[FULL COMMITTEE PRINT]

113TH CONGRESS 1st Session } HOUSE OF REPRESENTATIVES { REPORT 113–

DEPARTMENTS OF TRANSPORTATION, AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS BILL, 2014

, 2013.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. LATHAM, from the Committee on Appropriations, submitted the following

R E P O R T

[To accompany H.R.]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2014.

INDEX TO BILL AND REPORT

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2014, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended, with respect to appropriations contained in the accompanying bill, the terms "program, project, and activity" (PPA) shall mean any item for which a dollar amount is contained in appropriations acts (including joint resolutions providing continuing appropriations) or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference.

81–289

This definition shall apply to all programs for which new budget (obligational) authority is provided, as well as to discretionary grants and discretionary grant allocations made through either bill or report language. In addition, the percentage reductions made pursuant to a sequestration order to funds appropriated for facilities and equipment, Federal Aviation Administration, shall be applied equally to each budget item that is listed under said account in the budget justifications submitted to the House and Senate Committees on Appropriations as modified by subsequent appropriations acts and accompanying committee reports, conference reports, or joint explanatory statements of the committee of conference.

OPERATING PLANS AND REPROGRAMMING GUIDELINES

The Committee includes a provision (Sec. 404) establishing the authority by which funding available to the agencies funded by this act may be reprogrammed for other purposes. The provision specifically requires the advance approval of the House and Senate Committees on Appropriations of any proposal to reprogram funds that:
—creates a new program;
—eliminates a program, project, or activity (PPA);
—increases funds or personnel for any PPA for which funds have been denied or restricted by the Congress;
—redirects funds that were directed in such reports for a specific activity to a different purpose;
—augments an existing PPA in excess of $5,000,000 or 10 percent, whichever is less;
—reduces an existing PPA by $5,000,000 or 10 percent, whichever is less; or
—creates, reorganizes, or restructures offices different from the congressional budget justifications or the table at the end of the Committee report, whichever is more detailed.

The Committee retains the requirement that each agency submit an operating plan to the House and Senate Committees on Appropriations not later than 60 days after enactment of this Act to establish the baseline for application of reprogramming and transfer authorities provided in this Act. Specifically, each agency must provide a table for each appropriation with columns displaying the budget request; adjustments made by Congress; adjustments for rescissions, if appropriate; and the fiscal year enacted level. The table shall delineate the appropriation both by object class and by PPA. The report also must identify items of special Congressional interest. In certain instances, the Committee may direct the agency to submit a revised operating plan for approval or may direct changes to the operating plan if the plan is not consistent with the directives of the conference report and statement of the managers.

The Committee expects the agencies and bureaus to submit reprogramming requests in a timely manner and to provide a thorough explanation of the proposed reallocations, including a detailed justification of increases and reductions and the specific impact of proposed changes on the budget request for the following fiscal year. Any reprogramming request shall include any out-year budgetary impacts and a separate accounting of program or mission impacts on estimated carryover funds. Reprogramming procedures shall apply to funds provided in this bill, unobligated balances from previous appropriations Acts that are available for obligation or expenditure in fiscal year 2014, and non-appropriated resources such as fee collections that are used to meet program requirements in fiscal year 2014.

The Committee expects each agency to manage its programs and activities within the amounts appropriated by Congress. The Committee reminds agencies that reprogramming requests should be submitted only in the case of an unforeseeable emergency or a situation that could not have been anticipated when formulating the budget request for the current fiscal year. Except in emergency situations, reprogramming requests should be submitted no later than June 28, 2014. Further, the Committee notes that when a Department or agency submits a reprogramming or transfer request to the Committees on Appropriations and does not receive identical responses from the House and Senate, it is the responsibility of the Department to reconcile the House and Senate differences before proceeding and, if reconciliation is not possible, to consider the request to reprogram funds unapproved.

The Committee would also like to clarify that this section applies to Working Capital Funds and that no funds may be obligated from working capital fund accounts to augment programs, projects or activities for which appropriations have been specifically rejected by the Congress, or to increase funds or personnel for any PPA above the amounts appropriated by this act.

CONGRESSIONAL BUDGET JUSTIFICATIONS

Budget justifications are the primary tool used by the House and Senate Committees on Appropriations to evaluate the resource requirements and fiscal needs of agencies. The Committee is aware that the format and presentation of budget materials is largely left to the agency within presentation objectives set forth by the Office of Management and Budget (OMB). In fact, OMB Circular A–11, part 6 specifically instructs agencies to "consult with your congressional committees beforehand to ensure their awareness of your plans to modify the format of agency budget documents." The Committee expects that all agencies funded under this act will heed this directive. The Committee expects all of the budget justifications to provide the data needed to make appropriate and meaningful funding decisions.

The Committee has noted a vast improvement in the quality, information and presentation of the budget justifications. The Committee has made some specific suggestions for the 2015 submission, but overall a better product is produced. The Committee continues the direction that justifications submitted with the fiscal year 2015 budget request by agencies funded under this act contain the customary level of detailed data and explanatory statements to support the appropriations requests at the level of detail contained in the funding table included at the end of this report. Among other items, agencies shall provide a detailed discussion of proposed new initiatives, proposed changes in the agency's financial plan from prior year enactment, detailed data on all programs, and comprehensive information on any office or agency restructurings. At a minimum, each agency must also provide adequate justification for funding and staffing changes for each individual office and materials that compare programs, projects, and activities that are proposed for fiscal year 2015 to the fiscal year 2014 enacted levels.

The Committee is aware that the analytical materials required for review by the Committee are unique to each agency in this Act. Therefore, the Committee expects that each agency will coordinate with the House and Senate Committees on Appropriations in advance on its planned presentation for its budget justification materials in support of the fiscal year 2015 budget request.

SURFACE AUTHORIZING LEGISLATION

The Highway Trust Fund, and the Mass Transit Account are both projected to reach low levels at the end of fiscal year 2014. The Department may be forced to limit payments to states and localities at the end of fiscal year 2014, if not before, and the programs and spending in Moving Ahead for Progress in the 21st Century (MAP–21) cannot simply be extended. The Administration and the Congress must come up with a new authorization and a funding stream to meet the demands of repairing, maintaining and operating our Nation's transportation infrastructure. Further, the Committee will not be amenable to a General Fund transfer to the Highway Trust Fund.

In order to be aware of how funds are allocated and spent, the Committee directs the Department of Transportation to report to the Committees on Appropriations of the House of Representatives and the Senate within 45 days of enactment of any surface extension or reauthorization on how the Department will enact the provisions of such extension or reauthorization, the allocations by state, and the effects on the accounts in the Highway Trust Fund.

DEPARTMENT REPORTS

The Congress and the administration, in an effort to reduce the overall bureaucratic burden and financial demands on agencies and departments, are working together to reduce the number of reports sent to the Congress. While a few reports may be outdated and have outlived their usefulness, the Congress, and specifically this Committee, depend on the reports directed in this bill and report to gauge the effectiveness of the various programs and funding in the THUD bill, and provide information necessary to conduct proper oversight of the taxpayer dollars provided. Of the reports requested by this Committee in prior years, the following modifications are allowed:

Report	Requirement	Modification
Public Housing Receiverships	Conf. Rpt 112–284	Submit annually.
Status of all Section 8 Housing	P.L. 112–55	Eliminate.
13th Buckle Up America	House Report 105–188	Eliminate.
14th Buckle Up America	House Report 105–188	Eliminate.
Hazardous Materials Safety	Senate Report 111–230	Eliminate.
High Speed Corridors & Intercity Psgr Rail	House Report 111–564	Eliminate.
Neighborhood Electric Vehicles	– – –	Eliminate.
Technical Staffing Requirements	P.L. 111–8 Stat. of Managers	Eliminate.

All other reports should continue to be submitted to the Committees on Appropriations of the House and the Senate as directed.

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

Appropriation, fiscal year 2013[1]	$102,481,000
Budget request, fiscal year 2014	113,108,000
Recommended in the bill	102,481,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	–10,627,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

COMMITTEE RECOMMENDATION

The bill provides $102,481,000 for the salaries and expenses of the offices comprising the Office of the Secretary of Transportation (OST). The Committee's recommendation is equal to the appropriation provided in fiscal year 2013, and $10,627,000 below the budget request. The Committee's recommendation includes individual funding for each of these offices as has been done in prior years. Funding levels cannot be reduced signficantly more primarily due to increases in rent and working capital fund expenses and in most cases, each office will need to find reductions in other contracts to meet these fixed requirements. The following table (dollars in thousands) compares the fiscal year 2013 enacted level to the fiscal year 2014 budget request and the Committee's recommendation by office. The Committee assumes no increases in the number of full-time equivalents (FTE) in fiscal year 2014 unless otherwise noted.

	Fiscal year—		
	2013 Enacted	2014 request	2014 recommendation
Office of the Secretary	$2,618	$2,652	$2,618
Deputy Secretary	984	1,000	984
Executive Secretariat	1,595	1,714	1,595
Policy	10,107	12,804	10,107
Small Business	1,369	1,386	1,369
Intelligence and Security	10,778	10,849	10,778
Chief Information Officer	14,988	16,576	15,695
General Counsel	19,515	20,504	19,867
Government Affairs	2,500	2,627	2,500
Budget	10,538	13,326	11,572
Administration	25,469	27,468	23,376
Public Affairs	2,020	2,203	2,020
Total Salaries and Expenses	102,481	113,109	102,481

Immediate Office of the Secretary.—The immediate Office of the Secretary has primary responsibility to provide overall planning, direction, and control of departmental affairs.

Immediate Office of the Deputy Secretary.—The Office of the Deputy Secretary has primary responsibility to assist the Secretary in the overall planning, direction, and control of departmental affairs. The Deputy Secretary serves as the chief operating officer of the Department of Transportation.

Executive Secretariat.—The Executive Secretariat assists the Secretary and Deputy Secretary in carrying out their responsibilities by controlling and coordinating internal and external documents. No funds are provided for upgrades to the correspondence system.

Office of the Under Secretary of Transportation for Policy.—The Office of the Under Secretary of Transportation for Policy serves as the Department's chief policy officer, and is responsible for the coordination and development of departmental policy and legislative initiatives; international standards development and harmonization; aviation and other transportation-related trade negotiations; the performance of policy and economic analysis; and the execution of the Essential Air Service program. No funds are provided for new FTE or the "Enforcement Learning Network."

Office of Small and Disadvantaged Business Utilization.—The Office of Small and Disadvantaged Business Utilization is responsible for promoting small and disadvantaged business participation in the Department's procurement and grants programs.

Office of the Chief Information Officer.—The Office of the Chief Information Officer serves as the principal advisor to the Secretary on information resources and information systems management. The Committee assumes at least $518,000 for changes to the enterprise architecture and records management requirements.

Office of the Assistant Secretary for Governmental Affairs.—The Office of the Assistant Secretary for Governmental Affairs is responsible for coordinating all Congressional, intergovernmental, and consumer activities of the Department.

In addition, the bill continues a provision (Sec. 185) that requires the Department to notify the Committees on Appropriations no fewer than three business days before any discretionary grant award, letter of intent, or full funding grant agreement in excess of $1,000,000 is announced by the Department or its modal administrations from: (1) the Federal Highway Administration; (2) the airport improvement program of the Federal Aviation Administration; (3) any grant from the Federal Railroad Administration; and (4) any program of the Federal Transit Administration other than the formula grants. Such notification shall include the date on which the official announcement of the grant is to be made and no such announcement shall involve funds that are not available for obligation.

Office of the General Counsel.—The Office of the General Counsel provides legal services to the Office of the Secretary and coordinates and reviews the legal work of the chief counsels' offices of the operating administrations. The Committee provides $17,400,000 for the operations of the general counsel, plus $2,500,000 for work related to aviation enforcement. No new funds are provided for the workload related to the FAA Modernization Act (3 FTE and $502,000 proposed). The office will either need to meet the new requirements within existing resources or simply delay implementation of the activities of the FAA Modernization Act.

Office of the Assistant Secretary for Budget and Programs.—The Assistant Secretary for Budget and Programs is responsible for developing, reviewing, and presenting budget resource requirements for the Department to the Secretary, Congress, and the Office of Management and Budget. The Committee's recommendation slows the FTE creep occurring over the past few years, and assumes no new contractor support for budget systems ($350,000 requested). Further, the Committee limits the credit office to 3 half year FTE at no more than $1,000,000 (5 half year FTE requested at $2,300,000).

Office of the Assistant Secretary for Administration.—The Office of the Assistant Secretary for Administration serves as the principal advisor to the Secretary on department-wide administrative matters and the responsibilities include leadership in acquisition reform and human capital. The Committee's recommendation includes $45,000 as requested for background investigations, administrative law judges and postings on USA jobs. However, no funds are provided for acquisition studies ($901,000) or green surveys of DOT operations ($579,000).

Office of Public Affairs.—The Office of Public Affairs is responsible for the Department's press releases, articles, briefing materials, publications, and audio-visual materials. The Committee's recommendation does not include additional funds for a new speechwriter.

Office of Intelligence, Security, and Emergency Response.—The Office of Intelligence, Security, and Emergency Response is responsible for intelligence, security policy, preparedness, training and exercises, national security, and operations.

Congressional Budget Justifications.—The Department is directed to include in the budget justification funding levels for the prior year, current year, and budget year for all programs, activities, initiatives, and program elements. Each budget submitted by the Department must also include a detailed justification for the incremental funding increases and additional FTEs being requested above the enacted level, by program, activity, or program element.

OST must include a discussion in its justification of changes from the current year to the request, plus a crosswalk of all accounts, existing and proposed, from one year to the next. To ensure that each adjustment is identified, the Committee directs OST in future congressional justifications to include detailed information in tabular format, which identifies specific changes in funding from the current year to the budget year for each office, including each office within OST, and every mode and office within the Department.

Further, for fiscal year 2015, the Committee directs the Department to include with the budget materials, a comprehensive legislative proposal for reauthorization of the surface transportation and safety programs. Such proposal must include a credible funding source proposal (not a General Fund transfer), proposals on programs, and a resources crosswalk of how the legislative proposal compares with MAP–21 funding. Every administration since President Eisenhower has submitted such proposals, and why this administration deems to be different is baffling.

Operating Plan.—The Committee directs the Department to submit an operating plan for fiscal year 2014 signed by the Secretary for review by the Committees on Appropriations within 60 days of the bill's enactment. The operating plan should include funding levels for the various offices, programs, and initiatives detailed down to the object class or program element covered in the budget justification and supporting documents, documents referenced in the House and Senate appropriations reports, and the statement of the managers. Further, should the Department create, alter, discontinue, or otherwise change any program as described in the Department's budget justification, those changes must be a part of the Department's operating plan. Further, the Department is directed in the introduction of this report regarding reporting requirements after enactment of surface authorizations.

General Provisions.—The Committee continues to direct DOT to justify each general provision proposed either in its relevant modal congressional justification or in the OST congressional justification. If the budget proposes to drop or delete a general provision, the Department is directed to explain the change as well.

Bill Language.—The bill continues language that permits up to $2,500,000 of fees to be credited to the Office of the Secretary for salaries and expenses.

RESEARCH AND TECHNOLOGY

Appropriation, fiscal year 2013 [1]	$15,981,000
Budget request, fiscal year 2014	14,765,000
Recommended in the bill	14,220,000
Bill compared with:	
Appropriation, fiscal year 2013	−1,761,000
Budget request, fiscal year 2014	−545,000

[1] In fiscal year 2013 funds were provided through the Research and Innovative Technology Administration. The Committee adopts the request to move these programs under the Office of the Secretary. Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Office of the Assistant Secretary or Research and Technology will take over the responsibilities previously held by the Research and Innovative Technology Administration. The responsibilities include coordinating, facilitating, and reviewing the Department's research and development programs and activities; coordinating and developing positioning, navigation and timing (PNT) technology; maintaining PNT policy, coordination and spectrum management; managing the Nationwide Differential Global Positioning System; and overseeing and providing direction to the Bureau of Transportation Statistics, the Intelligent Transportation Systems Joint Program Office, the University Transportation Centers program, the Volpe National Transportation Systems Center and the Transportation Safety Institute.

COMMITTEE RECOMMENDATION

The Committee recommendation provides $14,220,000 for research and technology activities, $545,000 below the budget request and $1,761,000 below fiscal year 2013. The Committee endorses the Administration's proposal to bring the functions of the Research and Innovative Technology Administration (RITA) under the Office of the Secretary with an assistant secretary instead of a separate administrator.

NATIONAL INFRASTRUCTURE INVESTMENT

(RESCISSION)

Appropriation, fiscal year 2013[1]	$500,000,000
Budget request, fiscal year 2014	500,000,000
Recommended in the bill	−237,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−737,000,000
Budget request, fiscal year 2014	−737,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The National Infrastructure Investment program was created in the American Recovery and Reinvestment Act (ARRA) to provide grants to state and local governments to improve the Nation's transportation infrastructure. The infrastructure investment program awards funds on a competitive basis to grantees selected because of the significant impact they will have on the Nation, a metropolitan area, or region.

COMMITTEE RECOMMENDATION

The Committee does not recommend additional funds for the national infrastructure investment program (also known as "TIGER grants") proposed by the budget request. The continuing resolution put the funding for this program on auto pilot in fiscal year 2013 without the benefit of a conference agreement, and the Committee recommends rescinding $237,000,000, the amount of fiscal year 2013 funds available for rescission in 2014. While the Committee agrees that the Nation is in desperate need for infrastructure investment and improvements, the Administration has yet to demonstrate or define the process, priority or criteria for how these grants are awarded. Further, states can more adequately address transportation infrastructure improvements through a comprehensive multi-year, multi-billion dollar per year authorization package.

AVIATION CONSUMER CALL CENTER

Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	$7,500,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−7,500,000

The Aviation Consumer Call Center was authorized in the FAA Modernization and Reform Act (P.L. 112–95) to respond to consumer complaints about airline service, inform travelers of their rights, and obtain information from callers about airline service problems that may warrant an investigation.

COMMITTEE RECOMMENDATION

The Committee does not recommend funding for this new account.

FINANCIAL MANAGEMENT CAPITAL

Appropriation, fiscal year 2013[1]	$4,990,000
Budget request, fiscal year 2014	10,000,000
Recommended in the bill	4,990,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−5,010,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Financial Management Capital program continues funding for a multi-year project to upgrade DOT's financial systems and processes. The project will implement Treasury Department and Office of Management and Budget requirements. Deployment of the new system is anticipated in 2014.

COMMITTEE RECOMMENDATION

The Committee recommends continuing the fiscal year 2013 funding level of $4,990,000 into fiscal year 2014, a reduction of $5,010,000 from the budget request for the financial management capital program. The Committee was not able to provide the additional $4,954,000 requested for system upgrades.

CYBER SECURITY INITIATIVE

Appropriation, fiscal year 2013[1]	$10,000,000
Budget request, fiscal year 2014	6,000,000
Recommended in the bill	2,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−8,000,000
Budget request, fiscal year 2014	−4,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Cyber Security Initiative is a new effort to close performance gaps in the Department's cybersecurity. The initiative includes support for essential program enhancements, infrastructure improvements and contractual resources to enhance the security of the Department's computer network and reduce the risk of security breaches.

COMMITTEE RECOMMENDATION

The Committee recommendation includes $2,000,000 to support the Secretary's Cyber Security Initiative, which is $4,000,000 below the budget request and $8,000,000 less than the fiscal year 2013 enacted level. Because of the fiscal year 2013 continuing resolution, this account received $10,000,000, a $4,000,000 increase over that year's budget request. With the funding provided in fiscal year 2014, the Department will receive a total of $12,000,000 over two years, equal to the requests of the two fiscal years.

OFFICE OF CIVIL RIGHTS

Appropriation, fiscal year 2013[1]	$9,384,000
Budget request, fiscal year 2014	9,551,000
Recommended in the bill	9,384,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−167,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Office of Civil Rights is responsible for advising the Secretary on civil rights and equal opportunity issues, and ensuring the full implementation of the civil rights laws and departmental civil rights policies in all official actions and programs. This office is responsible for enforcing laws and regulations that prohibit discrimination in federally operated and federally assisted transportation programs and enabling access to transportation providers. The Office of Civil Rights also handles all civil rights cases affecting Department of Transportation employees.

COMMITTEE RECOMMENDATION

The Committee recommends $9,384,000 for the Office of Civil Rights, a continuation of the level provided in fiscal year 2013 and a decrease of $167,000 from the budget request.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

(INCLUDING RESCISSIONS OF FUNDS)

Appropriation, fiscal year 2013[1]	$9,000,000
Budget request, fiscal year 2014	9,750,000
Recommended in the bill	6,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−3,000,000
Budget request, fiscal year 2014	−3,750,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

This appropriation finances research activities and studies related to the planning, analysis, and information development used in the formulation of national transportation policies and plans. It also finances the staff necessary to conduct these efforts. The overall program is carried out primarily through contracts with other federal agencies, educational institutions, nonprofit research organizations, and private firms.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $6,000,000 for transportation planning, research, and development, which is $3,000,000 below the fiscal year 2013 enacted level and $3,750,000 below the level proposed in the fiscal year 2014 budget. The Committee's recommendation may eliminate up to 5 FTE, and rejects the request for 7 new FTE. The Committee strongly urges DOT to pursue projects related to aviation data modernization, international regulation cooperation and research, airline merger reviews, air carrier fitness audits, and freight planning for exports as proposed in the budget justification. Further, the Committee proposes rescinding $2,750,000 from two old projects related to a Mississippi River study and Mobility First as requested in the budget.

WORKING CAPITAL FUND

Appropriation, fiscal year 2013[1]	$172,000,000
Budget request, fiscal year 2014	182,930,000
Recommended in the bill	172,000,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−10,930,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The working capital fund was created to provide common administrative services to the operating administrations and outside entities that contract for the fund's services. The working capital fund operates on a fee-for-service basis and receives no direct appropriations; it is fully self-sustaining and must achieve full cost recovery.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $172,000,000 on the Working Capital Fund (WCF), the same level as fiscal year 2013. The Administration did not propose a WCF legislative limitation, however, if all of the WCF expenditures proposed in the budget are added up, WCF costs are anticipated to increase $10,930,000 over fiscal year 2014. The Committee continues to stipulate that the limitation is only for services provided to the Department of Transportation, not other entities. Further, the Committee directs that, as much as possible, services shall be provided on a competitive basis.

The Committee continues the direction to update the WCF "transparency paper" in the fiscal year 2015 budget justification. The Committee directs the Department to include in the budget justification an additional table detailing how much each mode is proposed to use through the WCF. Further, the Department should provide more detailed information on e-Gov activities.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

	Appropriation	Limitation on guaranteed loans
Appropriation, fiscal year 2013 [1]	$922,000	($18,367,000)
Budget request, fiscal year 2014	925,000	(18,367,000)
Recommended in the bill	922,000	(18,367,000)
Bill compared to:		
Appropriation, fiscal year 2013	– – –	– – –
Budget request, fiscal year 2014	−3,000	– – –

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

Through the Short Term Lending Program, the minority business resource center assists disadvantaged, minority, and women-owned businesses with obtaining short-term working capital for DOT and DOT-funded transportation-related contracts. The program enables qualified businesses to obtain loans at two percentage points above the prime interest rate with DOT guaranteeing up to 75 percent of the loan.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $922,000 for the resource center, the same as the fiscal year 2013 funding level and $3,000 less than the budget request. Of the funds provided, $333,000 is to cover the subsidy costs of guaranteed loans and $589,000 is for administrative expenses to carry out the guaranteed loan program. The Committee recommends a limitation on guaranteed loans of $18,367,000, the same as the budget request and the limitation in fiscal year 2013.

MINORITY BUSINESS OUTREACH

Appropriation, fiscal year 2013[1]	$3,068,000
Budget request, fiscal year 2014	3,088,000
Recommended in the bill	3,068,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−20,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The minority business outreach program provides contractual support to small and disadvantaged businesses by providing information dissemination and technical and financial assistance to empower those businesses to compete for contracting opportunities with DOT and DOT-funded contracts or grants for transportation-related projects.

COMMITTEE RECOMMENDATION

The Committee recommends the fiscal year 2013 funding level of $3,068,000 for the minority business outreach program, which is $20,000 less than the budget request.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2013[1]	$143,000,000
Budget request, fiscal year 2014	146,000,000
Recommended in the bill	100,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−43,000,000
Budget request, fiscal year 2014	−46,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Essential Air Service program (EAS) was created by the Airline Deregulation Act of 1978 as a ten-year measure to continue air service to communities that had received air service prior to deregulation. The program currently provides subsidies to air carriers serving small communities that meet certain criteria.

The Federal Aviation Administration Reauthorization Act of 1996 authorized the collection of “overflight fees”. Overflight fees are a type of user fee collected by the Federal Aviation Administration (FAA) from aircraft that neither take off from, nor land in, the United States. The FAA Modernization and Reform Act of 2012 increased the authorized level of overflight fee collection, and increased the amount that the Department can apply to the EAS program. The budget request estimates that fee will provide $100,000,000 for the EAS program in fiscal year 2014, but the Department estimates that it will collect $116,000,000 in overflight fees.

COMMITTEE RECOMMENDATION

For fiscal year 2014, the Committee includes $100,000,000 in discretionary funding for the EAS program, a reduction of $43,000,000 from the fiscal year 2013 enacted level and a reduction of $46,000,000 below the budget request.

The following table shows the discretionary, mandatory, and total program levels for the EAS program:

	Appropriation	Mandatory	Total Program
FY 2013 Appropriation [1]	$143,000,000	$100,000,000	$243,000,000
FY 2014 Request	146,000,000	100,000,000	246,000,000
Committee Recommendation	100,000,000	116,000,000	216,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Committee remains concerned about the growing costs associated with the EAS program. While limiting the program to current sites and eliminating the requirement that EAS carriers utilize 15–passenger aircraft have helped mitigate some of the cost growth, the Committee believes that the Department should continue to explore reforms to the program that will create greater competition among carriers and control overall costs. The Committee directs the Secretary to provide a letter report to the House and Senate Committees on Appropriations by March 15, 2014 that describes measures that could increase competition for EAS providers and help contain additional cost growth. For example, the Department should explore whether the EAS requirement that carriers utilize twin engine aircraft should be modified to allow single engine aircraft as long as safety is not compromised, and whether a community cost share could alleviate the cost to the taxpayer, particularly for those communities with a heavy per passenger, per flight subsidy.

The Committee notes that the budget request includes a total program cost which takes in $100 million in overflight fees. However, the Department estimates that the overflight fee collection level will be $116 million. The Committee directs the Department to utilize all the overflight fees collected for this program to alleviate the discretionary funding requirement for the program.

The Committee includes bill language prohibiting funding for any EAS community which has a per passenger, per flight subsidy that exceeds $500.

ADMINISTRATIVE PROVISIONS—OFFICE OF THE SECRETARY OF TRANSPORTATION

Section 101. The Committee continues the provision prohibiting the Office of the Secretary of Transportation from approving assessments or reimbursable agreements pertaining to funds appropriated to the operating administrations in this Act, unless such assessments or agreements have completed the normal reprogramming process for Congressional notification.

Section 102. The Committee continues the provision allowing the Secretary or his designee to work with States and State legislators to consider proposals related to the reduction of motorcycle fatalities.

Section 103. The Committee continues the provision allowing the Department to use the Working Capital Fund to provide transit benefits to Federal employees.

Section 104. The Committee continues the provision regarding administrative requirements of DOT's Credit Council.

FEDERAL AVIATION ADMINISTRATION

The Federal Aviation Administration (FAA) is responsible for the safety and development of civil aviation and for the evolution of a national system of airports. The Federal Government's regulatory role in civil aviation began with the creation of an Aeronautics Branch within the Department of Commerce pursuant to the Air Commerce Act of 1926. This Act instructed the Secretary of Commerce to foster air commerce; designate and establish airways; establish, operate, and maintain aids to navigation; arrange for research and development to improve such aids; issue airworthiness certificates for aircraft and major aircraft components; and investigate civil aviation accidents. In the Civil Aeronautics Act of 1938, these activities were subsumed into a new, independent agency named the Civil Aeronautics Authority.

After further administrative reorganizations, Congress streamlined regulatory oversight in 1957 with the creation of two separate agencies, the Federal Aviation Agency and the Civil Aeronautics Board. When the Department of Transportation began its operations on April 1, 1967, the Federal Aviation Agency was renamed the Federal Aviation Administration (FAA) and became one of several modal administrations within the department. The Civil Aeronautics Board was later phased out with enactment of the Airline Deregulation Act of 1978, and ceased to exist at the end of 1984. FAA's mission expanded in 1995 with the transfer of the Office of Commercial Space Transportation from the Office of the Secretary and contracted in December 2001 with the transfer of civil aviation security activities to the new Transportation Security Administration.

