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SENATE

{ REPORT
112-157

TRANSPORTATION AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS BILL, 2013

APRIL 19, 2012.—Ordered to be printed

Mrs. MURRAY, from the Committee on Appropriations, submitted the following

REPORT

[To accompany S. 2322]

The Committee on Appropriations reports the bill (S. 2322) making appropriations for the Departments of Transportation and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2013, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amounts of new budget (obligational) authority for fiscal year 2013

| | |
|---|------------------|
| Total of bill as reported to the Senate | \$53,438,000,000 |
| Amount of 2012 appropriations | 57,312,000,000 |
| Amount of 2013 budget estimate ¹ | 48,222,756,000 |
| Bill as recommended to Senate compared to— | |
| 2012 appropriations | – 3,874,000,000 |
| 2013 budget estimate ¹ | + 5,215,244,000 |

¹The budget estimate proposed converting \$5,968,628,000 previously treated as budget authority into obligation limits which are not included here.

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PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2012, 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. 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.

REPROGRAMMING GUIDELINES

The Committee includes a provision (sec. 405) 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 advanced 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;
- proposes to redirect 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 should 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 must also identify items of special congressional interest.

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 the proposed changes will have on the budget request for the following fiscal year. Except in emergency situations, reprogramming requests should be submitted no later than June 30.

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. 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 such funds 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 OMB. In fact, OMB Circular A-11, part 6 specifically states that the “agency should 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.

While the Committee values the inclusion of performance data and presentations, it is important to ensure that vital budget information that the Committee needs is not lost. Therefore, the Committee directs that justifications submitted with the fiscal year 2014 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 the 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, and 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 2014 to the fiscal year 2013 enacted level.

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 the 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 2014 budget request.

FIGHTING WASTE

The departments, agencies, boards, and commissions funded in this bill can and should continue to reduce operating expenses by placing greater scrutiny on overhead costs. Savings can and should be achieved by reducing non-essential travel, office supply, rent, and utility costs. The Committee directs each department, agency, board, and commission funded in this bill to develop a plan to reduce such costs by at least 10 percent in fiscal year 2013. Plans to achieve these savings in fiscal year 2013 should be submitted to the Committee no later than 30 days after enactment of this act.

TITLE I

DEPARTMENT OF TRANSPORTATION

Extension of Transportation Programs and the Solvency of the Highway Trust Fund.—For the fourth year in a row, the Committee notes that it is in the position of recommending funding levels for the highway, transit, and highway and motor carrier safety programs without any certainty that the necessary contract authority will be available for the whole of fiscal year 2013.

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users [SAFETEA-LU] expired at the end of fiscal year 2009, and although the Senate has passed legislation to reauthorize the surface transportation programs, there is still no guarantee that legislation will be enacted before the end of this fiscal year. The use of short-term extensions has only served to exacerbate the insecurity felt by State and local governments that rely on Federal transportation programs for investment in their communities.

In the meantime, the Committee again must fulfill its responsibility to recommend appropriate funding levels for offices and programs at the Department of Transportation. In order to put forward realistic funding recommendations, the Committee is assuming that the transportation programs will continue to be extended through fiscal year 2013 at current funding levels. This assumption is especially relevant for those programs that rely on contract authority provided in the authorization acts, including the Federal-aid highway program, the formula and bus transit programs, the programs of the Federal Motor Carrier Safety Administration, and most funding for the National Highway Traffic Safety Administration.

OFFICE OF THE SECRETARY

Section 3 of the Department of Transportation Act of October 15, 1966 (Public Law 89-670) provides for establishment of the Office of the Secretary of Transportation [OST]. The Office of the Secretary is comprised of the Secretary and the Deputy Secretary immediate and support offices; the Office of the General Counsel; the Office of the Under Secretary of Transportation for Policy, including the offices of the Assistant Secretary for Aviation and International Affairs and the Assistant Secretary for Transportation for Policy; three Assistant Secretarial offices for Budget and Programs, Governmental Affairs, and Administration; and the Offices of Public Affairs, the Executive Secretariat, Small and Disadvantaged Business Utilization, Intelligence, Security and Emergency Response, and Chief Information Officer. The Office of the Secretary also includes the Department's Office of Civil Rights and the Department's Working Capital Fund.

SALARIES AND EXPENSES

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$102,481,000 |
| Budget estimate, 2013 | 110,450,000 |
| Committee recommendation | 108,097,000 |

PROGRAM DESCRIPTION

This appropriation finances the costs of policy development and central supervisory and coordinating functions necessary for the overall planning and direction of the Department. It covers the immediate secretarial offices as well as those of the assistant secretaries, and the general counsel.

COMMITTEE RECOMMENDATION

The Committee recommends a total of \$108,097,000 for salaries and expenses of the Office of the Secretary of Transportation, including \$60,000 for reception and representation expenses. The recommendation is \$2,353,000 less than the budget request and \$5,616,000 more than the fiscal year 2012 enacted level. The accompanying bill stipulates that none of the funding provided may be used for the position of Assistant Secretary for Public Affairs.

The accompanying bill authorizes the Secretary to transfer up to 5 percent of the funds from any office within the Office of the Secretary to another. The Committee recommendation also continues language that permits up to \$2,500,000 of fees to be credited to the Office of the Secretary for salaries and expenses.

The following table summarizes the Committee's recommendation in comparison to the fiscal year 2012 enacted level and the budget estimate:

| | Fiscal year— | | Committee recommendation |
|--|--------------|--------------|--------------------------|
| | 2012 enacted | 2013 request | |
| Immediate Office of the Secretary | \$2,618,000 | \$2,635,000 | \$2,635,000 |
| Office of the Deputy Secretary | 984,000 | 992,000 | 992,000 |
| Office of the General Counsel | 19,515,000 | 19,615,000 | 19,615,000 |
| Office of the Under Secretary of Transportation for Policy | 10,107,000 | 11,248,000 | 11,248,000 |
| Office of the Assistance Secretary for Budget and Programs | 10,538,000 | 13,201,000 | 12,825,000 |
| Office of the Assistant Secretary for Government Affairs | 2,500,000 | 2,601,000 | 2,514,000 |
| Office of the Assistance Secretary for Administration | 25,469,000 | 28,672,000 | 27,095,000 |
| Office of Public Affairs | 2,020,000 | 2,254,000 | 2,034,000 |
| Executive Secretariat | 1,595,000 | 1,701,000 | 1,608,000 |
| Office of Small and Disadvantaged Business Utilization | 1,369,000 | 1,539,000 | 1,539,000 |
| Office of Intelligence, Security, and Emergency Response | 10,778,000 | 10,875,000 | 10,875,000 |
| Office of the Chief Information Officer | 14,988,000 | 15,117,000 | 15,117,000 |
| Total, Salaries and Expenses | 102,481,000 | 110,450,000 | 108,097,000 |

IMMEDIATE OFFICE OF THE SECRETARY

PROGRAM DESCRIPTION

The Secretary of Transportation provides leadership and has the primary responsibility to provide overall planning, direction, and control of the Department.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,635,000 for fiscal year 2013 for the Immediate Office of the Secretary. The recommendation is equal to the budget request and \$17,000 more than the fiscal year 2012 enacted level.

IMMEDIATE OFFICE OF THE DEPUTY SECRETARY

PROGRAM DESCRIPTION

The Deputy Secretary has the primary responsibility of assisting the Secretary in the overall planning and direction of the Department.

COMMITTEE RECOMMENDATION

The Committee recommends \$992,000 for the Immediate Office of the Deputy Secretary, which is equal to the budget request and \$8,000 more than the fiscal year 2012 enacted level.

OFFICE OF THE GENERAL COUNSEL

PROGRAM DESCRIPTION

The Office of the General Counsel provides legal services to the Office of the Secretary, including the conduct of aviation regulatory proceedings and aviation consumer activities, and coordinates and reviews the legal work in the chief counsels' offices of the operating administrations. The General Counsel is the chief legal officer of the Department of Transportation and the final authority within the Department on all legal questions.

COMMITTEE RECOMMENDATION

The Committee recommends \$19,615,000 for expenses of the Office of the General Counsel for fiscal year 2013. The recommended funding level is equal to the budget request and \$100,000 more than the fiscal year 2012 enacted level. This level retains the \$2,500,000 for the Office of the General Counsel to continue its enhanced efforts to protect the rights of airline passengers.

OFFICE OF THE UNDER SECRETARY OF TRANSPORTATION FOR POLICY

PROGRAM DESCRIPTION

The Under Secretary for Policy is the chief policy officer of the Department and is responsible to the Secretary for the analysis, development, and review of policies and plans for domestic and international transportation matters. The Office administers the economic regulatory functions regarding the airline industry and is responsible for international aviation programs, the essential air service program, airline fitness licensing, acquisitions, international route awards, computerized reservation systems, and special investigations, such as airline delays.

COMMITTEE RECOMMENDATION

The Committee recommends \$11,248,000 for the Office of the Under Secretary for Policy. The recommended funding level is

equal to the budget request and \$1,141,000 more than the fiscal year 2012 enacted level. The recommended funding level will allow the Office to invest in its workforce while keeping to its current level of full-time equivalents [FTEs].

OFFICE OF THE ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS

PROGRAM DESCRIPTION

The Assistant Secretary for Budget and Programs serves as the Chief Financial Officer for the Department and provides leadership on all financial management matters. The primary responsibilities of this office include ensuring the development and justification of the Department's annual budget submissions for consideration by the Office of Management and Budget and the Congress. The office is also responsible for the proper execution and accountability of these resources. In addition, the Office of the Chief Financial Officer for the Office of the Secretary is located within the Office of the Assistant Secretary for Budget and Programs.

COMMITTEE RECOMMENDATION

The Committee recommends \$12,825,000 for the Office of the Assistant Secretary for Budget and Programs. The recommended level is \$376,000 less than the budget request and \$2,287,000 more than the fiscal year 2012 enacted level.

The Committee recommendation includes \$2,300,000 to establish a credit oversight office, as requested by the Department. The Department offers credit assistance through the Transportation Infrastructure Finance and Innovation Act program, the Railroad Rehabilitation and Improvement Financing program, and the Federal Ship Financing program, which is usually referred to as the Title XI program. Among these three programs, the Department oversees a portfolio of about \$10,800,000,000 in direct loans and loan guarantees. Applications for credit assistance are complex in nature, and the Committee expects that the level of credit assistance provided by the Department will increase over the coming years. The additional resources provided under the Committee recommendation will help the Department review applications and maintain strong oversight over its growing portfolio.

The Committee recommendation does not include \$376,000 requested by the Department for editorial and graphic design services for the Performance and Accountability Report, and for consultant services for the Office of the Chief Financial Officer for OST, and the Office of the Assistant Secretary for Budget and Programs.

OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS

PROGRAM DESCRIPTION

The Assistant Secretary for Governmental Affairs advises the Secretary on all congressional and intergovernmental activities and on all departmental legislative initiatives and other relationships with Members of Congress. The Assistant Secretary promotes effective communication with other Federal agencies and regional Department officials, and with State and local governments and na-

tional organizations for development of departmental programs; and ensures that consumer preferences, awareness, and needs are brought into the decisionmaking process.

COMMITTEE RECOMMENDATION

The Committee recommends a total of \$2,514,000 for the Office of the Assistant Secretary for Governmental Affairs. The recommended level is \$87,000 less than the budget request and \$14,000 more than the fiscal year 2012 enacted level.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

PROGRAM DESCRIPTION

The Assistant Secretary for Administration is responsible for establishing policies and procedures, setting guidelines, working with the operating administrations to improve the effectiveness and efficiency of the Department in human resource management, security and administrative management, real and personal property management, and acquisition and grants management.

COMMITTEE RECOMMENDATION

The Committee recommends \$27,095,000 for the Office of the Assistant Secretary for Administration. The recommended funding level is \$1,577,000 less than the budget request and \$1,626,000 more than the fiscal year 2012 enacted level. The Committee recommendation includes \$901,000 requested by the Department for contract support for the Office of the Senior Procurement Executive to conduct procurement management reviews and assess internal controls over acquisition activities and programs.

OFFICE OF PUBLIC AFFAIRS

PROGRAM DESCRIPTION

The Director of Public Affairs is the principal advisor to the Secretary and other senior departmental officials on public affairs questions. The Office is responsible for managing the Secretary's presence in the media, writing speeches and press releases, and preparing the Secretary for public appearances. The Office arranges media events and news conferences, and responds to media inquiries on the Department's programs and other transportation-related issues. It also provides information to the Secretary on the opinions and reactions of the public and news media on these programs and issues.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,034,000 for the Office of Public Affairs, which is \$220,000 less than the budget request and \$14,000 more than the fiscal year 2012 enacted level.

EXECUTIVE SECRETARIAT

PROGRAM DESCRIPTION

The Executive Secretariat assists the Secretary and the Deputy Secretary in carrying out their management functions and respon-

sibilities by controlling and coordinating internal and external written materials.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,608,000 for the Executive Secretariat. The recommendation is \$93,000 less than the budget request and \$13,000 more than the fiscal year 2012 enacted level.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

PROGRAM DESCRIPTION

The Office of Small and Disadvantaged Business Utilization has primary responsibility for providing policy direction for small and disadvantaged business participation in the Department's procurement and grant programs, and effective execution of the functions and duties under sections 8 and 15 of the Small Business Act, as amended.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,539,000, an amount that is equal to the budget request and \$170,000 more than the fiscal year 2012 enacted level.

OFFICE OF INTELLIGENCE, SECURITY, AND EMERGENCY RESPONSE

PROGRAM DESCRIPTION

The Office of Intelligence, Security and Emergency Response ensures the development, coordination, and execution of plans and procedures for the Department of Transportation to balance transportation security requirements with the safety, mobility, and economic needs of the Nation. The Office keeps the Secretary and his advisors apprised of current developments and long-range trends in international issues, including terrorism, aviation, trade, transportation markets, and trade agreements. The Office also advises the Department's leaders on policy issues related to intelligence, threat information sharing, national security strategies and national preparedness and response planning.

To ensure the Department is able to respond in disasters, the Office prepares for and coordinates the Department's participation in national and regional exercises and training for emergency personnel. The Office also administers the Department's Continuity of Government and Continuity of Operations programs and initiatives. Additionally, the Office provides direct emergency response and recovery support through the National Response Framework and operates the Department's Crisis Management Center. The center monitors the Nation's transportation system 24 hours a day, 7 days a week, and is the Department's focal point during emergencies.

COMMITTEE RECOMMENDATION

The Committee recommends \$10,875,000 for the Office of Intelligence, Security, and Emergency Response. The recommendation is equal to the request and \$97,000 more than the fiscal year 2012 enacted level.

OFFICE OF THE CHIEF INFORMATION OFFICER

PROGRAM DESCRIPTION

The Office of the Chief Information Officer serves as the principal adviser to the Secretary on matters involving information technology, cybersecurity, privacy, and records management.

COMMITTEE RECOMMENDATION

The Committee recommends \$15,117,000, which is equal to the budget request and \$129,000 more than the fiscal year 2012 enacted level.

NATIONAL INFRASTRUCTURE INVESTMENTS

| | |
|--------------------------------|--------------------------|
| Appropriations, 2012 | \$500,000,000 |
| Budget estimate, 2013 | ¹ 500,000,000 |
| Committee recommendation | 500,000,000 |

¹The administration included these funds in its budget request, but reclassified them as mandatory spending.

PROGRAM DESCRIPTION

This program provides grants and credit assistance to State and local governments, transit agencies, or a collaboration of such entities for capital investments in surface transportation infrastructure that will have a significant impact on the Nation, a metropolitan area or a region. Eligible projects include highways and bridges, public transportation, freight and passenger rail, and port infrastructure. The Department awards grants on a competitive basis; however, the Department must ensure an equitable geographic distribution of funds and an appropriate balance in addressing the needs of urban and rural communities.

COMMITTEE RECOMMENDATION

The Committee recommendation includes \$500,000,000 for grants and credit assistance for investment in significant transportation projects, which is equal to the fiscal year 2012 enacted level and the budget request. The administration assumed that this program would be funded as a part of comprehensive legislation to reauthorize surface transportation programs, and reclassified the funding as mandatory spending. The Committee, however, does not expect the enactment of legislation that funds this program on the mandatory side of the budget, and so provides its funding recommendation in order to continue investment in these important transportation projects.

Planning Activities.—The Committee recommendation includes up to \$35,000,000 for the planning, preparation or design of projects eligible for funding under this heading.

Protections for Rural Areas.—The Committee continues to believe that our Federal infrastructure programs must benefit communities across the country. For this reason, the Committee continues to require the Secretary to award grants and credit assistance in a manner that ensures an equitable geographic distribution of funds and an appropriate balance in addressing the needs of urban and rural communities. The Committee also set aside funding for projects located in rural areas, and included specific provisions to

match grant requirements with the needs of rural areas. Specifically, the Committee has lowered the minimum size of a grant awarded to a rural area and increased the Federal share of the total project cost.

FINANCIAL MANAGEMENT CAPITAL

| | |
|--------------------------------|-------------|
| Appropriations, 2012 | \$4,990,000 |
| Budget estimate, 2013 | 10,000,000 |
| Committee recommendation | 10,000,000 |

PROGRAM DESCRIPTION

The Financial Management Capital program is a new multi-year business transformation initiative to streamline and standardize the financial systems and business processes across the Department of Transportation. The initiative includes upgrading and enhancing the commercial software used for DOT's financial systems, improving the cost and performance data provided to managers, and instituting new accounting standards and mandates.

COMMITTEE RECOMMENDATION

The Committee is recommending \$10,000,000 to support the Secretary's Financial Management Capital initiative, which is equal to the budget request and \$5,010,000 more than the fiscal year 2012 enacted level.

Funding From OST and the Modal Administrations.—The Committee is disappointed that the OST budget documents still do not provide detailed justifications for the Financial Management Capital initiative, including a clear delineation of the amount of funding requested for this initiative by OST and the amount of funding included in the budget request of each of the modes. The Committee notes that the justifications for fiscal year 2013 show the amount of funding requested for this activity in all of the modes combined, but the justifications do not break out how much of that total would be provided by each of the modes. The Committee again directs OST to include this information in its budget justifications for fiscal year 2014.

CYBER SECURITY INITIATIVE

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$10,000,000 |
| Budget estimate, 2013 | 6,000,000 |
| Committee recommendation | 6,000,000 |

PROGRAM DESCRIPTION

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 \$6,000,000 to support the Secretary's Cyber Security Initiative, which is equal to the

budget request and \$4,000,000 less than the fiscal year 2012 enacted level.

OFFICE OF CIVIL RIGHTS

| | |
|--------------------------------|-------------|
| Appropriations, 2012 | \$9,384,000 |
| Budget estimate, 2013 | 9,773,000 |
| Committee recommendation | 9,773,000 |

PROGRAM DESCRIPTION

The Office of Civil Rights is responsible for advising the Secretary on civil rights and equal employment opportunity matters, formulating civil rights policies and procedures for the operating administrations, investigating claims that small businesses were denied certification or improperly certified as disadvantaged business enterprises, and overseeing the Department's conduct of its civil rights responsibilities and making final determinations on civil rights complaints. In addition, the Civil Rights Office is responsible for enforcing laws and regulations which prohibit discrimination in federally operated and federally assisted transportation programs.

COMMITTEE RECOMMENDATION

The Committee recommends a funding level of \$9,773,000 for the Office of Civil Rights. The recommendation is equal to the budget request and \$389,000 more than the fiscal year 2012 enacted level. The recommended funding level includes \$264,000 requested by the Department to establish a centralized information technology system for tracking accommodation requests related to equal employment opportunity services. The Department is required to collect information on accommodation requests and report annually on whether requested accommodations were provided or denied within the allowable timeframe. The new system will help the Department ensure that decisions are made and accommodations provided within the timeframe allowed.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

| | |
|--------------------------------|-------------|
| Appropriations, 2012 | \$9,000,000 |
| Budget estimate, 2013 | 10,000,000 |
| Committee recommendation | 8,000,000 |

PROGRAM DESCRIPTION

The Office of the Secretary performs those research activities and studies which can more effectively or appropriately be conducted at the departmental level. This research effort supports the planning, research, and development activities needed to assist the Secretary in the formulation of national transportation policies. The program is carried out primarily through contracts with other Federal agencies, educational institutions, nonprofit research organizations, and private firms.

COMMITTEE RECOMMENDATION

The Committee recommends \$8,000,000 for transportation planning, research, and development, which is \$2,000,000 less than the

budget request and \$1,000,000 less than the fiscal year 2012 enacted level.

The Committee is aware of news reports that have found poor air quality in some diesel powered commuter rail cars and stations. The Committee encourages the Secretary of Transportation to conduct a study of the air quality in passenger cars of commuter or intercity trains with diesel or diesel-electric locomotives, and rail stations serviced by diesel or diesel-electric locomotives, and determine cost-effective ways to reduce diesel emissions and improve air quality in these passenger cars and rail stations. The Secretary is encouraged to work with modal Administrators, commuter rail transit agencies, the public transportation industry, public health groups, and commuter rail worker organizations in conducting such a study.

WORKING CAPITAL FUND

| | |
|--|---------------|
| Limitation, 2012 | \$172,000,000 |
| Budget estimate, 2013 ¹ | |
| Committee recommendation | 174,128,000 |

¹Proposed without limitation.

PROGRAM DESCRIPTION

The Working Capital Fund [WCF] provides technical and administrative services to the Department’s operating administrations and other Federal entities. The services are centrally performed in the interest of economy and efficiency and are funded through negotiated agreements with Department operating administrations and other Federal customers and are billed on a fee-for-service basis to the maximum extent possible.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$174,128,000 on activities financed through the Working Capital Fund. The Committee recommendation is equal to the level of activity estimated for fiscal year 2013 under the budget request, but the Department had requested that no limitation be included in the bill. The recommended limit is also \$2,128,000 more than the limit enacted for fiscal year 2012.

As in past years, the bill specifies that the limitation on the Working Capital Fund shall apply only to the Department and not to services provided by other entities. The Committee directs that services shall be provided on a competitive basis to the maximum extent possible.

The Committee notes that the “transparency paper” included in the justifications for fiscal year 2013 provides essential information on total budgetary resources for the Office of the Assistant Secretary for Administration and the Office of the Chief Information Officer, including the balance of resources provided through the Working Capital Fund and direct appropriations. Therefore, the Committee directs the Department to update this “transparency paper” and include it in the budget justifications for fiscal year 2014.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

| | Appropriations | Limitation on guaranteed loans |
|--------------------------------|----------------|--------------------------------|
| Appropriations, 2012 | \$922,000 | \$18,367,000 |
| Budget estimate, 2013 | 1,285,000 | 21,955,000 |
| Committee recommendation | 922,000 | 18,367,000 |

PROGRAM DESCRIPTION

The Minority Business Resource Center of the Office of Small and Disadvantaged Business Utilization provides assistance in obtaining short-term working capital for disadvantaged, minority, and women-owned businesses. The program enables qualified businesses to obtain loans at prime interest rates for transportation-related projects. As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with guaranteed loans for this program as well as administrative expenses of this program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$333,000 to cover the subsidy costs for guaranteed loans and \$589,000 for administrative expenses to carry out the guaranteed loan program. These recommended levels add to a total funding level of \$922,000 for the Minority Business Resource Center. This total funding level is \$363,000 less than the budget estimate and equal to the fiscal year 2012 enacted level. The Committee also recommends a limitation on guaranteed loans of \$18,367,000, which is \$3,588,000 less than the budget request and equal to the fiscal year 2012 enacted level.

The Office of Small and Disadvantaged Business Utilization conducted an aggressive campaign in order to increase the number of lenders participating in the Minority Business Resource Center's Short Term Lending Program. As a result of this effort, the office doubled the number of loans it provides to small and disadvantaged businesses that had never participated in the program before, which means that the program is expanding opportunities for the small business community. The Department requested an increase in the limitation on loan volume in order to accommodate additional program growth in fiscal year 2013, but the Committee notes that the current limit still affords the office room for significant growth. The Committee encourages the Department to continue its efforts, and will revisit the issue if the current limit becomes a constraint in the future.

MINORITY BUSINESS OUTREACH

| | |
|--------------------------------|-------------|
| Appropriations, 2012 | \$3,068,000 |
| Budget estimate, 2013 | 3,234,000 |
| Committee recommendation | 3,234,000 |

PROGRAM DESCRIPTION

This appropriation provides contractual support to assist small, women-owned, Native American, and other disadvantaged business firms in securing contracts and subcontracts arising out of trans-

portation-related projects that involve Federal spending. Separate funding is provided for these activities since this program provides grants and contract assistance that serve Department-wide goals and not just OST purposes.

COMMITTEE RECOMMENDATION

The Committee recommends \$3,234,000 for grants and contractual support provided under this program for fiscal year 2013. The recommendation is equal to the budget request and \$166,000 more than the fiscal year 2012 enacted level.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

| | Appropriations | Mandatory ¹ | Total |
|--------------------------------|----------------|------------------------|---------------|
| Appropriation, 2012 | \$143,000,000 | \$50,000,000 | \$193,000,000 |
| Budget estimate, 2013 | 114,000,000 | 100,000,000 | 214,000,000 |
| Committee recommendation | 114,000,000 | 100,000,000 | 214,000,000 |

¹ From overflight fees provided to the Federal Aviation Administration pursuant to 49 U.S.C. 41742.

PROGRAM DESCRIPTION

This appropriation provides funding for the Essential Air Service [EAS] program, which was created to continue air service to communities that had received federally mandated air service prior to deregulation of commercial aviation in 1978. The program currently provides subsidies to air carriers serving small communities that meet certain criteria.

The Federal Aviation Administration Reauthorization Act of 1996 (Public Law 104–264) authorized the collection of user fees for services provided by the Federal Aviation Administration [FAA] to aircraft that neither take off from, nor land in, the United States. These fees are commonly referred to as “overflight fees”, and a portion of the receipts from the fees are used to finance the EAS program. In the event of a shortfall in fees, the law requires FAA to make up the difference from other funds available to the agency. No such shortfall has occurred, however, since fiscal year 2005.

COMMITTEE RECOMMENDATION

The Committee recommends the appropriation of \$114,000,000 for the EAS program. This appropriation would be in addition to \$100,000,000 of overflight fees collected by the Federal Aviation Administration, allowing the Department to support a total program level for EAS of \$214,000,000. The appropriation and the level of funding from overflight fees under the Committee’s recommendation are both equal to the budget request. The total program level under the Committee’s recommendation is \$21,000,000 more than the total program level enacted for fiscal year 2012; however, the total program level enacted for that year was comprised of an appropriation of \$143,000,000 plus \$50,000,000 in overflight fees. Recently enacted legislation to reauthorize the Federal Aviation Administration allows more of the receipts collected from overflight fees to be used to finance the EAS program.

Reforming the EAS Program.—The Airline Deregulation Act, passed in 1978, gave airlines the freedom to choose what service to provide to communities across the country. Congress recognized that, after deregulation, small communities would be the most vulnerable to losing the air service that provided essential mobility and connected them to the larger aviation network. For this reason, Congress created the Essential Air Service program to guarantee that small communities who were serviced by the airlines before deregulation would continue to be provided with air service.

Now, more than 30 years after the deregulation of the airline industry, the economics of providing subsidized air service are profoundly different than they were when the EAS program was created. The number of air carriers that can provide the air service covered by the EAS program continues to drop, even with the promise of a Federal subsidy. As a result, the amount of direct appropriations required to continue the EAS guarantee of air service more than doubled in recent years. The dramatic growth in the cost of the EAS program was unsustainable, and in the current budgetary environment, it threatened the ability of Congress to live up to its promise to communities that had been participating in the program.

