. The Committee supports appropriation levels for FY 2011 and beyond that will allow the Corps to proceed expeditiously with carrying out the projects and studies contained in WRDA 2007 and prior water resources development acts, including key national priorities within the Corps mission areas, such as restoration of the Florida Everglades, navigation and environmental restoration projects along the Upper Mississippi River and Illinois Waterways, and efforts to restore the Louisiana Coastal Area.

Investigations

The Corps must conduct new studies to determine where there is Federal interest in water resource development. The President's Budget requests $104 million to conduct studies in FY 2011, a decrease of $56 million (-35 percent) below the FY 2010 enacted level of $160 million.

The President's Budget continues a recent trend in Presidential budget requests for the Investigations account that have proposed funding levels far below Corps' capability, and have had a negative impact on the continued development of justified projects.

In addition, an underfunded Investigations account places the nation at risk of losing the skills developed by Corps personnel as they plan and design civil works projects. Because the Corps is both a civilian and a military organization, these skills directly benefit the Corps' military mission, as demonstrated by the current deployments of Corps personnel to Iraq and the substantial involvement of Corps districts and laboratories in managing infrastructure improvements in Iraq. The Corps also responds to domestic and international emergencies, such as Hurricane Katrina in August 2005.

The Committee recommends a minimum appropriation of $300 million for the Investigations account in FY 2011 to support the core capabilities of the agency, maintain a steady flow of good investment options that will provide economic benefits and protect and restore the aquatic environment, and provide funding for ongoing project studies and studies authorized by WRDA 2007 or through Study Resolutions of the Committee on Transportation and Infrastructure.

Construction

The Committee supports funding for the Construction account sufficient to sustain a steady and reliable pace for ongoing construction projects, as well as initiate construction on priority projects throughout the Corps' missions of navigation, flood damage reduction, and environmental restoration. While the $2 billion in project construction funding from the

American Recovery and Reinvestment Act (P.L. 111-5) enabled the Corps to complete construction on an additional 71 projects, significant construction needs remain.

Recent Presidential budget requests for the Construction account have proposed funding levels far below the Corps's construction capability. Reduced funding levels draw out the construction period for most projects, delay the start of new investments, and delay benefits.

The President's Budget requests $1.69 billion for project construction in FY 2011, a decrease of $341 million (or -16.8 percent) below the FY 2010 enacted level of $2.031 billion. The Committee is concerned that insufficient funding levels for the Construction account will increase the cost of completing projects and will delay the national economic and ecosystem restoration benefits that these investments provide. The Committee supports funding the Construction account at a level that would allow for completing more projects in an efficient manner. The Committee recommends a minimum appropriation of $3.4 billion for the Construction account in FY 2011 to fund the construction of vital ongoing projects at the Corps' capability and begin construction of projects authorized in the WRDA 2007.

Operation and Maintenance

The Committee supports funding for the Operation and Maintenance account sufficient to meet the Corps' needs for dredging, repairs, and other traditional operation and maintenance activities. With much of the nation's inland navigation infrastructure at or past its design life, the Committee supports funding that is sufficient for addressing the growing backlog of maintenance projects. While the $2.075 billion in project operations and maintenance funding from the American Recovery and Reinvestment Act (P.L. 111-5) enabled the Corps to address a significant portion of this maintenance backlog, significant operation and maintenance needs remain.

The President's Budget requests $2.361 billion for project operation and maintenance in FY 2011, a decrease of $39 million (or -1.6 percent) below the FY 2010 enacted level of $2.4 billion. The Committee is concerned that sustained low funding will limit the navigability of our ports and waterways, reduce flood damage reduction benefits and hydropower production, and imperil environmental benefits. For example, unscheduled lock closures have been increasing significantly, shutting down rivers, disrupting the movement of goods, and harming the economy.

The Committee recommends an appropriation of $3.2 billion for the Operation and Maintenance account in FY 2011.