The FAA Modernization and Reform Act of 2012 authorized FAA programs through 2015 with several new mandates to improve the National Airspace System (NAS), including provisions regarding the NextGen program for Air Traffic Control and provisions regarding the use of Unmanned Aerial Systems (UAS) in civilian airspace.

OPERATIONS

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2013[1]	$9,653,395,000
Budget request, fiscal year 2014	9,707,000,000
Recommended in the bill	9,521,784,000
Bill compared with:.	
Appropriation, fiscal year 2013	−131,611,000
Budget request, fiscal year 2014	−185,216,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

This appropriation provides funds for the operation, maintenance, communications, and logistical support of the air traffic control and air navigation systems. It also covers administrative and managerial costs for the FAA's regulatory, international, medical, engineering and development programs as well as policy oversight and overall management functions.

The operations appropriation includes the following major activities: (1) operation on a 24-hour daily basis of a national air traffic system; (2) establishment and maintenance of a national system of aids to navigation; (3) establishment and surveillance of civil air regulations to ensure safety in aviation; (4) development of standards, rules and regulations governing the physical fitness of airmen as well as the administration of an aviation medical research program; (5) administration of the acquisition, and research and development programs; (6) headquarters, administration and other staff offices; and (7) development, printing, and distribution of aeronautical charts used by the flying public.

COMMITTEE RECOMMENDATION

The Committee recommends $9,521,784,000 for FAA operations, which is $131,611,000 below the fiscal year 2013 enacted level and $185,216,000 below the budget request.

A comparison of the fiscal year 2013 enacted level, the budget request, and the Committee recommendation by budget activity is as follows:

	FY 2013[1] enacted	FY 2014 request	FY 2014 recommendation
Air Traffic Organization	7,442,738,000	7,311,790,000	7,182,664,000
Aviation Safety	1,252,991,000	1,204,777,000	1,199,777,000
Commercial Space Transportation	16,271,000	16,011,000	14,160,000
Finance and Management	582,117,000	807,646,000	777,198,000
NextGen and Operations Planning	60,134,000	59,782,000	56,637,000
Staff Offices	299,144,000	306,994,000	291,348,000
Total	9,653,395,000	9,707,000,000	9,521,784,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

Justification of general provisions.—The Committee continues its direction to provide a justification for each general provision proposed in the FAA budget and therefore expects the fiscal year 2015 budget to include adequate information on each proposed general provision.

TRUST FUND SHARE OF FAA BUDGET

The bill derives $6,484,000,000 of the total operations appropriation from the Airport and Airway Trust Fund. The balance of the appropriation, $3,037,784,000, will be drawn from the general fund of the Treasury.

AIR TRAFFIC ORGANIZATION

The bill provides $7,182,664,000 for air traffic services, which is the $260,074,000 below the fiscal year 2013 enacted level and $129,126,000 below the budget request.

Organizational Structure.—There have been several reorganizations of the Air Traffic Organization in recent years to streamline operations, improve performance, and produce cost savings and efficiencies. Past efforts have met with limited success in controlling operating costs, improving operations, or achieving the expected benefits of major modernization projects. The FAA's most recent reorganization, the Foundation for Success initiative, is intended to improve the management of major acquisitions and achieve cost savings. The Committee directs the FAA to provide the House and Senate Committees on Appropriations with a report on progress to date on operational efficiencies and cost reductions associated with the Foundation for Success initiative.

Air Traffic Controller Staffing.—FAA currently employs approximately 15,200 controllers, 22 percent of whom are in training, and is planning to hire approximately 552 new controllers in fiscal year

2013 and up to another 1,300 in fiscal year 2014 to offset future retirements. However, according to FAA's own figures, since 2000, air traffic operations have declined by 23 percent while the controller workforce has remained essentially the same. In some cases, air traffic facilities have significantly more controllers on board than the Agency's own estimates indicate are needed to operate these sites.

By law, FAA is required to publish an annual Controller Workforce Plan that details the number of controllers currently on-board at all air traffic facilities as well as the minimum and maximum staffing ranges for each facility. However, for 2013 FAA has only published an interim Plan that does not include this important information. The Committee requests that FAA provide this information expeditiously in order for the Committee to better assess FAA's controller staffing needs. Also, while the National Academy of Science is currently conducting a study of FAA's controller staffing methodologies and standards to determine whether they accurately reflect the needs of air traffic facilities, we believe that an assessment of controller staffing at the Nation's most critical facilities is also needed. The Committee directs that the Office of Inspector General conduct a follow-up review of its 2012 study of controller staffing at FAA's most critical facilities. The review should include an analysis of current and projected controller staffing levels at these facilities, how they compare to FAA's staffing ranges, and future staffing plans.

In addition, FAA must ensure that new and existing controllers are appropriately trained. However, it is becoming increasingly clear that FAA needs to reassess its overall approach to controller training. The 2012 report by the Office of Inspector General on staffing and training issues at FAA's most critical facilities found an alarmingly high attrition rate for new controllers at these sites. One reason for this high attrition is inadequate training resources available to these facilities. FAA's Air Traffic Control Optimum Training Solution Program is a key vehicle for delivering controller training. However, the Program has not met expectations for training new and existing controllers or for transforming the paradigm for training, and FAA has made downward adjustments in contract funding over the last several years and instructed its contractor to reduce support for various training efforts. These problems come at a time when the number of fully certified controllers who are eligible to retire is increasing, and the Committee is concerned that FAA does not have an effective or executable plan for training the next generation of air traffic controllers. The Committee will continue to closely watch this issue, and requests that FAA forward to the House and Senate Committees on Appropriations the studies called for in Section 609 of the FAA Modernization and Reform Act of 2012 regarding the adequacy of FAA's air traffic controller training programs.

Contract Tower Program.—The Committee recommendation includes $140,000,000 for the contract tower program, including $10,350,000 to continue the contract tower cost-sharing program. The Committee continues to support the program as a safe, cost-efficient mechanism for providing air traffic services to pilots and local communities.

Aeronautical Navigation Products.—The Committee continues to be concerned that Aeronautical Navigation Products (AeroNav) continues to move forward on imposing a per person "user fee" and erecting a digital copyright on digital products produced by the FAA for public benefit that were previously free for download from its website. The Committee is also concerned that the proposed scheme will be used to support the declining paper chart services by charging those that are moving to a digital format. In contrast to AeroNav's efforts, Executive Order 13642 was issued on May 14, 2013, to make government data available to foster entrepreneurship and innovation and expands on an order issued in 2012 to open up government systems with public interfaces for commercial app providers. With these concerns in mind, the Committee restricts AeroNav from implementing new fees on AeroNav products or copyright digital products until the Committees on Appropriations is provided a report that provides: (1) the estimated costs for producing only digital products, on a product by product basis, (e.g. "electronic navigation charts" or "vector charts") for use in computers, tablets, and other displays; (2) the costs of producing both digital products and products, on a product by product basis, formatted for paper; (3) a study of the safety and operational benefits provided by digital products; and (4) how AeroNav's actions differ from Executive Order 13642 that provides for the use of open data for entrepreneurship, innovation, and scientific discovery.

AVIATION SAFETY

The Committee provides $1,199,777,000 for aviation safety, which is $53,214,000 below the fiscal year 2013 enacted level, mostly due to a realignment of resources into the finance and management activity, and $5,000,000 below the budget request.

The Committee continues its direction requiring the Secretary to provide annual reports regarding the use of the funds provided, including, but not limited to, the total full-time equivalent staff years in the offices of aircraft certification and flight standards, total employees, vacancies, and positions under active recruitment.

Aircraft Certification Service.—The Committee provides the full request of $212,981,000 for FAA's Aircraft Certification Service. The Committee remains concerned that delays in FAA certification of new aircraft and related technologies could negatively affect aviation safety, as well as the economic health and competitiveness of U.S. manufacturers. Accordingly, the Committee reiterates its interest in FAA's progress on certification reforms, as these critical activities are of utmost importance to aviation safety.

The Committee strongly supports the Organization Designation Authorization (ODA) program—the use of "delegated authority" in the certification of aircraft is a longstanding and essential practice in aviation. A June 2011 DOT Office of Inspector General (OIG) report provided important insights into the program. However, the ODA program, with over 90 participants, continues to evolve, and FAA has made some changes since the 2011 OIG report. Therefore, the Committee directs the OIG to assess the status of the ODA program (including the roles of government and industry), and the effectiveness of program controls and FAA oversight.

Inspector Staffing.—The Committee continues to place a high priority on FAA's critical safety workforces and funds its inspector workforce at the requested level. FAA is making progress in advancing risk-based oversight systems used by its 4,300 safety inspectors. FAA's inspector workload is driven by a number of factors, including complexity of air carrier operations and industry use of foreign and domestic aircraft repair stations. However, we are concerned about FAA's lack of progress in developing and using a reliable inspector staffing model. After years of development and investing over $10,000,000, it is troubling that FAA is still not using a model to determine the appropriate number of safety inspectors needed or where they should be located to address the most pressing safety risks. The Committee directs FAA to provide a clear understanding of what needs to be done to correct problems and a plan for when a reliable inspector staffing model will be in place.

Unmanned Aircraft Systems (UAS).—The FAA Modernization and Reform Act of 2012 seeks to advance the integration of UAS into the National Airspace System and mandates comprehensive plans as well as the establishment of UAS test sites. The Committee recognizes that UAS integration into the National Airspace System is a complex issue and many research and development issues need to be addressed. There are also complex policy questions about privacy that extend well beyond FAA. Nevertheless, FAA needs to make measurable progress in developing a regulatory framework for the new systems.

UAS integration is much more than a research and development issue because DOD is operating UAS in civil airspace shared by commercial aircraft today, although on a limited basis. UAS have different operating characteristics and implications for controller workload as well as existing FAA communications and flight planning systems. For example, the length of a UAS flight can be seven times longer than a commercial aircraft, which is difficult for FAA systems to accommodate. These issues are getting insufficient attention. Therefore, the Committee directs FAA to provide a report on "lessons learned" thus far and the technical and operational requirements for managing UAS operations in the very near-term.

A key step towards developing safety standards required by the Act is to establish six test ranges, mandated by August 2012. These test ranges are expected to provide invaluable information for developing a regulatory framework for UAS integration and sharpen ongoing research and development projects. However, this effort has been delayed and FAA does not expect to establish these test ranges until the end of 2013. Moreover, unresolved issues with defining the safety data FAA needs from the Department of Defense is also a stumbling block in FAA's efforts to develop safety standards. The Committee directs FAA to develop a plan to resolve these data-sharing issues with DOD and to identify what data it will gather from test sites.

Human Intervention Motivation Study and the Flight Attendant Drug and Alcohol Program.—The Committee recognizes the effectiveness of the Human Intervention Motivation Study (HIMS) and the Flight Attendant Drug and Alcohol Program (FADAP) in mitigating drug and alcohol abuse through a peer identification and intervention program. The Committee recommends that the FAA continue to prioritize this program and urges that the FAA continue this program from within available resources.

COMMERCIAL SPACE TRANSPORTATION

The Committee recommends $14,160,000 for the Office of Commercial Space Transportation, which is $2,111,000 below the fiscal year 2013 enacted level and $1,851,000 below the budget request.

The Office of Commercial Space Transportation protects public safety through regulatory oversight of the rapidly growing U.S. commercial space transportation industry. The FAA also has a statutory mandate to encourage, facilitate, and promote commercial space transportation. The commercial space transportation industry is nearly certain to increase its activities providing orbital and suborbital services to serve commercial, scientific, and government purposes. Of particular importance are orbital flights to support the operation of the International Space Station. The Committee wishes to ensure that the FAA has the ability to provide these permits and licenses effectively and efficiently so that the U.S. can emerge as the world leader in space transport. The Committee directs that the FAA meet the funding reduction below the budget request in non-safety related activities.

FINANCE AND MANAGEMENT

The Committee recommends $777,198,000 for finance and management activities, which is $195,081,000 above the enacted level and $30,448,000 below the budget request. The increase in this activity is due to transfers of finance, management, and information technology activities from operational offices.

Workforce Diversity Report.—In 2011, the Administration issued Executive Order 13583 requiring all Federal agencies to develop a plan for recruiting, hiring, promoting, and retaining a diverse workforce. The Committee directs the Secretary to provide of a copy of the agency's plan, as required under Executive Order 13583, to the Committees on Appropriations as well as a progress report on the FAA's implementation of that plan by March 1, 2014. In addition, while the agency continues to have a hiring freeze in place, the Committee expects FAA to redouble its efforts to attract qualified and diverse employees once the freeze is lifted. The Committee urges FAA to report any barriers to achieving a more diverse workforce and recommendations for how to overcome such obstacles.

NEXTGEN AND OPERATIONS PLANNING

The Committee recommends $56,637,000 for NextGen and Operations Planning, which is $3,497,000 below the fiscal year 2013 enacted level and $3,145,000 below the budget request.

BILL LANGUAGE

Second Career Training Program.—The bill retains language prohibiting the use of funds for the second career training program. This prohibition has been in annual appropriations Acts for many years and is included in the President's budget request.

Aviation User Fees.—The bill includes a limitation carried for several years prohibiting funds from being used to finalize or implement any new unauthorized user fees.

Aeronautical Charting and Cartography.—The bill maintains the provision prohibiting funds in this Act from being used to conduct aeronautical charting and cartography (AC&C) activities through the working capital fund (WCF).

Credits.—This bill includes language allowing funds received from specified public, private, and foreign sources for expenses incurred to be credited to the appropriation.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2013 [1]	$2,730,731,000
Budget request, fiscal year 2014	2,777,798,000
Recommended in the bill	2,155,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−575,000,000
Budget request, fiscal year 2013	−622,798,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Facilities and Equipment (F&E) account is the principal means for modernizing and improving air traffic control and airway facilities. The appropriation also finances major capital investments required by other agency programs, experimental research and development facilities, and other improvements to enhance the safety and capacity of the airspace system.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $2,155,000,000, for the FAA's facilities and equipment program, an decrease of $575,000,000 below the level provided in fiscal year 2013 and $622,798,000 below the budget request. The bill provides that, of the total amount recommended, $1,687,000,000 is available for obligation until September 30, 2015, $458,000,000 (the amount for personnel and related expenses) is available until September 30, 2014 and $10,000,000 is available until September 30, 2016. These obligation availabilities are consistent with past appropriations Acts.

The following table provides funding levels for facilities and equipment activities and budget line items.

Program	FY 2014 Budget Request	FY 2014 House Bill
Activity 1, Engineering, Development, Test and Evaluation:		
Advanced Technology Development and Prototype	$33,500,000	$33,500,000
NAS Improvements of System Support Laboratory	1,000,000	1,000,000
Technical Center Facilities	12,000,000	11,000,000
Technical Center Building and Plant Support	6,000,000	5,000,000
Data Communications for Trajectory Based Operations	115,450,000	115,450,000
Next Gen Technology Demonstration	24,674,500	20,000,000
Next Gen Systems Development	61,500,000	48,000,000
Next Gen Trajectory Based Operations	18,000,000	15,000,000
Next Gen Reduce Weather Impact	6,000,000	6,000,000
Next Gen High Density/Arrivals/Departures	7,000,000	7,000,000
Next Gen Collaborative ATM	41,000,000	38,000,000
Next Gen Flexible Terminals and Airports	15,000,000	15,000,000
Next Gen System Network Facilities	9,000,000	9,000,000
Next Gen Future Facilities	10,000,000	10,000,000

Program	FY 2014 Budget Request	FY 2014 House Bill
Performance Based Navigation/RNAV/RNP	32,200,000	32,200,000
Activity 1 Subtotal	392,324,500	366,150,000
Activity 2, Procurement and Modernization of Air Traffic Control Facilities:		
a. En Route Programs:		
En Route Automation Program (ERAM)	26,100,000	26,100,000
En Route Modernization (ERAM)—PER 3	64,974,000	60,000,000
En Route Communications Gateway (ECG)	2,200,000	2,200,000
Next Generation Weather Radar (NEXRAD)	4,100,000	4,100,000
ARTCC Building Improvement/Plant Improvement	53,000,000	41,000,000
Air Traffic Management (ATM)	13,800,000	13,800,000
Air/Ground Communications Infrastructure	5,500,000	5,500,000
Air Traffic Control En Route Radar Facilities—Improve	5,900,000	5,900,000
Voice Switching and Control System (VSCS)	20,000,000	15,000,000
Oceanic Automation System	4,800,000	4,800,000
Next Gen Very High Frequency A/G Comm (NEXCOM)	20,250,000	20,250,000
System-Wide Information Management	70,500,000	70,500,000
ADS–B NAS Wide Implementation	282,100,400	282,100,400
Wind Hazard Detection Equipment	2,000,000	2,000,000
Weather and Radar Processor (WARP)	700,000	700,000
Collaborative Air Traffic Management Tech	29,390,800	27,000,000
Colorado ADS-B/WAM Cost Sharing	3,400,000	3,400,000
Tactical Flow Based Flow Management	10,500,000	10,500,000
ATC Beacon Interrogator (ATCBI)—Sustainment	1,000,000	1,000,000
NextGen Weather Processors	23,510,000	20,000,000
b. Terminal Programs:		
Airport Surface Detection Equip (ASDE–X)	12,100,000	12,100,000
Terminal Doppler Weather Radar (TDWR)—Provide	3,600,000	3,600,000
Terminal Automation Modern (STARS)	45,500,000	40,000,000
Terminal Automation Modern (TAMR)	136,550,000	136,550,000
Terminal Automation Program	2,600,000	2,600,000
Terminal Air Traffic Control Facil—Replace	71,998,300	55,000,000
ATCT/TRACON Facilities—Improve	53,200,000	45,000,000
Terminal Voice Switch Replace/Enhance	5,000,000	5,000,000
NAS Facilities OSHA and Environ Comp	26,000,000	26,000,000
Airport Surveillance Radar (ASR–9)	10,900,000	10,900,000
Terminal Digital Radar (ASR–11)	19,400,000	19,400,000
Runway Status Lights	35,250,000	34,000,000
National Airspace System Voice Switch (NVS)	16,000,000	16,000,000
Integrated Display System (IDS)	4,100,000	4,100,000
Remote Monitoring and Logging System (RMLS)	1,000,000	1,000,000
Mode S Service Life Extension Program (SLEP)	7,300,000	7,300,000
Surveillance Interface Modernization (SIM)	6,000,000	6,000,000
Tower Flight Data Manager (TFDM)	23,500,000	15,000,000
Voice Recorder Replacement Program (VRRP)	6,200,000	6,200,000
Precision Runway Monitor Replacement (PRMR)	5,000,000	5,000,000
Integrated Terminal Weather System (ITWS)	1,300,000	1,300,000
c. Flight Service Programs:		
Automated Surface Observing System (ASOS)	10,000,000	10,000,000
Future Flight Service Program	3,000,000	3,000,000
Alaska Flight Service Facilities Modernization (AFSFM)	2,900,000	– – –
Weather Camera Program	1,200,000	1,200,000
d. Landing and Navigational Aids Program:		
VHF Omnidirectional Radio Range (VOR) DME	8,300,000	8,300,000
Instrument Landing System (ILS) Establish/Upgrade	7,000,000	7,000,000
Wide Area Augmentation System (WAAS)	109,000,000	80,000,000
Runway Visual Range	6,000,000	6,000,000
Approach Lighting System Improvement Pgm (ALSIP)	3,000,000	3,000,000
Distance Measuring Equipment—Sustain	4,000,000	4,000,000
Visual Navaids—Establish/Expand	2,500,000	2,500,000
Instrument Approach Procedures Automation (IAPA)	4,500,000	4,500,000
Navigation and Landing Aids—SLEP	3,000,000	3,000,000
VASI Replacement—Replace with PAPI	2,500,000	2,500,000
GPS Civil Requirements	20,000,000	– – –

Program	FY 2014 Budget Request	FY 2014 House Bill
Runway Safety Areas—Navigational Mitigation	38,000,000	38,000,000
e. Other ATC Facilities Programs:		
Fuel Storage Tank Replacement and Monitoring	8,700,000	5,400,000
Unstaffed Infrastructure Sustainment	33,000,000	20,000,000
Aircraft and Related Equipment Program	10,400,000	8,000,000
Airport Cable Loop System—Sustained Support	5,000,000	5,000,000
Alaska NAS Interfacility Comm (ANICS)	11,000,000	6,000,000
Facilities Decommissioning	6,500,000	6,500,000
Electrical Power Systems—Sustain/Support	85,000,000	65,000,000
FAA Employee Housing and Life Shelter	2,500,000	2,500,000
Activity 2 Subtotal	1,523,223,500	1,359,300,400
Activity 3, Procurement and Modernization of Non-Air Traffic Control Facilities and Equipment		
a. Support Programs:		
Hazardous Materials Management	20,000,000	17,000,000
Aviation Safety Analysis System (ASAS)	12,700,000	12,700,000
Logistics Support Systems and Facilities (LSSF)	10,000,000	10,000,000
NAS Recovery Communications (RCOM)	12,000,000	12,000,000
Facility Security Risk Management	15,000,000	15,000,000
Information Security	13,000,000	13,000,000
System Approach for Safety Oversight (SASO)	9,500,000	9,500,000
Aviation Safety Knowledge Mgt Environ (ASKME)	12,200,000	12,200,000
Data Center Optimization	1,000,000	1,000,000
Aerospace Medical Equipment Needs (AMEN)	5,000,000	5,000,000
Aviation Safety Information Anl & Share	15,000,000	15,000,000
National Test Equipment program	3,000,000	3,000,000
Mobile Assets Management Program	3,000,000	3,000,000
Aerospace Medicine Safety Inf Sys (AMSIS)	3,900,000	3,900,000
b. Training, Equipment and Facilities:		
Aeronautical Center Infrastructure Mod	12,300,000	– – –
Distance Learning	1,000,000	1,000,000
Activity 3 Subtotal	148,600,000	133,300,000
Activity 4, Facilities and Equipment Mission Support:		
System Engineering and Development Support	35,600,000	30,000,000
Program Support Leases	42,100,000	42,100,000
Logistics Support Services (LSS)	11,500,000	10,000,000
Mike Monroney Aeronautical Center—Leases	17,900,000	17,900,000
Transition Engineering Support	16,500,000	14,500,000
Technical Support Services Contract (TSSC)	25,000,000	20,000,000
Resource Tracking Program	4,000,000	4,000,000
Center for Advanced Aviation System Development	70,000,000	55,000,000
Aeronautical Information Management Program	9,050,000	9,050,000
Activity 4 subtotal	231,650,000	202,550,000
Activities 1–4 Subtotal	2,295,798,000	2,061,300,400
Activities 1–4 Undistributed Reduction	−364,300,400	−364,300,400
Activity 5, Personnel Compensation, Benefits and Travel	– – –	– – –
Personnel and Related Expenses	482,000,000	458,000,000
Total	2,777,798,000	2,155,000,000

Equipage.—The Committee affirms and reinforces the intent of section 222 of the FAA Modernization and Reform Act of 2012 (Public Law 112–95), giving priority to aircraft equipped with ADS–B technology. For several years, the FAA has been developing operational incentives with the intent of implementing a best equipped-best served (BEBS) policy. These policies are in line with recent recommendations made by the Future of Aviation Advisory

Committee and the NextGen Advisory Committee. Despite these efforts, the report required by Public Law 112–95 is now several months overdue, and FAA's future plans are unclear. The Committee directs the FAA to provide detailed plans and schedules, by March 31, 2014, which define how Best Equipped, Best Served will be implemented, and clearly explain how users will receive measureable benefit from early equipage.

ENGINEERING, DEVELOPMENT, TEST AND EVALUATION

Performance-Based Navigation.—The Committee provides $32,200,000 for Performance Based Navigation/RNAV/RNP. The Committee has strongly supported the accelerated development of Performance Based Navigation (PBN) procedures and processes, and continues to have a strong interest in using PBN to provide substantial, near-term NextGen benefits to users of the NAS. As indicated by industry, DOT IG, and GAO reports, the implementation of new routes, and the realization of benefits, is proving far more difficult than expected and several barriers must be addressed. These barriers include, but are not limited to, adjustments to the controller handbook, new automated controller tools, and controller training.

The Committee directs FAA to fully utilize the tools provided in Section 213, including the use of third parties and categorical exclusions, so that efficient RNP and RNAV procedures can be produced in sufficient quantities in order to meet the demand that exists within the NAS for these types of procedures. Upon completion of the FAA's third party RNP demonstration program, if the FAA determines that further third party designs would achieve additional benefits, the Committee would encourage an expansion of the program. However, the Committee expects the FAA to prioritize airports that currently serve aircraft that are equipped to utilize newly developed procedures. The Committee also directs FAA to provide a letter report on its progress in meeting Congressional mandates under Section 213, including the estimated fuel and carbon dioxide emissions savings from any new RNP or RNAV procedure designed or implemented in 2012 and 2013, to the Committees on Appropriations, by March 31, 2014.

Cyber Security and Protecting the National Airspace System.—The Committee is aware that FAA has efforts underway to assess the security of the existing airspace system as well as NextGen programs, including the satellite-based Automatic Dependent Surveillance-Broadcast System. As FAA continues to make billion dollar investments in NextGen, the Agency must ensure that new systems are more secure than the legacy systems they replace or supplement, and new threats are not inadvertently introduced. A clear understanding of threats, vulnerabilities, and countermeasures is absolutely essential. FAA needs to take full advantage of ongoing DOD cyber work, which could provide invaluable insights on how to protect air traffic control systems. Therefore, the Committee directs FAA to keep the Committee informed of the results of security assessments of NextGen systems and how well the Agency is leveraging cyber security work being conducted by the Department of Defense and other Federal agencies.

NextGen Future Facilities.—The Committee recommends $10,000,000 for the NextGen Future Facilities initiative. These funds will be used to fund pre-construction activities related to the Liberty Integrated Control Facility. This Committee is aware that this is the first step in FAA's plan for an integrated facility in the New York metropolitan area and a significant step toward fundamentally changing the way FAA operates and manages the National Airspace System. However, FAA has provided limited details regarding how this new facility or any future realignments and consolidations will improve productivity, reduce Agency costs, and improve the flow of air traffic. The Committee expects to receive a more comprehensive and well justified plan in the coming months regarding the long-term cost savings associated with the potential elimination of outdated, inefficient, and obsolete facilities.

NextGen Transformational Programs.—The Committee recognizes FAA's NextGen transformational programs are critical to its overall plans to change the way air traffic is managed. In 2012, the Office of Inspector General reported on the status of these programs and highlighted that FAA's approach to approving small segments of complex NextGen programs has some drawbacks. There is no question that segmenting programs can reduce risk to the Government, but such segmentation does not provide a crosswalk for how key programs align with FAA's plans for delivering benefits. The Inspector General's report shows the extraordinarily complex interdependencies between programs and the essential roles FAA automation programs, like ERAM, play in executing NextGen. The Committee urges FAA to follow through on its commitment to address the IG report's recommendations. The Committee is particularly interested in ensuring that FAA follows through on the IG's recommendation to establish and use an integrated master schedule for managing NextGen investments planned for completion in December 2013.

AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT

EN ROUTE PROGRAMS

En Route Automation Modernization (ERAM).—ERAM is a foundational component of NextGen, and it is critical to meeting FAA's goals for increasing airspace capacity and reducing flight delays. FAA originally planned to deploy ERAM at 20 of its enroute facilities by the end of 2010. However, significant software problems identified early on at the first two key sites, Salt Lake City and Seattle, forced FAA to delay original deployment estimates by nearly four years. The program has also seen cost overruns of $330 million in prior years.

FAA has made some progress delivering ERAM on time and within budget, and is using the system at 16 of 20 sites either on a full or part time basis. Despite this progress, the cost and timeframes for completing ERAM remain uncertain. As noted by the Office of Inspector General, there is little room to maneuver in the revised cost baseline. If the contract burn rate does not decline significantly, additional funds will be needed to complete the program in 2014 timeframe. Going forward, there are important lessons learned from ERAM that FAA needs to address to better manage its NextGen portfolio and reduce risks when deploying software intensive systems. These include better expectation setting for the controller workforce, addressing shortcomings in testing at the FAA Technical Center, bolstering Government acceptance, and more effectively using contract incentives for both development and implementation. The Committee will continue to monitor the program closely and expects that the FAA will regularly communicate resource requirements and timeframes for the full deployment of ERAM.