The recently enacted FAA Modernization and Reform Act of 2012 included reforms to the EAS program that will help constrain the growth of the program's cost. The act requires that eligible communities have an average of at least 10 enplanements per service day. It also limits EAS funding to communities that received subsidies at any time during fiscal year 2011, or received notification during fiscal year 2011 from an airline that intends to discontinue its service and that is required by the Department to continue such service.

In addition to these reforms, the Committee continues to include a provision that was requested by the Administration last year, and repeated in its budget request for fiscal year 2013. The provision removes the requirement for 15-passenger seat aircraft. This requirement adds to the cost of the EAS program because the fleet of 15-passenger seat aircraft continues to age and grow more difficult for airlines to maintain. The Committee, however, removes the requirement with the expectation that the Department will use this flexibility judiciously. The Department should use it for communities where historical passenger levels indicate that smaller aircraft would still accommodate the great majority of passengers, or for communities where viable proposals for service are not available. The Committee does not expect the Department to use this flexibility simply to lower costs if a community can show regular enplanement levels that would justify larger aircraft.

Transfer Authority.—The nature of the EAS program makes it extremely difficult to predict what the true program costs will be during fiscal year 2013. For this reason, the Committee continues to include bill language that directs the Secretary to transfer to the EAS program such sums as may be necessary to continue service to all eligible EAS points in fiscal year 2013. These funds may come from other funds directly administered by, or appropriated to, the Office of the Secretary.

The table below reflects the points in the continental United States currently receiving EAS service, their annual subsidy rates, and their level of subsidy per passenger. To remain eligible for EAS service, the community's level of subsidy per passenger must be below \$1,000. The Department determines eligibility by reviewing a community's per passenger subsidy level in the last fiscal year of its contract.

The table shows four communities that received per passenger subsidies greater than \$1,000 during the period the data was collected. The Department terminated the eligibility of Alamogordo, New Mexico, on March 31, 2012, and will examine the per passenger subsidy for Ely, Nevada, at the end of its current contract, which expires on September 30, 2012. Although the average per passenger subsidy for Lewistown, Montana, is over \$1,000 over the past year, the subsidy has fallen to under \$1,000 for the last several quarters. Finally, a new carrier began providing service for Owensboro, Kentucky, this past December, and based on data collected since that time, the subsidy per passenger has fallen to less than \$1,000. DOT will again examine the subsidy levels for both Lewistown and Owensboro at the end of their current contracts (which expire in fiscal year 2013 for Lewistown, and fiscal year 2015 for Owensboro).

ESSENTIAL AIR SERVICE SUBSIDY PER PASSENGER

[Data is based on April 1, 2012 rates and fiscal year 2011 passengers]

| State | EAS communities | Est. miles to nearest hub (S, M, or L) | Average enplanements per day | Subsidy rates at 4/1/12 | Passenger total at 9/30/11 | Subsidy per passenger at 12/31/10 |
|-------|------------------------|--|------------------------------|-------------------------|----------------------------|-----------------------------------|
| AL | Muscle Shoals | 60 | 24.1 | \$1,782,928 | 15,110 | \$118.00 |
| AR | El Dorado/Camden | 107 | 5.0 | 2,436,074 | 3,150 | 773.36 |
| AR | Harrison | 86 | 7.7 | 2,080,318 | 4,828 | 430.89 |
| AR | Hot Springs | 51 | 3.6 | 1,474,388 | 2,259 | 652.67 |
| AR | Jonesboro | 82 | 2.9 | 1,717,781 | 1,794 | 957.51 |
| AZ | Kingman | 121 | 3.0 | 1,168,390 | 1,878 | 622.15 |
| AZ | Page | 282 | 19.5 | 1,559,206 | 12,193 | 127.88 |
| AZ | Prescott | 102 | 16.3 | 1,832,233 | 10,185 | 179.90 |
| AZ | Show Low | 154 | 11.5 | 1,719,058 | 7,210 | 238.43 |
| CA | Crescent City | 314 | 41.7 | 1,781,888 | 26,119 | 68.22 |
| CA | El Centro | 101 | 17.7 | 1,852,091 | 11,070 | 167.31 |
| CA | Merced | 60 | 9.1 | 1,961,174 | 5,700 | 344.07 |
| CA | Visalia | 47 | 8.1 | 1,746,507 | 5,051 | 345.77 |
| CO | Alamosa | 164 | 22.1 | 1,987,155 | 13,819 | 143.80 |
| CO | Cortez | 255 | 21.9 | 1,847,657 | 13,680 | 135.06 |
| CO | Pueblo | 36 | 18.9 | 1,592,276 | 11,852 | 134.35 |
| GA | Athens | 72 | 4.5 | 1,051,386 | 2,839 | 370.34 |
| HI | Kalaupapa | 999 | 1.7 | 932,772 | 1,040 | 896.90 |
| IA | Burlington | 74 | 19.9 | 1,917,566 | 12,461 | 153.89 |
| IA | Fort Dodge | 91 | 32.7 | 1,910,995 | 20,454 | 93.43 |
| IA | Mason City | 131 | 39.9 | 1,017,545 | 24,969 | 40.75 |
| IA | Sioux City | 88 | 89.4 | 1,512,799 | 55,970 | 27.03 |
| IA | Waterloo | 63 | 68.3 | 1,541,824 | 42,740 | 36.07 |
| IL | Decatur | 126 | 19.8 | 2,667,922 | 12,415 | 214.90 |
| IL | Marion/Herrin | 123 | 28.2 | 2,053,783 | 17,672 | 116.22 |
| IL | Quincy | 111 | 27.7 | 1,946,270 | 17,322 | 112.36 |
| KS | Dodge City | 150 | 12.2 | 1,842,749 | 7,641 | 241.17 |
| KS | Garden City | 202 | 32.2 | 1,884,303 | 20,160 | 93.47 |
| KS | Great Bend | 114 | 3.2 | 1,257,617 | 2,025 | 621.05 |
| KS | Hays | 175 | 30.5 | 1,954,327 | 19,074 | 102.46 |
| KS | Liberal/Guymon | 138 | 15.1 | 1,958,570 | 9,423 | 207.85 |
| KS | Salina | 97 | 7.4 | 1,493,381 | 4,617 | 323.45 |
| KY | Owensboro | 105 | 1.0 | 1,529,913 | 645 | 2,371.96 |

ESSENTIAL AIR SERVICE SUBSIDY PER PASSENGER—Continued

[Data is based on April 1, 2012 rates and fiscal year 2011 passengers]

| State | EAS communities | Est. miles to nearest hub (S, M, or L) | Average enplanements per day | Subsidy rates at 4/1/12 | Passenger total at 9/30/11 | Subsidy per passenger at 12/31/10 |
|-------|------------------------------------|--|------------------------------|-------------------------|----------------------------|-----------------------------------|
| KY | Paducah | 146 | 57.8 | 1,710,775 | 36,158 | 47.31 |
| MD | Hagerstown | 78 | 10.8 | 1,203,167 | 6,744 | 178.41 |
| ME | Augusta/Waterville | 69 | 17.7 | 1,362,616 | 11,074 | 123.05 |
| ME | Bar Harbor | 178 | 38.9 | 2,298,533 | 24,323 | 94.50 |
| ME | Presque Isle/Houlton | 270 | 45.8 | 2,812,853 | 28,650 | 98.18 |
| ME | Rockland | 80 | 23.7 | 1,420,545 | 14,829 | 95.80 |
| MI | Alpena | 174 | 35.9 | 1,532,660 | 22,452 | 68.26 |
| MI | Escanaba | 112 | 39.2 | 2,090,534 | 24,526 | 85.24 |
| MI | Hancock/Houghton | 219 | 70.8 | 934,156 | 44,314 | 21.08 |
| MI | Iron Mountain/Kingsford | 105 | 32.8 | 2,090,534 | 20,540 | 101.78 |
| MI | Ironwood/Ashland | 213 | 5.3 | 1,747,326 | 3,314 | 527.26 |
| MI | Manistee | 110 | 29.6 | 1,694,794 | 18,523 | 91.50 |
| MI | Muskegon | 42 | 40.3 | 1,576,067 | 25,198 | 62.55 |
| MI | Pellston | 213 | 71.6 | 1,500,000 | 44,815 | 33.47 |
| MI | Sault Ste. Marie | 278 | 55.6 | 237,825 | 34,805 | 6.83 |
| MN | Bemidji | 158 | 72.7 | 1,338,293 | 45,532 | 29.39 |
| MN | Brainerd | 143 | 51.8 | 959,865 | 32,456 | 29.57 |
| MN | Chisholm/Hibbing | 199 | 35.5 | 2,938,878 | 22,213 | 132.30 |
| MN | International Falls | 298 | 45.8 | 1,309,886 | 28,648 | 45.72 |
| MN | Thief River Falls | 305 | 7.8 | 1,230,322 | 4,870 | 252.63 |
| MO | Cape Girardeau | 127 | 17.3 | 1,469,715 | 10,858 | 135.36 |
| MO | Fort Leonard Wood | 85 | 20.8 | 2,437,766 | 13,028 | 187.12 |
| MO | Joplin | 70 | 68.9 | 2,778,756 | 43,113 | 64.45 |
| MO | Kirkville | 137 | 14.5 | 1,422,110 | 9,097 | 156.33 |
| MS | Greenville | 124 | 22.2 | 1,606,662 | 13,891 | 115.66 |
| MS | Hattiesburg/Laurel | 85 | 43.9 | 1,398,798 | 27,482 | 50.90 |
| MS | Meridian | 84 | 53.6 | 678,936 | 33,563 | 20.23 |
| MS | Tupelo | 94 | 36.6 | 921,878 | 22,901 | 40.25 |
| MT | Butte | 76 | 76.1 | 672,230 | 47,631 | 14.11 |
| MT | Glasgow | 285 | 4.9 | 1,166,049 | 3,064 | 380.56 |
| MT | Glendive | 223 | 2.1 | 1,193,391 | 1,305 | 914.48 |
| MT | Havre | 230 | 3.3 | 1,162,329 | 2,046 | 568.10 |
| MT | Lewistown | 103 | 1.7 | 1,325,733 | 1,049 | 1,263.81 |
| MT | Miles City | 145 | 2.9 | 1,621,821 | 1,808 | 897.02 |
| MT | Sidney | 272 | 12.3 | 2,932,152 | 7,731 | 379.27 |
| MT | West Yellowstone | 89 | 42.9 | 427,757 | 10,465 | 40.88 |
| MT | Wolf Point | 293 | 4.1 | 1,502,378 | 2,568 | 585.04 |
| ND | Devils Lake | 402 | 17.9 | 1,459,493 | 11,198 | 130.34 |
| ND | Dickinson | 319 | 50.3 | 2,019,177 | 31,515 | 64.07 |
| ND | Jamestown | 97 | 16.1 | 1,963,220 | 10,076 | 194.84 |
| NE | Alliance | 233 | 5.4 | 1,108,701 | 3,402 | 325.90 |
| NE | Chadron | 290 | 6.4 | 1,108,701 | 4,015 | 276.14 |
| NE | Grand Island | 138 | 37.1 | 2,215,582 | 23,244 | 95.32 |
| NE | Kearney | 181 | 33.4 | 1,965,740 | 20,921 | 93.96 |
| NE | McCook | 256 | 6.3 | 1,796,795 | 3,917 | 458.72 |
| NE | North Platte | 255 | 26.8 | 1,871,765 | 16,805 | 111.38 |
| NE | Scottsbluff | 192 | 27.4 | 1,507,185 | 17,167 | 87.80 |
| NH | Lebanon/White River Junction | 124 | 28.2 | 2,347,744 | 17,650 | 133.02 |
| NM | Alamogordo/Holloman AFB | 89 | 1.3 | 1,169,337 | 809 | 1,445.41 |
| NM | Carlsbad | 149 | 8.0 | 1,350,253 | 5,036 | 268.12 |
| NM | Clovis | 102 | 7.0 | 1,592,157 | 4,401 | 361.77 |
| NM | Silver City/Hurley/Deming | 134 | 4.9 | 1,594,092 | 3,067 | 519.76 |
| NV | Ely | 234 | 1.4 | 1,752,067 | 851 | 2,058.83 |
| NY | Jamestown | 76 | 12.2 | 1,639,254 | 7,666 | 213.83 |
| NY | Massena | 138 | 12.6 | 1,708,911 | 7,907 | 216.13 |
| NY | Ogdensburg | 105 | 9.8 | 1,702,697 | 6,142 | 277.22 |
| NY | Plattsburgh | 82 | 38.3 | 1,379,257 | 23,983 | 57.51 |
| NY | Saranac Lake/Lake Placid | 132 | 18.2 | 1,366,538 | 11,379 | 120.09 |
| NY | Watertown | 54 | 10.0 | 3,047,972 | 6,229 | 489.32 |
| OR | Pendleton | 185 | 15.8 | 1,502,521 | 9,860 | 152.39 |
| PA | Altoona | 112 | 13.9 | 1,674,147 | 8,693 | 192.59 |

ESSENTIAL AIR SERVICE SUBSIDY PER PASSENGER—Continued

[Data is based on April 1, 2012 rates and fiscal year 2011 passengers]

| State | EAS communities | Est. miles to nearest hub (S, M, or L) | Average enplanements per day | Subsidy rates at 4/1/12 | Passenger total at 9/30/11 | Subsidy per passenger at 12/31/10 |
|-------|----------------------------|--|------------------------------|-------------------------|----------------------------|-----------------------------------|
| PA | Bradford | 77 | 9.8 | 1,087,306 | 6,122 | 177.61 |
| PA | DuBois | 112 | 18.8 | 2,228,996 | 11,754 | 189.64 |
| PA | Franklin/Oil City | 85 | 5.4 | 915,101 | 3,379 | 270.82 |
| PA | Johnstown | 84 | 24.9 | 1,674,147 | 15,585 | 107.42 |
| PA | Lancaster | 28 | 20.2 | 1,372,474 | 12,633 | 108.64 |
| PR | Mayaguez | 105 | 13.8 | 1,198,824 | 8,627 | 138.96 |
| SD | Aberdeen | 189 | 74.6 | 1,198,222 | 46,696 | 25.66 |
| SD | Huron | 121 | 6.4 | 1,742,886 | 3,994 | 436.38 |
| SD | Watertown | 207 | 27.5 | 1,769,019 | 17,235 | 102.64 |
| TN | Jackson | 86 | 2.8 | 1,149,703 | 1,722 | 667.66 |
| TX | Victoria | 93 | 16.1 | 1,856,692 | 10,065 | 184.47 |
| UT | Cedar City | 179 | 21.5 | 1,859,403 | 13,445 | 138.30 |
| UT | Moab | 256 | 11.7 | 1,816,486 | 7,319 | 248.19 |
| UT | Vernal | 150 | 15.8 | 1,299,194 | 9,860 | 131.76 |
| VA | Staunton | 113 | 37.7 | 2,180,461 | 23,618 | 92.32 |
| VT | Rutland | 69 | 18.3 | 797,141 | 11,477 | 69.46 |
| WI | Eau Claire | 92 | 55.3 | 1,733,576 | 34,607 | 50.09 |
| WI | Rhineland ..... | ..... | 99.8 | 1,500,000 | 62,456 | 24.02 |
| WV | Beckley | 168 | 8.8 | 2,313,457 | 5,533 | 418.12 |
| WV | Clarksburg | 96 | 19.1 | 1,488,219 | 11,985 | 124.17 |
| WV | Morgantown | 75 | 33.8 | 1,488,219 | 21,137 | 70.41 |
| WV | Parkersburg/Marietta | 110 | 22.6 | 2,642,237 | 14,122 | 187.10 |
| WY | Cody | 108 | 89.1 | 352,058 | 55,788 | 6.31 |
| WY | Laramie | 145 | 24.3 | 1,181,572 | 15,197 | 77.75 |
| WY | Worland | 161 | 9.6 | 1,770,336 | 6,027 | 293.73 |

RESEARCH AND TECHNOLOGY

| | |
|--------------------------------|---------------------------|
| Appropriations, 2012 | ¹ \$15,981,000 |
| Budget estimate, 2013 | 13,670,000 |
| Committee recommendation | 13,500,000 |

¹ Appropriations for fiscal year 2012 were provided for a separate agency within the Department of Transportation, whereas the budget request and Committee recommendation include funds for an office within the Office of the Secretary to perform the same activities.

PROGRAM DESCRIPTION

The Office of the Assistant Secretary for 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 recommends an appropriation of \$13,500,000 for the Office of the Assistant Secretary for Research and Technology. This amount is \$170,000 less than the budget request, and \$2,481,000 less than the amount provided to the Research and In-

novative Technology Administration to perform the same activities in fiscal year 2012. The following table summarizes the Committee's recommendation in comparison to the budget request and the fiscal year 2012 enacted level:

| | Fiscal year— | | Committee recommendation |
|---|--------------|--------------|--------------------------|
| | 2012 enacted | 2013 request | |
| Salaries and administrative expenses | \$6,974,000 | \$6,717,000 | \$6,717,000 |
| Alternative fuels research and development | 499,000 | 499,000 | 499,000 |
| Research, development and technology coordination | 509,000 | 509,000 | 339,000 |
| Nationwide differential global positioning system | 7,600,000 | 5,600,000 | 5,600,000 |
| Positioning, navigation and timing | 399,000 | 345,000 | 345,000 |
| Total | 15,981,000 | 13,670,000 | 13,500,000 |

Small Business Innovation Research.—The Small Business Innovation Research [SBIR] program encourages domestic small businesses to engage in Federal research or research and development activities that have the potential for commercialization. The Volpe Center directs the Department's SBIR program due to its extensive background in innovative programs such as technology transfer, cooperative research and development agreements, outreach projects involving a cross-section of the transportation community, and technical assistance to private organizations and State and local governments. The Committee recognizes the importance of the SBIR program and its success in commercialization from Federal funded research and development projects. Through its work, the SBIR program creates jobs in the smallest firms. The Committee therefore encourages the Department to place an increased focus on awarding SBIR awards to firms with fewer than 50 people.

ADMINISTRATIVE PROVISIONS—OFFICE OF THE SECRETARY OF
TRANSPORTATION

Section 101 prohibits the Office of the Secretary of Transportation from obligating funds originally provided to a modal administration in order to approve assessments or reimbursable agreements, unless the Department follows the regular process for the reprogramming of funds, including congressional notification.

Section 102 prohibits the use of funds for an EAS local participation program.

Section 103 authorizes the Secretary of Transportation or his designee to engage in activities with States and State legislatures to consider proposals related to the reduction of motorcycle fatalities.

Section 104 allows the Department of Transportation to make use of the Working Capital Fund in providing transit benefits to Federal employees.

Section 105 places simple administrative requirements on the Department of Transportation's Credit Council. These requirements include posting a schedule of meetings on the DOT Web site, posting the meeting agendas on the Web site, and recording the minutes of each meeting.

Section 106 authorizes the Secretary of Transportation to establish uniform standards for agency transit benefits.

FEDERAL AVIATION ADMINISTRATION
PROGRAM DESCRIPTION

The Federal Aviation Administration is responsible for the safe movement of civil aviation and 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 agency 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 transferred to a new, independent agency named the Civil Aeronautics Authority.

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 [DOT] began its operations in 1967, the Federal Aviation Agency was renamed the Federal Aviation Administration [FAA] and became one of several modal administrations within DOT. The Civil Aeronautics Board was later phased out with enactment of the Airline Deregulation Act of 1978, and ceased to exist in 1984. Responsibility for the investigation of civil aviation accidents was given to the National Transportation Safety Board in 1967. FAA's mission expanded in 1995 with the transfer of the Office of Commercial Space Transportation from the Office of the Secretary, and decreased in December 2001 with the transfer of civil aviation security activities to the new Transportation Security Administration.

COMMITTEE RECOMMENDATION

The total recommended funding level for the FAA for fiscal year 2013 amounts to \$15,932,212,000, including new budget authority, a limitation on the obligation of contract authority, and a rescission of unobligated balances. This funding level is \$786,396,000 more than the budget request and \$30,530,000 more than the fiscal year 2012 enacted level.

The following table summarizes the Committee's recommendations for fiscal year 2013 in comparison to the budget request and the fiscal year 2012 enacted level:

| | Fiscal year— | | Committee recommendation |
|---|-----------------|-----------------|-----------------------------|
| | 2012 enacted | 2013 estimate | |
| Operations | \$9,653,395,000 | \$9,718,000,000 | \$9,698,396,000 |
| Facilities and equipment | 2,730,731,000 | 2,850,000,000 | 2,750,000,000 |
| Research, engineering, and development | 167,556,000 | 180,000,000 | 160,000,000 |
| Rescission of research, engineering, and development funds | | - 26,183,998 | - 26,183,998 |
| Grants-in-aid for airports | 3,350,000,000 | 2,424,000,000 | 3,350,000,000 |
| War risk insurance | | - 1,000,000 | |
| Total | 15,901,682,000 | 15,144,816,000 | 15,932,212,000 |

OPERATIONS

| | |
|--------------------------------|-----------------|
| Appropriations, 2012 | \$9,653,395,000 |
| Budget estimate, 2013 | 9,718,000,000 |
| Committee recommendation | 9,698,396,000 |

PROGRAM DESCRIPTION

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, commercial space, medical, research, engineering and development programs, as well as policy oversight and agency management functions. The operations appropriation includes the following major activities:

- the air traffic organization which operates, on a 24-hour daily basis, the national air traffic system, including the establishment and maintenance of a national system of aids to navigation, the development and distribution of aeronautical charts and the administration of acquisition, and research and development programs;
- the regulation and certification activities including establishment and surveillance of civil air regulations to assure safety and development of standards, rules and regulations governing the physical fitness of airmen, as well as the administration of an aviation medical research program;
- the office of commercial space transportation; and
- headquarters, administration and other staff, and support offices.

COMMITTEE RECOMMENDATION

The Committee recommends a total of \$9,698,396,000 for FAA operations. This funding level is \$19,604,000 less than the budget request, and \$45,001,000 more than the fiscal year 2012 enacted level. The Committee recommendation derives \$5,340,000,000 of the appropriation from the airport and airway trust fund. The balance of the appropriation will be drawn from the general fund of the Treasury.

As in past years, FAA is directed to report immediately to the House and Senate Committees on Appropriations in the event resources are insufficient to operate a safe and effective air traffic control system.

The Committee continues three provisions enacted in prior years relating to premium pay, aeronautical charting and cartography, and Government-issued credit cards.

The following table summarizes the Committee’s recommendation in comparison to the budget estimate and fiscal year 2012 enacted level:

FAA OPERATIONS

| | Fiscal year— | | Committee recommendation |
|--------------------------------|-----------------|-----------------|--------------------------|
| | 2012 enacted | 2013 estimate | |
| Air traffic organization | \$7,442,738,000 | \$7,513,850,000 | \$7,496,279,000 |

FAA OPERATIONS—Continued

| | Fiscal year— | | Committee recommendation |
|---------------------------------------|---------------|---------------|--------------------------|
| | 2012 enacted | 2013 estimate | |
| Aviation safety | 1,252,991,000 | 1,255,000,000 | 1,255,000,000 |
| Commercial space transportation | 16,271,000 | 16,700,000 | 16,271,000 |
| Finance and management | 582,117,000 | 573,591,000 | 573,591,000 |
| NextGen and operations planning | 60,134,000 | 60,064,000 | 60,064,000 |
| Staff offices | 299,144,000 | 298,795,000 | 297,191,000 |
| Total | 9,653,395,000 | 9,718,000,000 | 9,698,396,000 |

FAA Administrative Expenses.—The Committee continues to expect the FAA to use its Federal resources judiciously, and does not believe that providing retention bonuses to the same employee for repeated years in a row represents a responsible use of those taxpayer dollars. A retention bonus should offer a short-term enticement to stay at the FAA for employees possessing critical and hard-to-replace skills, thereby giving the agency extra time to find a suitable replacement. When given every year to a broad spectrum of employees, however, a retention bonus acts as a loophole in the Federal administrative process, allowing the FAA to give a permanent pay raise to certain employees without being held accountable to the regular administrative requirements. The Committee is still concerned about the FAA's failure to manage this authority responsibly, and retains bill language directing the Department's Deputy Assistant Secretary for Administration to be the approving official for any request for a retention bonus by the FAA during fiscal year 2013.

Contract Towers.—The Committee recommendation provides a total of \$140,350,000 for the contract tower program, which includes \$10,350,000 for the contract tower cost share program. In addition, the Committee retains language that limits contributions in the contract tower cost share program to 20 percent of total costs.

Critical Workforces at the FAA.—The Committee continues to place a high priority on the critical workforces at the FAA. The Committee recommendation therefore fully funds the budget request for the air traffic controller workforce and the aviation safety inspector workforces. For the inspector workforce, the Committee recommendation includes \$833,087,000 requested by the FAA to support the flight standards service, and another \$209,969,000 requested by the FAA to support the aircraft certification service. The Committee also identifies funding for the flight standards and aircraft certification services as a congressional item of interest, and directs the FAA to submit to the House and Senate Committees on Appropriations a request for approval before redirecting any of the funding provided for the flight standards and aircraft certification services.

Performance Based Navigation.—The Committee recommendation includes an additional \$10,000,000 requested by the FAA for performance based navigation activities. This funding increase includes \$6,200,000 to provide operational support for the Optimization of Airspace and Procedures in a Metroplex program. The funding increase also includes \$3,800,000 for the FAA's efforts to

streamline its processes for requesting, prioritizing, developing and implementing instrument flight procedures.

Airfield Pavement Markings.—A key element to the application of reflective painting and striping for roadways, highways and airports are engineered glass beads. These beads are highly technical products that require safe and durable materials. However, the source materials for the creation of these glass beads can vary widely. Most manufacturers use environmentally friendly materials, such as recycled flat glass. These products are made from natural glass elements and contain only trace levels of heavy metals. Unfortunately, some producers of glass beads recycle glass with much higher concentrations of heavy metals, such as arsenic or lead. The high level of arsenic or lead that are present is due to the use of outdated manufacturing techniques which require the actual addition of heavy metals to clarify and “fine” the glass in order to create an economically viable product. As the glass degrades over time from the relentless pounding of aviation ground traffic, snow plows, and weather, the toxic materials leach out of the glass and run-off into nearby soil and water tables. In addition, workers who deal with the application of glass beads are becoming increasingly concerned about their own exposure.

Recently, the Texas Transportation Institute and Rowan University in conjunction with the New Jersey Institute of Technology [NJIT] have studied whether glass beads from foreign sources had high levels of arsenic and lead and if those heavy metals would leach out of this type of glass. Both studies found high levels of arsenic and lead in glass beads from foreign sources, and both studies found these metals leached out rapidly. The Rowan/NJIT study found leachable concentrations of arsenic and lead were higher than Federal regulatory standards for drinking water and aquatic life, and higher than New Jersey’s default leachate criteria for groundwater.

The Committee is concerned with the findings from these studies and therefore encourages the FAA to issue a regulation prohibiting glass beads containing more than 200 parts per million of arsenic or lead, as determined in accordance with Environmental Protection Agency testing methods 3052, 6010B, or 6010C, in airfield pavement marking projects.