Harbor Maintenance Trust Fund

The Committee remains concerned about the surplus in the Harbor Maintenance Trust Fund. At the end of FY 2010, the estimated surplus in this fund is expected to be $5.519 billion. This fund is supplied by taxes paid by users of ports and is meant to pay for harbor maintenance projects.

For years, more funds have been collected than have been appropriated and a large surplus in the Trust Fund has accumulated. For example, Trust Fund receipts are estimated to be $1.4 billion in FY 2011, but the FY 2011 President's Budget proposes to use just $764 million from the Trust Fund for the Corps' Operation and Maintenance program. This mismatch between Trust Fund receipts and appropriations has not been caused by a lack of needed port maintenance dredging. To the contrary, the Corps of Engineers has had the capability to execute a far greater amount of work on nationally significant water projects authorized by Congress. The constraint on the performance of this valuable work has been the limited level of funding appropriated from the Trust Fund. The result has been unnecessary cost increases, significantly delayed completion dates, and delays in realizing transportation savings. At a minimum, the Committee supports annual appropriations from the Harbor Maintenance Trust Fund for authorized purposes consistent with annual collections to the Fund.

Inland Waterways Trust Fund

The Committee is aware of the declining revenues in the Inland Waterways Trust Fund, which is derived from a 20-cent-per-gallon tax on diesel fuel used by commercial vessels engaged in inland waterway transportation, plus investment income. The Trust Fund is used to pay one-half of the costs associated with the construction, replacement, expansion, and major rehabilitation of Federal inland waterways projects. At the end of FY 2010, the Inland Waterways Trust Fund is expected to have a balance of just $23 million.

The FY 2011 President's Budget proposes to replace the current excise tax on diesel fuel for the inland waterways with a new funding mechanism that raises the revenue needed to meet the authorized non-Federal cost-share of inland waterways capital investments "in a way that is more efficient and more equitable than the fuel tax". In addition, the Budget proposes to preserve the landmark cost-sharing reform established by the Congress in 1986, while supporting inland waterways construction, expansion, replacement, and rehabilitation work.

As it did with the previous administration's similar proposal, the Committee continues to express reservations with any proposal to raise the costs of shipping goods along the inland waterway system.

Regulatory Program

The Committee supports funding for the Corps' regulatory program at levels sufficient to ensure efficient and effective permit review, compliance, and enforcement, and to allow projects that require a Corps of Engineers' permit to be addressed in a timely manner. While the President's FY 2011 Budget for the Corps' regulatory program is $3 million (or 1.6 percent) above the FY 2010 enacted level of $190 million, this proposed funding level fails to provide adequate resources necessary to meet Corps' performance measures on reaching final permit decisions on general and individual permits within a targeted period of time, and on maximizing compliance and enforcement of existing general and individual permits.

The Committee is aware of continued delays within the Corps' regulatory program for processing individual and general permit application requests and ensuring compliance with existing permits, in accordance with the Rivers and Harbors Appropriations Act of 1899, the Federal Water Pollution Control Act Amendments of 1972 (more commonly known as the Clean Water Act), and the Marine Protection, Research and Sanctuaries Act of 1972. According to Assistant Secretary of the Army (Civil Works) John P. Woodley's FY 2009 Budget statement, the U.S. Supreme Court decision in *Rapanos* and *Carabell* has resulted in additional field documentation, coordination, and evaluation work for Clean Water Act permits.

The Committee supports an appropriation of $300 million for the Regulatory account of the Corps of Engineers. At this level, the Corps should meet and potentially exceed its performance measures for permit review, compliance, and enforcement.

Remaining Accounts

The President's Budget requests $240 million for the Mississippi River and Tributaries account in FY 2011, a decrease of $100 million (-29.4 percent) from the FY 2010 enacted level of $340 million. The Committee supports an appropriation of $400 million for this account in FY 2011.