TERMINAL PROGRAMS

Terminal Automation Modernization/Replacement Program (TAMR Phase 3).—The Committee recommendation includes $135,550,000 for the TAMR program. Phase 3 of the TAMR program is modernize or replace terminal automation systems at TRACON facilities around the country. In December 2011, FAA's Joint Resource Council made a final investment decision to implement the STARS system at 11 facilities by 2017. Replacing the automation systems at these terminal facilities is a major undertaking. FAA cannot advance NextGen initiatives, such as new performance based routes, without modernizing controller automation systems at the 11 sites. The Committee directs FAA to provide a plan by March 31, 2014 to the House and Senate Committees on Appropriations which will include: (1) how new automated controller tools will be introduced; and (2) how long the older systems will need to be sustained.

Runway Status Lights.—The Committee provides $34,000,000 for the Runway Status Lights program, the same as the budget request. This funding will continue to support the design, production, and installation of runway status lights (RWSL) at busy airports. Runway status lights are a fully automated system that gives pilots and vehicle operators a direct visual alert when it is unsafe to enter or cross a runway. The RWSL program responds to a safety recommendation from the National Transportation Safety Board (NTSB) to implement a safety system that provides direct warning capability to flight crews. The Committee strongly supports RWSLs as a way to reduce runway incursions. However, the current cost and schedule for the effort is not reliable and the Agency plans to re-baseline this important effort. While the Committee encourages FAA to review the suitability of deploying this critical safety enhancing technology at airports being equipped with the Airport Surface Surveillance Capability (ASSC) system, questions must be addressed as to why the RWSL program requires re-baselining. The Committee directs FAA to provide a report to the House and Senate Committees on Appropriations by April 15, 2014 on the causes for the RWSL cost growth, schedule delays, and corrective actions, and the merits and costs associated with installing RWSLs at ASSC-equipped airports

PERSONNEL AND RELATED EXPENSES

The Committee recommends $458,000,000 for personnel and related expenses, which is a decrease of $17,000,000 below the enacted level and $24,000,000 below the budget request. This appropriation finances the personnel, travel and related expenses of the FAA's facilities and equipment workforce.

BILL LANGUAGE

Capital Investment Plan.—The bill continues to require the submission of a five-year capital investment plan.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(INCLUDING RESCISSION OF FUNDS)

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2013 [1]	$167,556,000
Budget request, fiscal year 2014	166,000,000
Recommended in the bill	145,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−22,556,000
Budget request, fiscal year 2014	−21,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

This appropriation provides funding for long-term research, engineering and development programs to improve the air traffic control system and to raise the level of aviation safety, as authorized by the Airport and Airway Improvement Act and the Federal Aviation Act. The appropriation also finances the research, engineering and development needed to establish or modify federal air regulations.

COMMITTEE RECOMMENDATION

The Committee recommends $145,000,000, a decrease of $22,556,000 below the fiscal year 2013 enacted level and $21,000,000 below the budget request.

The Committee recommendation includes the following funding levels for Research, Engineering, and Development programs

	FY 2014 Budget Request	FY 2014 House Bill
Improve Aviation Safety	$90,921,000	$90,921,000
Fire Research and Safety	8,313,000	8,313,000
Propulsion and Fuel Systems	1,974,000	1,974,000
Advanced Materials/Structural Safety	2,607,000	2,607,000
Aircraft Icing/Digital System Safety	7,582,000	7,582,000
Continued Airworthiness	8,167,000	8,167,000
Aircraft Catastrophic Failure Prevention Research	1,652,000	1,652,000
Flightdeck/Maintenance/System Integration Human Factors	5,000,000	5,000,000
System Safety Management	11,583,000	11,583,000
Air Traffic Control/Technical Operations Human Factors	6,000,000	6,000,000
Aeromedical Research	8,672,000	8,672,000
Weather Program	15,279,000	15,279,000
Unmanned Aircraft Systems Research	7,500,000	7,500,000
NextGen—Alternative Fuels for General Aviation	5,571,000	5,571,000
NextGen—Advanced Systems and Software Validation	1,021,000	1,021,000
Economic Competitiveness	35,822,000	12,558,000
Joint Planning and Development Office	12,057,000	– – –
NextGen—Wake Turbulence	9,267,000	5,000,000
NextGen—Air Ground Integration Human Factors	10,329,000	4,558,000
NextGen—Weather Technology in the Cockpit	4,169,000	3,000,000
Environmental Sustainability	33,521,000	36,521,000
Environment and Energy	14,542,000	14,542,000
NextGen—Environmental Research—Aircraft Technologies, Fuels, and Metrics	18,979,000	21,979,000
Mission Support	5,736,000	5,000,000

	FY 2014 Budget Request	FY 2014 House Bill
System Planning and Resource Management	2,289,000	2,000,000
William J. Hughes Technical Center Laboratory Facility	3,447,000	3,000,000
Total	166,000,000	145,000,000

Joint Planning and Development Office (JPDO).—The Committee recommends no funding for the Joint Planning and Development Office, a decrease of $12,057,000 below the budget request. The JPDO was established to develop a plan for NextGen in the 2025 timeframe and to coordinate Federal research to modernize the Nation's air transport system. Regardless of various FAA reorganizations, FAA has failed to establish a clearly defined role for the JPDO and set expectations for how it will leverage research conducted at other Federal agencies, including the National Aeronautics and Space Administration, the Department of Defense, the Department of Commerce and the Department of Homeland Security. The Committee believes that the Chief NextGen Officer, established in the FAA Modernization and Reform Act of 2012, should have responsibility for these interagency coordination activities. The Committee believes that the elimination of this office will have no programmatic impact. The Committee directs FAA to work with JPDO to integrate productive personnel into other offices focused on Next Gen advancement.

NextGen environmental research—aircraft technologies, fuels and metrics.—The Committee provides $21,979,000 for the FAA's NextGen environmental research aircraft technologies, fuels and metrics program, which is $1,665,000 below the enacted level and $3,000,000 above the budget request. Over the last few years, the Committee has provided additional resources for the FAA's environmental research program in an effort to expedite the development of viable alternative fuels that can be used in aircraft. Recognizing that fuel costs continue to consume the largest portion of airline operating budgets and in an effort to reduce the aviation sector's emissions footprint, the Committee provides additional resources to continue the research, development and testing of alternative fuels. Now that the United States Air Force Research Laboratory is no longer able to support alternative fuels testing, it is expected that the FAA will use some of these resources to produce fit for purpose chemical-analytical, fuel-property and material compatibility testing for many of the new chemical processes that produce alternative jet fuel. In addition, the Committee provides resources to continue the FAA's Continuous, Lower Energy Emission, and Noise Program (CLEEN).

NextGen—Alternative Fuels for General Aviation.—The Committee provides $5,571,000 for alternative fuels research for general aviation, which is $3,487,000 above the fiscal year 2013 enacted level and the same as the budget request. During the complex transition of the general aviation piston fleet to an unleaded fuel, an increase in funding above last year is merited to move from research to a phase focused on coordinating and facilitating the fleet-wide evaluation, certification and deployment of an unleaded fuel and to help overcome any market issues that prevent it from moving forward. The Committee recognizes this is a multi-year effort and looks forward to updates on the continued progress on this initiative as it effectively balances environmental improvement with aviation safety, technical challenges, and economic impact.

Centers of Excellence.—FAA's Center of Excellence (COE) program was established in 1990 and has served as an important collaborative effort between industry, academia and government. The COE program has helped advance research on emerging aviation challenges and, at the same time, has helped to cultivate the next generation of aviation professionals. All federal resources dedicated to the program are matched dollar-for-dollar by industry and academic resources. Current Centers of Excellence are conducting research on advanced materials, commercial space transportation, and general aviation. The Committee understands there are higher education institutions that are interested in conducting research on aerospace design and advanced manufacturing practices. As the aviation industry develops new technologies to create more energy efficient aircraft, the Committee encourages FAA to explore this area to determine whether additional research is warranted.

Rescission.—The Committee recommendation includes a rescission of $26,183,998.

GRANTS-IN-AID FOR AIRPORTS

(LIMITATION ON OBLIGATIONS)

(LIQUIDATION OF CONTRACT AUTHORIZATION)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2013	$3,400,000,000	$3,350,000,000
Budget request, fiscal year 2014	3,200,000,000	2,900,000,000
Recommended in the bill	3,200,000,000	3,350,000,000
Bill compared to:		
Appropriation, fiscal year 2013	−200,000,000	0
Budget request, fiscal year 2014	0	+450,000,000

The bill includes a liquidating cash appropriation of $3,200,000,000 for grants-in-aid for airports, authorized by the Airport and Airway Improvement Act of 1982, as amended. This funding provides for liquidation of obligations incurred pursuant to contract authority and annual limitations on obligations for grants-in-aid for airport planning and development, noise compatibility and planning, the military airport program, reliever airports, airport program administration, and other authorized activities.

LIMITATION ON OBLIGATIONS

The bill includes a limitation on obligations of $3,350,000,000 for fiscal year 2014, which is the same as the fiscal year 2013 enacted level and $450,000,000 above the budget request.

ADMINISTRATION AND RESEARCH PROGRAMS

Airport Administrative Expenses.—Within the overall obligation limitation, the bill includes $106,600,000 for the administration of the airports program by the FAA. This funding level is equal to the budget request and $5,600,000 above the fiscal year 2013 enacted level. The increase is provided to enhance investigations of airport revenue diversion.

Airport Cooperative Research Program (ACRP).—The recommendation includes $15,000,000 which is the same level as the budget request and the fiscal year 2013 enacted level. The ACRP was established through Section 712 of the Vision 100—Century of Aviation Reauthorization Act (P.L. 108–176) to identify shared problem areas facing airports that can be solved through applied research but are not adequately addressed by existing Federal research programs.

Airport Technology Research.—The recommendation includes a minimum of $29,500,000 for the FAA's airport technology research program which is equal to the budget request and $250,000 above the fiscal year 2013 enacted level. The funds provided for this program are utilized to conduct research in the areas of airport pavement; airport marking and lighting; airport rescue and firefighting; airport planning and design; wildlife hazard mitigation; and visual guidance.

Airport Revenue Diversion.—The Committee reiterates its concern over the diversion of airport revenues for non-airport purposes. The Inspector General has noted instances of multiple years of revenue diversions at certain airports. The Committee urges the FAA to prioritize revenue diversion enforcement, particularly at airports that have exhibited a historical pattern of diverting revenues to municipal or county budgets.

BILL LANGUAGE

Runway Incursion Prevention Systems and Devices.—Consistent with prior year appropriations Acts, the bill allows funds under this limitation to be used for airports to procure and install runway incursion prevention systems and devices.

ADMINISTRATIVE PROVISIONS—FEDERAL AVIATION ADMINISTRATION

Section 110. The Committee retains a provision limiting the number of technical workyears at the Center for Advanced Aviation Systems Development to 600 in fiscal year 2014.

Section 111. The Committee retains a provision prohibiting FAA from requiring airport sponsors to provide the agency 'without cost' building construction, maintenance, utilities and expenses, or space in sponsor-owned buildings, except in the case of certain specified exceptions.

Section 112. The Committee continues a provision allowing reimbursement for fees collected and credited under 49 U.S.C. 45303.

Section 113. The Committee retains a provision allowing reimbursement of funds for providing technical assistance to foreign aviation authorities to be credited to the operations account.

Section 114. The Committee retains a provision prohibiting the FAA from paying Sunday premium pay except in those cases where the individual actually worked on a Sunday.

Section 115. The Committee retains a provision prohibiting FAA from using funds to purchase store gift cards or gift certificates through a government-issued credit card.

Section 116. The Committee includes a provision that requires approval from the Deputy Assistant Secretary for Administration of the Department of Transportation for retention bonuses for any FAA employee.

Section 117. The Committee includes a provision that requires the Secretary to block the display of an owner or operator's aircraft registration number in the Aircraft Situational Display to Industry program, upon the request of an owner or operator.

Section 118. The Committee includes a provision that limits the number of FAA political appointees to 7.

Section 119. The Committee includes a provision that prohibits funds for any increase in fees for navigational products until the FAA has reported a justification for such fees to the Committees on Appropriations.

Section 119A. The Committee retains a provision prohibiting funds to change weight restrictions or prior permission rules at Teterboro Airport, Teterboro, New Jersey.

Federal Highway Administration

LIMITATION ON ADMINISTRATIVE EXPENSES

(HIGHWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2013	$412,000,000
Budget request, fiscal year 2014	429,855,000
Recommended in the bill	417,000,000
Bill compared with:	
Appropriation, fiscal year 2013	+5,000,000
Budget request, fiscal year 2014	−12,855,000

The Federal Highway Administration (FHWA) provides financial assistance to the states to construct and improve roads and highways. It also provides technical assistance to other agencies and organizations involved in road building activities. Title 23 of the United States Code and other supporting statutes provide authority for the activities of the FHWA. Funding is provided by contract authority, while program levels are established by annual limitations on obligations, as set forth in appropriations Acts.

The limitation on administrative expenses caps the amount, from within the limitation on obligations, that FHWA may spend on salaries and expenses necessary to conduct and administer the federal-aid highway program, highway-related research, and most other federal highway programs.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $417,000,000, which is $5,000,000 above fiscal year 2013, and $12,855,000 below the budget request. The amount reflects a modest increase adequate to continue work already underway to modernize financial management systems and to implement data integration plans. Also, as requested, an additional $1.5 million is provided for increased training and development activities. In addition, $3,248,000 is transferred to the Appalachian Regional Commission.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

[In thousands of dollars]

Program	Fiscal year 2013 enacted	Fiscal year 2014 request	Recommended in the bill
Federal-aid highways (obligation limitation)	$39,699,000	$40,256,000	$40,256,000
Exempt contract authority	739,000	739,000	739,000
Liquidation of contract authorization	40,438,000	40,995,000	40,995,000
Total program level	40,438,000	40,995,000	40,995,000

The federal-aid highways program is designed to aid in the development, operations and management of an intermodal transportation system that is economically efficient and environmentally sound, to provide the foundation for the nation to compete in the global economy, and to move people and goods safely.

Federal-aid highways and bridges are managed through a federal-state partnership. States and localities maintain ownership of and responsibility for the maintenance, repair and new construction of roads. State highway departments have the authority to initiate federal-aid projects, subject to FHWA approval of the plans, specifications, and cost estimates. The Federal government provides financial support, on a reimbursable basis, for construction and repair through matching grants.

Programs included within the federal-aid highways program are financed from the highway trust fund. The federal-aid highways program is funded by contract authority, and liquidating cash appropriations are subsequently provided to fund outlays resulting from obligations incurred under contract authority. The Committee sets, through the annual appropriations process, an overall limitation on the total contract authority that can be obligated under the program in a given year. Funding provided supports Federal-aid highway programs as authorized under MAP–21.

National Highway Performance Program.—The National Highway Performance Program provides support for the condition and performance of the National Highway System (NHS), for the construction of new facilities on the NHS, and to ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS.

Surface Transportation Program.—The Surface Transportation Program provides flexible funding that may be used by States and localities for projects to preserve and improve the conditions and performance on Federal-aid highways, bridge and tunnel projects on any public road, pedestrian and bicycle path projects, and transit capital projects, including intercity bus terminals.

Transportation Infrastructure Finance and Innovation Act.—The Transportation Infrastructure Finance and Innovation Act Program provides Federal credit assistance to eligible surface transportation projects, including highway, transit, intercity passenger rail, some types of freight rail, and intermodal freight transfer facilities. The program is designed to fill market gaps and to leverage substantial private co-investment by providing projects with supplemental or subordinate debt.

Technology and Innovation Deployment Program.—The Technology and Innovation Deployment Program funds efforts to accelerate the implementation and delivery of new innovations and technologies that result from highway research and development to benefit all aspects of highway transportation.

Training and Education Program.—The Training and Education Program provides funding to support training and education programs that promote and support national transportation programs and activities.

Metropolitan Planning Program.—The metropolitan planning process establishes a cooperative, continuous, and comprehensive framework for making transportation investment decisions in metropolitan areas. Program oversight is a joint Federal Highway Administration/Federal Transit Administration responsibility.

Highway Safety Improvement Program.—The Highway Safety Improvement Program provides funding designed to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal lands. The program requires a data-driven, strategic approach to improving safety that focuses on performance.

Railway-Highway Crossings Program.—This program funds safety improvements to reduce the number of fatalities, injuries, and crashes at public grade crossings.

Congestion Mitigation and Air Quality Improvement Program.—The Congestion Mitigation and Air Quality Improvement Program provides a flexible funding source to State and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet national air standards set under the Clean Air Act for ozone, carbon monoxide, or particulate matter (nonattainment areas), and for former nonattainment areas that are now in compliance (maintenance areas).

Transportation Alternatives Program.—MAP–21 established a new program to provide for a variety of alternative transportation projects, including many that were previously eligible activities under separately funded programs. The Transportation Alternatives Program replaces funding from pre-MAP–21 programs including Transportation Enhancements, Recreational Trails, Safe Routes to School, and other discretionary programs, and wraps these activities into a single funding source.

Construction of Ferry Boats and Ferry Terminal Facilities.—The Construction of Ferry Boats and Ferry Terminal Facilities program provides funding for the construction of ferry boats and ferry terminal facilities.

Emergency Relief Program.—The Emergency Relief program provides funds for emergency repairs and permanent repairs on Federal-aid highways and roads on Federal lands that the Secretary finds have suffered serious damage as a result of natural disasters or catastrophic failure from an external cause.

Tribal Transportation Program.—The purpose of the Tribal Transportation Program is to enhance transportation and improve access to basic community services in Indian country.

Federal Lands Transportation Program.—The Federal Lands Transportation Program funds projects that improve access within the Federal estate (national forests, national parks, national wildlife refuges, national recreation areas, and other Federal public lands) on transportation facilities in the national Federal Lands transportation inventory and owned and maintained by the Federal government.

Federal Lands Access Program.—The Federal Lands Access Program provides funds for projects on Federal Lands access transportation facilities that are located on or adjacent to, or that provide access to Federal lands.

Territorial and Puerto Rico Highway Program.—The Territorial and Puerto Rico Highway Program allocates funds for a highway program in the Commonwealth of Puerto Rico, and assists the governments of the U.S. territories in constructing and improving a system of arterial and collector highways and necessary inter-island connectors.

Highway Research and Development Program.—The Highway Research and Development Program funds strategic investment in research activities that address current and emerging highway transportation needs.

COMMITTEE RECOMMENDATION

The Committee recommends a total program level of $40,995,000,000 for the activities of the FHWA in fiscal year 2014, as authorized under P.L. 112–141, the Moving Ahead for Progress in the 21st Century Act (MAP–21). This amount is $557,000,000 above fiscal year 2013 and the same as the budget request. Included within the recommended amount is an obligation limitation of $40,256,000,000 and $739,000,000 in contract authority that is exempt from the obligation limitation. The federal-aid highways program obligation level for fiscal year 2014 supports the full funding level as authorized under MAP–21 and appropriations language has been updated to reflect current law.

The Highway Trust Fund.—The Committee does not include a provision requested in the budget to allow transfers between the Highway Account and the Transit Account of the Highway Trust Fund. The Committee directs the FHWA to report to the Committee within 90 days of enactment on DOT's plan of action in the event either account is ever projected to reach a balance in 2014 that would disrupt current payment practices. The insolvency plan should detail balance thresholds for agency action including stakeholder notification, changes to cash management and payment policies, and specific plans for the communication of these changes to states, transit agencies, and other affected stakeholders.

Loan fees.—The Committee continues bill language allowing the Secretary to charge and collect fees from the applicant for a direct loan, guaranteed loan, or line of credit to cover the cost of the services of expert firms performed on behalf of the Department. These fees are not subject to the obligation limitation or the limitation on administrative expenses set for the Transportation Infrastructure Finance and Innovation program under section 608 of title 23, United States Code.

Project selection and prioritization.—In instances where the Secretary exercises discretion in project selection or federal credit approval, the Committee directs the Secretary to give stronger consideration to projects that are funded through a public-private partnership. The Committee also directs the Secretary to prioritize projects that deliver a significant improvement to a national or regional transportation network.

Geosynthetics.—The Committee encourages the Federal Highway Administration to actively review and incorporate geosynthetics for highway and civil infrastructure applications, due to their cost savings, longevity, and environmental benefits. The Committee also encourages the Department of Transportation to thoroughly review the Government Accountability Office (GAO) Study entitled, Information on Materials and Practices for Improving Highway Pavement Performance that investigated the benefits of incorporating innovative materials into pavements.

Congestion Mitigation and Air Quality Improvement Program (CMAQ).—The Committee encourages collaboration with States and MPOs to invest CMAQ funds in Alternative Fueled Vehicle (AFV) Infrastructure as these investments have the potential to reduce emissions and increase fuel efficiency. The Committee urges the Department of Transportation to expedite the issuance of guidance on the Alternative Fuel Vehicle provisions of MAP–21, and to provide an expedited approval process for technologies that meet the definition of an AFV including biodiesel, electricity, ethanol, hydrogen, natural gas, stored hydraulic energy and propane. The Committee also urges FHWA to provide an expedited process for States and MPOs to take advantage of the new AFV provisions in MAP 21 by amending their previously approved State Transportation Improvement Program.

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2013	$39,699,000,000
Budget request, fiscal year 2014	40,995,000,000
Recommended in the bill	40,995,000,000
Bill compared with:	
Appropriation, fiscal year 2013	+1,296,000,000
Budget request, fiscal year 2014	– – –

COMMITTEE RECOMMENDATION

The Committee recommends a liquidating cash appropriation of $40,995,000,000, which is $1,296,000,000 above fiscal year 2013 and the same as the budget request. This is the amount required to pay the outstanding obligations of the highway program at levels provided in this Act and prior appropriations Acts.

ADMINISTRATIVE PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

Section 120. The Committee continues a provision that distributes obligation authority among federal-aid highways programs. The provision has been updated to be consistent with changes to the underlying authorizing statute made by MAP–21.

Section 121. The Committee continues a provision that credits funds received by the Bureau of Transportation Statistics to the federal-aid highways account.

Section 122. The Committee continues a provision that provides requirements for any waiver of the Buy America Act.

Section 123. The Committee adds a provision making $13,248,000 in unobligated balances of contract authority apportioned to States prior to MAP–21 available for obligation to support FHWA administrative expenses.

Section 124. The Committee continues a provision prohibiting tolling in Texas, with exceptions.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

The Federal Motor Carrier Safety Administration (FMCSA) was established within the Department of Transportation (DOT) by Congress through the Motor Carrier Safety Improvement Act of 1999. FMCSA's mission is to promote safe commercial motor vehicle operations and reduce truck and bus crashes. FMCSA works with federal, state, and local entities, the motor carrier industry, highway safety organizations, and the public to further its mission.

FMCSA resources are used to prevent and mitigate commercial vehicle accidents through regulation, enforcement, stakeholder training, technological innovation, and improved information systems. FMCSA also is responsible for enforcing Federal motor carrier safety and hazardous materials regulations for all commercial vehicles entering the United States along its southern and northern borders.

MOTOR CARRIER SAFETY OPERATIONS AND PROGRAMS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of Contract Authorization	Limitation on Obligations
Appropriation, fiscal year 2013	$251,000,000	($251,000,000)
Budget request, fiscal year 2014	259,000,000	(259,000,000)
Recommended in the bill	259,000,000	(259,000,000)
Bill compared with:		
Appropriation, fiscal year 2013	+8,000,000	(+8,000,000)
Budget request, fiscal year 2014	– – –	– – –

This limitation controls FMCSA spending on salaries, operating expenses, and research. It provides resources to support motor carrier safety program activities and to maintain the agency's administrative infrastructure. This funding supports nationwide motor carrier safety and consumer enforcement efforts, including the Compliance, Safety, and Accountability Program, regulation and enforcement of freight transport, and federal safety enforcement at the U.S. borders. These resources also fund regulatory development and implementation, information management, research and technology, grants to States and local partners, safety education and outreach, and the safety and consumer telephone hotline.

COMMITTEE RECOMMENDATION

The Committee recommends $259,000,000 in liquidating cash for motor carrier safety operations and programs. The Committee also recommends limiting obligations from the highway trust fund to $259,000,000 for motor carrier safety operations and programs in fiscal year 2014. Consistent with MAP–21, these levels are $8,000,000 above fiscal year 2013 and the same as the budget request.

Within the amounts provided for Operations and Programs, the Committee recommends $1,000,000 for commercial motor vehicle operator's grants, which provide commercial motor vehicle operators with critical safety training. This amount is the same as fiscal year 2013 and the budget request.

The Committee continues bill language making funds for the research and technology program available until September 30, 2016. The Committee also continues bill language prohibiting any funds relating to outreach and education from being transferred to another agency.

Chameleon carriers.—FMCSA's ability to detect and shut down chameleon carriers is critical. A chameleon carrier is an unscrupulous motor carrier that was once put out-of-service due to safety violations, but that reincarnates itself under a new corporate identity to resume business. The vast majority of motor carriers are freight carriers, and GAO and the DOT Inspector General found that FMCSA can expand its new-entrant audits to the freight sector, but only by using risk-based data to target resources to the riskiest new entrants. The Committee directs FMCSA to continue working to identify the most cost-effective method for discovering such carriers and putting them out-of-service. To this end, the Committee further directs FMCSA to evaluate and report back to the Committee within 60 days of enactment on the extent to which independent commercially available data sources would enhance the Agency's ability to uniquely identify freight carriers with possible corporate and family linkages to previously shuttered carriers. The report should include a cost-benefit analysis of the use of these data sources as an effective, risk-based method to identify these dangerous carriers.

Hazardous Materials Safety Permits.—FMCSA does not currently have a reasonable means of evaluating Hazardous Materials Safety Permit (HMSP) holders with inspection disqualifications which leaves operators no recourse beyond "aging out" of their disqualification. Because of the special nature of these carriers and because many are small businesses, a few violations combined with a low number of inspections can force a safe operator out of business with no opportunity for due process. Further, because of the timing and methodology of the HMSP renewal cycle, this "out-of-business" event can sometimes come with little to no warning. In addition to meeting the requirements set out under Section 33014 of MAP–21, FMCSA shall report to the Committee within 60 days of enactment on what improvements to the HMSP program can be made within the Agency's existing authorities to provide relief to these operators prior to instituting a rulemaking, and when FMCSA anticipates implementing each of these interim improvements.

MOTOR CARRIER SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

(INCLUDING RESCISSION OF FUNDS)

	Liquidation of contract authorization	Limitation on obligations	Rescission of contract authority
Appropriation, fiscal year 2013	$310,000,000	($310,000,000)	– – –
Budget request, fiscal year 2014	313,000,000	(313,000,000)	– – –
Recommended in the bill	313,000,000	(313,000,000)	−$95,956,883
Bill compared with:			
Appropriation, fiscal year 2013	3,000,000	(3,000,000)	−95,956,883
Budget request, fiscal year 2014	– – –	(0)	−95,956,883

FMCSA's motor carrier safety grants are used to support compliance reviews in the states, identify and apprehend traffic violators, conduct roadside inspections, and conduct safety audits of new entrant carriers. Additionally, grants are provided to states for safety enforcement at the U.S. borders, improvement of state commercial driver's license oversight activities, and improvements in linking states' motor vehicle registration systems and carrier safety data.

COMMITTEE RECOMMENDATION

The Committee recommends $313,000,000 in liquidating cash for this program, as well as a $313,000,000 limitation on obligations, in fiscal year 2014. Consistent with MAP–21, these levels are $3,000,000 above fiscal year 2013 and the same as the budget request. The Committee recommendation also rescinds $95,956,883 of unobligated contract authority authorized prior to MAP–21. There was no rescission of contract authority in either fiscal year 2013 or the budget request.

The Committee recommends the following obligation limitations for grants funded under this account:

Motor carrier safety assistance program (MCSAP)	($218,000,000)
Commercial driver's license improvements program	(30,000,000)
Border enforcement grants	(32,000,000)
Performance and registration information system management program	(5,000,000)
Commercial vehicle information systems and networks deployment	(25,000,000)
Safety data improvement grants	(3,000,000)

New entrant audits.—Of the funds made available for the Motor Carrier Safety Assistance Grants, the Committee recommends $32,000,000 for audits of new entrant motor carriers, which is the same as both fiscal year 2013 and the budget request, and is consistent with MAP–21.

ADMINISTRATIVE PROVISION—FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

Sec. 130. The Committee continues language subjecting the funds appropriated in this Act to the terms and conditions included in prior appropriations Acts regarding Mexico-domiciled motor carriers.