FAA Public Hearing.—The Committee remains concerned with the proposed modifications to the Condor 1 and Condor 2 military operating areas and encourages FAA to continue working with their partner agencies by holding a public hearing with representatives from the relevant Federal agencies in western Maine upon completion of the Air National Guard’s environmental impact statement and the record of decision. The Committee recognizes that the Air National Guard, as the lead agency under the NEPA process, has sought to meet the minimum legal requirements for public participation and comment. However, the Committee remains troubled with how the authorization of low-altitude military training in the proposed airspace would affect areas that significantly contribute to the local economy and areas that are culturally and environmentally sensitive. Furthermore, the Committee notes the FAA is the only Federal agency that can modify special airspace and that the FAA may adopt the Air National Guard’s EIS in whole, or in

part, once the Final EIS has been issued. In addition, the Committee directs the FAA to report to the House and Senate Committees on Appropriations prior to the issuance of a record of decision regarding the modification of the Condor 1 and Condor 2 military operations areas that includes a summary of any public meeting and hearing and a list of the comments, questions, and responses presented at these meetings and hearings.

Aeronautical Navigation Products.—The Committee is aware that Aeronautical Navigation Products (AeroNav) removed publicly available aeronautical data from its Web site without notice, and is currently developing a per subscriber user fee on this information. In addition, the availability of AeroNav products to the public has been abruptly reduced from 17 days to 24 hours in advance of the charts' effective date. The Committee is concerned that these changes may conflict with the FAA's mission to provide timely and accurate information for pilots in the interest of safe and efficient navigation.

The Committee believes that the FAA should develop a fair and equitable fee structure for its products; however, the Committee notes that the agency has not yet been able to provide a justification for its new user fee, nor has the agency sought sufficient input from industry stakeholders. Sales of paper products have fallen, but the FAA should not view the sale of digital products simply as a convenient source of revenue to compensate for the loss of revenue.

The Committee therefore has included an administrative provision in the bill that would restrict the FAA from implementing new fees on AeroNav products until the agency has undergone a process of public outreach and provided a full justification to the Committee. In developing its fee structure, the FAA should consider the impact that a fee increase would have on all members of the aviation community, including private sector companies who utilize FAA data in its products sold to end users and government agencies.

The Committee also urges the Department to restore the timely deliverability of AeroNav products. Until a new proposal is approved and implemented, FAA should seek to restore the 17 day availability of digital content on the Internet. The timely availability of aeronautical charts is a benefit to the flying public and aviation safety, and unfortunately, the reduction in the availability of these charts has already had negative impacts.

Community Concerns Over Noise and Safety.—The Committee recognizes that the use of helicopters in Los Angeles County produces quality of life and safety impacts, prompting requests for FAA action. The Committee directs the FAA to solicit the views of interested parties, including representatives of local communities, regarding helicopter noise and safety issues in Los Angeles County no later than 90 days after the enactment of this Act. The Committee further directs the FAA to lead a collaborative effort with community representatives, elected officials, helicopter operators, and other affected interests to (1) identify specific concerns with helicopter operations, including noise; (2) evaluate options that would respond to identified concerns including, but not limited to routes, operating altitudes, and hovering practices; and (3) develop

solutions to the identified issues consistent with the FAA’s statutory responsibilities. Potential solutions should not restrict helicopter operations needed for emergency, law enforcement, or military purposes.

The Committee directs the FAA to submit a report to the House and Senate Appropriations Committee within 12 months of enactment of this act regarding the helicopter concerns in Los Angeles County that have been identified, the progress in addressing these concerns including reasons why some measures were not retained for further study, and the mechanisms for implementing measures and monitoring their continuing effectiveness.

Human Intervention Motivation Study and the Flight Attendant Drug and Alcohol Program.—The Human Intervention and Motivation Study [HIMS] is a substance abuse program that provides help to airline pilots in a way that protects their careers as well as air safety. The HIMS program is an industry-wide effort that involves airlines, pilot unions, and the FAA in the identification of impaired pilots, their treatment, and their return to the cockpit.

Traditional programs to address substance abuse have relied on workplace supervisors. However, airline pilots perform most of their duties among their peers, without direct supervision. The HIMS program works because it uses peer identification and intervention. The HIMS program provides educational materials, holds seminars, and conducts outreach to the pilot community.

Flight attendants are also safety professionals who, like pilots, perform their duties with little management oversight. The Flight Attendant Drug and Alcohol Program [FADAP] is designed specifically for the needs of flight attendants, and with its emphasis on peer identification and intervention, it operates much like the HIMS program. FADAP is an essential tool to help flight attendants who may be abusing alcohol or drugs.

The Committee recommendation includes \$2,103,000 to continue funding for HIMS and FADAP over the fiscal year 2012–2015 period.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

| | |
|--------------------------------|-----------------|
| Appropriations, 2012 | \$2,730,731,000 |
| Budget estimate, 2013 | 2,850,000,000 |
| Committee recommendation | 2,750,000,000 |

PROGRAM DESCRIPTION

The Facilities and Equipment appropriation provides funding for modernizing and improving air traffic control and airway facilities, equipment, and systems. 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 national airspace system [NAS]. The program aims to keep pace with the increasing demands of aeronautical activity and remain in accordance with the Federal Aviation Administration’s comprehensive 5-year capital investment plan [CIP].

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,750,000,000 for the Facilities and Equipment account of the Federal Aviation Administration. The recommended level is \$100,000,000 less than the budget estimate and \$19,269,000 more than the fiscal year 2012 enacted level.

Budget Activities Format.—The Committee directs that the fiscal year 2014 budget request for the Facilities and Equipment account conform to the same organizational structure of budget activities as displayed below.

The Committee's recommended distribution of funds for each of the budget activities funded by the appropriation follows:

FACILITIES AND EQUIPMENT

| | Fiscal year— | | Committee recommendation |
|---|--------------|---------------|--------------------------|
| | 2012 enacted | 2013 estimate | |
| Engineering, Development, Test and Evaluation: | | | |
| Advanced Technology Development and Prototyping | \$29,000,000 | \$33,100,000 | \$31,000,000 |
| NAS Improvement of System Support Laboratory | 1,000,000 | 1,000,000 | 1,000,000 |
| William J. Hughes Technical Center Facilities | 14,000,000 | 11,500,000 | 11,500,000 |
| William J. Hughes Technical Center Infrastructure Sustainment | 7,500,000 | 8,000,000 | 8,000,000 |
| Data Communications for Trajectory Based Operations [NGATS] | 143,000,000 | 142,630,000 | 142,630,000 |
| Next Generation Transportation System Technology Demonstration | 15,000,000 | 24,600,000 | 20,000,000 |
| Next Generation Transportation System—Systems Development | 85,000,000 | 61,000,000 | 47,000,000 |
| Next Generation Transportation System—Trajectory Based Operations | 7,000,000 | 16,500,000 | 10,000,000 |
| Next Generation Transportation System—Reduce Weather Impact | 15,600,000 | 16,600,000 | 16,000,000 |
| Next Generation Transportation System—High Density/Arrivals/Departures | 12,000,000 | 11,000,000 | 8,000,000 |
| Next Generation Transportation System—Collaborative ATM | 24,000,000 | 24,200,000 | 17,000,000 |
| Next Generation Transportation System—Flexible Terminals and Airports | 33,300,000 | 30,500,000 | 19,000,000 |
| Next Generation Transportation System—System Network Facilities | 5,000,000 | 11,000,000 | 8,000,000 |
| Next Generation Transportation System—Future Facilities | 15,000,000 | 95,000,000 | 75,000,000 |
| Performance Based Navigation/RNAV/RNP | 29,200,000 | 36,200,000 | 41,200,000 |
| Air Traffic Control Facilities and Equipment: | | | |
| En Route Programs: | | | |
| En Route Automation Modernization [ERAM] | 155,000,000 | 144,000,000 | 144,000,000 |
| En Route Automation Modernization [ERAM]—Post Release 3 ..... | ..... | 10,000,000 | 10,000,000 |
| En Route Communications Gateway [ECG] | 2,000,000 | 3,100,000 | 3,100,000 |
| Next Generation Weather Radar [NEXRAD]—Provide | 2,800,000 | 3,300,000 | 3,300,000 |
| Air Traffic Control System Command Center [ATCSCC]—Relocation | 3,600,000 | ..... | ..... |
| ARTCC Building Improvements/Plant Improvements | 41,000,000 | 46,000,000 | 45,500,000 |
| Air Traffic Management [ATM] | 7,500,000 | 21,700,000 | 21,700,000 |
| Air/Ground Communications Infrastructure | 4,800,000 | 4,000,000 | 4,000,000 |
| Air Traffic Control En Route Radar Facilities Improvements | 5,800,000 | 5,900,000 | 5,900,000 |
| Voice Switching and Control System [VSCS] | 1,000,000 | 15,000,000 | 15,000,000 |
| Oceanic Automation System | 4,000,000 | 4,000,000 | 4,000,000 |
| Next Generation Very High Frequency Air/Ground Communications System [NEXCOM] | 45,150,000 | 33,650,000 | 33,650,000 |
| System-Wide Information Management | 66,350,000 | 57,200,000 | 57,200,000 |
| ADS-B NAS Wide Implementation | 285,100,000 | 271,600,000 | 271,600,000 |
| Windshear Detection Service | 1,000,000 | ..... | ..... |
| Weather and Radar Processor [WARP] | 2,500,000 | 500,000 | 500,000 |
| Collaborative Air Traffic Management Technologies—WP2 | 41,500,000 | 34,420,000 | 34,420,000 |
| Colorado ADS-B/WAM Cost Share | 3,800,000 | 1,400,000 | 1,400,000 |
| Automated Terminal Information System [ATIS] | 1,000,000 | ..... | ..... |
| Tactical Flow Time Based Flow Management | 38,700,000 | 12,900,000 | 12,900,000 |

FACILITIES AND EQUIPMENT—Continued

| | Fiscal year— | | Committee recommendation |
|---|--------------|---------------|--------------------------|
| | 2012 enacted | 2013 estimate | |
| Terminal Programs: | | | |
| Airport Surface Detection Equipment—Model X [ASDE-X] | 2,200,000 | 7,400,000 | 7,400,000 |
| Terminal Doppler Weather Radar [TDWR]—Provide | 7,700,000 | 2,500,000 | 2,500,000 |
| Standard Terminal Automation Replacement System [STARS] (TAMR Phase 1) | 25,000,000 | 34,500,000 | 34,500,000 |
| Terminal Automation Modernization/Replacement Program (TAMR Phase 3) | 108,750,000 | 153,000,000 | 153,000,000 |
| Terminal Automation Program | 2,500,000 | 2,500,000 | 2,500,000 |
| Terminal Air Traffic Control Facilities—Replace | 51,600,000 | 64,900,000 | 64,900,000 |
| ATCT/Terminal Radar Approach Control [TRACON] Facilities—Improve | 52,000,000 | 25,200,000 | 25,200,000 |
| Terminal Voice Switch Replacement [TVSR] | 8,000,000 | 4,000,000 | 4,000,000 |
| NAS Facilities OSHA and Environmental Standards Compliance | 24,600,000 | 26,000,000 | 26,000,000 |
| Airport Surveillance Radar [ASR-9] | 6,000,000 | 6,400,000 | 6,400,000 |
| Terminal Digital Radar [ASR-11] | 3,900,000 | 8,200,000 | 8,200,000 |
| Runway Status Lights | 29,800,000 | 35,250,000 | 35,250,000 |
| National Airspace System Voice Switch [NVS] | 9,000,000 | 10,250,000 | 10,250,000 |
| Integrated Display System [IDS] | 8,800,000 | 4,200,000 | 4,200,000 |
| Remote Monitoring and Logging System [RMLS] | 4,200,000 | 4,700,000 | 4,700,000 |
| Mode S Service Life Extension Program [SLEP] | 4,000,000 | 4,000,000 | 4,000,000 |
| Surveillance Interface Modernization | | 2,000,000 | 2,000,000 |
| Tower Flight Data Manager [TFDM] | | 37,600,000 | 37,600,000 |
| Flight Service Programs: | | | |
| Automated Surface Observing System [ASOS] | 2,500,000 | | |
| Future Flight Service Program | | 8,000,000 | 8,000,000 |
| Flight Service Station [FSS] Modernization | 4,500,000 | 2,900,000 | 2,900,000 |
| Weather Camera Program | 4,800,000 | 4,400,000 | 4,400,000 |
| Landing and Navigational Aids Program: | | | |
| VHF Omnidirectional Radio Range [VOR] with Distance Measuring Equipment [DME] | 5,000,000 | 2,500,000 | 2,500,000 |
| Instrument Landing System [ILS]—Establish | 5,000,000 | 7,000,000 | 12,000,000 |
| Wide Area Augmentation System [WAAS] for GPS | 95,000,000 | 96,000,000 | 96,000,000 |
| Runway Visual Range [RVR] | 5,000,000 | 4,000,000 | 4,000,000 |
| Approach Lighting System Improvement Program [ALSIP] | 5,000,000 | 3,000,000 | 3,000,000 |
| Distance Measuring Equipment [DME] | 5,000,000 | 5,000,000 | 5,000,000 |
| Visual NAVAIDS—Establish/Expand | 3,400,000 | 3,500,000 | 3,500,000 |
| Instrument Flight Procedures Automation [IFPA] | 2,200,000 | 7,100,000 | 7,100,000 |
| Navigation and Landing Aids—Service Life Extension Program [SLEP] | 7,000,000 | 8,000,000 | 10,000,000 |
| VASI Replacement—Replace with Precision Approach Path Indicator | 8,000,000 | 4,000,000 | 4,000,000 |
| GPS Civil Requirements | 19,000,000 | 40,000,000 | 19,000,000 |
| Runway Safety Areas—Navigational Mitigation | 25,000,000 | 30,000,000 | 30,000,000 |
| Other ATC Facilities Programs: | | | |
| Fuel Storage Tank Replacement and Monitoring | 5,400,000 | 6,600,000 | 6,600,000 |
| Unstaffed Infrastructure Sustainment | 18,000,000 | 18,000,000 | 18,000,000 |
| Aircraft Related Equipment Program | 11,700,000 | 10,100,000 | 10,100,000 |
| Airport Cable Loop Systems—Sustained Support | 5,000,000 | 5,000,000 | 5,000,000 |
| Alaskan Satellite Telecommunications Infrastructure [ASTI] | 15,500,000 | 6,800,000 | 6,800,000 |
| Facilities Decommissioning | 5,000,000 | 5,000,000 | 5,000,000 |
| Electrical Power Systems—Sustain/Support | 77,581,000 | 85,000,000 | 68,000,000 |
| Aircraft Fleet Modernization | 9,000,000 | 2,100,000 | 2,100,000 |
| FAA Employee Housing and Life Safety Shelter System Service | 2,500,000 | 2,500,000 | 2,500,000 |
| Non-Air Traffic Control Facilities and Equipment: | | | |
| Support Equipment: | | | |
| Hazardous Materials Management | 20,000,000 | 20,000,000 | 20,000,000 |
| Aviation Safety Analysis System [ASAS] | 30,100,000 | 15,800,000 | 15,800,000 |
| Logistics Support Systems and Facilities [LSSF] | 10,000,000 | 10,000,000 | 10,000,000 |
| National Air Space [NAS] Recovery Communications [RCOM] | 12,000,000 | 12,000,000 | 12,000,000 |
| Facility Security Risk Management | 16,000,000 | 14,200,000 | 14,200,000 |
| Information Security | 15,200,000 | 14,000,000 | 14,000,000 |
| System Approach for Safety Oversight [SASO] | 23,600,000 | 23,000,000 | 23,000,000 |

FACILITIES AND EQUIPMENT—Continued

| | Fiscal year— | | Committee recommendation |
|--|---------------|---------------|--------------------------|
| | 2012 enacted | 2013 estimate | |
| Aviation Safety Knowledge Management Environment [ASKME] | 17,200,000 | 12,800,000 | 12,800,000 |
| Data Center Optimization | 1,000,000 | 1,000,000 | 1,000,000 |
| Aerospace Medical Equipment Needs [AMEN] | 10,000,000 | 3,000,000 | 3,000,000 |
| Aviation Safety Information Analysis and Sharing [ASIAS] ..... | ..... | 15,000,000 | 15,000,000 |
| National Test Equipment Program ..... | ..... | 2,000,000 | 2,000,000 |
| Mobile Assets Management Program ..... | ..... | 1,700,000 | 1,700,000 |
| Aerospace Medicine Safety Information Systems [AMSIS] ..... | ..... | 3,000,000 | 3,000,000 |
| Training, Equipment and Facilities: | | | |
| Aeronautical Center Infrastructure Modernization | 16,500,000 | 12,500,000 | 12,500,000 |
| Distance Learning | 1,500,000 | 1,500,000 | 1,500,000 |
| Facilities and Equipment Mission Support: | | | |
| System Support and Services: | | | |
| System Engineering and Development Support | 32,900,000 | 35,000,000 | 34,000,000 |
| Program Support Leases | 40,000,000 | 40,900,000 | 40,900,000 |
| Logistics Support Services [LSS] | 11,700,000 | 11,500,000 | 11,500,000 |
| Mike Monroney Aeronautical Center Leases | 17,000,000 | 17,500,000 | 17,500,000 |
| Transition Engineering Support | 13,000,000 | 14,000,000 | 14,000,000 |
| Technical Support Services Contract [TSSC] | 22,000,000 | 23,000,000 | 23,000,000 |
| Resource Tracking Program [RTP] | 4,000,000 | 4,000,000 | 4,000,000 |
| Center for Advanced Aviation System Development [CAASD] | 78,000,000 | 70,000,000 | 70,000,000 |
| Aeronautical Information Management Program | 20,200,000 | 2,000,000 | 2,000,000 |
| Permanent Change of Station [PCS] Moves | 1,500,000 | ..... | ..... |
| Personnel and Related Expenses: | | | |
| Personnel and Related Expenses | 475,000,000 | 480,000,000 | 480,000,000 |
| Total | 2,730,731,000 | 2,850,000,000 | 2,750,000,000 |

Next Generation Transportation System Technology Demonstration.—The Committee recommendation includes \$20,000,000 for demonstrations of NextGen technologies. This funding level is \$4,600,000 less than the budget request and \$5,000,000 more than the fiscal year 2012 enacted level. The Committee directs the FAA to use \$4,000,000 provided in the Committee recommendation for trials that integrate live unmanned aerial systems into the national airspace. These trials should build on previously completed demonstrations.

Performance-Based Navigation.—The Committee recommendation includes \$41,200,000 for Performance Based Navigation, an increase of \$5,000,000 above the budget request and \$12,000,000 above the fiscal year 2012 enacted level.

Section 213 of the recently enacted FAA Modernization and Reform Act of 2012 requires the FAA to accelerate the development and utilization of performance based navigation procedures at 70 commercial airports across the country. The authorization act requires the FAA to complete this work by June 30, 2016, with specific targets set for 18 months after enactment and 36 months after enactment. The act also requires the FAA to define a budget and schedule necessary for accomplishing this work, create expedited processes for getting the work done in a timely manner, and establish performance metrics in order to accurately measure the effectiveness of the FAA's progress.

The Committee expects the FAA to fully comply with the requirements of section 213. The Committee also notes that the performance metrics required by the authorization act must include measures of the extent to which new procedures are actually used in the

national airspace, as well as measurements of fuel savings and emission reductions that result from the use of new procedures. The FAA has not built a good track record of developing procedures in an efficient manner, or ensuring that air carriers can take advantage of the procedures. Therefore, the strength of the authorization law lies not only in demanding that the FAA develop a specific number of procedures across the country, but also in stipulating that such procedures are actually used and therefore result in measurable benefits.

The Committee provides \$5,000,000 above the FAA's budget request for performance based navigation in order to support the FAA's efforts to meet the requirements of section 213. The Committee notes that the authorization law gives the FAA the discretion to use an expedited process and to work with third parties in order to accomplish its work.

Navigation and Landing Aids—Service Life Extension Program [SLEP].—Runway end identifier lights [REILs] improve airport safety by clearly indicating to pilots the approach end of the runway. The Committee recommends \$8,000,000 for navigation and landing aids, an increase of \$2,000,000 above the budget request and \$3,000,000 above the fiscal year 2012 enacted level. The Committee urges the FAA to use this additional funding to procure additional REILs with the latest LED technology.

Equipage for NextGen.—The Committee recommendation includes \$956,000,000 for the FAA's NextGen program to modernize the Nation's air traffic control system. This funding level is \$21,000,000 more than the fiscal year 2012 enacted level. The success of the NextGen program, however, will depend on more than just the availability of funds; it will be determined primarily by the FAA's ability to manage a portfolio of complex technology programs and to integrate new capabilities into its daily operations. NextGen's success also depends on whether each aircraft in the air traffic control system is equipped with compatible technology. The FAA has mandated that aircraft be equipped with some of these avionics by the year 2020, but there is still no guarantee that airlines will be able to meet this mandate.

Section 221 of the FAA Modernization and Reform Act of 2012 authorizes the Secretary of Transportation to provide loan guarantees that would support the equipage of aircraft with NextGen technology. The Act allows the Secretary to charge fees in order to cover the full cost of the program if direct appropriations are not available for this purpose. On March 15, 2012, the Secretary testified before the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, saying that he did not require any additional legislative authority in order to implement the loan program authorized by section 221.

The Committee, however, questions whether the Department is ready to establish an effective loan guarantee program. The Federal Credit Reform Act of 1990 includes specific requirements for programs that provide Federal credit assistance, and the FAA has not previously worked under these requirements. Furthermore, since the program is newly authorized, the FAA must decide how it will structure and manage it before offering the first loan guarantee. Section 221 terminates the Secretary's authority to provide

loan guarantees 5 years after the date of the program’s establishment. The Committee expects the FAA to use its time efficiently, and does not believe the FAA should waste any portion of the 5 years with planning activities or by defending decisions that should have been thoroughly discussed with stakeholders before the establishment of the program.

The Committee therefore directs the FAA to work expeditiously to structure its loan guarantee program. In addition, because NextGen and the effectiveness of the loan guarantee program depend on airlines and other industry stakeholders to work in concert with the FAA, the Committee further directs the FAA to solicit feedback from the aviation industry at the beginning of this process.

FAA Management Training and Conference Center.—The Committee recommends that the FAA continue to pursue new leased space for its Management Training and Conference Center. A significant amount of both private and public resources have been committed to this procurement process. The Committee recognizes that a best value acquisition will result in continuing the preceding procurement process as the FAA’s long-term need for such a facility remains. The Committee, in understanding both the FAA’s long-term needs and costs of remaining in the current facility, recognizes that it is appropriate to not only continue with the procurement but that doing so is consistent with the recently enacted FAA Modernization and Reform Act of 2012.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(INCLUDING RESCISSION)

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$167,556,000 |
| Budget estimate, 2013 | 180,000,000 |
| Committee recommendation | 160,000,000 |

PROGRAM DESCRIPTION

The Research, Engineering and Development appropriation provides funding for long-term research, engineering, and development programs to improve the air traffic control system by increasing its safety and capacity, as well as reducing the environmental impacts of air traffic, as authorized by the Airport and Airway Improvement Act and the Federal Aviation Act, as amended. The programs are designed to meet the expected air traffic demands of the future and to promote flight safety through improvements in facilities, equipment, techniques, and procedures in order to ensure that the system will safely and efficiently handle future volumes of aircraft traffic.

COMMITTEE RECOMMENDATION

The Committee recommends \$160,000,000 for the FAA’s research, engineering, and development activities. The recommended level of funding is \$20,000,000 less than the budget request and \$7,556,000 less than the fiscal year 2012 enacted level. The Committee also recommends the rescission of \$26,183,998 in unobligated balances from prior year appropriations.

A table showing the fiscal year 2012 enacted level, the fiscal year 2013 budget estimate, and the Committee recommendation follows:

RESEARCH, ENGINEERING, AND DEVELOPMENT

| | Fiscal year— | | Committee recommendation |
|--|--------------------|--------------------|--------------------------|
| | 2012 enacted | 2013 estimate | |
| Safety: | | | |
| Fire Research and Safety | \$7,158,000 | \$7,667,000 | \$7,667,000 |
| Propulsion and Fuel Systems | 2,300,000 | 2,882,000 | 2,882,000 |
| Advanced Materials/Structural Safety | 2,534,000 | 2,569,000 | 2,569,000 |
| Aircraft Icing—Atmospheric Hazards/Digital System Safety | 5,404,000 | 6,644,000 | 6,644,000 |
| Continued Airworthiness | 11,600,000 | 13,202,000 | 13,202,000 |
| Aircraft Catastrophic Failure Prevention Research | 1,147,000 | 1,691,000 | 1,691,000 |
| Flightdeck/Maintenance/System Integration Human Factors | 6,162,000 | 5,416,000 | 5,600,000 |
| System Safety Management | 10,027,000 | 11,345,000 | 9,586,000 |
| Air Traffic Control/Technical Operations Human Factors | 10,364,000 | 10,014,000 | 9,000,000 |
| Aeromedical Research | 11,000,000 | 9,895,000 | 8,000,000 |
| Weather Program | 16,043,000 | 15,539,000 | 12,000,000 |
| Unmanned Aircraft Systems Research | 3,504,000 | 5,901,000 | 5,901,000 |
| NextGen—Alternative Fuels for General Aviation | 2,071,000 | 1,995,000 | 1,995,000 |
| Economic Competitiveness: | | | |
| Joint Planning and Development Office | 5,000,000 | 12,000,000 | 10,000,000 |
| NextGen—Wake Turbulence | 10,674,000 | 10,350,000 | 9,000,000 |
| NextGen—Air Ground Integration Human Factors | 7,000,000 | 10,172,000 | 7,500,000 |
| NextGen—Self Separation Human Factors | 3,500,000 | 7,796,000 | 4,000,000 |
| NextGen—Weather Technology in the Cockpit | 8,000,000 | 4,826,000 | 2,500,000 |
| Environmental Sustainability: | | | |
| Environment and Energy | 15,074,000 | 14,776,000 | 15,200,000 |
| NextGen—Environmental Research—Aircraft Technologies, Fuels, and Metrics | 23,500,000 | 19,861,000 | 19,861,000 |
| Mission Support: | | | |
| System Planning and Resource Management | 1,717,000 | 1,757,000 | 1,500,000 |
| William J. Hughes Technical Center Laboratory Facility | 3,777,000 | 3,702,000 | 3,702,000 |
| Total | 167,556,000 | 180,000,000 | 160,000,000 |

Joint Planning and Development Office.—The Committee recommendation includes \$10,000,000 for the Joint Planning and Development Office. This funding level is \$2,000,000 less than the budget request, and \$5,000,000 more than the fiscal year 2012 enacted level. The Committee provides this funding to cover all of the expenses of the Joint Planning and Development Office [JPDO], including the cost of maintaining the NextGen enterprise architecture, which in previous years had been paid out of the FAA's Facilities and Equipment account.

The administration included in its budget documents a request to reorganize the agency so that JPDO would no longer be a part of the Air Traffic Organization, and instead would stand as its own organization within the FAA. Under the new organizational structure, the Director of JPDO would report directly to the Deputy Administrator of the FAA, and continue to serve as a senior advisor to the Secretary of Transportation on the FAA's NextGen program. The Committee approves the Department's reorganization request.