The President's Budget requests $130 million for the Formerly Utilized Sites Remedial Action Program (FUSRAP) account in FY 2011, a decrease of $4 million (-3 percent) below the FY 2010 enacted level of $134 million. The Committee supports an appropriation of $200 million for the FUSRAP account for FY 2011.

The President's Budget requests $185 million for the Expenses account in FY 2011, the same as the FY 2010 enacted level. The Committee supports an appropriation of $200 million for the Expenses account for FY 2011.

Natural Resources Conservation Service

The Committee has jurisdiction over the following programs of the Natural Resources Conservation Service (NRCS): Watershed Surveys and Planning, Watershed Protection and Flood Prevention Operations, and Watershed Rehabilitation. The President's Budget requests a total of $40.5 million for these programs in FY 2011, a decrease of $29.7 million (-42.3 percent) below the FY 2010 enacted level of $70.2 million.

The Committee supports an appropriation of $120 million for NRCS to carry out its Watershed Surveys and Planning, Watershed Protection and Flood Prevention Operations, and Watershed Rehabilitation programs, plus additional funding to address emergency watershed protection measures that typically require $100 million annually.

Recent Presidential budget requests have proposed to eliminate funding for the Watershed Protection programs of NRCS. The Committee continues to oppose such proposals to eliminate a highly cost-effective program that provides, on average, $1.5 billion in annual benefits to agricultural and urban communities, including $663.5 million in average annual flood damage reduction benefits.

Environmental Protection Agency

For water infrastructure programs administered by the Environmental Protection Agency (EPA), the Committee recommends levels adequate to address the increasing need for capitalization grants for Clean Water State Revolving Funds (Clean Water SRFs) and core programs under the Clean Water Act. Meeting the increasing need and the widening wastewater infrastructure financing gap will require an increase in the authorization levels and accompanying appropriations.

To this end, the Committee strongly supports the efforts of this Presidential administration to increase investment for the Clean Water SRF program significantly above the funding levels the program received prior to FY 2010. The Committee supports significant Federal appropriations for the Clean Water SRF, starting at least at $2.7 billion for FY 2011, to help State and local governments meet their wastewater infrastructure needs, produce jobs, and to continue the Federal commitment to restoring and maintaining the nation's water quality.

In the 111th Congress, the Committee hopes to complete consideration, and send to the President for his signature, H.R. 1262, the "Water Quality Investment Act of 2009". Title I of H.R. 1262 authorizes $13.8 billion over five years for the Clean Water SRF, including $2.7 billion for FY 2011. The Committee recognizes that the $13.8 billion over five years authorized by H.R. 1262 in and of itself will not address the documented wastewater infrastructure needs of the Nation. Therefore, additional funding may be necessary. In December 2009, the House passed H.R. 2847, the "Jobs for Main Street Act", which included an additional $1 billion for the Clean Water SRF program.

The Committee supports increased Federal funding for efforts to control nonpoint sources of pollution, including the nonpoint source management program authorized by section 319 of the Clean Water Act. The Committee is concerned that, in the years since enactment of the 1972 Clean Water Act, the single largest-remaining and uncontrolled contributor of pollutants to the nation's waters is nonpoint sources. In fact, EPA has estimated that 90 percent of the nation's impaired waters are contaminated, in part, by nonpoint sources of pollution. According to the most recent EPA Clean Watersheds Needs Survey, total nonpoint source needs over the next 20 years are, at a minimum, $38 billion or $1.9 billion annually on average. In addition, in 2009, the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA) issued a report, entitled "Call for Change", which notes that the current level of section 319 funding is not sufficient to run a comprehensive nonpoint source program. To address this need, ASWIPCA recommended that Congress appropriate an additional $1 billion for the section 319 program annually. The Committee supports an appropriation for EPA's nonpoint source management program at a level sufficient to address ongoing nonpoint sources of pollution throughout the nation.