National Highway Traffic Safety Administration

The National Highway Traffic Safety Administration (NHTSA) was established in March of 1970 to administer motor vehicle and highway safety programs. It was the successor agency to the National Highway Safety Bureau, which was housed in the Federal Highway Administration.

NHTSA's mission is to save lives, prevent injuries, and reduce economic costs due to road traffic crashes, through education, research, safety standards and enforcement activity. To accomplish these goals, NHTSA establishes and enforces safety performance standards for motor vehicles and motor vehicle equipment, investigates safety defects in motor vehicles, and conducts research on driver behavior and traffic safety.

NHTSA provides grants and technical assistance to state and local governments to enable them to conduct effective local highway safety programs. Together with state and local partners, NHTSA works to reduce the threat of drunk, impaired, and distracted drivers, and to promote policies and devices with demonstrated safety benefits including helmets, child safety seats, airbags, and graduated licenses.

NHTSA establishes and ensures compliance with fuel economy standards, investigates odometer fraud, establishes and enforces vehicle anti-theft regulations, and provides consumer information on a variety of motor vehicle safety topics.

COMMITTEE RECOMMENDATION

The Committee recommends $817,675,088 (excluding rescissions), which is $7,529,088 above fiscal year 2013 and $10,667,912 below the budget request. The Committee's recommendation funds grant programs as authorized under MAP–21.

The following table summarizes the Committee's recommendations:

	2013 enacted	2014 request	Committee recommendation
Operations and research (general fund and highway trust fund)	$255,646,000	$266,843,000	$256,175,088
Highway traffic safety grants (highway trust fund)	554,500,000	561,500,000	561,500,000
Rescission of Contract Authority (highway trust fund)	– – –	– – –	−152,281,282
Total	810,146,000	828,343,000	676,061,718

The Committee recommends funding levels that provide NHTSA with sufficient resources to meet its responsibilities under MAP–21 and to continue its critical work improving the safety of passenger travel on the nation's highway system. The Committee encourages NHTSA and the network of researchers and public safety personnel to continue their work to enhance safety and reduce fatalities.

OPERATIONS AND RESEARCH

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	(General fund)	(Highway trust fund)	Total
Appropriation, fiscal year 2013	$140,146,000	$115,500,000	$255,646,000
Budget request, fiscal year 2014	148,343,000	118,500,000	266,843,000
Recommended in the bill	117,000,000	139,175,088	256,175,088
Bill compared to:			
Appropriation, fiscal year 2013	−23,146,000	+23,675,088	+529,088
Budget request, fiscal year 2014	−31,343,000	+20,675,088	−10,667,912

The operations and research appropriations support research, demonstrations, technical assistance, and national leadership for highway safety programs. Many of these programs are conducted in partnership with state and local governments, the private sector, universities, research units, and various safety associations and organizations. These programs address alcohol and drug countermeasures, vehicle occupant protection, traffic law enforcement, emergency medical and trauma care systems, traffic records and licensing, traffic safety evaluations, motorcycle safety, pedestrian and bicycle safety, pupil transportation, distracted and drowsy driving, young and older driver safety programs, and development of improved accident investigation procedures.

COMMITTEE RECOMMENDATION

The Committee recommends $256,175,088, which is $529,088 above fiscal year 2013 and $10,667,912 below the budget request. Of this total, $117,000,000 is from the general fund for operations and vehicle safety research, and $139,175,088 is from the highway trust fund for operations and highway safety research. The Committee recommendation assumes no change in Full-Time Equivalents (FTE) in 2014.

Data modernization project.—In January of 2012, NHTSA launched its Data Modernization Project to update the various elements of the data collection systems, including: sample design, IT infrastructure, data collection sites and data elements. On June 21, 2012, NHTSA published a notice requesting comments on the modernization project and recently announced that the agency intends to hold a public listening session with its stakeholders in July of 2013. The Committee believes that input from external stakeholders and experts is a critical component of the Data Modernization Project, particularly as industry, advocacy organizations and medical institutions use the NHTSA data as the foundation for their own studies and analyses. The Committee expects NHTSA to keep an ongoing dialogue with its stakeholders on this important project. The Committee directs NHTSA to provide semiannual updates to the Committee on the Agency's progress with the modernization project including a review of stakeholder comments and concerns and the Agency's response.

High-visibility enforcement programs.—NHTSA's national high-visibility enforcement campaigns for increasing seat belt use (Click

It or Ticket) and reducing drunk driving (Drive Sober or Get Pulled Over) have been successful. MAP–21 included $29,000,000 in Fiscal Year 2014 to continue the high-visibility enforcement programs and the paid advertising which supports them. The Committee supports NHTSA's Fiscal Year 2014 plans to conduct at least three of these safety campaigns: a campaign on seat belt use during the Memorial Day weekend; and impaired driving campaigns for Labor Day and the December holiday period. In addition, MAP–21 included $5,000,000 in new funding for media support of enforcement of distracted driving prevention laws. The Committee strongly believes that these important safety campaigns should be discrete initiatives in order to ensure that the Agency's message is clear and focused. The Committee directs NHTSA to provide an update to the House and Senate Committees on Appropriations on the Agency's plans for these campaigns by March 31, 2014.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

(INCLUDING RESCISSION OF FUNDS)

	Liquidation of contract authorization	Limitation on obligation	Rescission of contract authority
Appropriation, fiscal year 2013	$554,500,000	($554,500,000)	– – –
Budget request, fiscal year 2014	561,500,000	(561,500,000)	– – –
Recommended in the bill	561,500,000	(561,500,000)	−$152,281,282
Bill compared with:			
Appropriation, fiscal year 2013	+7,000,000	(+7,000,000)	−152,281,282
Budget request, fiscal year 2014	– – –	– – –	−152,281,282

The highway traffic safety state grant programs authorized under MAP–21 include: Highway Safety Programs, National Priority Safety Programs, and the High Visibility Enforcement Program.

These grant programs provide resources to states for highway safety programs that are data-driven and that meet states' most pressing highway safety problems. They are a critical asset in reducing highway traffic fatalities and injuries.

COMMITTEE RECOMMENDATION

The Committee recommends $561,500,000 in liquidating cash from the highway trust fund to pay outstanding obligations of the highway safety grant programs at the levels provided in this Act and prior appropriations Acts. The Committee also recommends limiting the obligations from the highway trust fund in fiscal year 2014 for the highway traffic safety grants programs to $561,500,000. These levels are $7,000,000 above fiscal year 2013 and the same as the budget request. The Committee's recommendation funds grant programs as authorized under MAP–21. The Committee recommendation also rescinds $152,281,282 of unobligated contract authority authorized prior to MAP–21. There was no rescission of contract authority in either fiscal year 2013 or the budget request.

ADMINISTRATIVE PROVISIONS—NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Section 140. The Committee continues a provision that provides limited funding for travel and related expenses associated with state management reviews and highway safety core competency development training.

Section 141. The Committee continues a provision that exempts from the current fiscal year's obligation limitation any obligation authority that was made available in previous public laws.

Section 142. The Committee continues a provision that prohibits funding for the National Highway Safety Advisory Committee.

FEDERAL RAILROAD ADMINISTRATION

The Federal Railroad Administration (FRA) was established by the Department of Transportation Act, on October 15, 1966. The FRA plans, develops, and administers programs and regulations to promote the safe operation of freight and passenger rail transportation in the United States. The U.S. railroad system consists of over 550 railroads with over 187,000 freight employees, 171,000 miles of track, and 1.35 million freight cars. In addition, the FRA continues to oversee grants to the National Railroad Passenger Corporation (Amtrak) with the goal of assisting Amtrak with improvements to its passenger service and physical infrastructure.

SAFETY AND OPERATIONS

Appropriation, fiscal year 2013 [1]	$178,596,000
Budget request, fiscal year 2014	184,500,000
Recommended in the bill	184,500,000
Bill compared with:	
Appropriation, fiscal year 2013	+5,904,000
Budget request, fiscal year 2014	– – –

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The safety and operations account provides funding for FRA's safety program activities related to passenger and freight railroads. Funding also supports salaries and expenses and other operating costs related to FRA staff and programs.

COMMITTEE RECOMMENDATION

The Committee recommends $184,500,000 for safety and operations, which is $5,904,000 above the fiscal year 2013 enacted level and the same as the budget request. Of the amount provided under this heading, $12,400,000 is available until expended.

RAILROAD RESEARCH AND DEVELOPMENT

Appropriation, fiscal year 2013 [1]	$35,000,000
Budget request, fiscal year 2014	35,250,000
Recommended in the bill	35,250,000
Bill compared with:	
Appropriation, fiscal year 2013	+250,000
Budget request, fiscal year 2014	– – –

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The railroad research and development program provides science and technology support for FRA's policy and regulatory efforts. The program's objectives are to reduce the frequency and severity of railroad accidents through scientific advancement, and to support technological innovations in conventional and high speed railroads.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $35,250,000 for railroad research and development, which is $250,000 above the fiscal year 2013 enacted level and the same as the budget request. The Committee's recommendation includes the following allocation for FRA's Railroad Research and Development account:

Railroad System Issues	$3,871,000
Human Factors	3,542,000
Rolling Stock and Components	2,796,000
Track and Structures	5,010,000
Track and Train Interaction	3,418,000
Train Control	6,473,000
Grade Crossings	1,613,000
Hazardous Materials Transportation	1,496,000
Train Occupant Protection	4,030,000
R&D Facilities and Test Equipment	3,001,000

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING PROGRAM

The Railroad Rehabilitation and Improvement Financing (RRIF) program was established by Public Law 109–178 to provide direct loans and loan guarantees to state and local governments, government-sponsored entities, and railroads. Credit assistance under the program may be used for rehabilitating or developing rail equipment and facilities. No federal appropriation is required to implement the program, because a non-federal partner may contribute the subsidy amount required by the Credit Reform Act of 1990 in the form of a credit risk premium.

The Committee maintains bill language specifying that no new direct loans or loan guarantee commitments may be made using federal funds for the payment of any credit premium amount during fiscal year 2014.

RAILROAD RESEARCH, DEVELOPMENT AND TECHNOLOGY PROGRAM

Appropriation, fiscal year 2013 [1]	– – –
Budget request, fiscal year 2014	[2] $54,750,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−54,750,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

[2] The administration budget requested $54,750,000 in mandatory spending from the Highway Trust Fund for another railroad research program, the Railroad Research, Development and Technology Program.

For fiscal year 2014, the administration's budget requests funding for the railroad research, development and technology program. The program is a new, unauthorized program. The Committee notes that it has not received formal legislative proposal for such program.

COMMITTEE RECOMMENDATION

The Committee recommends no funding for the railroad research, development and technology program in fiscal year 2014. The recommendation is the same as the fiscal year 2013 enacted level, and $54,750,000 below the budget request.

RAIL SERVICE IMPROVEMENT PROGRAM

Appropriation, fiscal year 2013 [1]	– – –
Budget request, fiscal year 2014	[2] $3,660,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−3,660,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.
[2] The Administration budget requested $3,660,000,000 in mandatory spending from the Highway Trust Fund for a new rail service improvement program.

The FRA budget documents include a new rail service improvement program. The program is a new, unauthorized program. The Committee has not received a formal legislative proposal for such a program.

COMMITTEE RECOMMENDATION

The Committee recommends no funding for the rail service improvement program in fiscal year 2014. The recommendation is the same as the fiscal year 2013 enacted level, and $3,660,000,000 below the budget request.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

Amtrak operates trains over 20,000 miles of track owned by freight railroad carriers, and over about 654 miles of its own track, most of which is on the Northeast Corridor (NEC) from Washington, D.C., to Boston, Massachusetts. Amtrak operates both electrified trains, which can achieve speeds of up to 150 mph on the highest quality track on the NEC, and diesel locomotives, which currently can achieve speeds between 74 and 110 miles per hour.

Congressional budget justification.—The Committee appreciates the level of detail in the fiscal year 2014 budget justifications and directs Amtrak to continue to submit justifications with a similar level of detail in all future budget years.

OPERATING GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Appropriation, fiscal year 2013	[1] $466,000,000
Budget request, fiscal year 2014	[2] – – –
Recommended in the bill	350,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−116,000,000
Budget request, fiscal year 2014	+350,000,000

[1] Does not include $32,000,000 appropriated in P.L. 113–2 to Amtrak for operating losses associated with Hurricane Sandy. Total appropriation level, including funding from P.L. 113–2, for Amtrak operating grants in fiscal year 2013 is $498,000,000. Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.
[2] FRA's budget request for Amtrak assumed a new structure for the Corporation. It requested $2,700,000,000 for the Current Passenger Rail account, which includes both operating and capital funds for Amtrak. According to FRA, the amount it requested for operating grants equates to $450,000,000, which it based on Amtrak's Fiscal Year 2012–2016 Five Year Financial Plan.

Amtrak runs a deficit each year and requires a federal subsidy to cover both operating losses and capital investments. The Committee notes, however, that the President's budget continues to request more in operating subsidy funds than it actually needs. For example, from fiscal years 2010 through 2013, the administration requested $2,382,000,000 for Amtrak operating grants. This amount exceeded the Corporation's actual loss of $1,618,000,000 by $764,000,000—about one-third more than it needed. In fiscal year 2013, Amtrak's operating subsidy request will exceed projected losses by $241,000,000, about 38 percent more than needed.

The Administration's Operating Request Consistently Exceeds Need

FY 2010–FY 2013

Funding Levels (in millions)	FY 2010	FY 2011	FY 2012	FY 2013 [2]	Total FY 2010–2013
President's Budget Request [1]	$572	$563	$616	$631	$2,382
Actual Loss	420	446	362	390	1,618
Excess Request	152	117	254	241	764

[1] In fiscal years 2012, 2013, and 2014, the President requested funds for Amtrak as mandatory. In fiscal years 2013 and 2014, the administration's budget assumed a new structure for Amtrak. Equivalent amounts for operating grants are noted.

[2] The fiscal year 2013 figures do not include amounts associated with Hurricane Sandy. In fiscal year 2013, the Administration requested $32,000,000 for operating losses associated with Hurricane Sandy, all of which the Committee provided. Amtrak's actual operating losses associated with Hurricane Sandy total $50,000,000.

From fiscal years 2010 through 2013, the Committee provided Amtrak with $2,057,000,000 in operating subsidy. Over these four fiscal years, the Corporation's actual loss totaled $1,618,000,000, resulting in an excess appropriation of $439,000,000, or 21 percent more than it needed.

Amtrak's Operating Request and Appropriation Exceeds Actual Need

FY 2010–FY 2013

Funding Levels (in millions)	FY 2010	FY 2011	FY 2012	FY 2013 [1]	Total FY 2010–2013
Appropriation	$562	$563	$466	$466	$2,057
Actual Loss	420	446	362	390	1,618
Excess Appropriation	142	117	104	76	439

[1] Fiscal year 2013 figures do not include amounts associated with Hurricane Sandy. The Committee provided $32,000,000 consistent with the administration's request. Amtrak's actual loss was $50,000,000

Although the Northeast Corridor is profitable, the federally mandated services such as long-distance and state-supported routes sustain large losses that cannot be overcome by Amtrak's profitable services. The table below reflects the profitability, or lack thereof, of Amtrak's lines of businesses.

Amtrak's Profit/(Loss) By Line of Business

FY 2011–FY 2014

Line of Business	FY 2011	FY 2012	FY 2013 (Forecast) [1]	FY 2014 (Forecast)
Northeast Corridor	255	283	365	308
State Corridors	(148)	(156)	(150)	(73)
Long Distance Routes	(554)	(558)	(606)	(610)
National Assets	1	69	(49)	2
Total Profit/Loss	(446)	(362)	(440)	(373)

[1] The fiscal year 2013 figures include Hurricane Sandy impacts, which resulting in an operating loss of $50,000,000. Amtrak's operating loss excluding losses associated with Hurricane Sandy equate to $390,000,000.

COMMITTEE RECOMMENDATION

The Committee recommends $350,000,000 for operating grants for Amtrak, which is $116,000,000 below the fiscal year 2013 enacted level and $350,000,000 above the budget request. The Committee determined the level by adjusting the projected fiscal year 2013 loss for operating losses associated with Hurricane Sandy and for proceeds associated with section 209 state supported routes.

The Committee includes bill language allowing the Secretary to retain up to one-half of one percent for FRA to implement Amtrak Operating Grants as authorized by section 103 of the Passenger Rail Investment and Improvement Act (PRIIA). FRA requires such funds to oversee the operating grants to Amtrak, to ensure prudent use of federal funds and to foster transparency.

Operating Subsidy Budget Estimates.—As noted above, the administration has consistently requested about one-third more in operating subsidy than its actual operating losses. The Committee relies on good estimates to allocate its limited resources among the entire discretionary budget. The Committee directs FRA to submit a report to the House and Senate Committees on Appropriations by January 25, 2014 detailing improvements it will make in its budget estimating process. The report shall include a list of operating line items and their associated budget request compared to the actual need for the prior two fiscal years. For each item that exceeded estimates by 10 percent or more, the report shall detail reasons for the delta, and efforts the administration will undertake to improve the estimates.

Section 209.—Enacted October 16, 2008, PRIIA (Section 209) directed the states and Amtrak to "develop and implement a single, nationwide standardized methodology for establishing and allocating the operating and capital costs among the States and Amtrak" for trains that operate on corridors of 750 miles or less. Section 209 will allocate a proportionate set of costs that reflect the routes' relative use while ensuring that Amtrak treats all states equally. Although the states and Amtrak worked cooperatively and developed a plan to implement this initiative, the administration's budget proposes to delay the execution of section 209, and instead, shift the funding burden to the Federal government. Despite this, Amtrak intends to implement section 209 in fiscal year 2014 consistent with law, and forecasts it will receive $85,000,000 from states to offset state corridor losses. The Committee supports Amtrak's decision to follow the law and implement section 209 in fiscal year 2014.

Food, Beverage and First Class Services.—Amtrak consistently incurs a loss on its food and beverage and first class service. As the table below demonstrates, Amtrak's loss totaled $313,000,000 from fiscal years 2010 through 2013 (forecast). In fiscal year 2013, Amtrak estimates that expenses will exceed revenue by nearly $75,000,000, reflecting a cost recovery of only 64 percent.

AMTRAK'S FOOD AND BEVERAGE LOSSES AND COST RECOVERY

FY 2009—FY 2012

In millions

	FY 2010	FY 2011	FY 2012	FY 2013 (forecast)	Total FY 2010–FY 2013
Total Revenue	$109.3	$121.5	$132.9	$133.5	$497.2
Total Expenses	191.7	206.0	204.9	208.3	810.9
Loss	(82.4)	(84.6)	(72.0)	(74.9)	(313.9)
Cost Recovery	57%	59%	65%	64%	61%

The majority of these losses are attributable to long distance routes and labor costs. While Amtrak has made progress at reducing commissary and support costs, labor costs have increased mainly due to wage increases. Currently, the average salary of an on-board service attendant is between $24.11 and $27.09 per hour. This is more than twice the average salary of a transportation attendant across various transportation modes [1], and over 20% higher than the average salary of a flight attendant.[2] Further, in Amtrak's last negotiated labor agreement in 2010, on-board service attendants were guaranteed a 3% wage increase per year until 2014.

The Committee is concerned that the taxpayer is footing the bill for Amtrak's consistently unprofitable food, beverage and first class service. The Committee directs Amtrak to create performance metrics in its next five year financial plan to reduce costs in food service, especially in labor costs and commissary and support costs.

Further, the Committee directs the Amtrak Inspector General (IG) to submit an analysis of the cost of providing food service. The IG should conduct a comprehensive cost comparison of current services versus the alternative of Amtrak contracting out these services. This cost comparison should include the total cost of potential buy-outs of current employees. Further, the IG should submit an analysis of which positions in food service can be contracted out and which positions cannot. This analysis and report shall be provided to the House and Senate Committees on Appropriations by November 1, 2014.

Amtrak Overtime.—The Committee commends Amtrak for making progress in reducing overtime expenses. Overtime expenses decreased from $209,091,000 in calender year 2010 to $162,461,000 in calender year 2012, a reduction of 22 percent. In addition, Amtrak contained the number of employees that exceed $35,000 in overtime payments to 703 in 2012, a reduction of 585 people from 2010. The fiscal year 2013 overtime increases are attributable to additional safety and other work resulting from Hurricane Sandy.

[1] According to the Bureau of Labor Statistics, the Mean Hourly Wage of Transportation Attendants, Except Flight Attendants is $11.64. People working in this field provide services to ensure the safety and comfort of passengers aboard ships, buses, trains, or within the station or terminal. They perform duties such as greeting passengers, explaining the use of safety equipment, serving meals or beverages, and answering questions related to travel. This definition excludes "Baggage Porters and Bellhops"

[2] According to Amtrak Financials and BLS data.

Amtrak Overtime

CY 2010–CY 2012

	CY 2010	CY 2011	CY 2012	CY 2013 (forecast)
Number of Employees with Overtime Exceeding $35,000	1,288	1,123	703	1,141
Total Overtime Wages	$209,091,000	$200,781,000	$162,461,000	$180,866,000

To ensure the Corporation continues to make progress on managing its personnel and focusing on overtime reduction, the Committee includes bill language consistent with prior years, directing Amtrak's President to approve all overtime for employees that exceed $35,000 per year, and provide that information to the Committee.

Reduced price fares.—The bill continues a provision that prohibits funding on routes where Amtrak is offering 50 percent or more off the normal, peak fare.

CAPITAL AND DEBT SERVICE GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Appropriation, fiscal year 2013 [1]	$952,000,000
Budget request, fiscal year 2014 [2]	– – –
Recommended in the bill	600,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−352,000,000
Budget request, fiscal year 2014	– – –

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

[2] FRA's budget request for Amtrak assumed a new structure for the Corporation. It requested $2,700,000,000 for the Current Passenger Rail account, which includes both operating and capital funds for Amtrak. According to FRA, the amount it requested for capital equates to $2,150,000,000.

COMMITTEE RECOMMENDATION

The Committee recommends $600,000,000 for capital grants, debt service and compliance with the Americans with Disabilities Act. The Committee's recommendation is $352,000,000 below the level enacted in fiscal year 2013.

Northeast Corridor Infrastructure and Operations Advisory Commission.—The Committee recommends up to $3,000,000, instead of up to one half of one percent of the funds provided under this heading, as enacted in fiscal year 2013. The Committee directs the Northeast Corridor Infrastructure and Operations Advisory Commission to submit its fiscal year 2015 budget request to the Appropriations Committees in a similar format and substance as those submitted by other executive agencies of the federal government.

Rolling stock acquisitions.—The Committee encourages Amtrak to apply to the Department of Transportation for a Railroad Rehabilitation and Improvement Financing loan to finance its Acela cars for the Northeast Corridor. Amtrak estimates the cars to cost $200,000,000. The Committee notes that the RRIF program was created to fund this type of investment and it is the view of the Committee that Amtrak would be eligible to receive credit assistance under RRIF.

Chief Financial Officer.—The Committee understands that Amtrak has hired a firm to assist it in its search for a chief financial officer (CFO). The Committee encourages Amtrak to hire a CFO that has Federal budget experience and is familiar with the appropriations process that is critical to Amtrak's capital and operating program.

CURRENT PASSENGER RAIL SERVICE PROGRAM

Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	[1] $2,700,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−2,700,000,000

[1] The administration requested $2,700,000,000 in mandatory spending from the Highway Trust Fund for a new rail service improvement program, which includes both capital and operating grants.

In fiscal year 2014, the FRA budget documents include a new Current Passenger Rail Service Program that replaces the National Passenger Rail program. The Committee has not received a formal legislative proposal for such a program.

COMMITTEE RECOMMENDATION

The Committee recommends no funding for the Current Passenger Rail Service Program in fiscal year 2014. The recommendation is the same as the fiscal year 2013 enacted level, and $3,660,000,000 below the budget request.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

(RESCISSION)

Rescission, fiscal year 2013	– – –
Budget request, fiscal year 2014	– – –
Recommended in the bill	−$4,419,000
Bill compared with:	
Rescission, fiscal year 2013	−4,419,000
Budget request, fiscal year 2014	−4,419,000

The Committee recommends the permanent rescission of $4,419,000 previously appropriated.

NEXT GENERATION HIGH SPEED RAIL

(RESCISSION)

Rescission, fiscal year 2013	– – –
Budget request, fiscal year 2014	– – –
Recommended in the bill	−$1,973,000
Bill compared with:	
Rescission, fiscal year 2013	−1,973,000
Budget request, fiscal year 2014	−1,973,000

The Committee recommends the permanent rescission of $1,973,000 previously appropriated.

ADMINISTRATIVE PROVISIONS—FEDERAL RAILROAD ADMINISTRATION

Section 150. The Committee retains a provision that ceases the availability of Amtrak funds if a railroad contracts for services outside the United States for any service performed by a full-time or part-time Amtrak employee as of July 1, 2006.

Section 151. The Committee retains a provision, which allows FRA to receive and use cash or spare parts to repair and replace damaged automated track inspection cars and equipment in connection with the automated track inspection program.

Section 152. The Committee continues a provision which authorizes the Secretary to allow issuers of any preferred stock to redeem or repurchase such stock sold to the Department.

Section 153. The Committee continues a provision that limits overtime to $35,000 per employee, allows Amtrak's president to waive this restriction for specific employees for safety or operational efficiency reasons, and requires notification to the House and Senate Committees on Appropriations within 30 days of granting such waivers.

FEDERAL TRANSIT ADMINISTRATION

The Federal Transit Administration (FTA) was established as a component of the Department of Transportation on July 1, 1968, when most of the functions and programs under the Federal Transit Act (78 Stat. 302; 49 U.S.C. 1601 et seq.) were transferred from the Department of Housing and Urban Development. Known as the Urban Mass Transportation Administration until enactment of the Intermodal Surface Transportation Efficiency Act of 1991, the Federal Transit Administration administers federal financial assistance programs for planning, developing, and improving comprehensive mass transportation systems in both urban and non-urban areas.

The most recent authorization for the programs under the Federal Transit Administration is contained in the Moving Ahead for Progress in the 21st Century Act (MAP–21) (P.L. 112–141). During the authorization period provided under, the annual Appropriations Acts included annual limitations on obligations for the transit formula grants programs, and direct appropriations of budget authority from the General Fund of the Treasury for the FTA's administrative expenses, research programs, and capital investment grants. The transit programs authorized under MAP–21 expire on September 30, 2014.

ADMINISTRATIVE EXPENSES

Appropriation, fiscal year 2013[1]	$102,713,000
Budget request, fiscal year 2014	109,888,000
Recommended in the bill	102,713,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−7,175,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $102,713,000 for FTA's administrative expenses, the same as the fiscal year 2013 level, and a decrease of $7,175,000 below the budget request. Of the funds provided, up to $3,000,000 is for authorized safety activities and not less than $1,000,000 is for asset management activities. These funds, when adjusting for a lack of sequester cuts, plus the administration funds provided in the Sandy Supplemental, should be more than sufficient for the day-to-day operations of the agency.

Operating Plans.—The Committee reiterates its direction from previous years which requires the FTA's operating plan to include a specific allocation of administrative expenses resources. The operating plan should include a delineation of full time equivalent employees, for the following offices: Office of the Administrator; Office of Administration; Office of Chief Counsel; Office of Communications and Congressional Affairs; Office of Program Management; Office of Budget and Policy; Office of Research, Demonstration and Innovation; Office of Civil Rights; Office of Planning and Environment; and Regional Offices plus the new safety office. Further, the operating plan must include any new programs or changes to the budget request, including new grant programs. In addition, the Committee directs the FTA to notify the House and Senate Committees on Appropriations at least thirty days in advance of any change that results in an increase or decrease of more than five percent from the initial operating plan submitted to the Committees for fiscal year 2014.

Budget Justifications and Annual New Starts Report.—The Committee also continues the direction to FTA to submit future budget justifications in a format consistent with the instruction provided in House Report 109–153. FTA is free to submit a budget in alternate formats, but must also include the information required by the Committee. The Committee has again included bill language requiring FTA to submit the annual New Starts report with the initial submission of the budget request due in February, 2014.

Transit Security.—The Committee continues bill language prohibiting FTA from creating a permanent office of transit security. The Committee's position remains that the Department of Homeland Security is the lead agency on transportation security and has overall responsibility among all modes of transportation, including rail and transit lines.