Under the organizational structure requested by the FAA, both JPDO and the FAA's NextGen and Operations Planning office report directly to the Deputy Administrator. Both offices focus on the agency's effort to modernize the air transportation system, with the JPDO coordinating the work of the FAA with the aviation industry and other government agencies, and the NextGen office overseeing

the FAA's internal efforts to improve air transportation. The Committee recognizes that keeping JPDO and the NextGen office as separate entities gives each organization a higher profile; however, the Committee also believes that merging the two organizations would encourage better coordination. The Government Accountability Office and the DOT Office of Inspector General have both issued numerous reports that discuss the need for the programs and organizations within the FAA to better coordinate in order to ensure the success of the agency's modernization effort. The Committee therefore encourages the FAA to overcome this challenge and establish a strong connection between JPDO and the NextGen office so that the new organizational structure does not need to be revisited at a later date.

Environment and Energy.—The Committee recommends \$15,200,000 for environment and energy activities, a funding level that is \$424,000 more than the budget request and \$126,000 more than the fiscal year 2012 enacted level. The Committee recommendation includes \$3,000,000 to establish a new, separate Center of Excellence for alternative jet fuel research in civil aircraft, as authorized by section 911 of the FAA Modernization and Reform Act of 2012. This law allows the FAA Administrator to designate the Center of Excellence 180 days after enactment, and the Committee expects the FAA to adhere to this schedule.

The development of alternative aviation fuel technology is an important national policy objective, and the new Center of Excellence will assist in the development and qualification of jet fuel from alternative sources. The Committee notes the Center of Excellence will focus exclusively on research related to the development of alternative fuels, and so it will be a valuable addition to other FAA programs that explore the use of such fuels. In addition, the new Center of Excellence will partner with the FAA's Continuous Low Energy, Emissions, and Noise—or CLEEN—program, and the Partnership for Air Transportation Noise and Emission Reduction—or PARTNER—Center of Excellence.

The Committee expects the FAA to establish the new Center of Excellence by identifying an educational and research institution that can lead this effort in collaboration with the private sector and other educational and research institutions, and that can take advantage of existing facilities and experience across the areas of the supply chain, including research, feedstock development and production, small-scale development, testing, and technology evaluation related to the creation, processing, production, and transportation of alternative aviation fuel. The Committee encourages the FAA to establish the Center of Excellence in a way that will build on work already performed by a consortium examining the development of alternative aviation fuel.

Unmanned Aerial Systems.—The Committee is aware of the numerous issues facing FAA as technology develops to aid the integration of unmanned aerial vehicles into the National Air Space [NAS]. The need for this integration is even more urgent given the recent numerous incidents of national disasters including a major oil spill, devastating tornadoes and unprecedented flooding. The Committee is aware of the FAA's progress in establishing an FAA Unmanned Aerial System [UAS] Center of Excellence to address a

host of issues surrounding integration of UAS systems into the NAS during times of emergency, and to utilize these lessons learned to provide essential data to the Center of Excellence as it works toward non-emergency integration. The Committee directs the FAA to complete the establishment of the UAS Center of Excellence with funds provided for UAS research and include the UAS Center of Excellence as an integral part of the FAA’s UAS research program. The Committee further directs that the new Center of Excellence shall: provide recommendations for a safe, non-exclusionary airspace designation for cooperative manned and unmanned flight operations; conduct research to support UAS interagency requirements to include emergency response, maritime contingencies, and bio-fuel clean fuel technologies; conduct flight testing of UAS and related navigation procedures and equipment; encourage leveraging and coordination of such research and development activities with the National Aeronautics and Space Administration and the Department of Defense; provide recommendations on certification, flight standards, and air traffic requirements; and facilitate UAS technology transfer to other civilian and defense agencies, initially focusing upon emergency management. The Administrator shall take into consideration geographical and climate diversity, relevant research capability, and participating consortia from the public and private sectors, educational institutions, and nonprofit organizations.

GRANTS-IN-AID FOR AIRPORTS
(LIQUIDATION OF CONTRACT AUTHORIZATION)
(LIMITATION ON OBLIGATIONS)
(AIRPORT AND AIRWAY TRUST FUND)

| | Fiscal year— | | Committee recommendation |
|---|-----------------|-----------------|--------------------------|
| | 2012 enacted | 2013 estimate | |
| Resources from the Airport and Airway Trust Fund: | | | |
| Limitation on obligations | \$3,350,000,000 | \$2,424,000,000 | \$3,350,000,000 |
| Liquidation of contract authorization | 3,435,000,000 | 3,400,000,000 | 3,400,000,000 |

PROGRAM DESCRIPTION

Funding for grants-in-aid to airports pays for capital improvements at the Nation’s airports, including those investments that emphasize capacity development, safety improvements, and security needs. Other priority areas for funding under this program include improvements to runway safety areas that do not conform to FAA standards, investments that are designed to reduce runway incursions, and aircraft noise compatibility planning and programs.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations of \$3,350,000,000 for grants-in-aid to airports for fiscal year 2013. The recommended limitation on obligations is \$926,000,000 more than the budget estimate. Under the administration’s request, airport grants would be reserved for general aviation and small commercial airports, while large and medium commercial airports

would be allowed to raise their passenger facility charges in order to finance capital improvements. The Committee notes that an increase to passenger facility charges was considered as part of the debate over the bill to reauthorize the FAA. That increase, however, was not included in the final legislation, which was enacted just two months ago. The Committee therefore recommends a funding level that would fund capital improvements at all airports that support our nation's air transportation system.

In addition, the Committee recommends a liquidating cash appropriation of \$3,400,000,000 for grants-in-aid to airports. The recommended level is equal to the budget estimate and \$35,000,000 less than the fiscal year 2012 enacted level. This appropriation is sufficient to cover the liquidation of all obligations incurred pursuant to the limitation on obligations set forward in the bill.

Local Cost Share.—The recently enacted FAA Modernization and Reform Act of 2012 increased the local share requirement for projects at most small airports from 5 percent to 10 percent. The Committee is concerned about how this new requirement will affect small airports that have started—but not yet completed—multi-year projects. For this reason, the Committee included language that would allow small airports to continue contributing 5 percent of the total cost for unfinished phased projects that were already underway before the bill was signed into law. This provision would not apply to new projects that small airports started after enactment of the law.

Airport Privatization.—Congress created the Airport Privatization Pilot Program in 1996 to attract private companies to lease or buy public airports. The Committee is aware there are some public airports interested in being sold or leased through the pilot program this upcoming fiscal year. The Department of Transportation has the discretionary authority to waive existing Federal funding repayment requirements. The Committee expects the Department to use its discretionary authority to waive repayment of past Federal funds at privatized airports judiciously.

Administrative Expenses.—The Committee recommends \$103,000,000 to cover administrative expenses. This funding level is equal to the budget request, and \$2,000,000 more than the fiscal year 2012 enacted level.

Airport Cooperative Research.—The Committee recommends \$15,000,000 for the airport cooperative research program. This funding level is equal to the budget estimate and the fiscal year 2012 enacted level.

Airport Technology.—The Committee recommends \$29,300,000 for airport technology research. This funding level is equal to the budget request, and \$50,000 more than the fiscal year 2012 level.

Small Community Air Service Development Program [SCASDP].—The Committee recommends \$6,000,000 for the Small Community Air Service Development Program. This funding level is equal to the fiscal year 2012 enacted level. The administration requested no funds for this program for fiscal year 2013.

ADMINISTRATIVE PROVISIONS—FEDERAL AVIATION ADMINISTRATION

Section 110 limits the number of technical staff years at the Center for Advanced Aviation Systems Development to no more than 600 in fiscal year 2013.

Section 111 prohibits funds in this act from being used to adopt guidelines or regulations requiring airport sponsors to provide the FAA “without cost” buildings, maintenance, or space for FAA services. The prohibition does not apply to negotiations between the FAA and airport sponsors concerning “below market” rates for such services or to grant assurances that require airport sponsors to provide land without cost to the FAA for air traffic control facilities.

Section 112 permits the Administrator to reimburse FAA appropriations for amounts made available for 49 U.S.C. 41742(a)(1) as fees are collected and credited under 49 U.S.C. 45303.

Section 113 allows funds received to reimburse the FAA for providing technical assistance to foreign aviation authorities to be credited to the Operations account.

Section 114 prohibits the FAA from paying Sunday premium pay except in those cases where the individual actually worked on a Sunday.

Section 115 prohibits the FAA from using funds provided in the bill to purchase store gift cards or gift certificates through a Government-issued credit card.

Section 116 allows all airports experiencing the required level of boardings through charter and scheduled air service to be eligible for funds under 49 U.S.C. 47114(c).

Section 117 requires approval from the Deputy Assistant Secretary for Administration of the Department of Transportation for retention bonuses for any FAA employee.

Section 118 limits to 20 percent the cost-share required under the contract tower cost-share program.

Section 119 requires that, upon request by a private owner or operator of an aircraft, the Secretary block the display of that owner or operator’s aircraft registration number in the Aircraft Situational Display to Industry program.

Section 119A prohibits funds in this act for salaries and expenses of more than seven political and Presidential appointees in the Federal Aviation Administration.

Section 119B requires the FAA to conduct public outreach and provide justification to the Committee before increasing fees under section 44721 of title 49, United States Code.

Section 119C prohibits funds from being used to change weight restrictions or prior permission rules at Teterboro Airport in New Jersey.

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL-AID HIGHWAYS

PROGRAM DESCRIPTION

The principal mission of the Federal Highway Administration [FHWA] is, in partnership with State and local governments, to foster the development of a safe, efficient, and effective highway and intermodal system nationwide including access to and within

national forests, national parks, Indian lands, and other public lands.

COMMITTEE RECOMMENDATION

Under the Committee recommendations, a total program level of \$39,882,583,000 would be provided for the activities of the Federal Highway Administration in fiscal year 2013. The recommendation is \$2,686,417,000 less than the budget request. The total program level under the Committee recommendations is \$1,661,999,670 less than the fiscal year 2012 enacted level; however, the total for fiscal year 2012 also included \$1,662,000,000 in disaster spending that would not be repeated for fiscal year 2013 under the Committee recommendation. The following table summarizes the Committee's recommendations:

| | Fiscal year— | | Committee recommendation |
|---|------------------|------------------|--------------------------|
| | 2012 enacted | 2013 estimate | |
| Federal-aid highway program obligation limitation | \$39,143,582,670 | \$41,830,000,000 | \$39,143,583,000 |
| Emergency relief and equity bonus exempt contract authority | 739,000,000 | 739,000,000 | 739,000,000 |
| Emergency relief (disaster spending) | 1,662,000,000 | ..... | ..... |
| Total | 41,554,582,670 | 42,569,000,000 | 39,882,583,000 |

LIMITATION ON ADMINISTRATIVE EXPENSES
(HIGHWAY TRUST FUND)
(INCLUDING TRANSFER OF FUNDS)

| | |
|--------------------------------|---------------|
| Limitation, 2012 | \$412,000,000 |
| Budget estimate, 2013 | 437,780,000 |
| Committee recommendation | 426,476,000 |

PROGRAM DESCRIPTION

This limitation on obligations provides for the salaries and expenses of the Federal Highway Administration for program management, direction, and coordination; engineering guidance to Federal and State agencies; and advisory and support services in field offices.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations of \$426,476,000 for administrative expenses of the agency. This limitation is \$11,304,000 less than the budget request and \$14,476,000 more than the fiscal year 2012 enacted level.

In addition, \$3,220,000 in contract authority above this limitation is made available for the administrative expenses of the Appalachian Regional Commission in accordance with section 104 of title 23, United States Code.

The recommended limitation on administrative expenses includes \$5,000,000 for improvements to the agency's financial management reporting system, and another \$4,000,000 for the integration of the agency's data and reporting system.

The Committee applauds FHWA's efforts to reduce administrative costs, use technology to avoid unnecessary travel, printing and

production costs, and pursue other opportunities for increased efficiency. The Committee directs FHWA to provide the Committee information no later than March 31, 2013, on actual savings achieved, projected savings expected to be achieved in fiscal year 2013 and additional opportunities for savings in fiscal year 2014. The Committee further directs FHWA to apply savings achieved in fiscal year 2013 toward its video teleconferencing modernization initiative.

LIMITATION ON OBLIGATIONS

(HIGHWAY TRUST FUND)

| | |
|--------------------------------|------------------|
| Limitation, 2012 | \$39,143,582,670 |
| Budget estimate, 2013 | 41,830,000,000 |
| Committee recommendation | 39,143,583,000 |

PROGRAM DESCRIPTION

The Federal-aid highway program provides financial support to States and localities for development, construction, and repair of highways and bridges through grants. The program is financed from the Highway Trust Fund and most of the funds are distributed through apportionments and allocations to States. Title 23 of the United States Code and other supporting legislation provide authority for the various activities of the FHWA. Funding is provided by contract authority, with program levels established by annual limitations on obligations set in appropriations acts.

COMMITTEE RECOMMENDATION

The Committee recommends limiting fiscal year 2013 Federal-aid highways obligations to \$39,143,583,000 which is \$2,686,417,000 less than the budget request and \$330 more than the fiscal year 2012 enacted level for the Federal-aid highway program. The obligation limitation included in the budget request is consistent with the administration’s legislative proposal for a long-term authorization of the surface transportation programs; however, as discussed earlier in this report, the Committee must base its recommendation on the assumption that the levels of contract authority currently provided under the short-term extension of surface transportation programs will be continued throughout fiscal year 2013. The Committee cannot presuppose what legislation will be enacted through the authorization process.

Within the overall limitation on fiscal year 2013 Federal-aid highway obligations, the Committee recommends limiting fiscal year 2013 obligations on transportation research to \$429,800,000. The recommendation for transportation research is equal to the fiscal year 2012 enacted level. This specific limitation controls spending for the transportation research and technology programs of the FHWA, and it includes the intelligent transportation systems; surface transportation research; technology deployment, training and education; university transportation research; and the Bureau of Transportation Statistics.

In addition, the bill includes a provision that allows the FHWA to collect and spend fees in order to pay for the services of expert

firms in the field of municipal and project finance to assist the agency in the provision of TIFIA credit instruments.

Highway Public-Private Partnerships.—In 2008, the Government Accountability Office [GAO] issued a report entitled “More Rigorous Up-Front Analysis Could Better Secure Potential Benefits and Protect the Public Interest.” In this report, GAO noted that the Department has promoted public-private partnerships, but done little to help State and local governments evaluate the trade-offs involved in entering a public-private partnership or determine how such partnerships can be established in a way that protects the national interest. GAO recommended that the Department develop objective criteria for identifying potential national public interests in highway public-private partnerships, and identify additional legal authority, guidance or assessment tools that may be needed for the Department to play a targeted role in ensuring that such national interests are appropriately considered in the development of public-private partnerships. The Committee directs the Secretary of Transportation to develop such objective criteria and identify additional legal authority, guidance or assessment tools, as recommended by the GAO.

The following table shows the obligation limitation provided to each State under the Committee’s recommended funding level:

FEDERAL-AID HIGHWAY PROGRAM OBLIGATION LIMITATION
[Fiscal year 2012, President’s request and Committee recommendation for fiscal year 2013]

| | Fiscal year 2012 ¹ | Fiscal year budget request 2013 ² | Committee recommendation ³ |
|----------------------------|-------------------------------|--|---------------------------------------|
| Formula Programs | | | |
| ALABAMA | \$686,715,565 | \$721,502,740 | \$687,225,988 |
| ALASKA | 407,862,245 | 329,377,227 | 408,129,973 |
| ARIZONA | 656,350,209 | 707,923,731 | 656,788,953 |
| ARKANSAS | 458,149,130 | 455,990,253 | 458,465,111 |
| CALIFORNIA | 3,258,347,193 | 3,297,290,087 | 3,260,629,974 |
| COLORADO | 484,984,546 | 471,319,343 | 485,324,649 |
| CONNECTICUT | 447,359,543 | 489,633,673 | 447,666,669 |
| DELAWARE | 150,246,610 | 143,114,129 | 150,352,443 |
| DISTRICT OF COLUMBIA | 146,005,716 | 142,498,848 | 146,111,947 |
| FLORIDA | 1,694,197,099 | 1,822,922,011 | 1,695,313,174 |
| GEORGIA | 1,156,274,283 | 1,292,660,185 | 1,157,047,023 |
| HAWAII | 154,383,858 | 153,577,960 | 154,495,053 |
| IDAHO | 257,100,386 | 267,457,980 | 257,273,803 |
| ILLINOIS | 1,284,161,217 | 1,194,812,213 | 1,285,048,527 |
| INDIANA | 853,135,679 | 913,880,701 | 853,701,029 |
| IOWA | 434,559,537 | 396,068,399 | 434,867,846 |
| KANSAS | 345,073,584 | 370,073,864 | 345,322,528 |
| KENTUCKY | 599,778,227 | 618,836,820 | 600,201,353 |
| LOUISIANA | 615,331,311 | 574,640,818 | 615,761,455 |
| MAINE | 169,109,016 | 159,058,844 | 169,232,630 |
| MARYLAND | 535,114,355 | 569,098,312 | 535,496,347 |
| MASSACHUSETTS | 554,173,040 | 601,418,779 | 554,571,606 |
| MICHIGAN | 952,607,569 | 1,070,564,652 | 953,268,743 |
| MINNESOTA | 570,248,002 | 563,193,560 | 570,642,187 |
| MISSISSIPPI | 429,462,191 | 429,498,244 | 429,765,041 |
| MISSOURI | 814,634,564 | 847,516,903 | 815,192,736 |
| MONTANA | 346,272,268 | 345,661,081 | 346,505,111 |
| NEBRASKA | 263,024,903 | 263,785,312 | 263,211,957 |
| NEVADA | 328,405,134 | 251,700,850 | 328,632,645 |
| NEW HAMPSHIRE | 149,840,374 | 166,190,117 | 149,945,422 |
| NEW JERSEY | 896,898,658 | 949,360,717 | 897,514,856 |
| NEW MEXICO | 323,793,179 | 345,737,644 | 324,016,136 |

FEDERAL-AID HIGHWAY PROGRAM OBLIGATION LIMITATION—Continued

[Fiscal year 2012, President's request and Committee recommendation for fiscal year 2013]

| | Fiscal year 2012 ¹ | Fiscal year budget request 2013 ² | Committee recommendation ³ |
|-----------------------------------|-------------------------------|--|---------------------------------------|
| NEW YORK | 1,525,471,569 | 1,645,878,639 | 1,526,553,201 |
| NORTH CAROLINA | 935,614,205 | 1,024,065,243 | 936,259,326 |
| NORTH DAKOTA | 225,904,110 | 223,736,759 | 226,064,716 |
| OHIO | 1,186,578,402 | 1,291,814,270 | 1,187,397,774 |
| OKLAHOMA | 575,012,624 | 552,702,757 | 575,415,265 |
| OREGON | 445,144,900 | 409,239,319 | 445,461,771 |
| PENNSYLVANIA | 1,489,293,086 | 1,640,801,464 | 1,490,372,433 |
| RHODE ISLAND | 197,365,100 | 179,412,959 | 197,509,369 |
| SOUTH CAROLINA | 564,689,916 | 594,223,984 | 565,073,874 |
| SOUTH DAKOTA | 249,368,744 | 240,932,357 | 249,542,161 |
| TENNESSEE | 745,044,062 | 794,662,058 | 745,558,953 |
| TEXAS | 2,828,750,110 | 3,041,646,470 | 2,830,634,525 |
| UTAH | 291,615,935 | 263,763,649 | 291,818,692 |
| VERMONT | 182,336,297 | 150,888,591 | 182,469,282 |
| VIRGINIA | 899,984,685 | 962,787,944 | 900,610,730 |
| WASHINGTON | 603,272,439 | 601,563,994 | 603,705,869 |
| WEST VIRGINIA | 386,604,429 | 388,502,030 | 386,875,846 |
| WISCONSIN | 650,558,021 | 704,564,224 | 650,990,895 |
| WYOMING | 220,925,931 | 245,658,942 | 221,080,431 |
| SUBTOTAL | 34,627,133,756 | 35,883,211,650 | 34,651,118,028 |
| Non-Formula Programs | 4,516,448,914 | 5,946,788,350 | 4,492,464,972 |
| Total | 39,143,582,670 | 41,830,000,000 | 39,143,583,000 |

¹ Estimated assuming extension of the Surface Transportation Extension Act of 2012 through September 30, 2012.² Estimated for the fiscal year 2013 President's budget; distribution of obligation limitation based on State under SAFETEA-LU; funding for Puerto Rico is apportioned under the fiscal year 2013 President's budget but included in apportionment shares "Non-formula programs" for purposes of comparison.³ Estimated assuming extension of the Surface Transportation Extension Act of 2012 through September 30, 2013.

FEDERAL-AID HIGHWAY PROGRAM

The roads and bridges that make up our Nation's highway infrastructure are built, operated, and maintained through the joint efforts of Federal, State, and local governments. States have much flexibility to use Federal-aid highway funds to best meet their individual needs and priorities, with FHWA's assistance and oversight.

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users [SAFETEA-LU], the highway, highway safety, and transit authorization through fiscal year 2009, made Federal-aid highways funds available in various categories of spending. These categories were continued by each of the short-term extension acts that continued the authorities provided under SAFETEA-LU.

National Highway System [NHS].—The Intermodal Surface Transportation Efficiency Act [ISTEA] of 1991 authorized the NHS, which was subsequently established as a 161,000-mile road system by the National Highway System Designation Act of 1995. This system serves major population centers, intermodal transportation facilities, international border crossings, and major destinations. The NHS program provides funding for this system, consisting of roads that are of primary Federal interest: the current interstate; other rural principal arterials; urban freeways and connecting urban principal arterials; facilities on the Defense Department's designated Strategic Highway Network; and roads connecting the NHS to intermodal facilities. The Federal share for the NHS pro-

gram is generally 80 percent, subject to the sliding-scale adjustment, with an availability period of 4 years.

Interstate Maintenance [IM].—The 46,876-mile Dwight D. Eisenhower National System of Interstate and Defense Highways retains a separate identity within the NHS. The IM program finances projects to rehabilitate, restore, resurface and reconstruct the interstate system. Reconstruction that increases capacity, other than HOV lanes, is not eligible for IM funds. The Federal share for the IM program is 90 percent, subject to the sliding-scale adjustment, and funds are available for 4 years.

Surface Transportation Program [STP].—STP is a flexible program that may be used by States and localities for projects on any Federal-aid highway, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities. A portion of STP funds are set aside for transportation enhancements and State suballocations are provided. The Federal share for STP is generally 80 percent, subject to the sliding-scale adjustment, with a 4-year availability period.

Bridge Replacement and Rehabilitation.—The bridge program enables States to improve the condition of their bridges through replacement, rehabilitation, and systematic preventive maintenance. The funds are available for use on all bridges, including those on roads functionally classified as rural minor collectors and as local. Bridge program funds have a 4-year period of availability with a Federal share for all projects, except those on the interstate system, of 80 percent, subject to the sliding scale adjustment. For those bridges on the interstate system, the Federal share is 90 percent, subject to the sliding-scale adjustment.

Congestion Mitigation and Air Quality Improvement Program [CMAQ].—The CMAQ program directs funds toward transportation projects and programs to help meet and maintain national ambient air quality standards for ozone, carbon monoxide, and particulate matter. A minimum one-half percent of the apportionment is guaranteed to each State.

Highway Safety Improvement Program [HSIP].—The highway infrastructure safety program features strategic safety planning and performance. The program also devotes additional resources and supports innovative approaches to reducing highway fatalities and injuries on all public roads.

Federal Lands Highways.—This category funds improvements for forest highways; park roads and parkways; Indian reservation roads; and refuge roads. The Federal lands highway program provides for transportation planning, research, engineering, and construction of highways, roads, parkways, and transit facilities that provide access to or within public lands, national parks, and Indian reservations.

Equity Bonus.—The equity bonus program provides additional funds to States to ensure that each State's total funding from apportioned programs and for high-priority projects meets certain equity considerations. Each State is guaranteed a minimum rate of return on its share of contributions to the highway account of the Highway Trust Fund, and a minimum increase relative to the average dollar amount of apportionments under the Transportation Equity Act for the 21st Century, or TEA-21. Certain States will main-

tain the share of total apportionments they each received during TEA-21. An open-ended authorization is provided, ensuring that there will be sufficient funds to meet the objectives of the equity bonus. Of the total amount of funds provided for this program, each year \$639,000,000 is exempt from the obligation limitation recommended by the Committee.

Emergency Relief [ER].—Section 125 of title 23, United States Code, provides \$100,000,000 annually for the ER program. This funding is not subject to the obligation limitation recommended by the Committee. This program provides funds for the repair or reconstruction of Federal-aid highways and bridges and federally owned roads and bridges that have suffered serious damage as the result of natural disasters or catastrophic failures. The ER program supplements the commitment of resources by States, their political subdivisions, or Federal agencies to help pay for unusually heavy expenses resulting from extraordinary conditions.

Highways for Life.—This program provides funding to demonstrate and promote state-of-the-art technologies, elevated performance standards, and new business practices in the highway construction process that result in improved safety, faster construction, reduced congestion from construction, and improved quality and user satisfaction by inviting innovation, new technologies, and new practices to be used in highway construction and operations.

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

National Scenic Byways.—This program provides funding for roads that are designated by the Secretary of Transportation as All American Roads [AAR] or National Scenic Byways [NSB]. These roads have outstanding scenic, historic, cultural, natural, recreational, and archaeological qualities.

Transportation and Community and System Preservation [TCSP].—The TCSP program provides grants to States and local governments for planning, developing, and implementing strategies to integrate transportation and community and system preservation plans and practices. These grants may be used to improve the efficiency of the transportation system; reduce the impacts of transportation on the environment; reduce the need for costly future investments in public infrastructure; and provide efficient access to jobs, services, and centers of trade.

Transportation Infrastructure Finance and Innovation [TIFIA].—The TIFIA credit program provides funds to assist in the development of major infrastructure facilities through greater non-Federal and private sector participation, building on public willingness to dedicate future revenues or user fees in order to receive transportation benefits earlier than would be possible under traditional funding techniques. The TIFIA program provides secured loans, loan guarantees, and standby lines of credit that may be drawn upon to supplement project revenues, if needed, during the first 10 years of project operations.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans, loan guarantees, and lines of credit obligated in 1992 and beyond (including modifications of direct loans or loan

guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on present value basis; the administrative expenses are estimated on a cash basis.

Appalachian Development Highway System.—This program makes funds available to construct highways and access roads under section 201 of the Appalachian Regional Development Act of 1965. Under SAFETEA-LU, funding is distributed among the 13 eligible States based on the latest available cost-to-complete estimate prepared by the Appalachian Regional Commission.

Delta Region Transportation Development Program.—This program encourages multistate transportation planning and supports the development of transportation infrastructure in the eight States that comprise the region of the Mississippi Delta: Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee.

Railway-highway Crossing Hazard Elimination in High-speed Rail Corridors.—This program provides grants for safety improvements at grade crossings between railways and highways on designated high-speed rail corridors.

LIQUIDATION OF CONTRACT AUTHORIZATION

(HIGHWAY TRUST FUND)

| | |
|--------------------------------|------------------|
| Appropriations, 2012 | \$39,882,582,670 |
| Budget estimate, 2013 | 42,569,000,000 |
| Committee recommendation | 39,882,583,000 |

PROGRAM DESCRIPTION

The Federal-aid Highway program is funded through contract authority paid out of the Highway Trust Fund. Most forms of budget authority provide the authority to enter into obligations and then to liquidate those obligations. Put another way, it allows a Federal agency to commit to spending money on specified activities and then to actually spend that money. In contrast, contract authority provides only the authority to enter into obligations, but not the authority to liquidate those obligations. The authority to liquidate obligations—to actually spend the money committed with the contract authority—must be provided separately. The authority to liquidate obligations under the Federal-aid highways program is provided under this heading. This liquidating authority allows FHWA to follow through on commitments already allowed under current law; it does not provide the authority to enter into new commitments for Federal spending.