The Committee supports the $45 million increase in Federal funding for State water quality management programs under Section 106 of the Clean Water Act that is proposed in the President's FY 2011 Budget request (over the FY 2010 appropriation of $229.3 million). Prevention and control measures supported by State water quality management programs include Clean Water Act permitting, pollution control activities, surveillance, monitoring, enforcement, local governmental training, and public information. The Committee supports an appropriation of $400 million for FY 2011 for State water quality management programs under section 106 of the Clean Water Act, consistent with the authorization for this program contained in H.R. 1262, the "Water Quality Investment Act of 2009".

The Committee supports increased Federal funding for water quality cooperative agreements and grants, and wastewater operator training grants authorized by section 104 of the Clean Water Act. Section 104(b)(3) of the Clean Water Act authorized Federal grants to state water pollution control agencies, interstate agencies, municipalities, Indian tribes and other nonprofit institutions to promote the prevention, reduction and elimination of pollution, with priority consideration given to watershed protection, and activities addressing stormwater, combined sewer overflows, mining, on-site systems, and animal feeding operations. Section 104(g)(1) of the Clean Water Act authorizes funding for the wastewater treatment plant operator on-site assistance training program, which provides small publicly owned treatment works with on-site training and other technical operation and maintenance assistance. The Committee supports a combined appropriation of $25 million for FY 2011 for water quality cooperative agreements and grants authorized by section 104(b)(3) of the Clean Water Act and the wastewater treatment plan operator on-site assistance training program authorized by section 104(g) of the Clean Water Act.

The Committee supports increased Federal funding for projects and activities related to the remediation of contaminated sediment in the Great Lakes' areas of concern, as authorized by the Great Lakes Legacy Act, as amended by P.L. 110-365. The Committee supports an FY 2011 appropriation of $150 million for projects eligible under section 118(c)(12) of the Clean Water Act, consistent with the proposed authorization level for this program contained in H.R. 1262, the "Water Quality Investment Act of 2009".

The Committee supports continuing funding for projects and activities eligible under the National Estuaries Program (section 320 of the Clean Water Act), section 117 of the Act (Chesapeake Bay), section 118 of the Act (Great Lakes), section 119 of the Act (Long Island Sound), and section 120 of the Act (Lake Champlain). The Committee plans to move reauthorizing legislation related to several of these authorities later this session.

For the Superfund program administered by the EPA, the Committee recommends funding at a level commensurate with current program needs and as necessary to maintain the average number of construction completions over the past 10 years. As with the Corps of Engineers Civil Works Program, the Committee recommends funding for the Superfund program at a level that matches its capability, so that no cleanup projects fail to advance due to lack of funding, delaying public health and environmental benefits, as well as economic benefits derived from returning sites to productive use.

The Committee supports funding the brownfields program at authorized levels. The Small Business Liability Relief and Brownfields Revitalization Act (P.L. 107-118) authorizes $200 million annually for brownfields site assessments, cleanup, research, technical assistance, and job training, which has traditionally been funded out of the State & Tribal Assistance Grants (STAG) account. These funds are used to assess and physically clean-up sites, putting valuable urban land back into productive use. The Small Business Liability

Relief and Brownfields Revitalization Act also authorizes $50 million annually in grants to States to fund State voluntary cleanup programs, which also has traditionally been funded out of the STAG account. The President's FY 2011 Budget requests $215.1 million for the brownfields program, including $138.3 million ($200 million authorized) for grants to assess and/or cleanup brownfields, and $49.5 million ($50 million authorized) for States and Tribes to establish or enhance their response programs.

Tennessee Valley Authority

Since FY 2001, 100 percent of the Tennessee Valley Authority's (TVA's) power and non-power programs have been funded through its power revenues and TVA has received no appropriated funds. However, the Committee will exercise its oversight responsibilities over the agency in FY 2011, including continued oversight of TVA's cleanup of the Kingston Coal Ash spill, and its efforts to evaluate the condition of other coal ash storage facilities within its inventory.