Full Funding Grant Agreements (FFGAs).—TEA–21 required that the FTA notify the House and Senate Committees on Appropriations as well as the House Committee on Transportation and Infrastructure and the Senate Committee on Banking sixty days before executing a full funding grant agreement. In its notification to the House and Senate Committees on Appropriations, the Committee directs the FTA to include the following: (1) a copy of the proposed full funding grant agreement; (2) the total and annual federal appropriations required for that project; (3) yearly and total federal appropriations that can be reasonably planned or anticipated for future FFGAs for each fiscal year through 2016; (4) a detailed analysis of annual commitments for current and anticipated FFGAs against the program authorization; (5) an evaluation of whether the alternatives analysis made by the applicant fully assessed all viable alternatives; (6) a financial analysis of the project's cost and sponsor's ability to finance the project, which shall be conducted by an independent examiner and which shall include an assessment of the capital cost estimate and the finance plan; (7) the source and security of all public- and private-sector financial instruments; (8) the project's operating plan, which enumerates the project's future revenue and ridership forecasts; and (9) a listing of all planned contingencies and possible risks associated with the project.

The Committee continues the direction to FTA to inform the House and Senate Committees on Appropriations in writing thirty days before approving schedule, scope, or budget changes to any full funding grant agreement. Correspondence relating to changes shall include any budget revisions or program changes that materially alter the project as originally stipulated in the full funding grant agreement, including any proposed change in rail car procurements.

In addition, the Committee directs FTA to continue reporting monthly to the House and Senate Committees on Appropriations on the status of each project with a full funding grant agreement or that is within two years of a full funding grant agreement. Considering the scale of the proposed projects, the changes to the program in MAP–21, and the massive growth in this account, the Committee finds monthly oversight reports particularly useful.

TRANSIT FORMULA GRANTS

(LIQUIDATION OF CONTRACT AUTHORITY)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2013	$9,400,000,000	$8,400,000,000
Budget request, fiscal year 2014	9,500,000,000	8,595,000,000
Recommended in the bill	9,500,000,000	8,595,000,000
Bill compared with:		
Appropriation, fiscal year 2013	+100,000,000	+195,000,000
Budget request, fiscal year 2014	– – –	– – –

MAP–21 provided contract authority for the transit formula grant programs from the mass transit account of the highway trust fund. These programs include: urbanized area formula, state safety oversight program, state of good repair grants, formula grants for rural areas, growing states and high density states, mobility for seniors and persons with disabilities, bus and bus facility formula grants, the bus testing facility, planning programs, transit oriented development, National Transit Institute, and the National Transit Database. The Appropriations Act sets an annual obligation limitation for such authority. This account is the only FTA account funded from the highway trust fund.

COMMITTEE RECOMMENDATION

The Committee recommends an obligation limitation of $8,595,000,000 for the formula programs and activities which is the same as the budget request and $195,000,000 above the fiscal year 2013 enacted level. The Committee's recommendation also includes $9,500,000,000 in liquidating funds.

The Committee notes that a number of localities are negatively impacted by changes in the Transit Formula Program brought about through MAP–21. Funding available for bus replacement, purchase, and rehabilitation is significantly reduced from prior years, seriously impacting transit entities in medium and smaller-sized cities and in regions and states that have older bus fleets. These states and regions make significant contributions to the balances of the Mass Transit Account and the Highway Trust Fund, and they should see a more commensurate return on their contribution. The Committee directs FTA to study the impact of this formula change, and report on the differences between funding levels and percentages of overall formula funding by state, and provide suggestions on alternative distribution methodologies that can constructively address this MAP–21 shortcoming.

PUBLIC TRANSPORTATION EMERGENCY RELIEF PROGRAM

Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	$25,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−25,000,000

MAP–21 authorized a new program to provide funds to transit agencies after disaster events to restore service. Both capital and operating costs are eligible, however, this program does not replace the Federal Emergency Management Agency's (FEMA) capital assistance program.

COMMITTEE RECOMMENDATION

The Committee recommendation does not include funds for this new account. First and foremost, the Committee will make funding determinations for emergency funds on a case-by-case basis and is not willing to spend $25,000,000 to sit in FTA's Treasury account. Second, the Committee provided $10,900,000,000 for this account after the Sandy storm hit the Northeast, and the Committee prefers to evaluate the methods, oversight and effectiveness of how this money, and this program is administered before committing new funds in 2014. The Committee, particularly the THUD Subcommittee and the Homeland Security Subcommittee, question the memorandum of agreement (MOA) signed by FEMA and FTA as the MOA doesn't clearly delineate the costs and responsibilities assigned to each agency. Further, if the FTA program does not replace FEMA's program, the Committee can't help but wonder if this program is duplicative in nature and unnecessary.

RESEARCH, DEVELOPMENT, DEMONSTRATION, AND DEPLOYMENT PROGRAM

Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	$30,000,000
Recommended in the bill	20,000,000
Bill compared with:	
Appropriation, fiscal year 2013	+20,000,000
Budget request, fiscal year 2014	−10,000,000

MAP–21 authorizes FTA to conduct research activities that improve the safety, reliability, efficiency, and sustainability of public transportation by investing in the development, testing, and deployment of innovative technologies, materials and processes. FTA is also authorized to award grants to demonstrate and deploy new technologies that promote clean energy and improve air quality with low-emission or no-emission vehicles.

COMMITTEE RECOMMENDATION

The Committee recommends $20,000,000 for transit research and development, $10,000,000 below the budget request. Prior to MAP–

21, FTA had one main research account most recently funded at $44,000,000 in fiscal year 2013. MAP–21 broke out many of the activities into four different accounts.

Consistent with the direction that was provided in previous years, the Committee requires FTA to report by May 15, 2014, on all FTA-sponsored research projects from fiscal year 2013 and 2014. For each project, the report should include information on the national relevance of the research, relevance to the transit industry and community, expected final product and delivery date, sources of non-FTA funding committed to the project or research institute, and FTA funding history.

TRANSIT COOPERATIVE RESEARCH

Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	$7,000,000
Recommended in the bill	4,000,000
Bill compared with:	
Appropriation, fiscal year 2013	+4,000,000
Budget request, fiscal year 2014	−3,000,000

MAP–21 authorizes FTA to provide funds to the National Academy of Sciences to conduct investigative research on subjects related to public transportation.

COMMITTEE RECOMMENDATION

The Committee recommends $4,000,000 for transit cooperative research, $3,000,000 below the budget request. Prior to MAP–21, FTA had one main research account most recently funded at $44,000,000 in fiscal year 2013. MAP–21 broke out many of the activities into four different accounts.

Similar to the other research accounts, the Committee requires FTA to report by May 15, 2014, on all FTA-sponsored research projects from fiscal year 2013 and 2014 at the National Academy of Sciences. For each project, the report should include information on the national relevance of the research, relevance to the transit industry and community, expected final product and delivery date, sources of non-FTA funding committed to the project or research institute, and FTA funding history.

TECHNICAL ASSISTANCE AND STANDARDS DEVELOPMENT

Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	$7,000,000
Recommended in the bill	4,000,000
Bill compared with:	
Appropriation, fiscal year 2013	+4,000,000
Budget request, fiscal year 2014	−3,000,000

MAP–21 authorizes FTA to provide technical assistance to the public transportation industry and to develop standards for transit service provision, with an emphasis on improving access for all individuals and transportation equity.

COMMITTEE RECOMMENDATION

The Committee recommends $4,000,000 for technical assistance and standards development, $3,000,000 below the budget request. Prior to MAP–21, FTA had one main research account most recently funded at $44,000,000 in fiscal year 2013. MAP–21 broke out many of the activities into four different accounts.

The Committee recognizes the continuing need for a strong technical assistance, education, and research program on the mobility needs of people with disabilities and older adults. The Committee strongly supports ongoing partnerships with organizations that have experience and a successful track record in providing technical assistance for these special needs populations.

Public transportation options for seniors.—The Committee encourages FTA to explore improvements for the transportation options for seniors, including public transportation options where available, but also including software programs that leverage unused private transportation capacity to promote transportation for seniors in small and rural communities. Through increased attention to these multiple options for private senior transport, the FTA can improve highway safety and the quality of life for seniors nationwide.

HUMAN RESOURCES AND TRAINING

Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	$5,000,000
Recommended in the bill	2,000,000
Bill compared with:	
Appropriation, fiscal year 2013	+2,000,000
Budget request, fiscal year 2014	−3,000,000

MAP–21 authorizes FTA to carry out human resource and training activities and to establish a competitive workforce development grant program, with the goal of improving the skill and capability of the transit industry workforce to operate increasingly complex transit vehicles and fixed guideway systems.

COMMITTEE RECOMMENDATION

The Committee recommends $2,000,000 for human resources and training, $3,000,000 below the budget request. Prior to MAP–21, FTA had one main research account most recently funded at $44,000,000 in fiscal year 2013. MAP–21 broke out many of the activities into four different accounts.

CAPITAL INVESTMENT GRANTS

Appropriation, fiscal year 2013 [1]	$1,955,000,000
Budget request, fiscal year 2014	1,981,472,000
Recommended in the bill	1,815,655,000
Bill compared with:	
Appropriation, fiscal year 2013	−139,345,000
Budget request, fiscal year 2014	−165,817,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

Grants for capital investment to rail or other fixed guideway transit systems are awarded to public bodies and agencies (transit authorities and other state and local public bodies and agencies thereof) including states, municipalities, other political subdivisions of states; public agencies and instrumentalities of one or more states; and certain public corporations, boards and commissions under state law.

COMMITTEE RECOMMENDATION

The Committee recommends $1,815,655,000 for capital investment grants which is $139,345,000 below the fiscal year 2013 enacted level and $165,817,000 below the budget request. The administration proposed to use $151,388,000 in prior year unused transit funds for 2014 projects bring the request to $2,132,860,000.

Within the amount provided, the Committee includes a total of $17,977,000, or approximately one percent, for oversight activities related to the investments in this account.

The fiscal year 2014 recommendation provides $1,684,756,000 for all current and on-going full funding grant agreements as requested in the budget. In addition, $25,086,000 is provided for two existing small start projects, and $87,836,000 is provided for small start projects new in fiscal year 2014 as requested. No funds are provided for new full funding grant agreements, and no funds are provided for the new core capacity program.

The Committee assumes funding for the following projects that were included in the fiscal year 2014 budget request:

	FY 2014 Funding
Signed FFGAs.	
Dallas Northwest Southeast LRT, TX	$8,727,000
New York East Side Access, NY	215,000,000
New York Second Ave Subway, NY	14,640,000
Seattle University Link, WA	110,000,000
Dulles Extension to Wiehle Ave, VA	96,000,000
Central Corridor LRT, MN	98,444,000
Hartford New Britain Busway, CT	58,716,000
Central Florida Commuter Rail, FL	4,195,000
RTD Eagle Denver, CO	150,000,000
South Sacramento Corridor Phase 2, CA	2,506,000
Third Street Light Rail Phase 2—Central, CA	150,000,000
Silicon Valley Barryessa Extension, CA	150,000,000
Honolulu, HI	250,000,000
Charlotte Lynx Blue Line NE, NC	100,000,000
Portland-Milwaukie Light Rail, OR	100,000,000
Houston North Corridor, TX	88,264,000
Houston Southeast Corridor, TX	88,264,000
Small Starts.	
Central Mesa LRT, AZ	$20,617,000
Silver Line BRT, MI	4,469,000
Fresno Area Blackstone/Kings BRT, CA	10,000,000
JTA BRT North Corridor, FL	19,075,000
JTA BRT Southeast Corridor, FL	19,101,000
West Eugene EmX Extension, OR	24,423,000
Dyer Corridor BRT, TX	15,237,000

For years, the Committee has directed FTA to better manage the new starts account and the pipeline of projects so as not to create an unrealistic funding requirement for existing FFGAs. However, this budget proposal is really quite duplicitous. FTA proposed to fund two new projects in the Los Angeles area that were anticipated to reach FFGA in September 2013 (one of which is now being re-evaluated), and one project in Washington State slated for an FFGA in May 2014. What the budget doesn't relay is that two other projects—one in Massachusetts and one in Florida, would actually reach their FFGA milestones prior to the Washington State project, yet the Florida and the Massachusetts projects were not selected for funding. FTA instead proposed to leap frog one project over two others. And because of the earmark rules, this Committee would be powerless to direct funds to the projects that reach their FFGA milestone first because the President did not include those projects in his request. Yes, the Committee directed FTA to give a closer look at the projects moving through the grant pipeline and be more selective on which projects receive Federal dollars. Picking and choosing favorites was not the intention.

The Committee continues to direct FTA to only further projects to a full funding grant agreement if the project requires a less than 60 percent new starts share and rates medium high or high in the categories related to finance and reducing congestion.

A number of medium-sized cities have contacted the Committee expressing concern about the changes to the New Starts Program in MAP–21 related to the cost-effectiveness ratings and boarding requirements. Recent guidance penalizes a number of cost-effective bus projects in these medium-sized cities through revised, but out-of-reach rider thresholds. The new threshold requirments effectively block funding opportunities for corridor-based bus projects in these markets. At a time when FTA professes to encourage the broader use of public transit in all cities, this recent guidance has the potential to block transit development in less dense, but growing regions of the country.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Appropriation, fiscal year 2013 [1]	$150,000,000
Budget request, fiscal year 2014	150,000,000
Recommended in the bill	125,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−25,000,000
Budget request, fiscal year 2014	−25,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

Section 601 of Division B of the Passenger Rail Investment and Improvement Act of 2008 (Public Law 110–432) authorized $1.5 billion over a ten-year period for preventive maintenance and capital grants for the Washington Metropolitan Area Transportation Authority (WMATA). The law requires that the federal funds be matched dollar-for-dollar by Virginia, Maryland and the District of Columbia in equal proportions. The compact required under the law has been established and Virginia, Maryland and the District of Columbia have all committed to providing $50 million each in local matching funds.

COMMITTEE RECOMMENDATION

The Committee recommendation includes $125,000,000 for preventive maintenance and capital grants for WMATA, which is $25,000,000 less than both the budget request and the fiscal year 2013 enacted level. The Committee directs WMATA to continue addressing the safety issues within the agency, specifically, those identified by the National Transportation Safety Board (NTSB). Further, the Committee directs WMATA to continue with its capital improvement plans and not defer capital and safety investments in order to offset operating costs.

ADMINISTRATIVE PROVISIONS—FEDERAL TRANSIT ADMINISTRATION

(INCLUDING RESCISSIONS OF FUNDS)

Section 160. The Committee continues the provision that exempts previously made transit obligations from limitations on obligations.

Section 161. The Committee continues the provision that allows funds appropriated for capital investment grants and bus and bus facilities not obligated by September 30, 2015, plus other recoveries to be available for other projects under 49 U.S.C. 5309.

Section 162. The Committee continues the provision that allows for the transfer of prior year appropriations from older accounts to be merged into new accounts with similar, current activities.

Section 163. The Committee includes a provision that rescinds a total of $151,338,000 from unobligated prior year funds.

Section 164. The Committee continues the provision that permits the Secretary to consider significant private contributions when calculating the non-Federal share of new starts projects.

Section 165. The Committee continues the provision that prohibits a full funding grant agreement for a project with a new starts share greater than 50%.

Section 166. The Committee includes a provision regarding a certain fixed guideway project in Houston, Texas.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

Appropriation, fiscal year 2013 [1]	$32,259,000
Budget request, fiscal year 2014	32,855,000
Recommended in the bill	30,582,000
Bill compared with:	
Appropriation, fiscal year 2013	−1,677,000
Budget request, fiscal year 2014	−2,273,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Great Lakes Saint Lawrence Seaway System, located between Montreal and Lake Erie, is a binational, 15-lock system jointly operated by the U.S. Saint Lawrence Seaway Development Corporation (SLSDC) and its Canadian counterpart, the Canadian St. Lawrence Seaway Management Corporation. The SLSDC was established by the St. Lawrence Seaway Act of 1954 and is a wholly owned government corporation and an operating administration of the U.S. Department of Transportation (DOT). The SLSDC is charged with operating and maintaining the U.S. portion of the St. Lawrence Seaway. This responsibility includes the two U.S. locks in Massena, New York, vessel traffic control in portions of the St. Lawrence River and Lake Ontario, and trade development functions to enhance the utilization of the St. Lawrence Seaway.

The Water Resources Development Act of 1986 authorized the Harbor Maintenance Trust Fund as a source of appropriations for SLSDC operations and maintenance. Additionally, the SLSDC generates non-federal revenues which can then be used for operations and maintenance.

COMMITTEE RECOMMENDATION

The Committee recommends a total appropriation of $30,582,000 to fund the operations, maintenance, and capital asset renewal needs of the SLSDC. This funding level is $1,677,000 lower than the fiscal year 2013 appropriation and $2,273,000 lower than the 2014 budget request. The Committee continues the requirement that the SLSDC provides semiannual reports consistent with the requirements stated in the Explanatory Statement of the Department of Transportation Appropriations Act of 2009.

MARITIME ADMINISTRATION

The Maritime Administration (MARAD) is responsible for programs that strengthen the U.S. maritime industry in support of the Nation's security and economic needs, as authorized by the Merchant Marine Act of 1936. MARAD's mission is to promote the development and maintenance of an adequate, well-balanced United States merchant marine, sufficient to carry the Nation's domestic waterborne commerce and a substantial portion of its waterborne foreign commerce, and capable of serving as a naval and military auxiliary in time of war or national emergency. MARAD, working with the Department of Defense (DoD), helps provide a seamless, time-phased transition from peacetime to wartime operations, while balancing the defense and commercial elements of the maritime transportation system. MARAD also manages the maritime security program, the voluntary intermodal sealift agreement program and the ready reserve force, which assures DoD access to commercial and strategic sealift and associated intermodal capability. Further, MARAD's education and training programs through the U.S. Merchant Marine Academy and six state maritime academies help create skilled U.S. merchant marine officers.

MARITIME SECURITY PROGRAM

Appropriation, fiscal year 2013 [1]	$174,000,000
Budget request, fiscal year 2014	208,000,000
Recommended in the bill	174,000,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−34,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The purpose of the Maritime Security Program (MSP) is to maintain and preserve a U.S. flag merchant fleet to serve the national security needs of the United States. The MSP provides direct payments to U.S. flagship operators engaged in U.S.-foreign trade. Participating operators are required to keep the vessels in active commercial service and are required to provide intermodal sealift support to the Department of Defense in times of war or national emergency.

COMMITTEE RECOMMENDATION

The Committee recommends $174,000,000 for this account, the same as the fiscal year 2013 funding level and $34,000,000 below the request. This recommendation provides funding directly to MARAD and assumes that MARAD will continue to administer the program with support and consultation from the Department of Defense. Funds are available until expended. The Committee does not provide the $25,000,000 requested for new payments to shippers since the Committee has not adopted changes to the food aid program.

OPERATIONS AND TRAINING

Appropriation, fiscal year 2013[1]	$156,258,000
Budget request, fiscal year 2014	152,168,000
Recommended in the bill	143,768,000
Bill compared with:	
Appropriation, fiscal year 2013	−12,490,000
Budget request, fiscal year 2014	−8,400,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The operations and training account provides funding for headquarters and field offices to administer and direct MARAD operations and programs. The account also provides funding for the operation of the U.S. Merchant Marine Academy and financial assistance to the six state maritime academies.

COMMITTEE RECOMMENDATION

The Committee recommends $143,768,000 for MARAD operations and training expenses, $12,490,000 less than the fiscal year 2013 funding level and $8,400,000 below the fiscal year 2014 budget request.

MARAD Operations.—Of the funds provided, $45,000,000 is for headquarters and regional office operations, and maritime program expenses. This proposal reflects a reduction of $1,199,000 from the fiscal year 2013 enacted level and $2,000,000 below the request. The Committee notes that MARAD provided little to no justification for the headquarters budget request in the budget documents. The Committee continues the reporting requirement that MARAD submit information on the number of vacancies at MARAD headquarters and regional offices, and the duties associated with each vacancy concurrent with the fiscal year 2014 budget submission.

National Maritime Heritage Grants.—The Committee is concerned with delays in the administration of the National Maritime Heritage Grants Program as authorized under P.L. 103–451, and encourages the Maritime Administration to place priority on the prompt implementation of this grant program.

Short-sea shipping innovations.—The Committee acknowledges the potential for cost savings and increased economic efficiency through the use of short-sea shipping, and appreciates the attention MARAD has focused on the concept in recent years. The Committee encourages MARAD to continue devoting resources to the development of innovative solutions, such as proposed designs for an articulated tug-barge, that could enable companies to use short-sea shipping routes to reach both new and old markets at substantially lower costs than traditional overland shipping routes.

N.S. Savannah.—The Committee does not adopt the proposal to fund the N.S. Savannah under this account and will instead fund these activities under the ship disposal account.

United States Merchant Marine Academy.—The U.S. Merchant Marine Academy (the Academy or USMMA) provides educational programs for men and women to become shipboard officers and leaders in the maritime industry. The Committee continues to include language requiring all funding for the Academy go directly to the Secretary, and that 50 percent of the funding will not be available until MARAD submits a plan detailing how the funding will be spent. The Committee's funding recommendation includes a total of $79,268,000 in fiscal year 2014 for the USMMA, of which up to $67,268,000 is for Academy operations and not less than $12,000,000 is for capital improvements.

State Maritime Academies.—The Committee recommends $17,500,000 for the state maritime academies. Of the funds provided, $3,600,000 is for direct payments, $2,400,000 is for student payments, and $11,500,000 is for schoolship maintenance and repair.

SHIP DISPOSAL

Appropriation, fiscal year 2013 [1]	$5,500,000
Budget request, fiscal year 2014	2,000,000
Recommended in the bill	4,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−1,500,000
Budget request, fiscal year 2014	+2,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

MARAD serves as the federal government's disposal agent for government-owned merchant vessels weighing 1,500 gross tons or more. The ship disposal program provides resources to dispose of obsolete merchant-type vessels in the National Defense Reserve Fleet (NDRF). The Maritime Administration was required by Public Law 106–398 to dispose of its obsolete inventory by the end of 2006. These vessels pose a significant environmental threat due to the presence of hazardous substances such as asbestos and solid and liquid polychlorinated biphenyls (PCBs). As reported in the fiscal year 2014 budget documents, MARAD has custody of approximately 35 obsolete vessels that are not yet under contract for disposal, a reduction of 14 ships from the 49 reported in the 2013 budget. The obsolete ships are located at the James River Reserve Fleet site in Virginia (10 ships—a reduction of 4 from the prior year), the Suisun Bay Reserve Fleet (SBRF) site in California (17 ships—a reduction of 10 from the prior year), and the Beaumont Reserve Fleet site in Texas (5 ships—3 less than the prior year). MARAD anticipates removing another 6 ships from the SBRF during fiscal year 2014.

COMMITTEE RECOMMENDATION

The Committee recommends $4,000,000 for this account, $1,500,000 below the fiscal year 2013 funding level and $2,000,000 over the budget request. Funds are available until expended.

The Committee rejects the budget proposal to move funds for the maintenance and safeguarding of the Nuclear Ship Savannah to the operations and training account and has provided $2,000,000 for these activities under this heading. The proposal to move to operations and training sends the signal that MARAD is not actively working toward disposing of this ship. The Committee encourages MARAD and the Administration to make funds available for disposal in the next budget as the costs associated with these activities only multiply year after year, and the deadline is looming.

The remaining funds are for ship disposal activities. The Committee notes MARAD has successfully put a number of ships out for sale rather than contracting for disposal, thus saving the taxpayer millions. The fiscal year 2014 proposed funding level reflects the Committee's confidence that MARAD can continue moving a significant number of ships out of the NDRF by sales rather than by contract.

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2013[1]	$3,740,000
Budget request, fiscal year 2014	2,655,000
Recommended in the bill	2,655,000
Bill compared with:	
Appropriation, fiscal year 2013	−1,085,000
Budget request, fiscal year 2014	– – –

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Maritime Guaranteed Loan Program, as provided for by Title XI of the Merchant Marine Act of 1936, provides for guaranteed loans for purchasers of ships from the U.S. shipbuilding industry and for modernization of U.S. shipyards. Funds for administrative expenses for the Title XI program are appropriated to this account, and then paid to operations and training to be obligated and expended.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $2,655,000 for the Maritime Guaranteed Loan (Title XI) Program, $1,085,000 below the amount provided in fiscal year 2013.

ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

Section 170. The Committee continues a provision that allows the Maritime Administration to furnish utilities and services and make repairs to any lease, contract, or occupancy involving government property under the control of MARAD and rental payments shall be paid into the Treasury as miscellaneous receipts.

Section 171. The Committee continues a provision regarding MARAD ship disposal.

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

The Pipeline and Hazardous Materials Safety Administration (PHMSA) administers nationwide safety programs designed to protect the public and the environment from risks inherent in the commercial transportation of hazardous materials by pipeline, air, rail, vessel, and highway. Many of these materials are essential to the national economy. The agency's highest priority is safety, and it uses safety management principles and security assessments to promote the safe transport of hazardous materials and the security of the nation's pipelines.

OPERATIONAL EXPENSES

(PIPELINE SAFETY FUND)

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2013 [1]	$21,360,000
Budget request, fiscal year 2014	21,654,000
Recommended in the bill	21,167,000
Bill compared with:	
Appropriation, fiscal year 2013	−193,000
Budget request, fiscal year 2014	−487,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

This appropriation finances the operational support costs for PHMSA, including agency-wide functions of administration, management, policy development, legal counsel, budget, financial management, civil rights, human resources, acquisition services, information technology, and governmental and public affairs.

COMMITTEE RECOMMENDATION

The Committee recommends $21,167,000 for PHMSA operational expenses, of which $639,000 shall be derived from the Pipeline Safety Fund. This is $193,000 below fiscal year 2013, and $487,000 below the budget request. The Committee includes bill language directing PHMSA to transfer $1,000,000 to the pipeline safety program to fund pipeline information grants to communities.

HAZARDOUS MATERIALS SAFETY

Appriation, fiscal year 2013 [1]	$42,338,000
Budget request, fiscal year 2014	45,801,000
Recommended in the bill	42,762,000
Bill compared with:	
Appropriation, fiscal year 2013	+424,000
Budget request, fiscal year 2014	−3,039,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The hazardous materials safety program advances the safe and secure transport of hazardous materials (hazmat) in commerce by air, truck, railroad and vessel. PHMSA evaluates hazmat safety risks, develops and enforces regulations for transporting hazmat, educates shippers and carriers, investigates hazmat incidents and failures, conducts research, and provides grants to improve emergency response to transportation incidents involving hazmat.

COMMITTEE RECOMMENDATION

The Committee recommends $42,762,000, to continue the Agency's hazardous materials safety program, which is $424,000 above fiscal year 2013 and $3,039,000 below the budget request. This amount reflects the maximum authorized funding level. The Committee recommends $1,725,000 of the total to remain available for three years for long-term research and development contracts.

Special Permits and Approvals Fee Proposal.—The Committee does not include the request for a new fee on the processing and enforcing of special permits and approvals. Additional fees within this account should be considered in the context of authorizing legislation originating in the committees of jurisdiction.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

(PIPELINE SAFETY DESIGN REVIEW FUND)

	(Pipeline safety fund)	(Oil spill liability trust fund)	(Design review fund)	Total
Appropriation, fiscal year 2013 [1]	$90,679,000	$18,573,000		$109,252,000
Budget request, fiscal year 2014	133,000,000	18,573,000	$2,000,000	153,573,000
Recommended in the bill	90,679,000	18,573,000	2,000,000	111,252,000
Bill compared to:				
Appropriation, fiscal year 2013	– – –	– – –	2,000,000	2,000,000
Budget request, fiscal year 2014	−42,321,000	– – –	– – –	−42,321,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

PHMSA oversees the safety, security, and environmental protection of pipelines through analysis of data, damage prevention, education and training, development and enforcement of regulations and policies, research and development, grants for states pipeline safety programs, and emergency planning and response to accidents. The pipeline safety program is responsible for a national regulatory program to protect the public against the risks to life and property in the transportation of natural gas, petroleum and other hazardous materials by pipeline.

COMMITTEE RECOMMENDATION

The Committee recommends $111,252,000 to continue pipeline safety operations, research and development, and state grants-in-aid, which is $2,000,000 above fiscal year 2013 and $42,321,000 below the budget request. Of the total, $18,573,000 is from the oil spill liability trust fund, $90,679,000 is from the pipeline safety fund, and $2,000,000 is from the pipeline safety design review fund. These amounts reflect the maximum authorized funding levels.

The Committee recommends $1,058,000 of the funds provided to be used for the one-call State grant program. The Committee recommends $52,000,000 of the funds provided to remain available until September 30, 2016.