COMMITTEE RECOMMENDATION

The Committee recommends a liquidating cash appropriation of \$39,882,583,000. The recommended level is \$2,686,417,000 less than the budget request and \$330 more than the fiscal year 2012 enacted level. This level of liquidating authority is necessary to pay outstanding obligations from various highway accounts pursuant to this and prior appropriations acts.

ADMINISTRATIVE PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

Section 120 distributes obligation authority among Federal-aid Highway programs.

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

Section 122 provides requirements for any waiver of Buy American requirements.

Section 123 continues a provision prohibiting tolling in Texas, with exceptions.

Section 124 restores contract authority for FHWA's administrative expenses.

Section 125 requires that funds authorized for purposes under section 1960 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act shall be allocated in accordance with such section.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

PROGRAM DESCRIPTION

The Federal Motor Carrier Safety Administration [FMCSA] was established within the Department of Transportation by the Motor Carrier Safety Improvement Act [MCSIA] (Public Law 106–159) in December 1999. Prior to this legislation, motor carrier safety responsibilities were under the jurisdiction of the Federal Highway Administration.

FMCSA's mission is to promote safe commercial motor vehicle and motor coach operations, as well as reduce the number and severity of accidents. Agency resources and activities prevent and mitigate commercial motor vehicle and motor coach accidents through education, regulation, enforcement, stakeholder training, technological innovation, and improved information systems. FMCSA is also responsible for ensuring that all commercial vehicles entering the United States along its southern and northern borders comply with all Federal motor carrier safety and hazardous materials regulations. To accomplish these activities, FMCSA works with Federal, State, and local enforcement agencies, the motor carrier industry, highway safety organizations, and the public.

MCSIA and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users [SAFETEA-LU] provide funding authorization for FMCSA's Motor Carrier Safety Operations and Programs and Motor Carrier Safety Grants. As the current authorization expires June 30, 2012, the Committee recommendation is contingent on a full-year authorization.

COMMITTEE RECOMMENDATION

The Committee recommends a total level of \$572,218,000 for obligations and liquidations from the Highway Trust Fund. This level is \$7,782,000 less than the request and \$17,494,000 more than the fiscal year 2012 enacted level. This level allows FMCSA to utilize the authorized level of contract authority provided under

SAFETEA-LU plus \$22,074,000 in unobligated carryover contract authority for agency operations.

FMCSA is responsible for developing, implementing, and enforcing regulations for the motor carrier and motor coach industry to ensure that qualified drivers and safe vehicles are operating on our Nation's highways. By effectively carrying out its responsibilities, the agency provides industry with appropriate guidance and oversight to ensure both the efficient movement of goods and people, as well as the safety of the driving public.

For the past several years, the Committee has expressed its frustration with FMCSA's failure to address recommendations by the National Transportation Safety Board [NTSB], the Department of Transportation's Office of Inspector General [OIG], and the Government Accountability Office [GAO] in a timely manner. For example, NTSB has 56 open recommendations affecting FMCSA and continues to rate the agency's response as unacceptable in addressing the improvement of the collection and maintenance of data on hours of service, the mandatory use of electronic on-board recorders, the identification of the chameleon carriers, and the agency's ability to prevent operators from providing services if they have serious safety violations for mechanical failures or unqualified drivers. While OIG open recommendations have decreased significantly from 22 to 10 over the last 2 years, concerns remain with FMCSA's ability to counter fraud in the Commercial Driver's License Program, properly vet new entrants to prevent the reincarnation of passenger and household goods carriers, prevent fraud among household goods carriers, and reform its contracting and acquisition tools.

FMCSA is undertaking a multilateral approach to addressing many of these long-standing and serious safety issues, but virtually all programmatic, regulatory and enforcement solutions remain a work in progress. The lack of a multi-year surface transportation reauthorization bill inhibits the agency's ability to strengthen programs, develop regulations, improve information technology systems, and target enforcement efforts on emerging highway safety initiatives that could significantly improve road and passenger safety. However, the Committee has identified \$22,000,000 in prior year unobligated balances of contract authority that will allow the agency to make advances in several safety initiatives. FMCSA leadership has demonstrated a commitment to addressing the many safety recommendations, while also providing industry ample opportunity for constructive feedback that aligns with national safety objectives. The Committee believes that FMCSA has the opportunity to generate further reductions in large truck and bus fatalities and injuries this year by addressing its many outstanding recommendations, and expects the agency to seize this opportunity.

MOTOR CARRIER SAFETY OPERATIONS AND PROGRAMS
 (LIQUIDATION OF CONTRACT AUTHORIZATION)
 (LIMITATION ON OBLIGATIONS)
 (HIGHWAY TRUST FUND)

| | |
|--|---------------|
| Limitation, 2012 | \$247,724,000 |
| Budget estimate, 2013 (limitation) | 250,000,000 |
| Committee recommendation | 247,594,000 |

PROGRAM DESCRIPTION

This account provides the necessary resources to support motor carrier safety program activities and maintain the agency’s administrative infrastructure. Funding supports nationwide motor carrier safety and consumer enforcement efforts, including Federal safety enforcement activities at the United States/Mexico border to ensure that Mexican carriers entering the United States are in compliance with Federal Motor Carrier Safety Regulations. Resources are also provided to fund motor carrier regulatory development and implementation, information management, research and technology, safety education and outreach, and the 24-hour safety and consumer telephone hotline.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations and authority to liquidate an equal amount of contract authorization of \$247,594,000 for FMCSA’s Operations and Programs. The recommendation is \$130,000 less than the fiscal year 2012 enacted level and \$2,406,000 less than the budget request.

OPERATING EXPENSES

The Committee recommends \$192,705,000 for operating expenses. This level is \$130,000 less than the fiscal year 2012 enacted level and \$23,295,000 less than the budget request.

*Compliance, Safety and Accountability Program [CSA].—*FMCSA currently relies on a labor-intensive model to perform compliance audits of motor carrier operators. Using this method of oversight, the agency is only able to reach 3 percent of the industry annually. More than a decade ago, the National Transportation Safety Board [NTSB] concluded that this method of highway safety oversight was ineffective, and recommended that FMCSA develop a more comprehensive method of evaluating operator and driver performance into its oversight and enforcement regime.

In response, FMCSA began to implement its Compliance, Safety and Accountability Program [CSA] in 2004. The CSA program represents a complete overhaul of FMCSA’s systems and investigation practices, and is designed to better target the agency’s resources on the riskiest carriers. The goal of CSA is to use performance data to target interventions and assist carriers in coming into compliance. The CSA program uses the new Safety Measurement System [SMS] to identify motor carriers that are at risk of causing a crash or pose a significant safety hazard.

Unfortunately, after 8 years and \$36,000,000 in Federal investment, key components of FMCSA's CSA program are significantly delayed, limiting the agency's ability to implement NTSB's recommendations to expand oversight of motor carrier operators and drivers. The Safety Fitness Determination [SFD] rulemaking, which is the cornerstone of CSA, was initially proposed to be completed in 2009, but the notice of proposed rulemaking is now targeted for publication in November, 2012. This rulemaking will be subject to great scrutiny, which is likely to require a significant amount of time. Until the SFD rulemaking is complete, FMCSA continues to rely on the current rating and enforcement system that fails to place sufficient emphasis on both driver and vehicle qualifications, thereby compromising safety on our Nation's highways. The Committee expects FMCSA to meet its new SFD rule target date of November, 2012.

Additionally, according to GAO, FMCSA has "not developed a plan or set any timetable" to assess driver fitness as part of CSA. Integrating driver fitness is an important component since driver behavior is the single largest cause of crashes. The Committee directs the agency to provide a report to the Committee no later than February 4, 2013 on the driver fitness component of CSA that identifies key objectives, programmatic goals, information technology system requirements, and timelines for implementation.

Finally, the agency has not developed a method for determining crash accountability. The Committee believes that crash accountability is an important factor when evaluating a carrier's crash rate for the SMS. The Committee directs FMCSA to work with the Department of Transportation's Volpe Center to develop a mechanism to fairly establish crash accountability and how it weighs on a carrier's SMS score. FMCSA shall report to the Committee on its progress no later than February 4, 2013.

The Committee strongly supports the agency's efforts to improve its programs, and remains focused on ensuring CSA delivers the promised results. The Committee is troubled by FMCSA's failure to meet critical milestones for implementing this new system. Therefore, the Committee requests that GAO continue to monitor the implementation of CSA and evaluate FMCSA's ability to meet its designated milestones.

Chameleon Carriers.—The Committee continues to have concerns with FMCSA's ability to detect and prevent unscrupulous motor carrier and motor coach operators from evading enforcement or out-of-service orders by going out of business and then re-incorporating as a "new" transportation service provider. These carriers are a blight to the industry and a hazard to the traveling public.

A 2009 GAO report found that 9 percent of motor carriers placed out-of-service by FMCSA between 2007 and 2008 applied as new entrants and many of these operators continued to demonstrate a pattern of significant violations under their new operating authority. Based on these findings, the Committee directed GAO to evaluate the effectiveness of FMCSA's new applicant screening programs to prevent chameleon carriers from obtaining new operating authority. The GAO audit released in March 2012 found that FMCSA's vetting process is not comprehensive or risk-based, legal constraints impede its ability to pursue enforcement action, and

low penalties are an insufficient deterrent to discourage chameleon practices. GAO recommended that FMCSA develop a risk-based process to target the new entrant applications to carriers with chameleon tendencies. This would allow FMCSA to expand the vetting process to freight carriers, which represent 94 percent of the industry, with few additional resources. FMCSA concurred with these findings and is in the process of developing specifications for the modification of its vetting information technology [IT] systems. To support this effort, the Committee has provided an increase of \$3,450,000 to fund the modifications necessary to the IT systems and to hire up to three additional staff. The Committee directs FMCSA to report to the Committee by March 29, 2013, on its implementation of a risk-based vetting methodology to identify chameleon motor carriers applying for operating authority. The report should include timelines and performance goals for expanding vetting to the freight sector, the modification of information systems to improve the vetting program consistent with the recommendations of GAO Report 12-364, and other relevant information. Further, the Committee directs FMCSA to clarify the application of a uniform Federal standard for enforcement action against chameleon carriers.

Electronic On-Board Recorders.—In 1977, NTSB issued its first recommendation on the use of on-board recording devices for commercial vehicles to provide an efficient and reliable means of tracking the number of hours a commercial motor vehicle operator drives. NTSB subsequently issued additional recommendations concerning the use of on-board recorders. In 2008, NTSB added to its Most Wanted List a recommendation that FMCSA require electronic on-board data recorders [EOBRs] to maintain accurate carrier records of drivers' hours-of-service. This recommendation remains "open unacceptable". The Committee supports FMCSA's commitment to issue a broader EOBR mandate and encourages FMCSA to expand EOBR usage for interstate commercial vehicles.

High-Risk Carriers.—Since fiscal year 2008, the Committee has required reports on the agency's ability to meet the requirement to conduct compliance reviews on all motor carriers identified as high-risk. Since the agency first began reporting its performance to the Committee, the agency's ability to comply with this requirement has improved significantly, from completing compliance reviews of 69 percent of high-risk carriers in fiscal year 2008 to 86 percent in the 2010 calendar year.

In December 2010, FMCSA deployed the new Carrier Safety Measurement System [CSMS] as part of its Compliance, Safety, and Accountability [CSA] program. CSMS more precisely identifies motor carriers that pose the highest safety risk by quantifying the on-road safety performance of carriers in seven Behavior Analysis and Safety Improvement Categories [BASICS] when a serious violation has been discovered. CSMS replaced the SafeStat measurement system as FMCSA's tool to prioritize motor carriers for potential intervention. CSMS emphasizes on-road safety performance using all safety-based inspection violations. Under CSA and consistent with section 4138 of SAFETEA-LU, any motor carrier with certain BASIC alerts for 2 consecutive months is now labeled "mandatory" under CSMS. Mandatory motor carriers are

prioritized for an onsite investigation if they have not undergone an investigation in the last 24 months. Under FMCSA regulations, carriers identified as mandatory must have a compliance review conducted within one year.

During FMCSA's transition to its CSA model in fiscal year 2011, the agency was forced to reduce the number of investigations it was able to perform. During the year, FMCSA identified 8,544 carriers as mandatory, of which only 44 percent, or 3,760, received compliance reviews. During the first two quarters of fiscal year 2012, 3,597 carriers were labeled as mandatory and 3,198, or 88 percent of the compliance reviews were conducted. Additionally, 1,682 unsafe carriers are now out of business and the total backlog has been reduced to 3,501, of which 177 are overdue. The Committee recognizes the reduction in compliance reviews during this period of transition is unavoidable; however, fiscal year 2011 represents the lowest inspection rate since the Committee began collecting performance data. The Committee expects FMCSA to continue to prioritize these carriers for inspection and significantly reduce the backlog of carriers requiring reviews now that the mandatory rates are stabilized. The Committee directs the agency to provide the House and Senate Committees on Appropriations with a report on its ability to meet its requirements to evaluate mandatory carriers by March 29, 2013.

Commercial Driver's License [CDL] Veterans-to-Work Initiative.—The Committee commends FMCSA's efforts to assist military motor vehicle drivers' transition to civilian employment in the trucking industry. FMCSA has been actively working with the Army and Army Reserves since 2009 to develop equivalent standards between commercial and Army truck driver testing. They have identified comparable civilian and military vehicle types and improved State DMV's access to military personnel driving records. In May 2011, FMCSA issued new regulations to allow States to exempt veterans from certain testing requirements when drivers certify that they have experience that meets civilian standards. FMCSA also issued a standardized certification form to encourage States to adopt a more uniform program. However, States have been slow to adopt the new Federal regulations. To date, 15 States have taken advantage of this new authority, 3 are in the process of doing so, and 8 States have declined to modify their CDL program. The other 24 States have yet to respond to the American Association of Motor Vehicle Administrators [AAMVA] survey on this issue. The Committee directs the Secretary and Administrator of FMCSA to increase States' awareness of the regulatory streamlining opportunities available to assist veterans' transition to civilian employment.

ADA Compliance.—For several years, this Committee has pushed FMCSA to enforce DOT's own Americans with Disability Act [ADA] regulations for over-the-road curbside operators. Congress had to pass a law to compel the agency to accept its responsibility to deny or revoke operating authority based on an operator's inability or unwillingness to meet DOT's ADA regulations. However, to date, FMCSA has taken few enforcement actions related to ADA non-compliance. The Committee directs FMCSA to report to the Committee by December 10, 2012, on enforcement actions the agency has taken in the preceding fiscal year, including the number of de-

nials or revocations due to noncompliance with ADA regulations. The Committee expects the information to demonstrate that FMCSA takes its responsibility to enforce DOT's ADA regulations seriously.

PROGRAM EXPENSES

The Committee recommends \$54,889,000 for FMCSA's program expenses. This amount is equal to the enacted level for fiscal year 2012 and \$20,889,000 more than the budget request.

NATIONAL MOTOR CARRIER SAFETY

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION OF OBLIGATIONS)

(HIGHWAY TRUST FUND)

| | |
|--------------------------------|--------------|
| Limitation, 2012 | |
| Budget estimate, 2012 | |
| Committee recommendation | \$16,000,000 |

PROGRAM DESCRIPTION

The National Motor Carrier Safety program [NMCSP] was authorized by the Transportation Equity Act for the 21st Century, amended by the Motor Carrier Safety Improvement Act of 1999, and discontinued under the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users. This program consisted of two major areas: the motor carrier safety assistance program [MCSAP] and the information systems and strategic safety initiatives [ISSSI] program. MCSAP is targeted at roadside vehicle safety inspections of both interstate and intrastate commercial motor vehicle traffic, while ISSSI provides funds to develop and enhance data-related motor carrier programs.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations and authority to liquidate an equal amount of contract authorizations from prior year unobligated balances of \$16,000,000 for border facility improvements and information technology modernization efforts for FMCSA operations and programs.

MOTOR CARRIER SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

(INCLUDING RESCISSION)

| | Liquidation of contract authorization | Limitation on obligations |
|--------------------------------|---------------------------------------|---------------------------|
| Appropriations, 2012 | \$307,000,000 | \$307,000,000 |
| Budget estimate, 2013 | 330,000,000 | 330,000,000 |
| Committee recommendation | 308,624,000 | 308,624,000 |

PROGRAM DESCRIPTION

This account provides the necessary resources for Federal grants to support State compliance, enforcement, and other programs. Grants are also provided to States for enforcement efforts at both the southern and northern borders to ensure that all points of entry into the United States are fortified with comprehensive safety measures; improvement of State commercial driver’s license [CDL] oversight activities to prevent unqualified drivers from being issued CDLs; and the Performance Registration Information Systems and Management [PRISM] program, which links State motor vehicle registration systems with carrier safety data in order to identify unsafe commercial motor carriers.

MOTOR CARRIER SAFETY GRANTS

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations of \$308,624,000 for motor carrier safety grants. The recommended limitation is \$1,624,000 more than the fiscal year 2012 enacted level and \$21,376,000 less than the budget request. The Committee recommends a separate limitation on obligations for each grant program funded under this account with the funding allocation identified below. The obligation limitation recommendation for the Motor Carrier Safety Assistance Program [MCSAP] includes \$16,624,000 for High Priority grants and \$29,000,000 for New Entrant grants.

| | Amount |
|---|---------------|
| Motor Carrier Safety Assistance Program [MCSAP] | \$213,624,000 |
| Commercial Driver’s License and Driver Improvement Program | 30,000,000 |
| Border Enforcement Grants | 32,000,000 |
| Performance and Registration Information System Management [PRISM] grants | 5,000,000 |
| Commercial Vehicle Information Systems and Networks [CVISN] grants | 25,000,000 |
| Safety Data Improvement | 3,000,000 |

ADMINISTRATIVE PROVISION—FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

Section 130 subjects the funds in this act to section 350 of Public Law 107–87 in order to ensure the safety of all cross-border long haul operations conducted by Mexican-domiciled commercial carriers.

Section 131 prohibits recipients of funds made available in this act to release personal information, including a 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 Secretary of Transportation from withholding funds provided in this act for any grantee if a State is in noncompliance with this provision.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
PROGRAM DESCRIPTION

The Federal Government's regulatory role in motor vehicle and highway safety began in September of 1966 with the enactment of the National Traffic and Motor Vehicle Safety Act of 1966 and the Highway Safety Act of 1966. In October 1966, these activities, originally under the jurisdiction of the Department of Commerce, were transferred to the Department of Transportation to be carried out through the National Traffic Safety Bureau within the Federal Highway Administration. In March 1970, the National Highway Traffic Safety Administration [NHTSA] was established as a separate organizational entity in the Department of Transportation.

NHTSA is responsible for motor vehicle safety, highway safety behavioral programs, motor vehicle information, and automobile fuel economy programs. NHTSA's current programs are authorized in five major laws: (1) the National Traffic and Motor Vehicle Safety Act (chapter 301 of title 49, United States Code [U.S.C.]; (2) the Highway Safety Act (chapter 4 of title 23, U.S.C.); (3) the Motor Vehicle Information and Cost Savings Act [MVICSA] (part C of subtitle VI of title 49, U.S.C.); the Transportation Recall Enhancement, Accountability and Documentation [TREAD] Act; and (5) the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users [SAFETEA-LU].

The National Traffic and Motor Vehicle Safety Act of 1966 provides for the establishment and enforcement of safety standards for vehicles and related equipment and the conduct of supporting research.

The Highway Safety Act of 1966 established NHTSA's responsibility for providing States with financial assistance to support coordinated national highway safety programs (section 402 of title 23, U.S.C.), as well its role in highway safety research, development, and demonstration programs (section 403 of title 23, U.S.C.). The Anti-Drug Abuse Act of 1988 (Public Law 100-690) authorized NHTSA to make grants to States to implement and enforce drunk driving prevention programs.

The MVICSA established NHTSA's responsibilities for developing low-speed collision bumper standards and odometer regulations, as well its consumer information activities. Subsequent amendments to this law established the agency's responsibility for administering mandatory automotive fuel economy standards, theft prevention standards for high theft lines of passenger motor vehicles, and automobile content labeling requirements.

In 2000, the TREAD Act expanded NHTSA's responsibilities further, requiring the agency to promulgate regulations for the stability of light duty vehicles, tire safety and labeling standards, improving the safety of child restraints, and establishing a child restraint safety rating consumer information program.

SAFETEA-LU, which was enacted on August 10, 2005, established support for NHTSA's high-visibility enforcement efforts, motorcycle safety grants, and child safety and child booster safety incentive grant programs. Finally, SAFETEA-LU adopted new motor vehicle safety and information provisions, including rulemaking di-

rections to reduce vehicle rollover crashes and vehicle passenger ejections, and improve passenger safety in side impact crashes.

SAFETEA-LU expired on September 30, 2009. Congress has not yet completed work on a long-term reauthorization bill for the surface transportation programs. At present, Congress has extended the surface transportation programs through June 30, 2012. In the absence of a long-term reauthorization of surface transportation programs, the Committee has generally assumed the continuation of the current program structure and that funding levels will be extended and annualized for the 2013 fiscal year.

COMMITTEE RECOMMENDATION

In 2010, the number of overall traffic fatalities reached the lowest level since 1949, declining for the 19th consecutive quarter. In 2010, 32,788 people were killed on our roadways, a 3-percent decrease from 2009 and a 24-percent decrease from 2005. While the trend in reduced highway fatalities is significant and encouraging, the agency and its State partners must remain diligent to sustain these gains as the economy recovers and discretionary travel begins to increase. The Committee recommends \$809,374,000 for NHTSA to maintain current programs and continue its mission to save lives, prevent injuries, and reduce vehicle-related crashes. This level includes both budget authority and limitations on the obligation of contract authority. This funding is \$171,626,000 less than the President's request and \$9,400,000 more than the fiscal year 2012 enacted level.

The following table summarizes Committee recommendations:

| Program | Fiscal year— | | Committee recommendation |
|-------------------------------------|---------------|---------------|--------------------------|
| | 2012 enacted | 2013 estimate | |
| Operations and Research | \$249,646,000 | \$338,000,000 | \$259,046,000 |
| Highway Traffic Safety Grants | 550,328,000 | 643,000,000 | 550,328,000 |
| Total | 799,974,000 | 981,000,000 | 809,374,000 |

OPERATIONS AND RESEARCH

| | General Fund | Highway Trust Fund | Total |
|---------------------------------------|---------------|--------------------|---------------|
| Appropriation, fiscal year 2012 | \$140,146,000 | \$109,500,000 | \$249,646,000 |
| Appropriation, fiscal year 2012 ..... | ..... | 338,000,000 | 338,000,000 |
| Committee recommendation | 136,686,000 | 122,360,000 | 259,046,000 |

PROGRAM DESCRIPTION

These programs support traffic safety programs and related research, demonstrations, technical assistance, and national leadership for highway safety programs conducted by State and local governments, the private sector, universities, research units, and various safety associations and organizations. These highway safety programs emphasize alcohol and drug countermeasures, vehicle occupant protection, traffic law enforcement, emergency medical and trauma care systems, traffic records and licensing, State and community traffic safety evaluations, protection of motorcycle riders, pedestrian and bicyclist safety, pupil transportation, distracted and

drowsy driving prevention, young and older driver safety, and improved accident investigation procedures.

This account also provides funding to implement and operate the Problem Driver Pointer System [PDPS] and to improve traffic safety by assisting State motor vehicle administrators in communicating effectively and efficiently with other States to identify drivers whose licenses have been suspended or revoked for serious traffic offenses, such as driving under the influence of alcohol or other drugs.

OPERATIONS AND RESEARCH

COMMITTEE RECOMMENDATION

The Committee provides \$259,046,000 for Operations and Research that includes funding for the National Driver Register into this account. This level of funding is \$83,954,000 less than the President's budget request and \$9,400,000 more than the fiscal year 2012 enacted level. Of the total amount recommended for Operations and Research, \$136,686,000 is derived from the General Fund and \$122,360,000 is derived from the Highway Trust Fund, of which \$4,000,000 is for the National Driver Register.

Drunk Driving Prevention.—Drunk driving deaths continue to be the leading cause of highway fatalities. Although the number of drunk driving fatalities has dropped recently, they continue to represent 31 percent of all highway deaths—more than 10,200 people in 2010. Numerous national, State, and local efforts are in place to prevent these fatalities, including high-visibility law enforcement campaigns and broader application of State ignition interlock requirements for drunk driving offenders. These activities are among the components of the Campaign to Eliminate Drunk Driving, which unites Mothers Against Drunk Driving, major auto manufacturers, law enforcement, and other stakeholders who share the goal of eliminating drunk driving.

Since 2008, NHTSA has partnered with leading automobile manufacturers in the Automotive Coalition for Traffic Safety [ACTS] on an ambitious research program to develop in-vehicle systems that are publicly acceptable, unobtrusive for drivers below the legal limit, reliable, and relatively inexpensive. The goal is to make technologies available for voluntary installation in production vehicles within the next decade. To date, NHTSA and ACTS have made significant progress towards achieving this goal. They have completed preliminary device performance specifications, conducted a rigorous technical review of potential technologies, and finalized proof-of-concept research to identify technologies which hold the most promise. This has led to identification of two technologies—breath-based and touch-based—which are now being developed for installation in a research vehicle for on-the-road testing and evaluation starting in fiscal year 2013. The Committee is strongly supportive of this promising research, which has the potential to prevent thousands of drunk driving deaths annually. The Committee recommends a total of \$7,000,000 for ACTS vehicle testing and continued research. This level of funding is \$6,000,000 more than the budget request and the fiscal year 2012 enacted level.

The Committee recommends an additional \$2,500,000 for impaired driving countermeasures. Funding will be used to provide technical assistance to States to promote enhanced ignition interlock programs, encourage further adoption of comprehensive statewide impaired driving programs, and support judicial outreach and education as proposed in the administration's budget. The Committee has repurposed funds for fiscal year 2013 from the seat belt grant program to fund these increases.

Corporate Average Fuel Economy Standard [CAFE].—NHTSA is responsible for setting fuel economy standards for cars and trucks sold in the United States to reduce energy consumption. In addition, the Environmental Protection Agency [EPA] is responsible for calculating the average fuel economy for each manufacturer. The President has directed both agencies to align their research, performance requirements, and regulatory framework to develop a coordinated national program that achieves the requirements of the Energy Independence and Security Act of 2007 and the Clean Air Act. The Committee recommends \$10,900,000 for fiscal year 2013 for this initiative, as requested. Funding will be used to support the regulatory requirements for model years 2017 and beyond. The Committee instructs NHTSA, in coordination with EPA, to provide a long-range research and regulatory plan to the House and Senate Committees on Appropriations within 180 days of enactment describing the: (1) specific research projects that each agency is undertaking, their purpose, and intended goal; (2) cost estimates associated with each research and regulatory activity; and (3) major milestones and estimated completion dates for each activity. The plan should include all current and future expenditures, starting from fiscal year 2010 until all final actions are concluded for the regulation of medium and heavy duty trucks for model years 2017–2022.