Saint Lawrence Seaway Development Corporation

The Saint Lawrence Seaway Development Corporation is a wholly-owned government enterprise created in 1954 to construct, operate, and develop jointly with Canada a seaway between Montreal and Lake Erie. Funding for operation and maintenance of Seaway facilities is appropriated from the Harbor Maintenance Trust Fund, which derives its revenue from a 0.125 percent tax on the value of cargo loaded or unloaded at U.S. ports, as well as from tolls collected on the Saint Lawrence Seaway.

The Saint Lawrence Seaway Development Corporation has developed a 10-year U.S. Asset Renewal Program Capital Investment Plan for navigation infrastructure and facilities, including lock operation upgrades and maintenance, waterway management, tunnel and bridge maintenance, and facility upgrade and maintenance. The total cost of the 10-year asset renewal program is $164,605,000, which is authorized by section 5015 of the Water Resources Development Act of 2007 (Pub. L. 110-114).

The Committee strongly supports sufficient appropriations in FY 2011 and beyond to carry out the long-term asset renewal plan of the Seaway.

Transportation and Infrastructure Committee Ranking Member John L. Mica
Budget Committee Hearing on the
FY 2011 Department of Homeland Security
March 3, 2010

Mr. Chairman, protection of the nation's borders, ports and waterways could be severely undermined by funding cuts to the Coast Guard and Customs and Border Protection proposed by the Obama Administration.

The Administration is gutting some of our frontline defenses against terrorism by cutting over 1,000 positions from the Coast Guard and Customs and Border Protection. The Administration proposes to cut funding needed to secure our borders within the Customs and Border Protection by more $225 million.

At the same time, the Administration proposal expands the bloated bureaucracy of the Transportation Security Administration (TSA) by another 4,500 employees bringing the total number of TSA employees to more than 60,000.

The American people expect the federal government to live within its means, but this is not a simple question of cutting the federal budget. We cannot compromise on our capability to ensure the safety and security of our ports and borders in favor of more bureaucracy.

TSA's growth is out of control with more than 3,000 administrative staff in Washington with average annual salaries of over $100,000, and another 8,700 administrative and management staff across the country. Instead of shortchanging border and port security, we could save money by cutting excessive administrative positions at TSA by 25 percent.

We can further save money at TSA by eliminating the redundant and enormously wasteful practice of rescreening all international passengers arriving for domestic flights at the almost 100 domestic airports with direct international service. I believe TSA could make much better use of its personnel and resources, not to mention providing better security for passengers, by ensuring that passenger screening conducted at international departure airports is equivalent to that conducted in the United States. This would free up thousands of security screeners to be used in a more efficient and effective manner.

TSA also maintains that each new Advance Imaging Technology (AIT) station requires 3 FTEs per shift and there may be 2 or 3 shifts per day. Increasing the number of AITs to 1800 will cost more than an additional $2 billion dollars.

Without an Administrator for the past year, TSA desperately needs leadership and redirection of its resources. I cannot believe that TSA needs so many new positions to man new airport screening equipment while the Coast Guard starves.

We cannot justify cutting resources to protect our borders and ports while growing the top-heavy, inefficient bureaucracy at TSA.

I urge you to provide sufficient budget authority to restore the cuts proposed for the Coast Guard. Specifically,

- Restore $ 5.5 million for the 5 H-65 helicopters the budget proposes to eliminate. The service has spent considerable time and money modernizing and re-engineering the H-65 fleet, and sidelining these crucial assets is a mistake. Laying up these aircraft will reduce U.S. anti-drug surveillance in the transit zone used by those smuggling drugs and migrants in the Caribbean and the waters around my home state of Florida. The loss of the helicopters would also reduce the Coast Guard's hard-won ability to board suspected terrorist vessels at sea.

- Provide $108 million to fund long lead funding for National Security Cutter (NSC) # 6. The budget includes funds to build NSC #5, but without long lead funding for materials the shipyard cannot continue the seamless production of the next cutter in the planned series of 8 vessels.