Pipeline safety design review fund.—The Committee allows $2,000,000 in budgetary resources to be derived from fees collected by the Pipeline Safety Design Review Fund as authorized. If no qualifying projects are initiated in fiscal year 2014, then no fees will be collected and these funds will not be expended.

Self-contained breathing apparatus.—The Committee is advised that the approval processes for Self Contained Breathing Apparatus (SCBA) respirator cylinders by both PHMSA and the National Institute for Occupational Safety and Health may be duplicative and potentially restrictive of competitive options. The Committee directs PHMSA to conduct a study within one year of enactment on whether these approval processes can be made more efficient.

Pipeline emergencies training.—Given the aging U.S. pipeline infrastructure, and the vulnerability of that infrastructure to safety and environmental threats posed by the condition of the infrastructure, it is critical that those individuals charged with responding to pipeline and pipeline-related emergencies, are properly trained. The Committee urges PHMSA take a more active role in promoting ways to deliver such training. The Committee directs PHMSA to report to the House and Senate Appropriations Committees within 180 days after enactment of this Act on its assessment of pipeline emergency response training and where improvements can be made.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

	(Emergency preparedness fund)	(Emergency preparedness grant program)
Appropriation, fiscal year 2013[1]	$188,000	($28,318,000)
Budget request, fiscal year 2014	188,000	(28,318,000)
Recommended in the bill	188,000	(28,318,000)
Bill compared to:		
Appropriation, fiscal year 2013	– – –	(– – –)
Budget request, fiscal year 2014	– – –	(– – –)

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Hazardous Materials Transportation Uniform Safety Act of 1990 (Public Law 101–615) requires PHMSA to: (1) develop and implement a reimbursable emergency preparedness grant program; (2) monitor public sector emergency response training and planning and provide technical assistance to states, political subdivisions and Indian tribes; and (3) develop and update periodically a mandatory training curriculum for emergency responders.

COMMITTEE RECOMMENDATION

The Committee recommends $28,318,000 for the emergency preparedness grants program, which is the same as fiscal year 2013 and the budget request. These amounts reflect the maximum authorized funding levels.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

The Inspector General's office was established in 1978 to provide an objective and independent organization that would be more effective in: (1) preventing and detecting fraud, waste, and abuse in departmental programs and operations; and (2) providing a means of keeping the Secretary of Transportation and the Congress fully and currently informed of problems and deficiencies in the administration of such programs and operations. According to the authorizing legislation, the Inspector General (IG) is to report dually to the Secretary of Transportation and to the Congress.

Appropriation, fiscal year 2013[1]	$79,624,000
Budget request, fiscal year 2014	85,605,000
Recommended in the bill	79,624,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−5,981,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

COMMITTEE RECOMMENDATION

The Committee recommendation provides $79,624,000 for fiscal year 2014, which is the same as the fiscal year 2013 enacted level and $5,981,000 below the budget request. The Committee continues to highly value the work of the IG in oversight of departmental programs and activities.

Unfair Business Practices.—The bill maintains language first enacted in fiscal year 2000 which authorizes the IG to investigate allegations of fraud and unfair or deceptive practices and unfair methods of competition by air carriers and ticket agents.

Audit Reports.—The Committee requests the IG to continue forwarding copies of all audit reports to the Committee immediately after they are issued, and to continue to make the Committee aware immediately of any review that recommends cancellation or modifications to any major acquisition project or grant, or which recommends significant budgetary savings. The IG is also directed to withhold from public distribution for a period of 15 days any final audit or investigative report which was requested by the House or Senate Committees on Appropriations.

Oversight of the Metropolitan Washington Airports Authority.—The Committee has continuing concerns about the lack of oversight of the Metropolitan Washington Airport Authority (MWAA). A recent investigation by the DOT Inspector General (IG) found a number of cases of questionable sole source contracting practices, a lack of ethical disclosure requirements for board members, and an overall lack of accountability and transparency. In order to improve the oversight of MWAA, the Committee recommendation includes a new provision that provides the DOT IG with oversight responsibilities for MWAA, and requires that MWAA reimburse the DOT IG for this new responsibility.

Houston METRO Finances.—The Committee directs the IG to conduct an audit into the financial solvency of Metropolitan Transit Authority of Harris County, Texas (Houston METRO). As part of this audit, the IG should conduct a stress test to determine if Houston METRO has adequate finances to pay for the construction of new rail lines as well as the operation and maintenance of existing rail lines and the operation and maintenance of buses.

SURFACE TRANSPORTATION BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2013 [1]	$29,310,000
Budget request, fiscal year 2014	30,775,000
Recommended in the bill	29,310,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−1,465,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Surface Transportation Board (STB) was created in the Interstate Commerce Commission Termination Act of 1995 and is the successor agency to the Interstate Commerce Commission. The STB is an economic regulatory and adjudicatory body charged by Congress with resolving railroad rate and service disputes and reviewing proposed railroad mergers. The STB is decisionally independent, although it is administratively affiliated with the Department of Transportation. The Passenger Rail Investment and Improvement Act of 2008, Pub. L. 110–432, (PRIIA), included new responsibilities for the STB.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $29,310,000 for fiscal year 2014, which is equal to the fiscal year 2013 enacted level and $1,465,000 below the fiscal year 2013 budget request. The STB is estimated to collect $1,250,000 in fees which will offset the appropriation for a total program cost of $28,060,000.

GENERAL PROVISIONS—DEPARTMENT OF TRANSPORTATION

Section 180. The Committee continues the provision allowing the Department of Transportation (DOT) to use funds for aircraft; motor vehicles; liability insurance; uniforms; or allowances, as authorized by law.

Section 181. The Committee continues the provision limiting appropriations for services authorized by 5 U.S.C. 3109 to the rate for an Executive Level IV.

Section 182. The Committee continues the provision prohibiting funds in this act for salaries and expenses of more than 110 political and Presidential appointees in the DOT and prohibits political and Presidential personnel from being assigned on temporary detail outside the DOT.

Section 183. The Committee continues the provision prohibiting recipients of funds made available in this Act from releasing personal information, including Social Security number, medical or disability information, and photographs from a driver's license or motor vehicle record, without express consent of the person to whom such information pertains; and prohibits the withholding of funds provided in this Act for any grantee if a state is in noncompliance with this provision.

Section 184. The Committee continues the provision allowing funds received by the Federal Highway Administration, Federal Transit Administration, and the Federal Railroad Administration from states, counties, municipalities, other public authorities, and private sources to be used for expenses incurred for training may be credited to each agency's respective accounts.

Section 185. The Committee continues the provision prohibiting funds from being used to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations not less than three full business days before any discretionary grant award, letter of intent, or full funding grant agreement totaling $1,000,000 or more is announced by the Department or its modal administrations, and directs the Secretary to give concurrent notification for any "quick release" of funds from the Federal Highway Administration's emergency relief program.

Section 186. The Committee continues a provision allowing funds received from rebates, refunds, and similar sources to be credited to appropriations of the DOT.

Section 187. The Committee continues a provision allowing amounts from improper payments to a third party contractor that are lawfully recovered by the DOT to be available to cover expenses incurred in the recovery of such payments.

Section 188. The Committee mandates that reprogramming actions are to be approved or denied solely by the House and Senate Committees on Appropriations.

Section 189. The Committee caps the amount of fees the Surface Transportation Board can charge and collect for late complaints filed at the amount authorized for court civil suit filing fees.

Section 190. The Committee includes a provision allowing funds to the modal administrations to be obligated to the Office of the Secretary for the costs related to assessments or reimbursable agreements only when such amounts are for the costs of goods and services that are purchased to provide a direct benefit to the applicable modal administration or administration.

Section 191. The Committee includes a provision regarding agency transit benefits.

Section 192. The Committee includes a provision prohibiting funds for California High-Speed Rail.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MANAGEMENT AND ADMINISTRATION

Appropriation, fiscal year 2013[1]	$1,331,500,000
Budget request, fiscal year 2014	1,339,100,000
Recommended in the bill	1,266,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−65,500,000
Budget request, fiscal year 2014	−73,100,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

Management and Administration provides operating support to the Department of Housing and Urban Development's (HUD) Executive Offices, Administrative Support Offices, and Program Offices. Funding under this account supports the salaries and expenses of nearly all HUD employees as well as certain non-personnel expenses critical to carrying out HUD's mission. The Committee supports the Department's efforts to transform the way it does business and encourages the Department to continue efforts to streamline operations while making targeted technology and human capital investments.

COMMITTEE RECOMMENDATION

The Committee recommends $1,266,000,000 for HUD management and administration expenses, which is $65,500,000 below fiscal year 2013 and $73,100,000 below the budget request.

Budgetary Resource Levels.—HUD must have systems in place to track fundamental budgetary resource data including budget authority and FTE levels. A lack of essential information at HUD has in the past led to Anti-Deficiency Act violations in which HUD hired more people than it had resources to pay. While the Committee recognizes deficiencies caused by antiquated enterprise systems and acknowledges HUD's efforts to address these deficiencies, proper management of agency resources is a fundamental responsibility and antiquated systems are no excuse for violations of Federal law. The Committee directs HUD to continue working toward improving its ability to manage and track budgetary resource data. To facilitate resource management across fiscal years and to minimize the need for transfer authority, the Committee has made a small portion of resources appropriated for each subaccount under this heading available through September 30, 2015.

Reorganizations.—The Committee includes language to make clear that any office, program, or activity reorganizations require advance approval from the Committee and that such requests must allow at least one month notice for review. Additionally, the Committee requires notice on a monthly basis of all ongoing litigation, including any negotiations or discussions, planned or ongoing, regarding a consent decree between the Department and any other entity, including the estimated costs of such decrees.

New initiatives.—The Committee reiterates that no changes may be made to any program, project, or activity if it is construed to have policy implications, without prior approval of the Committees on Appropriations.

EXECUTIVE OFFICES

Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	$14,540,000
Recommended in the bill	12,000,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	–2,540,000

The Executive Offices account funds the salaries and expenses of the Immediate Office of the Secretary, the Immediate Office of the Deputy Secretary, the Office of Adjudicatory Services (formerly known as the Office of Hearings and Appeals), the Office of Congressional and Intergovernmental Relations, the Office of Public Affairs, and the Center for Faith-Based and Community Initiatives.

The Immediate Office of the Secretary provides program and policy guidance, and operations management and oversight in administering all programs, functions and authorities of the Department.

The Immediate Office of the Deputy Secretary provides operations management and helps the Department achieve its strategic goals by providing management support to program offices under the direction of the Office of the Secretary.

The Office of Adjudicatory Services, formerly known as the Office of Hearings and Appeals, conducts hearings and makes determinations regarding formal complaints or adverse actions initiated by HUD based upon alleged violations of federal statutes and implementing regulations.

The Office of the Assistant Secretary for Congressional and Intergovernmental Relations is responsible for coordinating Congressional and intergovernmental relations activities involving program offices to ensure the effective and accurate presentation of the Department's views.

The Office of Public Affairs educates the American people about the Department's mission through media outreach and other communication tools such as press releases, press conferences, the Internet, media interviews, new media and community outreach.

The Office of Faith-based and Community Initiatives conducts outreach, recommends changes to HUD policies and programs that present barriers to grassroots organizations, and initiates special projects, such as grant writing training.

COMMITTEE RECOMMENDATION

The Committee accepts in part the request to streamline salaries and expenses accounts by consolidating six offices into a single Executive Office account. The Committee recommends $12,000,000 for this new account, which is $2,540,000 below the fiscal year 2014 budget request. Further, the committee directs that the offices within this account shall have no more than 78 Full Time Equivalents.

The Secretary shall provide a spend plan which outlines how resources are distributed among the six offices in the form of a report to the Committee within 90 days of enactment. The bill also provides that no more than $25,000 provided under the immediate Office of the Secretary shall be available for the official reception and representation expenses as the Secretary may determine.

ADMINISTRATIVE SUPPORT OFFICES

Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	$505,313,000
Recommended in the bill	482,000,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−23,313,000

The Administrative Support Offices account funds the salaries and expenses of the Office of Administration, the Office of the Chief Human Capital Officer, the Office of General Counsel, the Office of the Chief Financial Officer, the Office of the Chief Procurement Officer, the Office of Departmental Equal Employment Opportunity, the Office of Field Policy and Management, the Office of Strategic Planning and Management, and the Office of the Chief Information Officer.

The Office of Administration provides general operational support services to all offices and divisions throughout HUD. These services include HUD's non-information technology infrastructure in the following areas: nationwide management and operation of buildings, Freedom of Information Act (FOIA) processing, records management, Privacy Act administration, protective and physical security for HUD's Secretary and Deputy Secretary, and disaster and emergency response coordination.

The Office of the Chief Human Capital Officer provides human resource services to all offices and divisions throughout HUD. These services include HUD's non-information technology infrastructure in the following areas: strategic human capital management, enterprise level training and learning, recruitment and staffing, workforce planning, retention, engagement, succession planning and Departmental performance management.

The Office of Field Policy and Management (FPM) serves as the principal advisor providing oversight and communicating Secretarial priorities and policies to field office staff and HUD clients. The Regional and Field Office Directors act as the operational managers in each of the field offices and manage and coordinate cross-program delivery in the field.

The Office of the Chief Procurement Officer's (OCPO) mission is to provide high-quality acquisition support services to all HUD program offices by purchasing necessary operational and mission-related goods and services; provide advice, guidance and technical assistance to all departmental offices on matters concerning procurement; assist program offices in defining and specifying their procurement needs; develop and maintain all procurement guidance including regulations, policies, and procedures; and assist in the development of sound acquisition strategies.

The Office of the Chief Financial Officer (OCFO) provides leadership in instituting financial integrity, fiscal responsibility and accountability. The CFO is responsible for all aspects of financial management, accounting and budgetary matters; ensuring the Department establishes and meets financial management goals and objectives; ensuring the Department is in compliance with financial management legislation and directives; analyzing budgetary implications of policy and legislative proposals; and providing technical oversight with respect to all budget activities throughout the Department.

The Office of the Chief Information Officer (OCIO) is led by the Chief Information Officer (CIO) who reports to the Office of the Secretary/Deputy Secretary. HUD's CIO advises senior managers on the strategic use of information technology to support core business processes and to achieve mission critical goals. OCIO is responsible for providing modern information technology that is secure, accessible and cost effective while ensuring compliance with applicable regulatory requirements.

The General Counsel, as the chief legal officer and legal voice of the Department, is the legal adviser to the Secretary and other principal staff of the Department. It is the responsibility of the Office of the General Counsel (OGC) to provide legal opinions, advice and services with respect to all programs and activities, and to provide counsel and assistance in the development of the Department's programs and policies.

The mission of the Office of Departmental Equal Employment Opportunity (ODEEO) is to ensure the enforcement of Federal laws relating to the elimination of all forms of discrimination in the Department's employment practices. The mission is carried out through the functions of three divisions: the Affirmative Employment division, the Alternative Dispute Resolution division, and the Equal Employment Opportunity division.

The Office of Strategic Planning and Management drives organizational, programmatic, and operational change across the Department to maximize efficiency and performance. The office will facilitate HUD's strategic planning process by identifying the Department's strategic priorities and transformational change initiatives, create and manage work plans for targeted transformation projects, and develop key program performance measures and targets for monitoring.

COMMITTEE RECOMMENDATION

The Committee recommends $482,000,000 for this account, which is $23,313,000 below the fiscal year 2014 budget request. The committee directs that the offices within this account shall have no more than 2,063 Full Time Equivalents.

The Committee recommendation reflects reduced funding for non-personnel expenses and the expectation that HUD will find ways to lower contracting expenses and other non-personnel costs in 2014. The Committee directs the Department to conduct a comprehensive review of its non-personnel expenses, especially expenses associated with outside contractors, and to report to the Committee within 90 days of enactment on a plan to reduce these expenses (excluding rent, utilities, and security) by at least 10%. The Committee recommendation provides no funding for non-personnel expenses requested specifically for the "Broadcasting" function and expects the Department to support media and public outreach activities from within the public affairs resources already budgeted elsewhere.

Funding shall be distributed as follows:

Office	Total funding
Office of Administration	$189,000,000
Office of the Chief Financial Officer	44,000,000
Office of the General Counsel	* 91,000,000
Office of the Chief Human Capital Officer	49,000,000
Office of Field Policy and Management	50,000,000
Office of the Chief Procurement Officer	17,000,000
Office of the Departmental Equal Employment Opportunity	3,000,000
Office Strategic Planning and Management	5,000,000
Office of the Chief Information Officer	34,000,000

*Includes $1,000,000 provided for claims and indemnities.

PROGRAM OFFICE SALARIES AND EXPENSES

PUBLIC AND INDIAN HOUSING

Appropriation, fiscal year 2013[1]	$200,000,000
Budget request, fiscal year 2014	220,299,000
Recommended in the bill	197,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−3,000,000
Budget request, fiscal year 2014	−23,299,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Office of Public and Indian Housing (PIH) oversees the administration of HUD's Public Housing, Housing Choice Voucher, and Native American Programs. PIH is responsible for administering and managing programs authorized and funded by Congress under the basic provisions of the U.S. Housing Act of 1937.

COMMITTEE RECOMMENDATION

The Committee recommends $197,000,000 for this account, which is $3,000,000 below the level enacted in fiscal year 2013, and $23,299,000 below the fiscal year 2014 budget request. The Committee directs that PIH have no more than 1,512 FTE.

COMMUNITY PLANNING AND DEVELOPMENT

Appropriation, fiscal year 2013[1]	$100,000,000
Budget request, fiscal year 2014	109,740,000
Recommended in the bill	99,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−1,000,000
Budget request, fiscal year 2014	−10,740,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Office of Community Planning and Development (CPD) assists communities in their efforts to provide affordable housing and expanded economic opportunities for low and moderate-income persons. The primary means toward this end is the development of partnerships among all levels of government and the private sector. This Office is responsible for the effective administration of Community Development Block Grants (CDBG), the Home Investment Partnership (HOME), Homeless Assistance Grants and other HUD community development programs.

COMMITTEE RECOMMENDATION

The Committee recommends $99,000,000 for this account, which is $1,000,000 below the level enacted in fiscal year 2013, and $10,740,000 below the budget request. The Committee directs that CPD shall have no more than 785 FTE.

Office of Economic Resilience.—The Committee provides no funding or FTE for the Office of Economic Resilience.

HOUSING

Appropriation, fiscal year 2013 [1]	$391,500,000
Budget request, fiscal year 2014	383,375,000
Recommended in the bill	377,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−14,500,000
Budget request, fiscal year 2014	−6,375,0000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Office of Housing implements programmatic, regulatory, financial, and operational responsibilities under the leadership of six deputy assistant secretaries and the field staff for activities related to Federal Housing Administration (FHA) multifamily and single family homeownership programs, and assisted rental housing programs.

COMMITTEE RECOMMENDATION

The Committee recommends $377,000,000 for this account, which is $14,500,000 below the level enacted in fiscal year 2013, and $6,375,000 below the budget request. The Committee directs that the Office of Housing shall have no more than 3,000 FTE.

Office consolidation and reorganization.—The Committee supports efforts at HUD to deliver more effective program oversight at lower cost through a reorganization of how the Office of Housing does business. The Committee directs HUD to deliver a progress report on its reorganization plans within 60 days of enactment that details by quarter through fiscal year 2019 HUD's estimated cost savings including both personnel and non-personnel cost reductions, severance and other early separation costs, recruitment and retraining costs, office space alteration and closure costs, and any other material costs or savings identified by HUD. The report should also include an analysis of potential risks associated with the reorganization, including loss of experienced and skilled staff, increased risk to FHA insurance funds, and an explanation of what steps HUD is taking to monitor and mitigate such risks. The report should also include an analysis of obstacles to a successful reorganization and how HUD plans to navigate these obstacles.

POLICY DEVELOPMENT AND RESEARCH

Appropriation, fiscal year 2013 [1]	$22,211,000
Budget request, fiscal year 2014	21,687,000
Recommended in the bill	21,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−1,211,000
Budget request, fiscal year 2014	−687,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Office of Policy Development and Research (PD&R) directs the Department's annual research agenda to support the research and evaluation of housing and other departmental initiatives to improve HUD's effectiveness and operational efficiencies. Research proposals are determined through consultation with senior staff from each HUD program office, the Office of Management and Budget, and Congress. The office also addresses inquiries regarding key housing economic information.

COMMITTEE RECOMMENDATION

The Committee recommends $21,000,000 for this account, which is $1,211,000 below the level enacted in fiscal year 2013 and $687,000 below the budget request. The Committee directs that PD&R shall have no more than 141 FTE.

FAIR HOUSING AND EQUAL OPPORTUNITY

Appropriation, fiscal year 2013 [1]	$72,600,000
Budget request, fiscal year 2014	76,504,000
Recommended in the bill	71,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−1,600,000
Budget request, fiscal year 2014	−5,504,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Office of Fair Housing and Equal Opportunity (FHEO) is responsible for developing policies and guidance, and for providing technical support for enforcement of the Fair Housing Act and the civil rights statutes. FHEO serves as the central point for the formulation, clearance and dissemination of policies, intra-departmental clearances, and public information related to fair housing issues. FHEO receives, investigates, conciliates and recommends the issuance of charges of discrimination and determinations of non-compliance for complaints filed under Title VIII and other civil rights authorities. Additionally, FHEO conducts civil rights compliance reviews and compliance reviews under Section 3.

COMMITTEE RECOMMENDATION

The Committee recommends $71,000,000 for this account, which is $1,600,000 below the level enacted in fiscal year 2013 and $5,504,000 below the budget request. The Committee directs that the FHEO shall have no more than 571 FTE.

OFFICE OF HEALTHY HOMES AND LEAD HAZARD CONTROL

Appropriation, fiscal year 2013 [1]	$7,400,000
Budget request, fiscal year 2014	7,642,000
Recommended in the bill	7,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−400,000
Budget request, fiscal year 2014	−642,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Office of Healthy Homes and Lead Hazard Control (OHHLHC) is directly responsible for the administration of the Lead-Based Paint Hazard Reduction program authorized by Title X of the Housing and Community Development Act of 1992. The office also addresses multiple housing-related hazards affecting the health of residents, particularly children. The office develops lead-based paint regulations, guidelines, and policies applicable to HUD programs, and enforces the Lead Disclosure Rule issued under Title X.

COMMITTEE RECOMMENDATION

The Committee recommends $7,000,000 for this account, which is $400,000 below the level enacted in fiscal year 2013 and the $642,000 below the budget request. The Committee directs that OHHLHC shall have no more than 54 FTE.

PUBLIC AND INDIAN HOUSING

TENANT-BASED RENTAL ASSISTANCE

Appropriation, fiscal year 2013[1]	$18,939,369,000
Budget request, fiscal year 2014	19,899,216,000
Recommended in the bill	18,610,564,000
Bill compared with:	
Appropriation, fiscal year 2013	−328,805,000
Budget request, fiscal year 2014	−1,378,652,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

In fiscal year 2005, the Housing Certificate Fund was separated into two new accounts: Tenant-Based Rental Assistance and Project-Based Rental Assistance. This account administers the tenant-based Section 8 rental assistance program otherwise known as the Housing Choice Voucher program.

COMMITTEE RECOMMENDATION

The Committee recommends $18,610,564,000 for tenant-based rental assistance, which is $328,805,000 below the fiscal year 2013 enacted level and $1,378,652,000 below the budget request. Consistent with the budget request, the Committee continues the advance of $4,000,000,000 of the funds appropriated under this heading for Section 8 programs to October 1, 2014.

Voucher Renewals.—The Committee provides $17,000,000,000 for the renewal of tenant-based vouchers. This level is $242,351,000 below the enacted level and $968,278,000 below the budget request. The Committee directs the Department to monitor and report to the House and Senate Committees on Appropriations each quarter on the trends in Section 8 subsidies and to report on the required program alterations due to changes in rent or changes in tenant income.

Tenant protection.—The Committee provides $75,000,000 for tenant protection vouchers, which is the same as the fiscal year 2013 enacted level and $75,000,000 below the budget request.

Administrative Fees.—The Committee provides $1,350,000,000 for allocations to PHAs to conduct activities associated with placing and maintaining individuals under Section 8 assistance. This amount is $25,000,000 below the fiscal year 2013 enacted level and $335,374,000 below the budget request.

Mainstream Voucher Renewals.—The Committee provides $110,564,000 to renew expiring Section 811 tenant-based subsidies. This level is equal to the budget request and $1,454,000 below the fiscal year 2013 enacted level. The Committee directs HUD to issue guidance to the housing agencies administering these vouchers to continue to serve people with disabilities upon turnover.

Veterans Affairs Supportive Housing.—The Committee provides $75,000,000 for incremental voucher assistance through the Veterans Affairs Supportive Housing (VASH) program. This funding level is equal to the budget request and the same as the level provided in fiscal year 2013. This program is administered in conjunction with the Department of Veterans Affairs. These vouchers shall remain available for homeless veterans upon turnover. This funding will add 10,000 new vouchers for this program, and will support the Department of Veterans Affairs' (VA) goal of ending homelessness among veterans within five years. The Committee directs HUD to report on VASH utilization rates, challenges encountered in the program, and increases in veteran self-sufficiency by March 1, 2014.

The Committee continues in bill language the direction to the Department to communicate to each PHA, within 60 days of enactment, the fixed amount that will be made available to each PHA for fiscal year 2014. The amount provided in this account is the only source of federal funds that may be used to renew tenant-based vouchers. The amounts appropriated here may not be augmented from any other source.

Section 8 Reforms.—The budget request includes a number of authorizing provisions to reform the Housing Choice Voucher (HCV) program, including several provisions that result in cost-saving measures that provide administrative relief to PHAs. The Committee commends the Administration for proposing these reforms, particularly given the increasing costs of the HCV renewals each year. These rising costs have crowded out other HUD programs that address key priorities of community development, home ownership, and homelessness. The Committee is fully supportive of any reforms that relieve administrative burdens and enable housing authorities to serve more families, and to work to lift them to self-sufficiency.

The Committee strongly urges the authorizing committee to address reforms of the HCV program expeditiously, as a failure to reform this program could result in significant reductions to the number of leased vouchers and deep cuts to other HUD programs, especially considering the current fiscal environment. The Committee urges the Administration to continue to work with the authorizing committees on a reform bill, with the goal of enactment prior to the beginning of fiscal year 2014 so that the amounts provided in this bill more efficiently and effectively serve needy individuals and families. The Committee also strongly encourages HUD to pursue regulatory and administrative reforms that do not require new authorizations, but that relieve the administrative burdens on PHAs.

RENTAL ASSISTANCE DEMONSTRATION

Appropriation, fiscal year 2013[1]	– – –
Budget request, fiscal year 2014	$10,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	–10,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Rental Assistance Demonstration (RAD) was authorized in fiscal year 2012 to preserve public housing by enabling Public Housing Authorities to use a portion of their operating and capital funds to leverage private sector funding to recapitalize their housing stock and maintain their units of affordable housing primarily through the conversion to long-term Section 8 rental assistance contracts. The budget request includes a request of $10,000,000 for a targeted expansion of the program to public housing properties that cannot convert their housing under this program at their existing funding levels.

COMMITTEE RECOMMENDATION

The Committee is unable to provide funding for this program due to the constrained budget environment and the overall pressures of renewals across the Department's housing programs. However, the Committee recommendation includes several changes requested by the Administration to continue to implement no-cost RAD conversions in fiscal year 2014, including an increase on the cap of 60,000 units that could convert to long-term Section 8 rental assistance to 120,000 such units.

HOUSING CERTIFICATE FUND

(RESCISSION)

The Housing Certificate Fund, until fiscal year 2005, provided funding for both the project-based and tenant-based components of the Section 8 program. Project-Based Rental Assistance and Tenant-Based Rental Assistance are now separately funded accounts. The Housing Certificate Fund retains balances from previous years' appropriations.

COMMITTEE RECOMMENDATION

Language is included to allow unobligated balances from specific accounts may be used to renew or amend Project-Based Rental Assistance contracts.

PUBLIC HOUSING CAPITAL FUND

Appropriation, fiscal year 2013 [1]	$1,875,000,000
Budget request, fiscal year 2014	2,000,000,000
Recommended in the bill	1,500,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−375,000,000
Budget request, fiscal year 2014	−500,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Public Housing Capital Fund provides funding for public housing capital programs, including public housing development and modernization. Examples of capital modernization projects include replacing roofs and windows, improving common spaces, upgrading electrical and plumbing systems, and renovating the interior of an apartment.