Child Hyperthermia Prevention.—The Committee commends NHTSA's leadership in increasing public awareness of the risks of death and serious injury to children from hyperthermia when left unattended in vehicles. The Committee supports the agency's plan to undertake a broader coordinated national campaign for the warm weather season in 2013, along the lines of the successful efforts more than a decade ago that changed the culture by convincing more parents and caregivers to place children 12 years of age and younger in safer rear seats. A similar effort to prevent hyperthermia deaths is certainly justified as there have been more than 500 of these deaths in vehicles since 1998, an average of 38 per year and rising.

Tire Rolling Resistance.—The Committee believes reducing passenger car and light truck tire rolling resistance, while maintaining tire safety, can reduce fuel consumption, lessen U.S. dependence on oil imports and reduce consumer costs. Rolling resistance is the force required to keep a tire moving at a uniform speed. Less energy is needed to move a tire with lower rolling resistance. According to a comprehensive study by National Academy of Sciences, a 10-percent reduction in rolling resistance in the Nation's passenger car fleet could improve the fleet's fuel economy by up to 2 percent each year, a savings equivalent to the amount of gasoline consumed by approximately 2 million American households yearly.

To encourage greater use of more fuel efficient tires, the Committee directs the Administrator to issue guidelines to examine the cost-benefit of replacement tires that are 30 percent more efficient (lower rolling resistance) than the least efficient tires available on the market at the time of replacement. Guidelines should also require replacement tires to continue to meet Federal motor vehicle safety standards and Uniform tire quality grading standards.

HIGHWAY TRAFFIC SAFETY GRANTS
(LIQUIDATION OF CONTRACT AUTHORIZATION)
(LIMITATION ON OBLIGATIONS)
(HIGHWAY TRUST FUND)

| | Liquidation of contract authorization | Limitation on obligations |
|--------------------------------|---------------------------------------|---------------------------|
| Appropriations, 2012 | \$550,328,000 | \$550,328,000 |
| Budget estimate, 2013 | 643,000,000 | 643,000,000 |
| Committee recommendation | 550,328,000 | 550,328,000 |

PROGRAM DESCRIPTION

SAFETEA-LU reauthorized three State grant programs: highway safety programs, occupant protection incentive grants, and alcohol-impaired driving countermeasures incentive grants. It also authorized for the first time an additional five State programs: safety belt performance grants, State traffic safety information systems improvement grants, high-visibility enforcement program, child safety and child booster seat safety incentive grants, and motorcyclist safety grants.

SAFETEA-LU established a new safety belt performance incentive grant program under section 406 of title 23, United States Code; established a new State traffic safety information system improvement program grant program under section 408 of title 23, United States Code; amended the alcohol-impaired driving countermeasures incentive grant program authorized by section 410 of title 23, United States Code; established a new program to administer at least two high-visibility traffic safety law enforcement campaigns each year to achieve one or both of the following objectives: (1) reduce alcohol- or drug-impaired operation of motor vehicles; and/or (2) increase the use of safety belts by occupants of motor vehicles.

HIGHWAY TRAFFIC SAFETY GRANTS
COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations of \$550,328,000 for the highway traffic safety grant programs funded under this heading. The recommended limitation is \$92,672,000 less than the budget estimate and equal to the fiscal year 2012 enacted level. The Committee has also provided the authority to liquidate an equal amount of contract authorization.

The Committee continues to recommend prohibiting the use of section 402 funds for construction, rehabilitation or remodeling

costs, or for office furnishings and fixtures for State, local, or private buildings or structures.

The Committee recommends a separate limitation on obligations for administrative expenses and for each grant program as follows:

| | Amount |
|--|--------------------|
| Highway Safety Programs (section 402) | \$235,000,000 |
| Occupant Protection Incentive Grants (section 405) | 25,000,000 |
| Safety Belt Performance Grants (section 406) | 8,500,000 |
| Distracted Driver Incentive Grants | 40,000,000 |
| State Traffic Safety Information System Improvement Grants (section 408) | 34,500,000 |
| Alcohol-Impaired Driving Countermeasures Incentive Grants (section 410) | 139,000,000 |
| Motorcyclist Safety Grants (section 2010) | 7,000,000 |
| Child Safety and Child Booster Seat Safety Incentive Grants (section 2011) | 7,000,000 |
| High Visibility Enforcement Program (section 2009) | 29,000,000 |
| Administrative Expenses | 25,328,000 |
| Total | 550,328,000 |

Distracted Driver.—In 2009, 8,974 people were killed and an estimated 417,000 were injured nationwide in crashes that were reported to be related to or affected by a distracted driver. Distracted driving encompasses a wide range of behaviors that take the driver’s attention from his or her primary driving responsibilities. The Committee commends the Secretary’s strong leadership on this emerging safety concern across all modes of transportation, and supports establishing a voluntary incentive grant program for States to encourage the enactment and enforcement of laws to prevent distracted driving. The Committee has included bill language to reallocate \$40,000,000 in fiscal year 2013 from the seat belt performance grant program to fund a new distracted driving grant program for States that enact and enforce laws to prevent distracted driving with a focus on texting bans. The Committee has also included language to set aside \$5,000,000 of the \$40,000,000 for the development, production, and use of broadcast and print media advertising to support enforcement of State laws to prevent distracted driving.

ADMINISTRATIVE PROVISIONS—NATIONAL HIGHWAY TRAFFIC SAFETY
ADMINISTRATION

Section 140 makes available \$130,000 of obligation authority for section 402 of title 23 U.S.C. in order to pay for travel and expenses for State management reviews and highway safety staff core competency development training.

Section 141 exempts obligation authority, made available in previous Public Laws from limitations on obligations for the current year.

Section 142 prohibits funds for the implementation of section 404 of title 23, United States Code.

FEDERAL RAILROAD ADMINISTRATION

The Federal Railroad Administration [FRA] became an operating Administration within the Department of Transportation on April 1, 1967. It incorporated the Bureau of Railroad Safety from the Interstate Commerce Commission, the Office of High Speed Ground Transportation from the Department of Commerce, and the Alaska

Railroad from the Department of the Interior. FRA is responsible for planning, developing, and administering programs to achieve safe operating and mechanical practices in the railroad industry. Grants to the National Railroad Passenger Corporation (Amtrak) and other financial assistance programs to rehabilitate and improve the railroad industry's physical infrastructure are also administered by the Federal Railroad Administration.

SAFETY AND OPERATIONS

| | |
|--|---------------|
| Appropriations, 2012 | \$178,596,000 |
| Budget estimate, 2013 ¹ | 196,000,000 |
| Committee recommendation | 179,000,000 |

¹The amount shown above represents the total level of funding requested for FRA's safety programs and operations. The budget includes an \$80,000,000 user fee as offsetting collections that the Congressional Budget Office re-estimated at \$40,000,000.

PROGRAM DESCRIPTION

The Safety and Operations account provides support for FRA rail safety activities and all other administrative and operating activities related to staff and programs.

COMMITTEE RECOMMENDATION

The Committee recommends \$179,000,000 for Safety and Operations for fiscal year 2013, which is \$17,000,000 less than the funding included for these activities in the budget request and \$404,000 more than the fiscal year 2012 enacted level. The bill specifies that \$12,860,000 shall remain available until expended. This funding covers the cost of the Automated Track Inspection Program, the Railroad Safety Information System, the Southeastern Transportation Study, research and development activities, contract support, and Alaska Railroad liabilities.

RAILROAD RESEARCH AND DEVELOPMENT

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$35,000,000 |
| Budget estimate, 2013 | 35,500,000 |
| Committee recommendation | 35,000,000 |

PROGRAM DESCRIPTION

The Railroad Research and Development program provides science and technology support for FRA's rail safety rulemaking and enforcement efforts. It also supports technological advances in conventional and high-speed railroads, as well as evaluations of the role of railroads in the Nation's transportation system.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$35,000,000 for railroad research and development, which is \$500,000 less than the budget request and equal to the fiscal year 2012 enacted level.

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, or 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 2013.

THE NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

The National Railroad Passenger Corporation (Amtrak) operates intercity passenger rail services in 46 States and the District of Columbia, in addition to serving as a contractor in various capacities for several commuter rail agencies. Congress created Amtrak in the Rail Passenger Service Act of 1970 (Public Law 91-518) in response to private carriers' inability to profitably operate intercity passenger rail service. Thereafter, Amtrak assumed the common carrier obligations of the private railroads in exchange for the right to priority access of their tracks for incremental cost.

OPERATING GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

| | |
|--|---------------|
| Appropriations, 2012 | \$466,000,000 |
| Budget estimate, 2013 ¹ | |
| Committee recommendation | 400,000,000 |

¹ The President's budget would establish two new trust fund accounts for Systems Preservation and Network Development totaling \$2,546,000,000, of which \$1,546,000,000 would be available to Amtrak under the new System Preservation Account for both capital and operating expenses.

The Committee provides \$400,000,000 for Amtrak operating grants. The operating grant provides a subsidy to account for the difference between Amtrak's self-generated operating revenues and its total operating costs. The amount provided is \$66,000,000 less than the fiscal year 2012 enacted level.

Fleet Plan.—In April, Amtrak issued an updated fleet plan, describing the railroad's strategy for replacing its outdated rolling stock over the next 30 years. For fiscal year 2014, the Committee continues to direct Amtrak to provide a unified request that includes funding related to its fleet plan and incorporates fleet acquisition into its prioritized list of capital projects. Amtrak should also continue to include annual information consistent with the comprehensive fleet plan in its budget submission, business plan, and 5-year financial plan. Future updates to the fleet plan should refine the analysis of ridership growth projections, consistent with OIG recommendations.

CAPITAL AND DEBT SERVICE GRANTS TO THE NATIONAL RAILROAD
PASSENGER CORPORATION

| | |
|--|---------------|
| Appropriations, 2012 | \$952,000,000 |
| Budget estimate, 2013 ¹ | |
| Committee recommendation | 1,050,000,000 |

¹The President's budget request would establish two new trust fund accounts for Systems Preservation and Network Development totaling \$2,546,000,000, of which \$1,546,000,000 would be available to Amtrak under the new System Preservation Account for both capital and operating expenses.

The Committee recommends \$1,050,000,000 for capital and debt service grants for Amtrak, of which \$271,000,000 shall be available for debt service payments. The amount provided is \$98,000,000 more than fiscal year 2012. Of the total amount recommended, not less than \$20,000,000 may be used for the Gateway Program.

ADA Compliance.—The Committee continues to believe that compliance with the requirements of the Americans with Disabilities Act [ADA] is essential to ensuring that all people have equal access to transportation services. In February 2009, Amtrak presented its plan for achieving compliance with the ADA over a 5-year period. Since then, the corporation has found it challenging to define the scope of projects to comply with ADA and complete work agreements with its partners at each station. Then, in September 2011, DOT issued a final rule amending its ADA regulations for level boarding at passenger rail stations. The rule requires Amtrak to provide level entry at stations where the tracks are not shared with freight rail, but allows Amtrak to provide alternative boarding mechanisms at tracks shared with freight rail. For any station where Amtrak does not plan to provide level entry boarding, Amtrak must submit detailed plans and reports regarding alternative boarding options for passengers with disabilities to FRA. FRA must then review and determine whether to accept Amtrak's proposals.

Amtrak is now in the process of consulting with DOT to clarify certain aspects of the rule and its impact on projects currently under or soon expected to start construction. Amtrak is also waiting for additional guidance on the historical station activity of freight traffic to determine the applicability of different requirements at individual stations. Once these regulatory interpretation issues are resolved, Amtrak must then re-evaluate ADA compliance plans for each of the 434 rail stations it serves that were not ADA compliant prior to the rule entering into force. Amtrak must revise all plans, design specifications, engineering requirements and construction estimates. Now that DOT has issued a final rule for level boarding, Amtrak is required under the Passenger Rail Investment and Improvement Act [PRIIA] to submit a revised ADA compliance plan. Until the Committee receives a revised ADA compliance plan, no specific amount of funding is provided for implementation. However, the Committee expects Amtrak to dedicate funds in fiscal year 2013 for approved plans that are ready to begin construction.

In continuing its important ADA compliance efforts, the Committee encourages Amtrak to use its funds to address compliance requirements that are the responsibility of other parties at the stations it serves where the work involved is not more than 10 percent of the cost of all ADA compliance work at that station, and where doing so would expedite completion of its compliance efforts and be

a more efficient use of resources than compelling those parties to act.

CAPITAL ASSISTANCE FOR HIGH PERFORMANCE PASSENGER RAIL SERVICE

| | |
|--|---------------|
| Appropriations, 2012 | |
| Budget estimate, 2013 ¹ | |
| Committee recommendation | \$100,000,000 |

¹The Administration requested \$1,000,000,000 for a new Network Development account for similar activities.

PROGRAM DESCRIPTION

The funding provided under this heading is available for several programs authorized under the Passenger Rail and Investment and Improvement Act, including grants for intercity passenger rail and grants to reduce congestion or facilitate ridership growth along passenger rail corridors.

COMMITTEE RECOMMENDATION

The Committee recommends \$100,000,000 for grants to support high-performance passenger rail service. The recommendation is \$100,000,000 more than fiscal year 2012 enacted level, but is significantly below the Administration’s request for \$1,000,000,000 for its new Network Development program. The funds provided are limited to supporting the improvement of existing high-performance passenger rail service. Up to \$20,000,000 of the funds may be used to support multistate planning efforts.

Positive Train Control.—The Committee notes that positive train control systems are an eligible expense for capital investment grants to support intercity passenger rail service as authorized by section 24402 of title 49, United States Code. Positive train control systems are designed to prevent train-to-train collisions, over-speed derailments, incursions into established work zone limits, and the movement of a train through a switch left in the wrong position. Passenger railroads in the United States are required to deploy these systems on an aggressive schedule. The Committee encourages the Federal Railroad Administration to consider an applicant’s obligations to comply with Federal rail safety requirements, consistent with section 24402(c), when evaluating grant project requests.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

(RESCISSION)

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

NEXT GENERATION HIGH SPEED RAIL

(RESCISSION)

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

ADMINISTRATIVE PROVISIONS

Section 150 permanently prohibits funds for the National Railroad Passenger Corporation from being available if the Corporation contracts for services, at or from any location outside of the United States, which were, as of July 1, 2006, performed by a full-time or part-time Amtrak employee within the United States.

Section 151 allows the Secretary to receive and use cash or spare parts to repair and replace damaged track inspection cars.

Section 152 authorizes the Secretary of Transportation to allow issuers of any preferred stock to redeem or repurchase preferred stock sold to the Department of Transportation.

Section 153 limits overtime to \$35,000 per employee. However, Amtrak's president may waive this restriction for specific employees for safety or operational efficiency reasons. If the cap is waived, Amtrak is required to notify to the House and Senate Committees on Appropriations within 30 days of the reason for such waiver.

FEDERAL TRANSIT ADMINISTRATION

The Federal Transit Administration was established as a component of the Department of Transportation by Reorganization Plan No. 2 of 1968, effective July 1, 1968, which transferred most of the functions and programs under the Federal Transit Act of 1964, as amended (78 Stat. 302; 49 U.S.C. 1601 et seq.), from the Department of Housing and Urban Development. The missions of the Federal Transit Administration are: to assist in the development of improved mass transportation facilities, equipment, techniques, and methods; to encourage the planning and establishment of urban and rural transportation services needed for economical and desirable development; to provide mobility for transit dependents in both metropolitan and rural areas; to maximize the productivity and efficiency of transportation systems; and to provide assistance to State and local governments and their instrumentalities in financing such services and systems.

Americans took 10.4 billion trips on public transportation in 2011, a modern record only surpassed by the number taken in 2008, when gas prices spiked above \$4 a gallon. Given that gas prices are expected to remain high in the future, transit will likely play an increasingly important role in how Americans commute and travel.

The most recent authorization for transit programs was contained in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users [SAFETEA-LU], which expired on September 30, 2009. The authority for these programs has been extended through June 30, 2012. The Committee's recommendations assume they will be further extended under their current structure until the enactment of a full reauthorization bill.

Under the Committee recommendations, a total program level of \$10,601,069,633 would be provided for the activities of the Federal Transit Administration in fiscal year 2013. The recommendation is \$132,040,000 less than the budget request and \$51,291,633 greater than the fiscal year 2012 enacted level.

ADMINISTRATIVE EXPENSES

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$98,713,000 |
| Budget estimate, 2013 ..... | ..... |
| Committee recommendation | 99,875,000 |

PROGRAM DESCRIPTION

Administrative expenses funds personnel, contract resources, information technology, space management, travel, training, and other administrative expenses necessary to carry out its mission to promote public transportation systems.

COMMITTEE RECOMMENDATION

The Committee recommends a total of \$99,875,000 for the agency's salaries and administrative expenses. The recommended level of funding is \$1,162,000 above the fiscal year 2012 enacted level to cover the costs of salaries and inflation.

The Committee continues to support proposals to give FTA greater responsibility for overseeing the 27 State Safety Oversight agencies, and expects to provide additional funding for this work once it is authorized. Rail accidents continue to occur with troubling frequency, and the increasing number of new systems and Americans who use them argues for giving FTA the means to ensure rail transit is safe.

For the past several years, FTA has worked with the American Public Transportation Association [APTA] to broker broad agreement on a standard transit bus and light rail vehicle that could cut transit agencies' future capital costs. The success of this initiative would expedite transit vehicle procurement, while providing the maximum benefit from taxpayers' investment in transit systems. FTA has evaluated and reported to Congress on the feasibility of various alternatives to increase the use of standardized rail cars across systems around the country, as well as procuring those rail cars in a manner that achieves economies of scale. FTA continues to work in conjunction with the transit industry, APTA, and other stakeholders to develop means for leveraging large joint procurements within the transit community and cost effectively standardizing purchases of rail equipment and systems. The Committee supports these efforts and directs FTA to provide a report to the House and Senate Committees on Appropriations by October 15, 2012, on its progress to date and the primary obstacles to reaching agreement on standard bus and light rail vehicles.

Rail Station Accessibility.—The Committee appreciates the FTA's efforts to work with local transit agencies to bring their stations into compliance with the Americans with Disabilities Act [ADA], and directs the FTA to conduct a survey of transit authorities containing one or more key stations that are not yet fully compliant with ADA accessibility standards. The survey should include detailed information of actions planned to achieve full accessibility for these stations, including: the level of funds currently budgeted to meet full compliance; additional funding beyond what is currently budgeted required to achieve full compliance; an estimated date when each station will become fully compliant; and any additional information the Administrator believes is appropriate. The Com-

mittee directs the FTA to provide this information to the House and Senate Appropriations Committee, the Senate Banking Committee, and the House Transportation and Infrastructure Committee within 150 days of enactment of this act.

Project Management Oversight [PMO] Activities.—The Committee directs FTA to continue to submit to the House and Senate Committees on Appropriations the quarterly PMO reports for each project with a full funding grant agreement.

Full Funding Grant Agreements [FFGAs].—SAFETEA-LU, as amended and extended, requires that 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, 60 days before executing a full funding grant agreement. In its notification to the House and Senate Committees on Appropriations, the Committee directs FTA to submit the following information: (1) a copy of the proposed full funding grant agreement; (2) the total and annual Federal appropriations required for the project; (3) the yearly and total Federal appropriations that can be planned or anticipated for future FFGAs for each fiscal year through 2017; (4) a detailed analysis of annual commitments for current and anticipated FFGAs against the program authorization, by individual project; (5) an evaluation of whether the alternatives analysis made by the applicant fully assessed all the 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 finance plan; (7) the source and security of all public and private sector financing; (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 also directs FTA to inform the House and Senate Committees on Appropriations in writing 30 days before approving schedule, scope, or budget changes to any full funding grant agreement. Correspondence relating to all changes shall include any budget revisions or program changes that materially alter the project as originally stipulated in the FFGA, including any proposed change in rail car procurement.

The Committee directs FTA to continue to provide a monthly new start project update to the House and Senate Committees on Appropriations, detailing the status of each project. This update should include FTA's plans and specific milestone schedules for advancing projects, especially those within 2 years of a proposed full funding grant agreement. It should also highlight and explain any potential cost and schedule changes affecting projects. In addition, FTA should notify the Committees 10 days before any project in the new starts process is given approval by FTA to advance to preliminary engineering or final design.

FORMULA AND BUS GRANTS
(LIQUIDATION OF CONTRACT AUTHORITY)
(LIMITATION ON OBLIGATIONS)

| | Obligation limitation (trust fund) |
|--------------------------------|---------------------------------------|
| Appropriations, 2012 | \$8,360,565,000 |
| Budget estimate, 2013 | 8,360,565,000 |
| Committee recommendation | 8,360,565,000 |

PROGRAM DESCRIPTION

The Formula and Bus Grants account includes funding for the following programs: urbanized area formula grants; clean fuels formula grants; formula grants for special needs of elderly individuals and individuals with disabilities; formula grants for other-than-urbanized areas; new freedom grants; growing States and high-density States grants; bus and bus facility grants; rail modernization grants; alternative transportation in parks and public lands; and the national transit database. Set-asides from formula funds are directed to a grant program for intercity bus operators to finance Americans with Disabilities Act accessibility costs. The account also provides funding for the administration's Sustainable Communities Initiative through job access and reverse commute grants and the alternatives analysis and planning programs.

COMMITTEE RECOMMENDATION

The Committee recommends limiting obligations in the transit formula and bus grants account in fiscal year 2013 to \$8,360,565,000. The recommendation is consistent with the authorized level in SAFETEA-LU as extended.

The Committee recommends \$9,400,000,000 in authority to liquidate contract authorizations. This amount is sufficient to cover outstanding obligations from this account.

The following table displays the distribution of obligation limitation among the program categories of formula and bus grants:

DISTRIBUTION OF OBLIGATION LIMITATION AMONG MAJOR CATEGORIES OF FORMULA AND BUS GRANTS

| Program category | Amount |
|--|----------------------|
| Clean Fuels Program | \$51,500,000 |
| Over-the-Road Bus Accessibility Program | 8,800,000 |
| Urban Area Formula Grants | 4,160,365,000 |
| Bus and Bus Facilities | 984,000,000 |
| Fixed Guideway Modernization | 1,666,500,000 |
| Elderly and Persons with Disabilities | 133,500,000 |
| Nonurbanized Area Formula | 465,000,000 |
| Growing States and High Density States | 465,000,000 |
| New Freedom | 92,500,000 |
| National Transit Database | 3,500,000 |
| Alternative Transportation in Parks and Park Lands | 26,900,000 |
| Job Access and Reverse Commute | 164,500,000 |
| Planning Programs | 113,500,000 |
| Alternatives Analysis | 25,000,000 |
| Total | 8,360,565,000 |

Bus Rapid Transit.—As it did in fiscal year 2012, the Committee proposes to fund the bus rapid transit projects included in the Department's fiscal year 2013 budget request in the Bus and Bus Facilities program. These projects are eligible for funding from Bus and Bus Facilities, and this shift makes it possible for the Committee to better support the rail transit projects in the Capital Investment Grants program. The Committee expects this change will absorb a small share of the funding available to Bus and Bus Facilities, leaving ample balances for the FTA's State of Good Repair, Bus Livability, and other initiatives.

RESEARCH AND UNIVERSITY RESEARCH CENTERS

| | General fund |
|--------------------------------|--------------|
| Appropriations, 2012 | \$44,000,000 |
| Budget estimate, 2013 | |
| Committee recommendation | 50,000,000 |

PROGRAM DESCRIPTION

This appropriation provides financial assistance to support activities that are designed to develop solutions that improve public transportation. As the Federal agency responsible for transit, FTA assumes a leadership role in supporting research intended to identify different strategies to increase ridership, improve personal mobility, minimize automobile fuel consumption and air pollution, and enhance the quality of life in all communities.

FTA's research program has a long, distinguished record of success, having helped pioneer and test compressed natural gas [CNG] buses in the 1970s and hybrid diesel bus prototypes in the 1980s, leading to the widespread adoption of these technologies today. More recently, FTA supported efforts to develop the first practical fuel cell buses in the world.

FTA may make grants, contracts, cooperative agreements, and other agreements for research, development, demonstration, and deployment projects, and evaluation of technology of national significance to public transportation. FTA provides transit agencies with research results to help make them better equipped to improve public transportation and help public transportation services meet national transportation needs at the lowest reasonable cost. FTA helps transit agencies employ new service methods and technologies that improve their operations and capital efficiencies or improve transit safety and emergency preparedness.

The purpose of the university transportation centers [UTC] program is to foster a national resource and focal point for the support and conduct of research and training concerning the transportation of passengers and property. Earlier this year, the Department selected two consortia of schools led by San Jose State University and the University of South Florida as the first UTCs dedicated to public transportation. The Committee has high hopes these UTCs will pursue innovative solutions to the problems facing an industry dealing with increased ridership, aging infrastructure, and constrained finances.

The Committee recognizes the importance of ensuring safe, private transportation is made available for seniors, especially in

small and rural communities where distance and low population density make traditional mass transportation difficult. The efficiencies of information management can bring together underutilized private transportation capacity by combining ride share, car share, volunteer transport, and private community transport. The Committee encourages FTA to consider the use of suites of software programs that leverage many kinds of unused private transportation capacity to promote transportation for seniors in small and rural communities.

COMMITTEE RECOMMENDATION

The Committee recommends \$50,000,000 for research and university research centers. The Committee recommendation is \$6,000,000 above the fiscal year 2012 enacted level.

Funding for transit research has dropped precipitously since its heyday in the 1970s and early 1980s, while the need for Federal support to help develop, test, and promote new technologies remains as great as ever. The Committee commends FTA for advancing the commercialization of fuel cell electric buses through targeted partnerships with industry, and encourages FTA to use the resources provided in the bill to pursue other such opportunities, even at the expense of the program’s non-research responsibilities.

Asset Management.—In 2008, the Committee required FTA to assess the condition of the Nation’s transit rail infrastructure. In April 2009, the agency reported that one-third of transit agencies’ assets are either in marginal or poor condition, and that significant reinvestment is necessary to address the backlog of capital needs. Given the large gap between the level of investment needed to bring rail transit into better condition and the amount of resources currently available for such investments, it is imperative that every dollar invested in rail capital improvements be put to its best use.

Compounding the resource challenge is the general weakness of much of the transit sector’s ability to manage capital assets strategically. Asset management programs would enable transit agencies to take inventory of their capital assets, assess the condition of those assets, use objective and quantitative analysis to estimate reinvestment needs over the long term, and prioritize their capital investments by using all of the information and analysis that was required under the program.

In 2010, the Committee directed FTA to assume a leadership role in improving asset management in transit agencies. Specifically, the Committee instructed FTA to develop standards for asset management plans with an emphasis on maintaining safety, provide technical assistance to transit agencies on asset management, and conduct a pilot program to identify best practices in the field. In August 2011, FTA awarded demonstration funding to six transit agencies. The Committee understands FTA will provide an initial assessment of the demonstrations, along with an update on its other efforts to improve industry practices, in early 2013.

CAPITAL INVESTMENT GRANTS

| | |
|--------------------------------|-----------------|
| Appropriations, 2012 | \$1,955,000,000 |
| Budget estimate, 2013 | |
| Committee recommendation | 2,043,520,000 |

PROGRAM DESCRIPTION

The Capital Investment Grants account includes funding for two programs authorized under section 5309 of title 49 of the United States Code: the New Starts program and the Small Starts program. Under New Starts, the FTA provides grants to fund the building of new fixed guideway systems or extensions to existing fixed guideway systems. Eligible services include light rail, rapid rail (heavy rail), commuter rail, and busway/high occupancy vehicle [HOV] facilities. Under Small Starts, the FTA provides grants for projects requesting less than \$75,000,000 and with a total cost of less than \$250,000,000.