- Provide $18.2 million to maintain all 12 Maritime Safety and Security Teams (MSSTs). MSSTs patrol our harbors daily, and provide the front line defense against terrorist attacks. These teams deter and respond to terrorist activities in and around U.S. ports and provide additional response capability for natural disasters and maritime accidents The terrorists in New York harbor won't wait as the Coast guard repositions assets from Boston.

- Restore funds for port, waterway and coastal security proposed to be cut by more than $100 million.

I also urge you to include budget authority for Coast Guard programs directly to the Coast Guard budget. The Administration requests funds as part of the Navy and National Science Foundation (NSF) budgets that are intended to be transferred at a later date to the Coast Guard to cover Coast Guard operations. Those funds should be provided directly to the Coast Guard. The NSF funds are for polar icebreaking activities, and the Navy funds for overseas operation in support of the Department of Defense.

It is said, "Eternal vigilance in the price of freedom." We must provide our first responders with the tools they need to remain vigilant and keep us free.

COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE

Full Committee

Comments on Views & Estimates

Congressman Elijah E. Cummings
Chairman, Subcommittee on Coast Guard and Maritime Transportation

March 3, 2010
2167 Rayburn House Office Building

Thank you, Mr. Chairman.

The Views and Estimates recommended for the Coast Guard focus on restoring the budget cuts proposed by the Administration.

Our recommendations have been developed in a bi-partisan manner and I thank Ranking Member LoBiondo for working so closely with us to formulate these recommendations. I know we both agree that the Coast Guard should not continue to be asked to do more with less.

The Obama Administration budget request generally prioritizes asset recapitalizations – including acquisitions under the Deepwater program – albeit the FY 2011 acquisition budget itself would also be reduced below the FY 2010 budget under the Administration's proposal.

To preserve the recapitalizations – and to accommodate pay and military allowance increases – the budget proposes significant cuts in the Coast Guard's operations.

Specifically, the budget proposes to reduce the size of the Coast Guard's workforce by 773 positions.

The budget also proposes decommissioning 5 cutters, including 4 High Endurance Cutters, resulting in the loss of approximately 5,000 cutter mission hours in fiscal year 2011.
Further, the budget proposes to remove several H-65 helicopters from service, close two seasonal air facilities, retire four Falcon jets, and decommission five Maritime Safety and Security Teams.

Given how thin the Coast Guard is already stretched, such cuts would reduce the capacity of the Coast Guard to carry out its missions – an outcome that is simply unacceptable.

This impact is clearly reflected in the Coast Guard's own performance measure estimates for fiscal year 2011 which, for example, lower the projected target interdiction rate for cocaine.

In the Views and Estimates before the Committee, we recommend that the Coast Guard receive $10.2 billion in FY 2011 funding, which would be an increase of $346 million above the total amount enacted for FY 2010 and an increase of $623 million above the President's FY 2011 Budget.

We also recommend restoring the following units and assets proposed for elimination:

- Two High Endurance Cutters;
- Five H-65 helicopters; and
- Five Maritime Safety and Security Teams (MSST).

Restoring these units and assets will increase the Coast Guard's personnel count by 841 and increase the budget by just under $38 million.

Regarding the Coast Guard's capital budget, we recommend $1.64 billion to fund all planned Coast Guard capital acquisitions in FY 2011.

The Committee's recommendation includes $108 million above the President's budget for the purchase of long-lead materials for the sixth National Security Cutter.

The recommendation also includes $153 million to support the construction of a new combined buoy tender-icebreaker for service on the Great Lakes as authorized by The Great Lakes Icebreaker Replacement Act, which passed the House on April 27th, 2009.

The funding levels we are recommending will ensure that the Coast Guard is able to adequately perform its vital missions and I strongly urge adoption of these recommendations by the Committee today.

Finally, I note that we recommend $25.5 million for the Federal Maritime Commission, in line with the Administration's funding request.
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