COMMITTEE RECOMMENDATION

The Committee recommends $1,500,000,000 for the Public Housing Capital Fund, which is $375,000,000 below the fiscal year 2013 enacted level and $500,000,000 below the budget request.

Within the amounts provided the Committee directs that:

—No more than $8,000,000 is directed to support the ongoing Public Housing Financial and Physical Assessment activities of the Real Estate Assessment Center;

—$20,000,000 is made available for Emergency Capital needs, excluding Presidentially-declared disasters. The Committee continues to include language to ensure that funds are used only for repairs needed due to an unforeseen and unanticipated emergency event or natural disaster that occurs during fiscal year 2014; and

—$15,000,000 is provided for a Jobs Plus program to improve employment opportunities and earnings of public housing residents.

PUBLIC HOUSING OPERATING FUND

Appropriation, fiscal year 2013 [1]	$4,262,010,000
Budget request, fiscal year 2014	4,600,000,000
Recommended in the bill	4,262,010,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−337,990,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Public Housing Operating Fund subsidizes the costs associated with operating and maintaining public housing. This subsidy supplements funding received by public housing authorities (PHA) from tenant rent contributions and other income. In accordance with section 9 of the United States Housing Act of 1937, as amended, funds are allocated by formula to public housing authorities for the following purposes: utility costs; anti-crime and anti-drug activities, including the costs of providing adequate security; routine maintenance cost; administrative costs; and general operating expenses.

COMMITTEE RECOMMENDATION

The Committee recommends $4,262,010,000 for the federal share of PHA operating expenses. This amount is the same as the fiscal year 2013 enacted level and $337,990,000 below the budget request. The Committee does not include language in the budget request that would allow PHAs to entirely merge their Capital and Operating Funds and use those funds for either purpose. While the Committee supports the idea of giving high performing PHAs regulatory relief so they can operate more efficiently, HUD has provided no information on how it would identify and budget for capital and operating needs in the future if this authority to merge funds were approved. The Committee urges the Department and the Financial Services Committee to consider this issue among other legislative and regulatory changes that would provide regulatory relief so that local public housing authorizes can serve greater numbers of residents, and lead greater numbers of residents to achieve self-sufficiency.

CHOICE NEIGHBORHOODS INITIATIVE

(RESCISSION)

Appropriation, fiscal year 2013 [1]	$120,000,000
Budget request, fiscal year 2014	400,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2013	−120,000,000
Budget request, fiscal year 2014	−400,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

COMMITTEE RECOMMENDATION

The Committee recommends no funding for the Choice Neighborhoods Initiative. This program remains unauthorized, and the Committee urges the Administration to work with the authorizing committees prior to requesting new programs in the budget request. The Committee believes that many of the objectives of the Choice Neighborhood Initiative, including affordable housing and community development, are commendable, but can only be achieved in the current budget environment through more comprehensive reforms that bring down the escalating costs of renewals across a host of programs across the Department.

Rescission.—The Committee recommendation includes a rescission of $120,000,000 of unobligated balances of the Choice Neighborhoods Initiative.

FAMILY SELF-SUFFICIENCY

Appropriation, fiscal year 2013 [1]	– – –
Budget request, fiscal year 2014	$75,000,000
Recommended in the bill	60,000,000
Bill compared with:	
Appropriation, fiscal year 2013	*60,000,000
Budget request, fiscal year 2014	−15,000,000

[1] This program was funded within the Tenant-Based Rental Assistance account in fiscal year 2013.

The budget request proposes to create a consolidated program to help HUD-assisted residents achieve economic independence, rather than continue separate programs for Housing Choice Voucher and Public Housing families.

COMMITTEE RECOMMENDATION

The Committee agrees with this proposal and provides $60,000,000 to support the Family Self-Sufficiency program. This is the same as the level provided in the tenant-based rental assistance account for Family Self-Sufficiency Coordinators in fiscal year 2013, and $15,000,000 below the budget request. The Committee expects the Department to prioritize assistance to individuals and families that results in job stability, increased tenant incomes, and greater rent contributions. The Committee also expects the Department to report to the Committees on appropriations the best practices of the program that result in increased rent contributions of program participants, and practices that result in residence achieving full self-sufficiency in meeting their housing needs.

NATIVE AMERICAN HOUSING BLOCK GRANTS

Appropriation, fiscal year 2013 [1]	$650,000,000
Budget request, fiscal year 2014	650,000,000
Recommended in the bill	600,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−50,000,000
Budget request, fiscal year 2014	−50,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Native American Housing Block Grants program, authorized by the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111 et seq.), provides funds to American Indian tribes and their Tribally Designated Housing Entities (TDHEs) to address affordable housing needs within their communities.

COMMITTEE RECOMMENDATION

The Committee recommends $600,000,000 for Native American Housing Block Grants, which is $50,000,000 below the fiscal year 2013 level and $50,000,000 below the budget request. Of the amounts made available under this heading:

—$2,000,000 is for Title VI loan guarantees up to $16,530,000.

—$2,000,000 is for national or regional organizations representing Native American housing interests to provide training and technical assistance to Indian housing authorities and TDHEs. Of concern to the Committee is that HUD has selected regional organizations without specific knowledge of Tribal housing issues to provide assistance to tribes. The Committee directs that any national or regional organization chosen by HUD to provide technical assistance must have proven experience providing such assistance to tribal entities.

Timely Expenditure of Funds.—The Committee continues language requiring fiscal year 2014 funds to be spent within 10 years.

NATIVE HAWAIIAN HOUSING BLOCK GRANT

Appropriation, fiscal year 2013 [1]	$13,000,000
Budget request, fiscal year 2014	13,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2013	−13,000,000
Budget request, fiscal year 2014	−13,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Native Hawaiian Housing Block Grant program provides grants to the State of Hawaii Department of Hawaiian Home Lands for housing and housing-related assistance to develop, maintain and operate affordable housing for eligible low-income native Hawaiian families.

COMMITTEE RECOMMENDATION

The Committee does not recommend funding for this program, which is $13,000,000 below the budget request and $13,000,000 below the fiscal year 2013 level. This program is not authorized.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

Credit subsidy:	
Appropriation, fiscal year 2013 [1]	$12,200,000
Budget request, fiscal year 2014	6,000,000
Recommended in the bill	6,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−6,200,000
Budget request, fiscal year 2014	– – –
Limitation on guaranteed loans:	
Appropriation, fiscal year 2013	976,000,000
Budget request, fiscal year 2014	1,818,000,000
Recommended in the bill	1,818,000,000
Bill compared with:	
Appropriation, fiscal year 2013	+842,000,000
Budget request, fiscal year 2014	– – –

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

Section 184 of the Housing and Community Development Act of 1992 establishes a loan guarantee program for Native American individuals and housing authorities to build new housing or purchase existing housing on trust land. This program provides access to private financing that otherwise might be unavailable because of the unique legal status of Indian trust land.

COMMITTEE RECOMMENDATION

The Committee recommends $6,000,000 in new credit subsidy for the Section 184 loan guarantee program, which is $6,200,000 below the fiscal year 2013 enacted level and the same as the budget request. This will guarantee a loan volume of $1,818,000,000, which is $842,000,000 above the fiscal year 2013 enacted level and the same as the budget request. The Committee includes language allowing the Secretary to increase loan guarantee fees to support this increased loan volume.

Community Planning and Development

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Appropriation, fiscal year 2013 [1]	$332,000,000
Budget request, fiscal year 2014	332,000,000
Recommended in the bill	300,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−32,000,000
Budget request, fiscal year 2014	−32,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Housing Opportunities for Persons with AIDS (HOPWA) program provides states and localities with resources to address the housing needs of low-income persons living with HIV/AIDS. Funding is distributed by formula to qualifying states and metropolitan areas based on the cumulative incidences of AIDS reported to the Centers for Disease Control. Government recipients are required to have a HUD-approved Comprehensive Plan or Comprehensive Housing Affordability Strategy.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $300,000,000 for the HOPWA program, which is the $32,000,000 below fiscal year 2013 and $32,000,000 below the budget request.

The Committee recommendation includes formula grants and funding for the renewal of certain expiring contracts that were previously funded under HOPWA competitive grants. The Committee encourages ongoing efforts at the Department for stronger coordination between HOPWA and other homeless prevention and support programs.

HIV and Federal Housing Programs.—In the early 1990s, the HOPWA program was established within HUD because existing housing resources at the time were not meeting the needs of people with AIDS. However, since the original authorization of the program, much has changed within Federal housing programs, and the HIV epidemic itself has been transformed through advances both in care and monitoring. The Committee directs the Government Accountability Office (GAO) to provide an update to its March 1997 report to the Committee entitled "Housing: HUD's Program for Persons with AIDS", including updated background information and an updated review of the five aspects of HOPWA considered in the original report, within 120 days of enactment. In addition, GAO shall include an evaluation of the ability of relevant Federal programs, including HOPWA, to meet the housing needs of people who are afflicted with chronic illnesses and other serious health conditions. The Committee directs GAO to give special attention to each program's relative strengths and weaknesses in meeting the housing needs of the HIV-infected persons which they serve. The report should also inventory and describe Federal programs that deliver supportive services to people infected with HIV and examine the extent to which HUD's programs, including HOPWA, overlap or are coordinated with these programs.

COMMUNITY DEVELOPMENT FUND

Appropriation, fiscal year 2013 [1]	$3,308,090,000
Budget request, fiscal year 2014	3,143,100,000
Recommended in the bill	1,696,813,000
Bill compared with:	
Appropriation, fiscal year 2013	−1,611,277,000
Budget request, fiscal year 2014	−1,446,287,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Community Development Fund, authorized by the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), provides funding, primarily through Community Development Block Grants, to state and local governments and other eligible entities to carry out community and economic development activities.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $1,696,813,000 for the Community Development Fund account, which is the $1,611,277,000 below fiscal year 2013 and $1,446,287,000 below the budget request.

Of the amounts made available:

—$1,636,813,000 is for the Community Development Block Grants ("CDBG") formula program for entitlement communities and states. This is $1,311,277,000 below fiscal year 2013 and $1,161,287,000 below the budget request;

—$60,000,000 is for the Native American Housing and Economic Development Block Grant (also known as "Indian CDBG"), which is the same as fiscal year 2013 and $10,000,000 below the budget request; and

—$7,000,000, of the amount provided for the regular CDBG formula program, is for insular areas, per 42 U.S.C. 5306(a)(2), which is the same as fiscal year 2013 and the budget request.

—No funding is provided for either the Neighborhood Stabilization Program or Integrated Planning and Investment Grants. Neither of these programs was funded in 2013.

The Committee recommendation does not include the request to make reforms to the way CDBG formula funds are distributed. The recommendation continues language requiring the Department to notify grantees of their formula allocation within 60 days of enactment of this Act.

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES/RENEWAL COMMUNITIES

(RECISSION)

The Committee includes language rescinding unobligated funds provided or recaptured under these program headings.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

(INCLUDING RESCISSION OF FUNDS)

Appropriation, fiscal year 2013 [1]	$5,952,000
Budget request, fiscal year 2014	– – –
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2013	–5,952,000
Budget request, fiscal year 2014	– – –

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Section 108 Loan Guarantee program is a source of variable and fixed-rate financing for communities undertaking projects eligible under the Community Development and Block Grant (CDBG) program. Such activities may include economic development, housing rehabilitation, public facilities, and large-scale physical development projects. By pledging their current and future CDBG allocations to cover the loan amount as security, communities are able to finance large-scale projects with a federally guaranteed loan. HUD may require additional security for a loan, as determined on a case-by-case basis.

COMMITTEE RECOMMENDATION

The Committee accepts the request to convert the Section 108 Loan Guarantee program into a borrower-paid subsidy program and therefore recommends providing no budget authority, which is $5,952,000 below fiscal year 2013 and the same funding level as the budget request. The Committee also accepts the request for a limit on guaranteed loan volume of $500,000,000 which is $260,000,000 above fiscal year 2013 and the same as the budget request.

With the conversion to a borrower-paid subsidy program structure, the Committee recommends the rescission of all unobligated balances of subsidy budget authority remaining at the end of fiscal year 2013.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriation, fiscal year 2013 [1]	$1,000,000,000
Budget request, fiscal year 2014	950,000,000
Recommended in the bill	700,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−300,000,000
Budget request, fiscal year 2014	−250,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The HOME investment partnerships program provides block grants to participating jurisdictions (states, units of local government, Indian tribes, and insular areas) to undertake activities that expand the supply of affordable housing in the jurisdiction. HOME block grants are distributed based on formula allocations. Upon receipt of these Federal funds, state and local governments develop a housing affordability strategy to acquire, rehabilitate, or construct new affordable housing, or to provide rental assistance to eligible families.

COMMITTEE RECOMMENDATION

The Committee recommends $700,000,000 for activities funded under this account, which is $300,000,000 below fiscal year 2013 and $250,000,000 below the budget request.

The Committee continues language to prevent newly participating jurisdictions from being permanently added to the HOME program. The Committee continues language providing much-needed reforms to the HOME program. The Department is finalizing similar reforms into permanent regulations expected to be published in 2013. Therefore, the recommended reform provisions shall be superseded by such final rule once it has been published. The Committee continues language requiring the Department to notify grantees of their formula allocation within 60 days of enactment of this Act. The Committee does not include the statutory reforms to HOME requested in the budget.

SELF-HELP AND ASSISTED HOMEOWNERSHIP OPPORTUNITY PROGRAM

Appropriation, fiscal year 2013 [1]	$53,500,000
Budget request, fiscal year 2014	30,000,000
Recommended in the bill	30,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−23,500,000
Budget request, fiscal year 2014	– – –

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

Self-Help Homeownership Opportunity Program (SHOP) funds are distributed through grants to nonprofit organizations and consortia that have experience in providing or facilitating self-help homeownership opportunities. Grant funds are used for land acquisition and improvements associated with developing new, decent dwellings for low-income persons using the self-help model.

Additionally, Section 4 Capacity Building funds are set-aside within this account for activities described under section 4(a) of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note). Section 4 funds are awarded to a limited number of non-profits, which use the funds to develop the capacity of community development corporations (CDCs) and community housing development organizations (CHDOs). The CDCs and CHDOs then undertake community development and affordable housing activities. Section 4 funds must be matched by recipients with at least three times the grant amount in private funding.

COMMITTEE RECOMMENDATION

The Committee recommends $30,000,000 for the Self Help Homeownership Opportunity Program account which includes funding for both the SHOP and Section 4 Capacity Building grant programs. The Committee rejects the budget proposal to reorganize SHOP under the Home Investment Partnerships account and create a new account for Capacity Building. The recommended funding level for these activities is $23,500,000 below fiscal year 2013 and the same as the budget request.

The Committee recommendation provides $10,000,000 for the SHOP program and does not adopt reforms proposed in the request. The recommendation provides $20,000,000 for the Section 4 Capacity Building program and includes $5,000,000 specifically for capacity building in rural areas.

SHOP Administrative Costs.—The Committee directs HUD to evaluate the history of administrative costs in the SHOP program, including the extent to which HUD's imposition of various requirements such as mandatory site visits and Energy-Star certifications has resulted in higher administrative costs. The Committee directs the Secretary to report to the House and Senate Committees on Appropriations within 180 days of enactment on whether current administrative costs are reasonable, what portion of administrative costs are attributable to HUD requirements, and what actions can be taken by both HUD and grantees to reduce the administrative burden of this program.

HOMELESS ASSISTANCE GRANTS

Appropriation, fiscal year 2013 [1]	$2,033,000,000
Budget request, fiscal year 2014	2,381,000,000
Recommended in the bill	2,088,000,000
Bill compared with:	
Appropriation, fiscal year 2013	+55,000,000
Budget request, fiscal year 2014	−293,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Homeless Assistance Grants account provides funding for programs under title IV of the McKinney Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. HEARTH Act programs include the Continuum of Care (CoC) competitive grants, the Emergency Solutions Grants (ESG) program, and the Rural Housing Stability Grants program.

COMMITTEE RECOMMENDATION

The Committee recommends funding the homeless grant assistance programs at $2,088,000,000, which is $55,000,000 above fiscal year 2013 and $293,000,000 below the budget request. The recommendation includes funding to support Continuum of Care project renewals of no less than $1,882,000,000 as well as at least $200,000,000 in Emergency Solutions Grants (ESG).

Continuum of Care Grant Renewal Costs.—While the Secretary is permitted to prioritize funding of renewals, this is only to the extent sufficient funding is available and such renewal decisions must be mindful of the relative effectiveness of projects up for renewal and the scarcity of fiscal resources. The growing cost of sustaining previously funded commitments is a problem throughout HUD including the Continuum of Care as the cost of upholding current service levels irrespective of effectiveness is growing unsustainably. The growing cost of these liabilities is already crowding out funding for other priorities and, given current fiscal constraints, HUD cannot afford to blindly renew all projects based solely on the fact that they were once funded in the past. The Committee directs the Department to report to the Committees on Appropriations within 90 days of enactment on how the Continuum of Care program can be made more competitive at both the national and local level, and how the program would need to be administered in order to operate at no more than the current funding level year-over-year.

Emergency Solutions Grants.—The Committee recommends $200,000,000 for Emergency Solutions Grants (ESG). The ESG program, authorized by subtitle B of the HEARTH Act, provides funding for homelessness prevention and rapid re-housing efforts, in addition to traditional emergency shelter and outreach activities. While the Committee supports ESG's innovative focus on preventing homelessness, funding cannot be increased because the growing cost of Continuum of Care renewals is consuming the entire increase that is available for this account.

HOUSING PROGRAMS

PROJECT-BASED RENTAL ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2013 [1]	$9,339,672,000
Budget request, fiscal year 2014	10,272,000,000
Recommended in the bill	9,050,672,000
Bill compared with:	
Appropriation, fiscal year 2013	−289,000,000
Budget request, fiscal year 2014	−1,221,328,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Project-Based Rental Assistance account (PBRA) provides a rental subsidy to a private landlord tied to a specific housing unit so that the properties themselves, rather than the individual living in the unit, remain subsidized. Amounts provided in this account include funding for the renewal of expiring project-based contracts, including Section 8, moderate rehabilitation, and single room occupancy (SRO) contracts, amendments to Section 8 project-based contracts, and administrative costs for contract administration.

COMMITTEE RECOMMENDATION

The Committee provides a total of $9,050,672,000 for the annual renewal of project-based contracts, of which up to $200,000,000 may be transferred to the Office of Housing for the cost of contract administration. This funding level is $289,000,000 below the enacted level for fiscal year 2013 and $1,221,328,000 below the budget request.

Section 8 Contract Administration.—The Committee agrees with GAO's finding that a HAP contract payment by HUD to a property owner cannot be considered as the transfer of a thing of value to a public housing authority (PHA). The Committee also agrees with GAO that any administrative fees paid to PHAs in conjunction with Section 8 housing assistance payment (HAP) contract administration is compensation for the provision of a service that would otherwise be performed by HUD, and that such fees are not provided as general assistance to PHAs in performance of their mission. The Committee expects HUD to take responsibility for the administration of its contracts and either administer the contracts itself or outsource the provision of this service through procurement processes that are truly competitive and comply with Federal law. In light of the above conclusions, the Committee directs HUD to administer contracts funded under this heading through the Office of Housing and, to the extent it is necessary to outsource contract administration, to carry out GAO's recommendation to solicit the provision of HAP contract administration services for the Project-Based Section 8 Rental Assistance Program through a procurement instrument that will result in the award of contracts.

HOUSING FOR THE ELDERLY

Appropriation, fiscal year 2013 [1]	$374,627,000
Budget request, fiscal year 2014	400,000,000
Recommended in the bill	374,627,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−25,373,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Housing for the Elderly (Section 202) program provides eligible private, non-profit organizations with capital grants to finance the acquisition, rehabilitation or construction of housing intended for low income elderly people. In addition, the program provides project-based rental assistance contracts (PRAC) to support operational costs for units constructed under the program.

COMMITTEE RECOMMENDATION

The Committee recommends $374,627,000, which is equal to the fiscal year 2013 enacted level and $25,373,000 below the budget request. However, the Committee includes new language allowing HUD to recoup residual receipts that have accumulated in situations where the subsidies and tenant rent payments provided have exceeded actual costs. The language allows HUD to use the funds, estimated at $28,000,000 in fiscal year 2014, to provide housing assistance for seniors. The sum of the appropriation and residual receipts equate to a fiscal year 2014 program level of $402,627,000, which will fully fund project rental assistance contract renewals and amendments to existing section 202 projects as well as new awards.

The recommendation allocates available funding as follows:

- $310,000,000 for the renewal and amendment of project rental assistance contracts (PRAC);

- Up to $70,000,000 for service coordinators and the continuation of congregate services grants; and
- $22,627,000 for new awards of project rental assistance.

The Committee continues to include bill language relating to the initial contract and renewal terms for assistance provided under this heading and language allowing these funds to be used for inspections and analysis of data by HUD's REAC program office.

HOUSING FOR PERSONS WITH DISABILITIES

Appropriation, fiscal year 2013[1]	$165,000,000
Budget request, fiscal year 2014	126,000,000
Recommended in the bill	126,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−39,000,000
Budget request, fiscal year 2014	– – –

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Housing for Persons with Disabilities (Section 811) program provides eligible private, non-profit organizations with capital grants to finance the acquisition, rehabilitation or construction of supportive housing for disabled persons and provides project-based rental assistance (PRAC) to support operational costs for such units.

COMMITTEE RECOMMENDATION

The Committee recommends $126,000,000 for Section 811 activities, $39,000,000 below the fiscal year 2013 enacted level and equal to the budget request. The Committee includes new language that allows FHA to collect residual receipts, estimated to yield an additional $12,000,000. The appropriation plus the residual receipts will result in a fiscal year 2014 program total of $138,000,000. This level will fully fund the estimated $106,000,000 in project rental assistance and project assistant contract renewals and amendments in fiscal year 2014, and provide $32,000,000 for new project rental assistance awards to support housing for persons with disabilities. The Committee continues to include bill language allowing these funds to be used for inspections and analysis of data by HUD's REAC program office.

OTHER ASSISTED HOUSING PROGRAMS

HOUSING COUNSELING ASSISTANCE

Appropriation, fiscal year 2013[1]	$45,000,000
Budget request, fiscal year 2014	55,000,000
Recommended in the bill	35,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−10,000,000
Budget request, fiscal year 2014	−20,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

Section 106 of the Housing and Urban Development Act of 1968 authorized HUD to provide housing counseling services to homebuyers, homeowners, low and moderate income renters, and the homeless.

COMMITTEE RECOMMENDATION

The Committee recommends $35,000,000 for housing counseling, $10,000,000 below the level enacted in fiscal year 2013 and $20,000,000 below the budget request.

RENTAL HOUSING ASSISTANCE

Appropriation, fiscal year 2013 [1]	$1,300,000
Budget request, fiscal year 2014	21,000,000
Recommended in the bill	21,000,000
Bill compared with:	
Appropriation, fiscal year 2013	+19,700,000
Budget request, fiscal year 2014	– – –

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Rental Housing Assistance account includes existing long-term project-based rental assistance contracts covering approximately 18,000 affordable housing units under the Rent Supplement and Section 236 Rental Assistance Payment (RAP) programs. Enacted in 1965 and 1974 respectively, these programs created affordable units for low-income families. Monthly payments are made to project owners from existing contract balances, with new budget authority provided is required for short-term extensions of expiring contracts and annual contract amendments. Contract amendments provide additional subsidy to below-market contracts where rents have been constrained and owners are unable to adequately service properties and perform ongoing maintenance. Most of the remaining rent supplement and RAP contracts will expire by fiscal year 2017. HUD will preserve these units as long-term affordable housing through the Rental Assistance Demonstration.

COMMITTEE RECOMMENDATION

The Committee recommends $21,000,000 in funding for the Rental Housing Assistance Program, which is $19,700,000 above the level enacted in fiscal year 2013 and the same as the budget request. This appropriation plus projected carryover will fully fund an estimated $44,000,000 in contract amendment and extension needs in fiscal year 2014. In fiscal year 2013, HUD required only $1,300,000 because it had large recaptures resulting from owners that prepaid underlying mortgaged and recapitalized their properties. The Committee includes bill language that allows HUD to use unobligated balances and recaptured funds for extensions and amendments.

RENT SUPPLEMENT

(RESCISSION)

Rescission, fiscal year 2013	– – –
Budget request, fiscal year 2014	−$3,500,000
Recommended in the bill	−3,500,000
Bill compared with:	
Rescission, fiscal year 2013	−3,500,000
Budget request, fiscal year 2014	– – –

HUD recovers balances when Rent Supplement and Rental Assistance Payment are terminated due to prepayments. A total of $3,500,000 in Section 236 Interest Reduction Payment recaptures are available in fiscal year 2014. The Committee notes that this rescission will not impact current contract amendment and extension activities.

COMMITTEE RECOMMENDATION

The Committee recommends a $3,500,000 rescission, the same as the budget request and $3,500,000 below the level enacted in fiscal year 2013.

PAYMENT TO MANUFACTURED HOUSING FEES TRUST FUND

Appropriation, fiscal year 2013 [1]	$6,500,000
Budget request, fiscal year 2014	7,530,000
Recommended in the bill	6,530,000
Bill compared with:	
Appropriation, fiscal year 2013	+30,000
Budget request, fiscal year 2014	−1,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorized the Secretary to establish Federal manufactured home construction and safety standards for the construction, design, and performance of manufactured homes. All manufactured homes are required to meet the Federal standards, and fees are charged to producers to cover the costs of administering the Act.

COMMITTEE RECOMMENDATION

The Committee recommends up to $6,530,000 for the manufactured housing standards programs to be derived from fees collected and deposited in the Manufactured Housing Fees Trust Fund established pursuant to the Manufactured Housing Improvement Act of 2000. The Committee does not provide a direct appropriation for this account. The recommendation is $30,000 above the fiscal year 2013 enacted level, and $1,000,000 below the budget request.

The Committee includes language allowing the Department to collect fees from program participants for the dispute resolution and installation programs. These fees are to be deposited into the trust fund and may be used by the Department subject to the overall cap placed on the account.

The Committee is concerned that there has been no permanent Administrator of the Office of Manufactured Housing since September 15, 2007. The Committee includes bill language under the "Program Office Salaries and Expenses" heading that instructs the Secretary to appoint an Administrator of the Office of Manufactured Housing within 120 days and reduces Salaries and Expenses by $50,000 each day that this directive remains unmet.

Further, the Committee understands that a substantial backlog of recommendations approved by the Manufactured Housing Consensus Committee exists, and a lack of action and attention in this area has meant that codes and standards have not kept pace with technological innovation, or allowed the industry to keep pace with consumer demand. The Committee looks forward to a more focused and responsive office under permanent leadership.

FEDERAL HOUSING ADMINISTRATION

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Limitation of direct loans	Limitation of guaranteed loans	Administrative contract expenses
Appropriation, fiscal year 2013	$50,000,000	$400,000,000,000	$207,000,000
Budget request, fiscal year 2014	20,000,000	400,000,000,000	127,000,000
Recommended in the bill	20,000,000	400,000,000,000	127,000,000
Bill compared to:			
Appropriation, fiscal year 2013	−30,000,000	– – –	−80,000,000
Budget request, fiscal year 2014	– – –	– – –	– – –

The Federal Housing Administration's (FHA) mutual mortgage insurance program account includes the mutual mortgage insurance (MMI) and cooperative management housing insurance funds. This program account covers unsubsidized programs, primarily the single-family home mortgage program, which is the largest of all the FHA programs. These include the Condominium, Section 203(k) rehabilitation, and Home Equity Conversion Mortgage programs (HECM) and the multifamily Cooperative Management Housing Insurance Funds (CMHI). The cooperative housing insurance program provides mortgages for cooperative housing projects of more than five units that are occupied by members of a cooperative housing corporation.

COMMITTEE RECOMMENDATION

The Committee recommends the following limitations on loan commitments in the MMI program account: $400,000,000,000 for loan guarantees and $20,000,000 for direct loans. The recommendation also includes $127,000,000 for administrative contract expenses. The Committee continues language as requested, appropriating additional administrative expenses in certain circumstances.

The Committee's recommendation for administrative contract expenses is the same as the budget request and $80,000,000 less than the level enacted in fiscal year 2013. In fiscal year 2014, there is no transfer to the working capital fund for development and modifications to information technology systems that serve programs or activities under the FHA, accounting for $71,500,000 of the decrease from fiscal year 2013 levels.

In addition, the Committee includes bill language that lifts the statutory aggregate cap of 275,000 HECM loan guarantees in fiscal year 2014. The Committee has carried similar language in prior years. The Committee notes that HECM volume estimates reflect originations for the HECM Saver product only, where both closing costs and principal loan limits are lower than the HECM standard product.