COMMITTEE RECOMMENDATION

The Committee recommends a level of \$2,043,520,000 for capital investment grants. The recommended level is \$88,520,000 above the fiscal year 2012 enacted level. The bill also rescinds \$11,429,055 provided in Public Law 105–178.

For more than a decade, there has been renewed interest in many parts of the country in rail transit, especially in areas seeking to find solutions to road congestion, support economic development, manage population growth, and reduce air pollution. The Committee supports these investments, which it believes are essential to maintaining the Nation's economic competitiveness. However, given the present fiscal constraints, the Committee again proposes to shift bus rapid transit projects included in the President's fiscal year 2013 budget under the Capital Investment Grants account to the Bus and Bus Facilities program within the Formula and Bus Grants account. These projects are eligible for funding from Bus and Bus Facilities, and this shift will make it possible for the Committee to better support the increasing number of rail transit projects in the Capital Investment Grants program.

Appropriations for Full Funding Grant Agreements [FFGA].—The Committee reiterates direction initially agreed to in the fiscal year 2002 conference report that FTA should not sign any FFGAs that have a maximum Federal share higher than 60 percent.

GRANTS TO THE WASHINGTON METROPOLITAN AREA TRANSIT
AUTHORITY

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$150,000,000 |
| Budget estimate, 2013 | 135,000,000 |
| Committee recommendation | 150,000,000 |

PROGRAM DESCRIPTION

This appropriation provides assistance to the Washington Metropolitan Area Transit Authority [WMATA]. The Federal Rail Safety Improvements Act of 2008 (Public Law 110–432, title VI, section 601) authorized DOT to make up to \$150,000,000 available to WMATA annually for capital and preventive maintenance for a 10-year period.

COMMITTEE RECOMMENDATION

The Committee recommendation includes \$150,000,000 for grants to WMATA for capital and preventive maintenance expenses. These

grants are in addition to the funding support local jurisdictions have committed to provide to WMATA. The Committee remains committed to supporting the refurbishment and modernization of WMATA's infrastructure.

The bill requires the FTA to provide these grants to WMATA only after receiving and reviewing a request for each specific project to be funded under this heading. The bill also requires the FTA to determine that WMATA has placed the highest priority on funding projects that will improve the safety of its public transit system before approving these grants. The Committee expects FTA to make this determination by taking into account the extent to which WMATA plans to use the funding provided under this heading in order to implement the safety recommendations of the National Transportation Safety Board.

ADMINISTRATIVE PROVISIONS—FEDERAL TRANSIT ADMINISTRATION

Section 160 exempts authority previously made available for programs of the FTA under section 5338 of title 49, United States Code, from the obligation limitations in this act.

Section 161 requires that funds appropriated or limited by this act for specific projects not obligated by September 30, 2015, and other recoveries, be directed to projects eligible to use the funds for the purposes for which they were originally provided.

Section 162 allows funds appropriated before October 1, 2012 that remain available for expenditure to be transferred to the most recent appropriation heading.

Section 163 allows unobligated funds for new fixed guideway system projects in any previous appropriations act to be used during this fiscal year to satisfy expenses incurred for such projects.

Section 164 provides flexibility to fund program management oversight of activities authorized by section 5316 of title 49, United States Code.

Section 165 allows funds made available for Alaska or Hawaii ferry boats or ferry terminal facilities to be used to construct new vessels and facilities, or to improve existing vessels and facilities.

Section 166 provides an exemption from the charter bus regulations for the State of Washington.

Section 167 permits the Secretary to consider significant private contributions when calculating the non-Federal share of capital costs for New Starts projects.

Section 168 requires that all Bus Rapid Transit [BRT] or busway projects recommended in the President's fiscal year 2013 budget request be funded from amounts made available to carry out the section 5309 bus category in this and future fiscal years, although these projects will remain subject to the section 5309 New Starts or Small Starts program requirements, whichever are appropriate.

Section 169 rescinds \$102,889,367 in unobligated balances from various transit programs.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

PROGRAM DESCRIPTION

The Saint Lawrence Seaway Development Corporation [SLSDC] is a wholly owned Government corporation established by the Saint

Lawrence Seaway Act of May 13, 1954 (33 U.S.C. 981). SLSDC is a vital transportation corridor for the international movement of bulk commodities such as steel, iron, grain, and coal, serving the North American region that makes up one-quarter of the United States population and nearly one-half of the Canadian population. The SLSDC is responsible for the operation, maintenance, and development of the United States portion of the Saint Lawrence Seaway between Montreal and Lake Erie.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$32,259,000 |
| Budget estimate, 2013 | 33,000,000 |
| Committee recommendation | 32,500,000 |

PROGRAM DESCRIPTION

The Harbor Maintenance Trust Fund [HMTF] was established by the Water Resources Development Act of 1986 (Public Law 99-662). Since 1987, the HMTF has supported the operations and maintenance of commercial harbor projects maintained by the Federal Government. Appropriations from the Harbor Maintenance Trust Fund and revenues from non-Federal sources finance the operation and maintenance of the Seaway, for which SLSDC is responsible.

COMMITTEE RECOMMENDATION

The Committee recommends \$32,500,000 for the operations, maintenance, and asset renewal of the Saint Lawrence Seaway. This amount is \$500,000 less than the President's budget request and \$241,000 more than the fiscal year 2012 enacted level. The recommended level includes \$15,500,000 to continue the agency's Asset Renewal Program [ARP].

The Seaway is entering its 54th year of operation, which means that its infrastructure components are reaching the end of their design life. The ARP is a significant 10-year, multi-project strategy to address the long-term asset renewal needs of the U.S. portions of the Saint Lawrence Seaway, with attention to the two locks operated and maintained by the United States (Snell and Eisenhower), the U.S. segment of the Seaway International Bridge, maintenance dredging, operational systems, facilities, and equipment.

SLSDC has made significant progress in executing the projects identified in the ARP under limited construction capacity since receiving initial appropriations in fiscal year 2009. The Committee directs SLSDC to continue to submit an annual report to the Senate and House Appropriations Committees, not later than April 30 of each year, summarizing the activities of the ARP during the immediate preceding fiscal year. The report shall include up-to-date information on the status of each project, including: up-to-date cost estimates, as well as cost overruns or savings for each project; schedule changes and their causes; and updated projections to achieve the performance goals for the remaining life of the 10-year strategy. SLSDC is directed to include in the reports any other relevant information relating to the management, funding, and imple-

mentation of the ARP, as deemed appropriate by the Administrator.

MARITIME ADMINISTRATION

PROGRAM DESCRIPTION

The Maritime Administration [MARAD] is responsible for programs authorized by the Merchant Marine Act of 1936, as amended (46 App. U.S.C. 1101 et seq.). MARAD is also responsible for programs that strengthen the U.S. maritime industry in support of the Nation's security and economic needs. MARAD prioritizes the Department of Defense's [DOD] use of ports and intermodal facilities during DOD mobilizations to guarantee the smooth flow of military cargo through commercial ports. MARAD manages the Maritime Security Program, the Voluntary Intermodal Sealift Agreement Program, and the Ready Reserve Force, which assure DOD access to commercial and strategic sealift and associated intermodal capacity. MARAD also continues to address the disposal of obsolete ships in the National Defense Reserve Fleet that are deemed a potential environmental risk. Further, MARAD administers education and training programs through the U.S. Merchant Marine Academy and six State maritime schools that assist in providing skilled merchant marine officers who are capable of serving defense and commercial transportation needs. The Committee continues to fund MARAD in its support of the United States as a maritime Nation.

MARITIME SECURITY PROGRAM

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$174,000,000 |
| Budget estimate, 2013 | 184,000,000 |
| Committee recommendation | 184,000,000 |

PROGRAM DESCRIPTION

The Maritime Security Program [MSP] provides resources to maintain a U.S.-flag merchant fleet crewed by U.S. citizens to serve both the commercial and national security needs of the United States. The program provides direct payments to U.S.-flag ship operators engaged in U.S. foreign trade. Participating operators are required to keep the vessels in active commercial service and provide intermodal sealift support to DOD in times of war or national emergency.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$184,000,000 for the MSP. This amount is equal to the budget request and \$10,000,000 more than the fiscal year 2012 enacted level.

The recommended appropriation, together with unobligated carryover balances, provides sufficient funds to satisfy the fully authorized payment level for fiscal year 2013.

The MSP is a successful and critical partnership with the Department of Defense and the U.S.-flag commercial maritime industry that supports military operations overseas. The MSP provides a sealift fleet capacity that would cost the Government \$13,000,000,000 in capital to reproduce. Furthermore, according to the United States Transportation Command, it would cost the Gov-

ernment an additional \$52,000,000,000 to replicate the global intermodal system that is made available to the Department of Defense by MSP participants who are continuously developing, maintaining, and upgrading their logistical support systems. The Committee strongly encourages the Department of Transportation to continue to support this proven and cost effective program in its fiscal year 2014 budget request.

OPERATIONS AND TRAINING

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$156,258,000 |
| Budget estimate, 2013 | 146,298,000 |
| Committee recommendation | 150,896,000 |

PROGRAM DESCRIPTION

The Operations and Training appropriation primarily funds the salaries and expenses for MARAD headquarters and regional staff in the administration and direction for all MARAD programs. The account includes funding for the U.S. Merchant Marine Academy, six State maritime schools, port and intermodal development, cargo preference, international trade relations, deep-water port licensing and administrative support costs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$150,896,000 for Operations and Training at MARAD for fiscal year 2013. This amount is \$5,362,000 less than the fiscal year 2012 enacted level and \$4,548,000 more than the budget request.

MARITIME ADMINISTRATION

| | Fiscal year 2013 Senate |
|--|----------------------------|
| U.S. Merchant Marine Academy | \$80,000,000 |
| Academy Operations | 63,396,000 |
| Salaries and Benefits | 34,289,000 |
| Operating Expenses | 29,107,000 |
| Capital Asset Management | 15,000,000 |
| Capital Improvements | 10,000,000 |
| Facilities Maintenance, Repairs, and Equipment | 6,604,000 |
| State Maritime Academies | 17,100,000 |
| MARAD Operations | 53,796,000 |
| Maritime Program Expenses | 5,000,000 |
| Environment and Compliance | 4,000,000 |
| Marview | 1,000,000 |
| Total, Operations and Training | 150,896,000 |

United States Merchant Marine Academy.—The United States Merchant Marine Academy [USMMA] provides educational programs for men and women to become shipboard officers and leaders in the transportation field. The Committee is committed to ensuring the Academy's midshipmen receive the highest quality education in preparation for a commission with the U.S. Naval Reserve or other uniformed service upon graduation. The Committee remains troubled that for many years, officials at the Academy engaged in questionable financial and management practices that compromised the integrity of the institution. Senior leadership both

at MARAD and the Department of Transportation failed to exercise sufficient oversight of Academy operations and failed to effectively and collaboratively manage the physical infrastructure projects associated with the Academy's Capital Improvement Program [CIP]. The culmination of these issues caused significant turmoil in all aspects of the Academy's operations and resulted in a crisis of leadership, facilities management, and human resource management.

Thankfully, the current Secretary and Deputy Secretary of the Department of Transportation have taken a keen interest in reforming and restoring the Academy to a top-notch academic institution. However, significant challenges remain to achieving this goal.

Last year, the Committee required the Secretary and the Administrator to take steps to improve accountability and transparency at the Academy, including developing a strategic plan by April 30, 2012. The development of a strategic plan is necessary to guide the Academy's instructional program and identify clear performance goals. Despite the 2010 recommendations of the Blue Ribbon Panel, the Secretary did not initiate work on the strategic plan until January 2012 and will not finalize it until this fall at best. The Secretary's failure to deliver this basic organizational assessment is inexcusable.

The Committee directed the Department to provide a report by January 30, 2012, on the authorized positions and vacancies at the Academy to assess its staffing and alarmingly high vacancy rate. The report was submitted 2 months late. The staffing report identifies 52 vacancies, 13 of which fall under the Assistant Superintendent for Facilities Maintenance and Capital Improvements. The lack of focus on fully staffing this department is troubling, particularly when the Academy's maintenance needs are so dire. The Secretary's 2010 Blue Ribbon Panel report "USMMA: Red Sky in the Morning" found the Academy's facilities department so "critically understaffed" that it is "insufficient to support routine maintenance of the campus", leading "to a more rapid than normal deterioration in the conditions of the Academy's facilities". The Committee directs the Administrator to provide quarterly staffing reports to the Committee and expects hiring qualified staff in the facilities department to be the agency's highest staffing priority.

The Committee also required the Administrator to provide an annual report by April 1, 2012, on the status of the CIP in a similar format to the Saint Lawrence Seaway Development Corporation's annual Asset Renewal Plan. The Administrator has failed to provide this report. Therefore, the Committee prohibits the use of any CIP funds in fiscal year 2013 until a detailed accounting of all CIP projects is submitted to the Committee. In addition, the Committee directs the Secretary for fiscal year 2013 and each year thereafter to submit an annual report to the Committee by April 1 of each year on the CIP. The report should include current information on the status of the CIP, including, but not limited to: a list of all projects that have received funding; cost overruns and cost savings for each active project; specific target dates for project completion; delays and the cause of delays; schedule changes; up-to-date cost projections for each project; and any other deviations from the previous year's CIP.

It is clear the internal processes and organizational changes that are needed to restore the Academy will take time to be fully implemented. Therefore, the Committee has once again included language requiring that all funding for the Academy be given 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 believes this process will ensure the Secretary's continued engagement, as well as sustain the newly developed system of funds control and accountability.

Environment and Compliance.—The Committee commends MARAD's initiative to support the domestic maritime industry's efforts to comply with emerging international and domestic environmental regulatory requirements. Funds provided in fiscal year 2013 should be used to continue independent testing of ballast water technologies to meet domestic and international regulatory requirements, as well as to assist in the testing and certification or verification of air emissions reduction technology in conjunction with the Environmental Protection Agency.

SHIP DISPOSAL

| | |
|--------------------------------|-------------|
| Appropriations, 2012 | \$5,500,000 |
| Budget estimate, 2013 | 10,000,000 |
| Committee Recommendation | 4,000,000 |

PROGRAM DESCRIPTION

The Ship Disposal account provides resources to dispose of obsolete merchant-type vessels of 150,000 gross tons or more in the National Defense Reserve Fleet [NDRF], which MARAD was required by law to dispose of by the end of 2006. Currently there is a backlog of more than 49 ships awaiting disposal. Many of these vessels are 50 or more years old and have the potential to pose a significant environmental threat due to the presence of hazardous substances, such as asbestos and solid and liquid polychlorinated biphenyls [PCBs].

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,000,000 for MARAD's Ship Disposal program. This level of funding is \$1,500,000 less than the fiscal year 2012 enacted level and \$6,000,000 less than the budget request. This level of funding, in addition to the anticipated carryover from previous appropriations, is sufficient to meet the terms and conditions of the Suisun Bay Reserve Fleet settlement and continued activities related to *NS Savannah*. The Committee directs MARAD to take all actions practicable and reasonable to align the scope of vessels listed for inspection in the notice of vessel visitation to the subsequent notice of vessels available for sale. Further, MARAD shall make best value determinations and award ship recycling contracts no later than 90 days from the close of the ship specific solicitation period for sales offers and/or price revisions for vessel dismantlement/recycling services.

ASSISTANCE TO SMALL SHIPYARDS

| | |
|--------------------------------|-------------|
| Appropriations, 2012 | \$9,980,000 |
| Budget estimate, 2013 ..... | ..... |
| Committee recommendation | 9,000,000 |

PROGRAM DESCRIPTION

The Assistance to Small Shipyards program provides assistance in the form of grants, loans, and loan guarantees to small shipyards for capital improvements and training programs, as authorized by section 3506 of the National Defense Authorization Act for Fiscal Year 2006, 46 U.S.C. 54101.

COMMITTEE RECOMMENDATION

The Committee provides an appropriation of \$9,000,000 for assistance to small shipyards. This level of funding is \$980,000 less than the fiscal year 2012 enacted level. The President did not request funding for this program in fiscal year 2013.

The Committee began funding this program in fiscal year 2008 to assist small shipyards in maritime dependent communities to improve the efficiency of their operations by providing funding for equipment and other facility upgrades, as well as workforce training and apprenticeship programs. A total of 141 qualified applicants submitted requests totaling \$123,800,000 in fiscal year 2012, far exceeding available resources. The funding recommended by the Committee will help improve the competitiveness of our Nation's shipyard industry.

MARITIME GUARANTEED LOAN PROGRAM [TITLE XI]

| | |
|--------------------------------|-------------|
| Appropriations, 2012 | \$3,740,000 |
| Budget estimate, 2013 | 3,750,000 |
| Committee recommendation | 38,750,000 |

PROGRAM DESCRIPTION

The Maritime Guaranteed Loan program was established pursuant to title XI of the Merchant Marine Act of 1936, as amended. The program provides for a full faith and credit guarantee by the U.S. Government of debt obligations issued by: (1) U.S. or foreign ship-owners for the purposes of financing or refinancing either U.S.-flag vessels or eligible export vessels constructed, reconstructed, or reconditioned in U.S. shipyards; and (2) U.S. shipyards, for the purpose of financing advanced shipbuilding technology of privately owned general shipyard facilities located in the United States. Under the Federal Credit Reform Act of 1990, appropriations to cover the estimated costs of a project must be obtained prior to the issuance of any approvals for title XI financing.

COMMITTEE RECOMMENDATION

The Committee provides an appropriation of \$38,750,000 for the loan guarantee program, of which \$3,750,000 shall be used for administrative expenses. This level of funding is \$35,000,000 more than the President's budget request and \$35,010,000 more than the fiscal year 2012 enacted level. The Committee recognizes the importance that the title XI program provides for the advancement of

shipbuilding, aiding the U.S.-flag fleet, and sustainment of jobs for this critical sector of our national defense.

ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

Section 170 authorizes the Maritime Administration to furnish utilities and to service and make repairs to any lease, contract, or occupancy involving Government property under the control of MARAD. Rental payments received pursuant to this provision shall be credited to the Treasury as miscellaneous receipts.

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

The Pipeline and Hazardous Material Safety Administration [PHMSA] was established in the Department of Transportation on November 30, 2004, pursuant to the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108-246). PHMSA is responsible for the Department's pipeline safety program as well as oversight of hazardous materials transportation safety operations. The administration is dedicated to safety, including the elimination of transportation-related deaths and injuries associated with hazardous materials and pipeline transportation, and to promoting transportation solutions that enhance communities and protect the environment.

OPERATIONAL EXPENSES

(PIPELINE SAFETY FUND)

(INCLUDING TRANSFER OF FUNDS)

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$21,360,000 |
| Budget estimate, 2013 | 21,047,000 |
| Committee recommendation | 21,047,000 |

PROGRAM DESCRIPTION

This account funds program support costs for PHMSA, including policy development, civil rights, management, administration, and agency-wide expenses.

COMMITTEE RECOMMENDATION

The Committee recommends \$21,047,000 for this account, of which \$639,000 is to be derived from the Pipeline Safety Fund, and of which \$1,000,000 may be transferred to the Office of Pipeline Safety for Information Grants to Communities. This level of funding is equal to the budget request and \$313,000 less than the fiscal year 2012 enacted level.

HAZARDOUS MATERIALS SAFETY

| | |
|--|--------------|
| Appropriations, 2012 | \$42,338,000 |
| Budget estimate, 2013 ¹ | 50,673,000 |
| Committee recommendation | 43,025,000 |

¹ Includes a user fee as offsetting collections.

PROGRAM DESCRIPTION

PHMSA oversees the safety of more than 800,000 daily shipments of hazardous materials in the United States, using risk man-

agement principles and security threat assessments to fully assess and reduce the risks inherent in hazardous materials transportation.

HAZARDOUS MATERIALS SAFETY
COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$43,025,000 for hazardous materials safety, of which \$1,725,000 shall remain available until September 30, 2015. The amount provided is \$7,648,000 less than the budget request and \$687,000 more than the fiscal year 2012 enacted level.

In the fiscal year 2012 and 2013 budget proposals, PHMSA proposed the creation of a user fee to reduce the burden on the Federal taxpayer for financing special permit and approvals activities. The Committee finds that the program provides benefits to identifiable users above and beyond what is provided normally to the public, and the establishment of a user fee is fully justified under GAO guidelines and authorities granted by 31 U.S.C. 9701. However, due to concerns from some members of the Committee and industry partners, the subcommittee cannot accept the user fee proposal at this time.

PIPELINE SAFETY
(PIPELINE SAFETY FUND)
(OIL SPILL LIABILITY TRUST FUND)
(PIPELINE SAFETY DESIGN REVIEW FUND)

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$109,252,000 |
| Budget estimate, 2013 | 176,010,000 |
| Committee recommendation | 131,844,000 |

PROGRAM DESCRIPTION

The Office of Pipeline Safety [OPS] is designed to promote the safe, reliable, and sound transportation of natural gas and hazardous liquids by pipelines.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$131,844,000 for the Office of Pipeline Safety. The amount is \$22,592,000 more than the fiscal year 2012 enacted level and \$40,166,000 less than the budget request. Of the funding provided, \$18,573,000 shall be derived from the Oil Spill Liability Trust Fund, \$111,271,000 shall be derived from the Pipeline Safety Fund, and \$2,000,000 shall be derived from the Pipeline Safety Design Review Fund.

This level of funding provides additional resources to hire 10 inspection and enforcement personnel as authorized by the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011, Public Law 112-90. Funds are also provided to meet the many reporting and research requirements of the act regarding longitudinal seam failures, leak detection, diluted bitumen, automatic and remotely controlled shut-off valves, integrity management, high consequence mapping, covered and buried pipelines, damage prevention, gath-

ering lines and nonpetroleum liquids. Additionally, \$1,500,000 is provided to conduct research on the development of technology necessary to conduct effective inline inspection of unpiggable pipelines in High Consequence Areas. Last, the amount of funds provided accommodates a \$10,000,000 increase to the State Pipeline Safety Grant Program, \$11,004,000 less than the budget request. Funds shall be distributed to States as part of the base grant program and are not intended to be used for any increases in PHMSA personnel.

The Pipeline Safety Office has the important responsibility of ensuring the safety and integrity of the pipelines that run through every community in our Nation. Efforts by Congress and the OPS to push for further advancements in safety technologies, increase civil penalties, and educate communities about the dangers of pipelines have resulted in a reduction in serious pipeline incidents. However, it is critical that the agency continue to make strides in protecting communities from pipeline failures and incidents.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$28,318,000 |
| Budget estimate, 2013 | 28,318,000 |
| Committee recommendation | 28,318,000 |

PROGRAM DESCRIPTION

The Hazardous Materials Transportation Uniform Safety Act of 1990 [HMTUSA] 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 periodically update a mandatory training curriculum for emergency responders.

COMMITTEE RECOMMENDATION

The Committee recommends \$28,318,000 and an equal obligation limitation for the emergency preparedness grant program.

ADMINISTRATIVE PROVISION—PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

Section 180 clarifies the definition of “project” in section 60117(n)(1)(B) of title 49, United States Code, as authorized by the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 and allows cost recovery for hazardous liquid pipeline projects to be based on the project costs provided to the Federal Energy Regulatory Commission or other applicable regulatory agency.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$79,624,000 |
| Budget estimate, 2013 | 84,499,000 |
| Committee recommendation | 84,499,000 |

PROGRAM DESCRIPTION

The Inspector General Act of 1978 established the Office of Inspector General [OIG] as an independent and objective organization, with a mission to:

- conduct and supervise audits and investigations relating to the programs and operations of the Department;
- provide leadership and recommend policies designed to promote economy, efficiency, and effectiveness in the administration of programs and operations;
- prevent and detect fraud, waste, and abuse; and
- keep the Secretary and Congress currently informed regarding problems and deficiencies.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$84,499,000 for activities of the Office of the Inspector General, which is equal to the President's budget request and \$4,875,000 more than the fiscal year 2012 enacted level.

Asset Forfeiture.—When the Federal Government uses asset forfeiture authority, it punishes and deters criminal activity by depriving criminals of property used or acquired through illegal activities. Certain law enforcement agencies participate in the Treasury Department's Treasury Forfeiture Fund or the Justice Department's Asset Forfeiture Fund. These agencies can use forfeited funds to pay expenses related to the investigation of illegal activities, such as contracting with forensic accountants who can reconstruct financial transactions and identify forfeitable assets in complex grant and procurement fraud cases. In order to strengthen the law enforcement activities of the OIG, the Committee includes a provision that would allow the office to participate in asset forfeiture programs.

Audit Reports.—The Committee requests the Inspector General to continue to forward 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 OIG 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.

Sole-Source Contracts.—The Committee has included a provision in section 407 that requires all departments and agencies in this act to report to the House and Senate Committees on Appropriations on all sole-source contracts, including the contractor, the amount of the contract, and the rationale for a sole-source procurement as opposed to a market-based procurement. The Committee directs the IG to assess any conflicts of interest with regard to these contracts and DOT.

Unfair Business Practices.—The bill maintains language which authorizes the OIG to investigate allegations of fraud and unfair or deceptive practices and unfair methods of competition by air carriers and ticket agents.

SURFACE TRANSPORTATION BOARD
SALARIES AND EXPENSES

| | Appropriation | Crediting offsetting collections |
|--------------------------------|---------------|--|
| Appropriations, 2012 | \$29,310,000 | \$1,250,000 |
| Budget estimate, 2013 | 31,250,000 | 1,250,000 |
| Committee recommendation | 29,300,000 | 1,250,000 |

PROGRAM DESCRIPTION

The Surface Transportation Board [STB] was created on January 1, 1996, by the Interstate Commerce Commission Termination Act of 1995 [ICCTA] (Public Law 104–88). The Board is a three-member, bipartisan, decisionally independent adjudicatory body organizationally housed within DOT, and is responsible for the regulation of the rail and pipeline industries and certain nonlicensing regulation of motor carriers and water carriers.

STB's rail oversight activities include rate reasonableness, car service and interchange, mergers, line acquisitions, line constructions, and abandonments. STB's jurisdiction also includes certain oversight of the intercity bus industry, pipeline carriers, intercity passenger train service, rate regulation involving noncontiguous domestic water transportation, household goods carriers, and collectively determined motor carrier rates.

COMMITTEE RECOMMENDATION

The Committee recommends a total appropriation of \$29,300,000. This funding level is \$1,950,000 less than the President's request and \$10,000 less than the fiscal year 2012 enacted level. Included in the recommendation is \$1,250,000 in fees, which will offset the appropriated funding.

GENERAL PROVISIONS—DEPARTMENT OF TRANSPORTATION

Section 190 allows funds for maintenance and operation of aircraft; motor vehicles; liability insurance; uniforms; or allowances, as authorized by law.

Section 191 limits appropriations for services authorized by 5 U.S.C. 3109 not to exceed the rate for an Executive Level IV.

Section 192 prohibits funds in this act for salaries and expenses of more than 110 political and Presidential appointees in the Department of Transportation.

Section 193 allows 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 for expenses incurred for training may be credited to each agency's respective accounts.

Section 194 prohibits the use of funds in this act to make a grant or announce the intention to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations at least 3 full business days before making the grant or the announcement.