Report.—The Committee is concerned about proposals for local governments to use eminent domain to seize mortgages. The Committee understands that these seized mortgages would be refinanced and repackaged into new securities for a fee. The Committee directs HUD to submit a study on the effect that risk of using eminent domain for these purposes will have on the housing market, including the FHA primary and refinance market as well as the broader mortgage market, interest rates, homeownership, and affordability by April 1, 2014.

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

	Limitation of direct loans	Limitation of guaranteed loans
Appropriation, fiscal year 2013	$20,000,000	$25,000,000,000
Budget request, fiscal year 2014	20,000,000	30,000,000,000
Recommended in the bill	20,000,000	30,000,000,000
Bill compared to:		
Appropriation, fiscal year 2013	– – –	+5,000,000,000
Budget request, fiscal year 2014	– – –	– – –

The Federal Housing Administration's (FHA) general and special risk insurance (GI and SRI) program account includes 17 different programs administered by FHA. The GI fund includes a wide variety of insurance programs for special-purpose single and multifamily loans, including loans for property improvements, manufactured housing, multifamily rental housing, condominiums, housing for the elderly, hospitals, group practice facilities, and nursing homes. The SRI fund includes insurance programs for mortgages in older, declining urban areas that would not be otherwise eligible for insurance, mortgages with interest reduction payments, and mortgages for experimental housing and for high-risk mortgagors who would not normally be eligible for mortgage insurance without housing counseling.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on loan guarantees of $30,000,000,000, an increase of $5,000,000,000 from the fiscal year 2013 level and equal to the budget request. It includes a limitation of $20,000,000 for direct loans, which is the same as the fiscal year 2013 level and the budget request.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

	Limitation of guaranteed loans	Administrative contract expenses
Appropriation, fiscal year 2013	$500,000,000,000	$19,500,000
Budget request, fiscal year 2014	500,000,000,000	21,200,000
Recommended in the bill	500,000,000,000	19,000,000
Bill compared to:		
Appropriation, fiscal year 2013	– – –	–500,000
Budget request, fiscal year 2014	– – –	–2,200,000

The Guarantee of Mortgage-Backed Securities Program facilitates the financing of residential mortgage loans insured or guaranteed by the Federal Housing Administration, the Department of Veterans Affairs, and the Rural Housing Services program. The Government National Mortgage Association (GNMA) guarantees the timely payment of principal and interest on securities issued by private service institutions such as mortgage companies, commercial banks, savings banks, and savings and loan associations that assemble pools of mortgages and issue securities backed by the pools. In turn, investment proceeds are used to finance additional mortgage loans. Investors include non-traditional sources of credit in the housing market such as pension and retirement funds, life insurance companies, and individuals.

COMMITTEE RECOMMENDATION

The recommendation includes a $500,000,000,000 limitation on loan commitments for mortgage-backed securities as requested and $19,000,000 for the personnel costs of GNMA, to be funded by Commitment and Multiclass fees. The recommendation for personnel costs is $500,000 below the fiscal year 2013 enacted level and $2,200,000 below the budget request.

Policy Development and Research

Appropriation, fiscal year 2013[1]	$46,000,000
Budget request, fiscal year 2014	50,000,000
Recommended in the bill	21,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−25,000,000
Budget request, fiscal year 2014	−29,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

Title V of the Housing and Urban Development Act of 1970, as amended, directs the Secretary of the Department of Housing and Urban Development to undertake programs of research, evaluation, and reports relating to the Department's mission and programs. These functions are carried out internally and through grants and contracts with industry, nonprofit research organizations, educational institutions, and through agreements with State and local governments and other Federal agencies. The research programs seek ways to improve the efficiency, effectiveness, and equity of HUD programs and to identify methods to achieve cost reductions. Additionally, this appropriation is used to support HUD evaluation and monitoring activities and to conduct housing surveys.

COMMITTEE RECOMMENDATION

The Committee recommends $21,000,000 for this account, which is a decrease of $25,000,000 below the level enacted in fiscal year 2013 and $29,000,000 below the budget request.

Of the activities proposed in the budget, the Committee recommends $18,000,000 for the American Housing Survey and $2,000,000 for the new home sales and completions reports. Perhaps HUD will only be able to report quarterly on this economic indicator.

The Committee has provided $5,000,000 for research dissemination. The Committee suggests that the development mobile apps for housing data is not the best use of Federal funds.

FAIR HOUSING AND EQUAL OPPORTUNITY

Appropriation, fiscal year 2013[1]	$70,847,000
Budget request, fiscal year 2014	71,000,000
Recommended in the bill	55,847,000
Bill compared with:	
Appropriation, fiscal year 2013	−15,000,000
Budget request, fiscal year 2014	−15,153,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Office of Fair Housing and Equal Opportunity (OFHEO) is responsible for developing policies and guidance, and for providing technical support for enforcement of the Fair Housing Act and the civil rights statues. OFHEO serves as the central point for the formulation, clearance and dissemination of policies, intra-departmental clearances, and public information related to fair housing issues. OFHEO receives, investigates, conciliates and recommends the issuance of charges of discrimination and determinations of non-compliance for complaints filed under Title VIII and other civil rights authorities. Additionally, OFHEO conducts civil rights compliance reviews and compliance reviews under Section 3.

COMMITTEE RECOMMENDATION

The Committee recommends $55,847,000 for this account, which is $15,000,000 below the level enacted in fiscal year 2013 and $15,153,000 below the request. Of the funds provided, $300,000 is for the Limited English Proficiency Initiative and $23,400,000 is for the Fair Housing Assistance Program. The Committee recommends that the Department focus resources on education, outreach, and training initiatives, and supporting local and state organizations. The Committee proposes that the National Fair Housing Training Academy should be self-sustaining.

OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES

LEAD HAZARD REDUCTION

Appropriation, fiscal year 2013[1]	$120,000,000
Budget request, fiscal year 2014	120,000,000
Recommended in the bill	50,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−70,000,000
Budget request, fiscal year 2014	−70,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Office of Lead Hazard Control and Healthy Homes is responsible for administering the Lead-Based Paint Hazard Reduction program authorized by Title X of the Housing and Community Development Act of 1992. The office also addresses multiple housing-related health hazards through the Healthy Homes Initiative, pursuant to the Secretary's authority in sections 501 and 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z–1 and 1701z–2).

The office develops lead-based paint regulations, guidelines, and policies applicable to HUD programs and enforces the Lead Disclosure Rule issued under Title X. For both lead-related and Healthy Homes issues, the office designs and administers programs for grants, training, research, demonstration, and education.

COMMITTEE RECOMMENDATION

The Committee recommends $50,000,000 for the lead programs, which is $70,000,000 below both the level enacted in fiscal year 2013 and the budget request. Of the amount provided, the Committee recommends $5,000,000 for the Healthy Homes Initiative, and $2,500,000 for technical studies.

INFORMATION TECHNOLOGY FUND

Appropriation, fiscal year 2013 [1]	[2] $271,753,000
Budget request, fiscal year 2014	285,100,000
Recommended in the bill	100,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−171,753,000
Budget request, fiscal year 2014	−185,100,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.
[2] Total amount through direct appropriations and transfers from other accounts.

While HUD's Working Capital Fund (WCF) was established pursuant to 42 U.S.C. 3535 to provide necessary capital for the development of, modifications to, and infrastructure for Department-wide information technology systems, and for the continuing operation of both Department-wide and program-specific information technology systems, HUD has never created the cost-accounting structure to operate a true WCF. The 2014 budget justification proposed funding these activities department-wide through one account named the "Information Technology Portfolio". The Committee has chosen to use the name "Information Technology Fund" similar to almost identical accounts in other Cabinet-level departments and agencies.

COMMITTEE RECOMMENDATION

The Committee recommends $100,000,000 in direct appropriations for the Working Capital Fund (WCF) to support Department-wide information technology system activities, $171,753,000 less than the fiscal year 2013 enacted level and $185,100,000 below than the budget request.

The Committee has retained language that precludes the use of these or any other funds appropriated previously to the Working Capital Fund or program offices that previously transferred funds to the Working Capital Fund that would be used or transferred to any other entity in HUD or elsewhere for the purposes of implementing the Administration's "e-Gov" initiative without the Committee's approval in HUD's operating plan. The Committee directs that funds appropriated for specific projects and activities should not be reduced or eliminated in order to fund other activities inside and outside of HUD without the expressed approval of the Committee. HUD is not to contribute or participate in activities that are specifically precluded in legislation, unless the Committee agrees to a change.

Further, the Committee modifies language requiring the Government Accountability Office (GAO) to audit and oversee HUD's information technology programs, development and investments. Since 2010 the Committee has required HUD to submit an expenditure plan outlining its IT modernization projects prior to spending a portion of the funds made available. Over the past few years, HUD has provided details regarding the modernization efforts in the plans. GAO has reviewed the plans and provided continuous briefings to the Committee on the plans' satisfaction of the statutory requirements. Recognizing progress made in planning IT modernization efforts, the Committee recommends modifying the contents of the plan to provide (1) details regarding HUD's portfolio of IT investments and (2) the status of the Department's efforts in applying IT management controls. It is expected that the Department will submit this plan to the Committee and GAO. This plan may also include additional information regarding the extent to which IT management controls have been applied to the projects associated with each IT investment in the department's portfolio. The Committee emphasizes the importance of pursuing a strategic approach as HUD continues to improve its IT management. To this end, in order to monitor the Department's progress, the Committee instructed GAO in 2012 to conduct several reviews. In 2013, GAO completed a review of the Department's IT project management practices. For fiscal year 2014, the Committee affirms its direction for GAO to also evaluate HUD's institutionalization of governance and cost estimating practices. In particular, the Committee remains interested in any achieved cost savings or operational efficiencies that have resulted (or may result) from the Department's improvement efforts.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2013 [1]	$124,000,000
Budget request, fiscal year 2014	127,672,000
Recommended in the bill	124,000,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−3,672,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Office of Inspector General (IG) provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies that create conditions for existing or potential instances of waste, fraud, and mismanagement. The audit function provides internal audit, contract audit, and inspection services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, re-pricing, and settlement of contracts. Internal audits evaluate all facets of agency operations. Inspection services provide detailed technical evaluations of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

COMMITTEE RECOMMENDATION

The Committee recommends $124,000,000 for the Office of Inspector General, which is the same as the fiscal year 2013 enacted level and $3,672,000 below the budget request.

TRANSFORMATION INITIATIVE

Appropriation, fiscal year 2013 [1]	$50,000,000
Budget request, fiscal year 2014	[2] 80,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2013	–50,000,000
Budget request, fiscal year 2014	–80,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.
[2] The budget proposes to transfer up to $80,000,000 from other accounts into the Transformation Initiative.

The Transformation Initiative is the Department's effort to improve and streamline the systems and operations at HUD. Managed by the Office of Strategic Planning and Management, this initiative has three elements: (1) research, evaluation, and program metrics; (2) program demonstrations; (3) technical assistance and capacity building.

COMMITTEE RECOMMENDATION

The Committee was not able to provide funds for the transformation initiative, despite some of the research and successes of the program such as OneCPD and other technical assistance. Further, because of the low numbers in other accounts, the Committee could not recommend transferring funds. The Committee continues to find the mass transfer to be an awkward method of funding the activities under this account and distorts the resources required and available under the various donor program accounts.

GENERAL PROVISIONS—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Section 201. The Committee continues the provision that relates to the division of financing adjustment factors.

Section 202. The Committee continues the provision that prohibits available funds from being used to investigate or prosecute lawful activities under the Fair Housing Act.

Section 203. The Committee continues by reference the two provisions in prior appropriations Acts that correct the HOPWA formula and make other technical corrections.

Section 204. The Committee continues language requiring funds appropriated to be distributed on a competitive basis in accordance with the Department of Housing and Urban Development Reform Act of 1989.

Section 205. The Committee continues language regarding the availability of funds subject to the Government Corporation Control Act and the Housing Act of 1950.

Section 206. The Committee continues language regarding allocation of funds in excess of the budget estimates.

Section 207. The Committee continues language regarding the expenditure of funds for corporations and agencies subject to the Government Corporation Control Act.

Section 208. The Committee continues language requiring the Secretary to provide quarterly reports on uncommitted, unobligated and excess funds in each departmental program and activity.

Section 209. The Committee continues the provision that requires that the Administration's budget and the Department's budget justifications for fiscal year 2015 shall be submitted in the identical account and sub-account structure provided in this Act.

Section 210. The Committee continues the provision that exempts PHA Boards in Alaska, Iowa, and Mississippi and the County of Los Angeles from public housing resident representation requirement.

Section 211. The Committee continues the provision that prohibits the IG from changing the basis on which the audit of GNMA is conducted.

Section 212 authorizes HUD to transfer debt and use agreements from an obsolete project to a viable project, provided that no additonal costs are incurred, and other conditions are met, as proposed by the House and the Senate.

Section 213. The Committee continues the provision that sets forth requirements for eligibility for Section 8 voucher assistance, and includes consideration for persons with disabilities.

Section 214. The Committee continues the provision that distributes Native American housing block grant funds to the same Native Alaskan recipients as 2005.

Section 215. The Committee continues the provision that authorizes the Secretary to insure mortgages under Section 255 of the National Housing Act.

Section 216. The Committee continues the provision that instructs HUD on managing and disposing of any multifamily property that is owned by HUD.

Section 217. The Committee continues the provision that authorizes the Secretary to waive certain requirements on adjusted income for certain assisted living projects for counties in Michigan.

Section 218. The Committee continues the provision that allows the recipient of a section 202 grant to establish a single-asset nonprofit entity to own the project and may lend the grant funds to such entity.

Section 219. The Committee continues the provision that allows amounts provided under the Section 108 loan guarantee program may be used to guarantee notes or other obligations issued by any State on behalf of non-entitlement communities in the State.

Section 220. The Committee continues the provision that instructs HUD that PHAs that own and operate 400 units or fewer of public housing are exempt from asset management requirements.

Section 221. The Committee continues the provision that restricts the Secretary from imposing any requirement or guideline relating to asset management that restricts or limits the use of capital funds for central office costs, up to the limit established in QHWRA.

Section 222. The Committee continues the provision that provides that no employee of the Department shall be designated as an allotment holder unless the CFO determines that such allotment holder has received training.

Section 223. The Committee includes a provision that requires HUD to provide an annual report on the status of all Section 8 project-based housing.

Section 224. The Committee continues language regarding Notice of Funding Availability (NOFA) announcements and publication.

Section 225. The Committee continues the provision that provides that funding for indemnities is limited to non-programmatic litigation and is restricted to the payment of attorney fees only.

Section 226. The Committee continues the provision that authorizes the Secretary to transfer up to the lesser of 5 percent or $5,000,000 of funds appropriated under the heading "Administration, Operations, and Management."

Section 227. The Committee continues the provision that allows the Disaster Housing Assistance Programs to be considered a program of the Department of Housing and Urban Development for the purpose of income verifications and matching.

Section 228. The Committee continues a provision regarding PHA salary levels.

Section 229. The Committee continues a provision that repeals the paragraphs under the heading "Flexible Subsidy Fund."

Section 230. The Committee continues a provision that allows critical access hospitals to be insured under section 242 of the National Housing Act.

Section 231. The Committee includes a new provision that adds a consortium of PHAs to the definition of a PHA that operates public housing.

Section 232. The Committee continues a provision that allows the Secretary to increase loan guarantee fees under the Indian Housing Loan Guarantee Program.

Section 233. The Committee includes a new provision regarding income eligibility and exemptions for assisted housing residents.

Section 234. The Committee continues a provision which extends the availability of Hope VI funds appropriated in prior years.

Section 235. The Committee includes a new provision which expands the existing Delegated Processing Agency authority to facilitate provision of Section 202 operating assistance-only contracts to fund supportive housing units aligned with State health care priorities.

Section 236. The Committee includes a provision that requires annual, rather than quarterly, reporting by the Secretary regarding duplication of benefits in Community Development Fund disaster funding.

Section 237. The Committee includes a new provision that extends and expands the Rental Assistance Demonstration program.

Section 238. The Committee includes a new provision that prohibits funds to require public housing agencies to conduct a Green Physical Needs Assessment.

Section 239. The Committee includes a new provision that prohibits funds for HUD's Doctoral Dissertation Research Grant program.

TITLE III—RELATED AGENCIES

UNITED STATES ACCESS BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2013[1]	$7,400,000
Budget request, fiscal year 2014	7,448,000
Recommended in the bill	7,400,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	–48,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The United States Access Board (Access Board) was established by section 502 of the Rehabilitation Act of 1973 and is the only Federal Agency whose primary mission is accessibility for people with disabilities. The Access Board is responsible for developing guidelines under the Americans with Disabilities Act, the Architectural Barriers Act, and the Telecommunications Act. The Access Board is responsible for developing standards under section 508 of the Rehabilitation Act for accessible electronic and information technology used by Federal agencies. The Access Board also enforces the Architectural Barriers Act and provides training and technical assistance on the guidelines and standards it develops.

The Access Board has been given responsibilities under the Help America Vote Act to serve on the Election Assistance Commission's Board of Advisors and Technical Guidelines Development Committee. Additionally, the Board maintains a small research program that develops technical assistance materials and provides information needed for rulemaking.

COMMITTEE RECOMMENDATION

The Committee recommends $7,400,000 for the operations of the Access Board, which is the same as the fiscal year 2013 enacted level and $48,000 below the budget request.

FEDERAL HOUSING FINANCE AGENCY

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2013	$38,000,000
Budget request, fiscal year 2014	48,000,000
Recommended in the bill	38,000,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	–10,000,000

The Federal Housing Finance Agency Office of Inspector General (FHFA) was established by the Housing and Economic Recovery Act of 2008 (P.L. 110–289). It promotes the efficient and effective conduct of the Federal Housing Finance Agency in its capacity as the primary regulator of the housing Government-Sponsored Enterprises (GSE) and conservator of Fannie Mae and Freddie Mac. FHFA OIG activities are funded from FHFA's direct assessments on the housing GSEs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $38,000,000 for fiscal year 2014, which is $10,000,000 below the budget request, and equal to the fiscal year 2013 level. The Committee notes that it did not receive a budget request for fiscal year 2014. The Committee includes language directing the FHFA OIG to submit a fiscal year 2015 budget request in a similar format to other inspector general offices.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 2013 [1]	$24,100,000
Budget request, fiscal year 2014	25,000,000
Recommended in the bill	24,200,000
Bill compared with:	
Appropriation, fiscal year 2013	+100,000
Budget request, fiscal year 2014	−800,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

Established in 1961, the Federal Maritime Commission (FMC) is an independent government agency, responsible for the regulation of oceanborne transportation in the foreign commerce of the United States. FMC policy focuses on 1) maintaining an efficient and competitive international ocean transportation system; and 2) protecting the public from unlawful, unfair, and deceptive ocean transportation practices. The Federal Maritime Commission monitors ocean common carriers, marine terminal operators, conferences, ports, and ocean transportation intermediaries to ensure they maintain just and reasonable practices. Among other activities, FMC also maintains a trade monitoring and enforcement program, monitors the laws and practices of foreign governments and their impacts on shipping conditions in the U.S., and enforces special regulatory requirements as they apply to controlled carriers.

The principal shipping statutes administered by the FMC are the Shipping Act of 1984 (46 U.S.C. 40101–41309), the Foreign Shipping Practices Act of 1988 (46 U.S.C. 42301–42307), Section 19 of the Merchant Marine Act, 1920 (46 U.S.C. 42101–42109), and Public Law 89–777 (46 U.S.C. 44101–44106).

COMMITTEE RECOMMENDATION

The Committee recommends $24,200,000 for the Federal Maritime Commission, which is $100,000 above the fiscal year 2013 appropriation and $800,000 less than the budget request.

National Railroad Passenger Corporation (Amtrak)

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriation, fiscal year 2013 [1]	$20,500,000
Budget request, fiscal year 2014	25,300,000
Recommended in the bill	25,300,000
Bill compared with:	
Appropriation, fiscal year 2013	+4,800,000
Budget request, fiscal year 2014	– – –

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Amtrak Inspector General is an independent, objective unit responsible for detecting and preventing fraud, waste, abuse, and violations of law and for promoting economy, efficiency and effectiveness at Amtrak.

COMMITTEE RECOMMENDATION

The Committee recommends $25,300,000 for Amtrak's Office of Inspector General (Amtrak OIG), which is $4,800,000 above the fiscal year 2013 enacted level and the same amount proposed in the fiscal year 2014 budget.

Budget justification.—The Committee appreciates that the Amtrak OIG submitted a separate budget request to the Committees on Appropriations and directs it to do so in fiscal year 2015.

National Transportation Safety Board

SALARIES AND EXPENSES

Appropriation, fiscal year 2013 [1]	$102,400,000
Budget request, fiscal year 2014	103,027,000
Recommended in the bill	102,400,000
Bill compared with:	
Appropriation, fiscal year 2013	– – –
Budget request, fiscal year 2014	−627,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

Initially established along with the Department of Transportation (DOT), the National Transportation Safety Board (NTSB) commenced operations on April 1, 1967, as an independent federal agency charged by Congress with investigating every civil aviation accident in the United States, as well as significant accidents in other modes of transportation—railroad, highway, marine and pipeline—and issuing safety recommendations aimed at preventing future accidents. Although it has always operated independently, the NTSB relied on the DOT for funding and administrative support until the Independent Safety Board Act of 1974 (Public Law 93–633) severed all ties between the two organizations effective April of 1975.

In addition to its investigatory duties, the NTSB is responsible for maintaining the government's database of civil aviation accidents and conducting special studies of transportation safety issues of national significance. Furthermore, in accordance with the provisions of international treaties, the NTSB supplies investigators to serve as U.S. Accredited Representatives for aviation accidents overseas involving U.S.-registered aircraft, or involving aircraft or major components of U.S. manufacture. The NTSB also serves as the court of appeals for any airman, mechanic or mariner whenever certificate action is taken by the Administrator of the Federal Aviation Administration (FAA) or the U.S. Coast Guard Commandant, or when civil penalties are assessed by the FAA. In addition, the NTSB operates the NTSB Academy in Ashburn, Virginia.

COMMITTEE RECOMMENDATION

The Committee recommends $102,400,000 for the salaries and expenses of the NTSB, which is equal to the fiscal year 2013 level and $627,000 below the budget request.

NTSB Academy.—The agency is encouraged to continue to seek additional opportunities to lease out, or otherwise generate revenue from the NTSB Academy, so that the agency can appropriately focus its resources on the important investigative work that is central to the agency's mission. In addition, the agency is again directed to submit detailed information on the costs associated with the NTSB Academy, as well as the revenue the facility is expected to generate, as part of the fiscal year 2015 budget request.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriation, fiscal year 2013[1]	$215,300,000
Budget request, fiscal year 2014	204,100,000
Recommended in the bill	185,100,000
Bill compared with:	
Appropriation, fiscal year 2013	−30,200,000
Budget request, fiscal year 2014	−19,000,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The Neighborhood Reinvestment Corporation was created by the Neighborhood Reinvestment Corporation Act (title VI of the Housing and Community Development Amendments of 1978). Neighborhood Reinvestment Corporation now operates under the trade name 'NeighborWorks America.' NeighborWorks America helps local communities establish working partnerships between residents and representatives of the public and private sectors. These partnership-based organizations are independent, tax-exempt, community-based nonprofit entities, often referred to as NeighborWorks organizations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $185,100,000 for fiscal year 2014, which is $30,200,000 below the fiscal year 2013 enacted level (presequester) and $19,000,000 below the fiscal year 2014 budget request.

Of the funds provided, $127,100,000 is for the core program, which equal to the fiscal year 2014 request and $8,200,000 below the fiscal year 2013 enacted level.

A total of $58,000,000 is for the National Foreclosure Mitigation Counseling (NFMC) Program, $19,000,000 below the fiscal year 2014 budget request, and $22,000,000 below the fiscal year 2013 enacted level. The Committee notes that in fiscal year 2007, Congress initially provided "one-time funding" for NFMC in response the housing foreclosure crisis. According to RealtyTrac, U.S. Foreclosure filing fell in April 2013 to the lowest level in more than six years. A total of 144,790 properties received notices of default, auction or seizure, down 5 percent from March 2013 and 23 percent from a year earlier. It was the lowest tally since February 2007. Recognizing the improvement in the housing market and the reduction in foreclosures, the Committee reduces funding for NFMC.

UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

Appropriation, fiscal year 2013[1]	$3,300,000
Budget request, fiscal year 2014	3,600,000
Recommended in the bill	3,000,000
Bill compared with:	
Appropriation, fiscal year 2013	−300,000
Budget request, fiscal year 2014	−600,000

[1] Enacted level does not include the 251A sequester or Sec. 3004 OMB ATB.

The mission of the United States Interagency Council on Homelessness (USICH) is "to coordinate the Federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness." 42 U.S.C. 11311 (2013).

The USICH was reauthorized in 2009 in the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, P.L. 111–22, with a termination date of October 1, 2010. This date has since been extended to October 1, 2015.

COMMITTEE RECOMMENDATION

The Committee recommends $3,000,000 for the USICH, which is $300,000 below fiscal year 2013 and $600,000 below the budget request. The Committee does not include requests to make this program permanent or to increase the salary for the Executive Director.

The Committee encourages USICH to work with agencies over the next couple of years to establish permanent working relationships and interagency relationships that will endure beyond USICH's sunset date in 2015. The Committee expects USICH to also find efficiencies and to begin to wind down activities as it transitions its coordination function to permanently authorized agencies. This transition should begin to leverage the resources of those agencies to continue interagency coordination on Opening Doors: the Federal Strategic Plan to Prevent and End Homelessness beyond 2015.

TITLE IV—GENERAL PROVISIONS, THIS ACT

Section 401. The Committee continues the provision prohibiting pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this Act.

Section 402. The Committee continues the provision prohibiting obligations beyond the current fiscal year and prohibiting transfers of funds unless expressly provided in this Act.

Section 403. The Committee continues the provision limiting consulting service expenditures of public record in procurement contracts.

Section 404. The Committee continues the provision specifying reprogramming procedures by subjecting the establishment of new offices and reorganizations to the reprogramming process.

Section 405. The Committee continues a provision that ensures that 50 percent of unobligated balances may remain available for certain purposes.

Section 406. The Committee continues the provision prohibiting employee training not directly related to the performance of official duties.

Section 407. The Committee continues the provision prohibiting funds from being used for any project that seeks to use the power of eminent domain unless eminent domain is employed only for a public use.

Section 408. The Committee continues the provision prohibiting the transfer of funds made available in this Act to any instrumentality of the United States Government except as authorized by this Act or any other appropriations Act.

Section 409. The Committee continues the provision prohibiting funds in this Act from being used to permanently replace an employee intent on returning to his past occupation after completion of military service.

Section 410. The Committee continues the provision prohibiting funds in this Act from being used unless the expenditure is in compliance with the Buy American Act.

Section 411. The Committee continues the provision prohibiting funds from being appropriated or made available to any person or entity that has been found to violate the Buy American Act.

Section 412. The Committee continues the provision that prohibits funds for first-class airline accommodations in contravention of section 301–10.122 and 301–10.123 of title 41 CFR.

Section 413. The Committee continues the provision that prohibits funds from being used to purchase light bulbs for an office building unless, to the extent practicable, the light bulb has an Energy Star or Federal Energy Management Program designation.

Section 414. The Committee continues the provision which prohibits funds in this Act or any prior Act from going to the group ACORN or any of its affiliates, subsidiaries, or allied organizations.

Section 415. The Committee includes a provision limiting the use of funds to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, corporations convicted of a felony criminal violation of Federal law within the preceding 24 months. The Department 0f Transportation and the Department of Housing and Urban Development shall each provide an annual report to the Committee, due within 30 days of the end of each fiscal year, detailing its implementation of this provision, including a list of affected corporations and a justification for any cases where it was determined that the limitation should not apply.

Section 416. The Committee includes a provision that prohibits funds in this Act from being used to further the implementation of the European Union's greenhouse gas emissions trading scheme.

Section 417. The Committee includes a provision limiting the use of funds to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, corporations with certain unpaid Federal tax liabilities. The Department of Transportation and the Department of Housing and Urban Development shall each provide an annual report to the Committee, due within 30 days of the end of each fiscal year, detailing its implementation of this provision, including a list of affected corporations and a justification for any cases where it was determined that the limitation should not apply.

Section 418. The Committee includes a provision establishing a "Spending Reduction Account" in the bill.