Section 195 allows rebates, refunds, incentive payments, minor fees, and other funds received by the Department of Transportation from travel management center, charge card programs, subleasing of building space and miscellaneous sources to be credited to appropriations of the Department of Transportation.

Section 196 requires amounts from improper payments to a third-party contractor that are lawfully recovered by the Department of Transportation to be available to cover expenses incurred in recovery of such payments.

Section 197 establishes requirements for reprogramming actions by the House and Senate Committees on Appropriations.

Section 198 prohibits the Surface Transportation Board from charging filing fees for rate or practice complaints that are greater than the fees authorized for district court civil suits.

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Department of Housing and Urban Development [HUD] was established by the Housing and Urban Development Act (Public Law 89-174), effective November 9, 1965. This Department is the principal Federal agency responsible for programs concerned with the Nation's housing needs, fair housing opportunities, and improving and developing the Nation's communities.

In carrying out the mission of serving the needs and interests of the Nation's communities and of the people who live and work in them, HUD administers mortgage and loan insurance programs that help families become homeowners and facilitate the construction of rental housing; rental and homeownership subsidy programs for low-income families who otherwise could not afford decent housing; programs to combat discrimination in housing and affirmatively further fair housing opportunities; programs aimed at ensuring an adequate supply of mortgage credit; and programs that aid neighborhood rehabilitation, community development, and the preservation of our urban centers from blight and decay.

HUD administers programs to protect the homebuyer in the marketplace, and fosters programs and research that stimulate and guide the housing industry to provide not only housing, but better communities and living environments.

The Committee reiterates that the Department must limit the reprogramming of funds between the programs, projects, and activities within each account without prior approval of the Committees on Appropriations. Unless otherwise identified in the bill or report, the most detailed allocation of funds presented in the budget justifications is approved, with any deviation from such approved allocation subject to the normal reprogramming requirements. Except as specifically provided otherwise, it is the intent of the Committee that all carryover funds in the various accounts, including recaptures and de-obligations, are subject to the normal reprogramming requirements outlined above. No change may be made to any program, project, or activity if it is construed to be new policy or a change in policy, without prior approval of the Committees on Appropriations. Finally, the Committee expects to be notified regarding reorganizations of offices, programs or activities prior to the implementation of such reorganizations, as well as be notified, 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.

ADMINISTRATION, OPERATIONS, AND MANAGEMENT

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$537,789,000 |
| Budget estimate, 2013 | 532,546,000 |
| Committee recommendation | 527,690,000 |

The Administration, Operations, and Management [AOM] account is the backbone of HUD's operations, and consists of several offices that are supposed to work seamlessly to provide the leadership and support services to ensure the Department performs its core mission and is compliant with all legal, operational, and financial guidelines. The AOM account funds the salaries and expenses of the Immediate Office of the Secretary, the Immediate Office of the Deputy Secretary and the Chief Operating Officer, the Office of Hearings and Appeals, the Office of Small and Disadvantaged Business Utilization, the Office of Congressional and Intergovernmental Relations, the Office of General Counsel, the Office of the Chief Financial Officer, the Office of Public Affairs, the Office of the Chief Procurement Officer, the Office of Departmental Equal Employment Opportunity, the Office of Field Policy and Management, the Office of Sustainable Housing and Communities, the Office of Strategic Planning and Management, the Office of the Chief Human Capital Officer, the Office of the Chief Information Officer, and the Center for Faith-Based and Community Initiatives.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$527,690,000 for this account, which is \$4,856,000 less than the budget request and \$10,099,000 more than the fiscal year 2012 enacted level.

Funds are made available as follows:

| | Amount |
|--|-------------|
| Immediate Office of the Secretary | \$3,623,000 |
| Immediate Office of the Deputy Secretary and Chief Operating Officer | 1,206,000 |
| Office of Hearings and Appeals | 1,711,000 |
| Office of Small and Disadvantaged Business Utilization | 705,000 |
| Office of the Chief Financial Officer | 48,321,000 |
| Office of the General Counsel | 94,433,000 |
| Office of Congressional and Intergovernmental Relations | 2,411,000 |
| Office of Public Affairs | 3,502,000 |
| Office of the Chief Human Capital Officer | 248,950,000 |
| Office of Field Policy and Management | 54,965,000 |
| Office of the Chief Procurement Officer | 16,563,000 |
| Office of Departmental Equal Employment Opportunity | 3,500,000 |
| Center for Faith-Based and Community Initiatives | 1,404,000 |
| Office of Sustainable Housing and Communities | 2,642,000 |
| Office of Strategic Planning and Management | 4,884,000 |
| Office of the Chief Information Officer | 38,870,000 |

The Committee has not included funding for the Office of Departmental Operations and Coordination. Based on discussions with the Department, the Committee has concluded that activities handled by this office do not merit a separate office. As a result, 44 full-time equivalents [FTEs] working on enforcement and investigation of standards have been shifted to the Office of Field Policy Management. The remaining 20 FTEs have been reallocated to other management or program offices to address more pressing needs.

Budget Documents.—For several years, the Committee has directed the Department to provide more details of the budget request in its Congressional justifications. The Committee notes that the budget documents have improved significantly this year over previous years. In particular, the request for salaries and expenses funding now includes information on FTE usage and nonpersonnel expenses by office. In addition, more data-driven analysis is included to support policy proposals. The Committee appreciates the efforts of the Department to continue to improve both its analysis and presentation of staffing and programmatic needs.

Procurement.—The Office of the Chief Procurement Officer is responsible for obtaining all contracted goods and services for the Department. As such, this office is involved in everything from research projects to information technology investments. The Committee understands that the office is undergoing changes to increase its effectiveness. To monitor the impact of these efforts, the Committee directs HUD to continue to provide bi-annual updates to the Committees on Appropriations on the average time it takes for the office to execute contracts and its use of sole-source contracts, including comparisons with prior years.

PROGRAM OFFICES SALARIES AND EXPENSES

PUBLIC AND INDIAN HOUSING

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$200,000,000 |
| Budget estimate, 2013 | 211,634,000 |
| Committee recommendation | 206,500,000 |

This account provides salary and benefits funding to support staff in headquarters and in 46 field offices in the Office of Public and Indian Housing [PIH]. PIH is charged with ensuring the availability of safe, decent, and affordable housing, creating opportunities for residents’ self-sufficiency and economic independence, and assuring the fiscal integrity of all public housing agencies. The Office ensures that safe, decent and affordable housing is available to Native American families, creates economic opportunities for tribes and Indian housing residents, assists tribes in the formulation of plans and strategies for community development, and assures fiscal integrity in the operation of the programs. The Office also administers programs authorized in the Native American Housing Assistance and Self Determination Act of 1996 [NAHASDA], which provides housing assistance to Native Americans and Native Hawaiians. PIH also manages the Housing Choice Voucher program, in which tenant-based vouchers increase affordable housing choices for low-income families. Tenant-based vouchers enable families to lease safe, decent, and affordable privately owned rental housing.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$206,500,000 for this account, which is \$5,134,000 less than the budget request and \$6,500,000 more than the fiscal year 2012 enacted level. The Committee is able to provide this increase by reducing funding for administrative activities and dedicating these funds instead to oversight. Of the amount provided above the fiscal year 2012 enacted

level, \$2,500,000 shall be used to increase inspections of section 8 units.

PIH’s responsibilities include the oversight of public housing agencies [PHAs] across the country that manage public housing and participate in the section 8 tenant-based rental assistance program. These programs serve more than 3 million low-income individuals and families across the country. Section 8 also represents the largest single item in HUD’s budget. The oversight of these programs is therefore critical to protecting both residents and taxpayers. The Committee has not included all of the funding requested but agrees that additional resources are warranted to increase oversight, particularly of PHAs. The Committee has included funding for the following priority areas: oversight of troubled PHAs, Field Office monitoring and oversight, and HUD-VASH and homelessness activities. If sufficient resources are available, HUD may hire personnel to help oversee Choice Neighborhoods and Jobs-Plus. Finally, the Committee directs HUD to provide quarterly staffing reports.

COMMUNITY PLANNING AND DEVELOPMENT

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$100,000,000 |
| Budget estimate, 2013 | 103,882,000 |
| Committee recommendation | 103,500,000 |

This account provides salary and benefits funding for Community Planning and Development [CPD] staff in headquarters and in 43 field offices. CPD’s mission is to support successful urban, suburban and rural communities by promoting integrated approaches to community and economic development. CPD programs also assist in the expansion of opportunities for low- and moderate-income individuals and families in moving towards home ownership. The Assistant Secretary for CPD administers formula and competitive grant programs as well as guaranteed loan programs that help communities plan and finance their growth and development. These programs also help communities increase their capacity to govern and provide shelter and services for homeless persons and other persons with special needs, including person with HIV/AIDS.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$103,500,000 for the staffing within this office, which is \$382,000 less than the budget request and \$3,500,000 more than the fiscal year 2012 enacted level. The Committee believes that the justification for additional FTEs is warranted to help conduct oversight of grantees. The Committee is achieving this increase by shifting administrative dollars to program offices to improve oversight.

HOUSING

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$391,500,000 |
| Budget estimate, 2013 | 398,832,000 |
| Committee recommendation | 398,500,000 |

This account provides salary and benefits funding to support staff in headquarters and in 52 field locations in the Office of Housing. The Office of Housing is responsible for implementing pro-

grams to assist projects for occupancy by very low-and moderate-income households, to provide capital grants to nonprofit sponsors for the development of housing for the elderly and handicapped, and to conduct several regulatory functions. The Office also administers Federal Housing Administration [FHA] programs. FHA administers HUD's mortgage and loan insurance programs which facilitate the financing of new construction, rehabilitation or the purchase of existing dwelling units. The Office also provides services to maintain and preserve homeownership, especially for underserved populations. This assistance allows lenders to make lower-cost financing available to more borrowers for home and home improvement loans, and apartment, hospital, and nursing home loans. FHA provides a vital link in addressing America's homeownership and affordable housing needs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$398,500,000 for staffing in the Office of Housing, which is \$332,000 less than the budget request and \$7,000,000 more than the fiscal year 2012 enacted level. The Committee has also directed that at least \$8,500,000 be dedicated to the Office of Risk and Regulatory Affairs.

The Office of Housing includes the Federal Housing Administration [FHA], which as a result of the housing crisis is currently playing an outsized role in the market. FHA's ability to provide continued access to liquidity has helped provide some stability to the housing market, but its increased role does not come without risk. Sufficient staff with the appropriate expertise is critical to mitigating this risk through strong oversight. The Committee is providing an increase in this office by reducing funding for administrative offices and shifting those resources to program offices to support oversight. The Committee expects funding to support oversight of FHA's insurance programs, as well as its housing programs, such as project-based section 8.

POLICY DEVELOPMENT AND RESEARCH

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$22,211,000 |
| Budget estimate, 2013 | 21,394,000 |
| Committee recommendation | 22,326,000 |

This account provides salary and benefits funding to support staff in headquarters and in 16 field locations in the Office of Policy Development and Research [PD&R]. PD&R supports the Department's efforts to help create cohesive, economically healthy communities. PD&R is responsible for maintaining current information on housing needs, market conditions, and existing programs, as well as conducting research on priority housing and community development issues. The Office provides reliable and objective data and analysis to help inform policy decisions.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$22,326,000 for this account, which is \$932,000 more than the budget request and \$115,000 more than the fiscal year 2012 enacted level.

The Committee expects that since limited research dollars are available, HUD will more effectively use the existing staff in PD&R to conduct housing research instead of relying on outside research contracts.

FAIR HOUSING AND EQUAL OPPORTUNITY

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$72,600,000 |
| Budget estimate, 2013 | 74,296,000 |
| Committee recommendation | 72,904,000 |

This account provides salary and benefits funding to support staff in headquarters and in 42 field locations in the Office of Fair Housing and Equal Opportunity [FHEO]. FHEO is responsible for investigating, resolving, and prosecuting complaints of housing discrimination, as well as conducting education and outreach activities to increase awareness of the requirements of the Fair Housing Act. The Office also develops and interprets fair housing policy, processes complaints, performs compliance reviews, and provides oversight and technical assistance to local housing authorities and community development agencies regarding section 3 of the Housing and Urban Development Act of 1968.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$72,904,000, which is \$1,392,000 less than the budget request and \$304,000 more than the fiscal year 2012 enacted level.

OFFICE OF HEALTHY HOMES AND LEAD HAZARD CONTROL

| | |
|--------------------------------|-------------|
| Appropriations, 2012 | \$7,400,000 |
| Budget estimate, 2013 | 6,816,000 |
| Committee recommendation | 7,433,000 |

This account provides salary and benefits funding to support the Office of Healthy Homes and Lead Hazard Control [OHHLHC] headquarters staff. OHHLHC administers and manages the lead-based paint and healthy homes activities of the Department, and is directly responsible for the administration of the Lead-Based Paint Hazard Reduction program. The Office also develops lead-based paint regulations, guidelines, and policies applicable to HUD programs, designs lead-based paint and healthy homes training programs, administers lead-hazard control and healthy homes grant programs, and implements the lead and healthy homes research program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$7,433,000 for this account, which is \$617,000 more than the budget request and \$33,000 more than the fiscal year 2012 enacted level.

RENTAL ASSISTANCE DEMONSTRATION

PROGRAM DESCRIPTION

Rental Assistance Demonstration [RAD] is intended to test a model to preserve public housing. Participation in the program by public housing agencies would be voluntary and involve the conver-

sion to an improved form of property-based rental assistance. This form of rental assistance would enable public housing agencies to leverage private sector resources in order to recapitalize this housing stock and maintain these units of affordable housing.

COMMITTEE RECOMMENDATION

The Committee recommendation does not include any funding for the Rental Assistance Demonstration [RAD], consistent with the President’s request. The Committee included language in fiscal year 2012 giving the Department authority to conduct RAD to test its ability to leverage private sector dollars to preserve the Nation’s invaluable supply of public housing. The Committee looks forward to seeing the result of this demonstration.

PUBLIC AND INDIAN HOUSING

TENANT-BASED RENTAL ASSISTANCE

| | |
|--------------------------------|-------------------------------|
| Appropriations, 2012 | ¹ \$18,914,369,000 |
| Budget estimate, 2013 | ¹ 19,074,283,000 |
| Committee recommendation | ¹ 19,396,335,000 |

¹Includes an advance appropriation of \$4,000,000,000.

PROGRAM DESCRIPTION

This account provides funding for the section 8 tenant-based (voucher) program. Section 8 tenant-based housing assistance is one of the principle appropriations for Federal housing assistance and provides rental housing assistance to approximately 2.2 million families. The program also funds incremental vouchers to assist vouchers for tenants who live in projects where the owner of the project has decided to leave the section 8 program. The program also provides for the replacement of units lost from the assisted housing inventory through its tenant protection vouchers. Under these programs, eligible low-income families pay 30 percent of their adjusted income for rent, and the Federal Government is responsible for the remainder of the rent, up to the fair market rent or some other payment standard. This account also provides funding for administrative fees for public housing authorities, mainstream vouchers, the Family Self-Sufficiency [FSS] and Housing and Urban Development Veterans Supportive Housing [HUD-VASH] programs. Under FSS, families receive job training and employment that should lead to a decrease in their dependency on government assistance and help them move toward economic self-sufficiency.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$19,396,335,000 for fiscal year 2013, including \$4,000,000,000 as an advance appropriation to be made available on October 1, 2013. This amount is \$322,052,000 more than the budget request and \$481,966,000 more than the fiscal year 2012 enacted level.

The Committee recommends \$17,495,000,000 for the renewal costs of section 8 vouchers, which is \$257,052,000 more than the budget request and \$252,649,000 more than the fiscal year 2012 enacted level.

The section 8 rental assistance program is a critical tool that enables more than 2 million low-income individuals and families to access safe, stable and affordable housing in the private market.

In recognition of the section 8 program's central role in ensuring housing for vulnerable Americans, the Committee has worked to provide sufficient resources to support existing section 8 programs and ensure that no current voucher holders are put at risk of losing their housing. The increase above the President's request will help meet the cost of renewing incremental vouchers for the first time that were funded in prior years, including HUD-Veterans Affairs Supported Housing [HUD-VASH] vouchers. The Committee will continue to monitor both leasing data and reserve balances to ensure sufficient funding for the program.

In addition, the Committee has not included certain authorizing provisions proposed in the budget, including mandating new or higher minimum rents. The Department has not provided sufficient assurance to the Committee that implementation of the minimum rent provision would not adversely affect vulnerable tenants. Given that section 8 tenants have an average income of \$12,549 and some have no income, the Committee does not feel it is responsible to mandate new or higher contributions from the program's poorest families. The Committee understands that the authorizing committees are considering similar proposals, and hopes a broad authorizing bill can be passed.

While the Committee has not accepted all the requested cost-saving proposals, the Committee appreciates the Department's efforts to look for ways to control program costs. The Committee recognizes that the costs in the section 8 program are dictated in large part by employment conditions, supply and demand in the private rental market, and the behavior of the individuals in the program, all of which HUD has limited ability to control. However, with the current fiscal limitations expected to remain for the foreseeable future, HUD must continue to work to find ways to better control costs, while protecting the most vulnerable.

The Committee is aware that some PHAs, particularly those participating in the Moving to Work demonstration, have implemented policies that have resulted in cost savings. Examples of these changes include adjusting the unit size for which tenants are eligible, adjusting payment standard policies, modifying utility allowances and removing exclusions for certain types of income. The Committee is encouraged by these ideas since they have the potential to control costs with minimal impact on low-income tenants. Moreover, many of these changes may only require changes to regulation to implement across all programs. The Committee wants an assessment of these and other practices that may improve the efficiency of the program and reduce costs. Therefore, the Committee directs HUD to provide a report to the House and Senate Committees on Appropriations 180 days after the enactment of this act that includes an assessment of regulatory changes that PHAs are currently using or could use to improve program management and control costs.

In addition, HUD must improve its ability to monitor and predict program costs. While revisions to estimates are expected, large

variations in estimates undermine the Committee's ability to protect vulnerable tenants.

Inspections and Oversight.—Property owners that participate in the section 8 program are responsible for ensuring subsidized units meet HUD's housing quality standards, while public housing agencies [PHA] are responsible for inspecting units for compliance. HUD is responsible for ensuring that PHAs meet their oversight responsibilities, including unit inspections. Recent media reports uncovered multiple incidents of poor living conditions in certain Housing Choice Voucher [HCV] units. The Committee is aware that the PHA responsible for oversight of these units and HUD have taken action to address the incidents and the HUD Office of Inspector General has opened an audit. In addition, HUD is conducting a broad review of inspection practices in the section 8 program.

The Committee is concerned that these instances may not be unique and directs HUD to take meaningful and timely steps to strengthen oversight and quality control of PHA performance in the critical area of inspections. The Committee directs HUD to continue its ongoing efforts to strengthen inspection oversight and quality control. HUD is working to extend quality assurance audits by field office personnel to all troubled and near troubled PHAs, and the Committee encourages HUD to extend these activities to all PHAs with HCV oversight responsibilities. An additional \$2,500,000 has been provided under the Office of Public and Indian Housing Salaries and Expenses account to support HUD's expansion of these efforts. HUD is also working to create conformity of HCV housing quality standards with the Uniform Physical Conditions Standards in order to establish a single inspection system for use across HUD programs. Last, HUD is developing and implementing inspection modules as part of the Next Generation Management System technology initiative, which will improve its oversight abilities.

While necessary pilot testing and technology upgrades may not be fully implemented in fiscal year 2013, the Committee directs HUD to work expeditiously toward realizing its plans to improve inspection oversight. The Committee directs HUD to submit a report to the Committee within 180 days of enactment of this act that summarizes progress in carrying out these plans, identifies remaining milestones for implementation, and lays out a schedule for projected completion.

Set-Asides for Special Circumstances.—The Committee has provided a set-aside of \$75,000,000 to allow the Secretary to adjust allocations to PHAs under certain circumstances. Qualifying factors include: (1) public housing agencies that have experienced a significant increase, as determined by the Secretary, in renewal costs of tenant-based rental assistance resulting from unforeseen circumstances and voucher utilization or the impact from portability under section 8(r) of the act; (2) public housing agencies with vouchers that were not in use during the previous 12-month period in order to be available to meet a commitment pursuant to section 8(o)(13) of the act; and (3) for adjustments or costs associated with HUD-VASH vouchers. A PHA should not receive an adjustment to its allocation from the funding provided under this section if the

Secretary determines that such PHA, through negligence or intentional actions, would exceed its authorized level.

HUD-Veterans Affairs Supported Housing [HUD-VASH].—The Committee has included \$75,000,000 to support more than 10,000 additional HUD-VASH vouchers consistent with the budget request. As the only Federal permanent supportive housing program dedicated exclusively to veterans, HUD-VASH is critical to serving veterans with high needs that face severe barriers to housing, especially the chronically homeless. The effectiveness of the HUD-VASH program in getting veterans off the street and into housing was demonstrated in recent data released by HUD and VA from the annual point-in-time count. The data show that between 2010 and 2011, veterans homelessness declined by 12 percent, from 76,000 veterans experiencing chronic homelessness on a given night to 67,000, a significant improvement. The Committee will continue to work with HUD and the VA to achieve the goal of ending veterans homelessness by 2015.

To reach this goal, HUD-VASH vouchers must be targeted to the most vulnerable. Therefore, the Committee continues to require that vouchers be allocated based on need. The Committee also continues to request that HUD and the VA be mindful of the needs of rural areas when allocating vouchers. Rural areas can often present challenges in delivering case management services to areas that are far from VA Medical Centers. Moreover, the smaller number of veterans in need may make the hiring of a case manager to serve them impractical. HUD and the VA should seek innovative ways to meet the needs of veterans who are far from VA Medical Centers, including making use of existing local providers to provide case management services.

The ability to achieve the goal of ending veteran homelessness requires more than simply providing vouchers to areas of need. The ultimate success of this program will be demonstrated by veterans remaining housed and off the street. The Committee expects HUD to work with the VA to track the stability of participating veterans, so that if housing stability isn't being achieved, program modifications can be made. In addition, the Committee encourages HUD and the VA to ensure consistent measures of HUD-VASH utilization and stability.

Administrative Fees.—The Committee recommends \$1,575,000,000 for administrative fees, which is equal to the budget request and \$225,000,000 more than the fiscal year 2012 enacted level. In recent years, the Committee has reduced the amount of funding provided to PHAs to help them operate their programs. However, the impact of these reductions is beginning to adversely affect the ability of PHAs to serve tenants. As HUD noted in its Congressional justification and in testimony before the Committee, in the past year, several PHAs have transferred their programs, while others refused new HUD-VASH vouchers because of insufficient administrative fees. As a result, the Committee has agreed to the Administration's request to increase administrative fees.

Tenant Protection Vouchers.—Within the amount provided for tenant protection vouchers, the Committee has included a set-aside of \$5,000,000 to ensure that vulnerable tenants living in buildings with maturing mortgages don't lose their housing or become se-

verely rent burdened. The Committee is concerned by HUD’s recent notice on how the funding provided last year would be allocated, and in particular that it would be done by project via lottery. The Committee understands that there are challenges with implementing this provision, and does not want to create perverse incentives for owners to increase rents. However, it is important that the limited number of vouchers available for this purpose are provided to tenants with the highest needs.

Family Self-Sufficiency.—The Committee has continued a set-aside of \$60,000,000 to support the Family Self-Sufficiency program, which helps section 8 residents find gainful employment and increase their earnings. At this time, the Committee is not funding the FSS program as a separate account and opening it up to participants in other programs. The Committee is concerned that the level of funding requested was insufficient to meet the needs of all expected participants. The Committee looks forward to working with the Department and the authorizing committees for ways to expand the program and increase its impact.

Mainstream Vouchers.—A total of \$111,335,000 is included under this heading to support the renewal of vouchers previously funded under the heading “Housing for Persons with Disabilities”, but which have long been administered by the Housing Choice Voucher office. These vouchers are not included as part of the renewal base because the Committee wants to ensure that these vouchers remain dedicated to serving persons with disabilities as intended.

HOUSING CERTIFICATE FUND

(INCLUDING RESCISSION)

PROGRAM DESCRIPTION

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

The Committee has not included a rescission from the Housing Certificate Fund in fiscal year 2013, consistent with the President’s request. The Committee has included language that will allow unobligated balances from specific accounts to be used to renew or amend Project-Based Rental Assistance contracts.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

| | |
|--------------------------------|-----------------|
| Appropriations, 2012 | \$1,875,000,000 |
| Budget estimate, 2013 | 2,070,000,000 |
| Committee recommendation | 1,985,000,000 |

PROGRAM DESCRIPTION

This account provides funding for modernization and capital needs of public housing authorities (except Indian housing authori-

ties), including management improvements, resident relocation, and homeownership activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,985,000,000 for the Public Housing Capital Fund, which is \$85,000,000 less than the budget request and \$110,000,000 more than the fiscal year 2012 enacted level.

Of the amount made available under this section, \$50,000,000 is for supportive services for residents of public housing under the Resident Opportunity and Self-Sufficiency [ROSS] program, and up to \$5,000,000 is made available to pay the costs of administrative and judicial receiverships. The Committee recommends up to \$15,345,000 to support the ongoing financial and physical assessment activities performed by the Real Estate Assessment Center [REAC].

The Committee has also set aside \$20,000,000 for emergency capital needs including safety and security measures necessary to address crime and drug-related activity, as well as needs resulting from unforeseen or unpreventable emergencies and natural disasters, excluding presidentially declared emergencies and natural disasters. The Committee reminds HUD that safety and security funding is an eligible use of these funds. The Committee continues this eligibility because there are public housing agencies facing safety and security issues that rely on these funds to protect their tenants. The Committee believes that these funds will support funding for both repairs from disasters and safety and security improvements. Therefore the Committee directs the Department to fund eligible projects with a portion of these funds as quickly as possible.

The Public Housing Capital Fund supports the maintenance of critical affordable housing, which provides more than 1.1 million low-income households with affordable housing. Unfortunately, limited resources have affected the ability of public housing authorities to upgrade and preserve these facilities. The regular deferral of maintenance has resulted in a significant backlog of capital needs, which over the long-term, increase the cost of such maintenance, and can result in lost units. A recent HUD study estimated the backlog of public housing capital improvements to be approximately \$25,600,000,000 as of June 2008. While some progress was noted since the last study was conducted in 1998, and funding provided for capital improvements in the American Recovery and Reinvestment Act will help, the backlog remains significant.

In response to the growing needs of the aging public housing portfolio and limited Federal funding, public housing authorities have found ways to leverage private sector funding to make capital improvements. Recently, Moody's asked for comments on its plans to downgrade the credit rating on public housing bonds as a result of decreasing appropriations for public housing programs. The Committee is concerned that additional budget cuts could further jeopardize PHAs' ability to access private sector funding, endangering public housing. The increase provided is not sufficient to address the capital needs of public housing, but represents a commitment to this valuable housing stock.

Jobs-Plus.—The Committee has included up to \$15,000,000 for the Jobs-Plus Initiative, similar to what was proposed in the budget. This initiative is based on a demonstration the Department began in 1998 to improve employment opportunities and earnings of public housing residents. The demonstration combined employment-related services and activities, financial incentives to work, and community support. The data showed that, on average, compared to other public housing residents, those in the program earned an additional \$1,300 per year from 2000–2006. As a result, these residents were either able to leave public housing or contribute more to their housing costs. The Committee supports HUD’s efforts to find ways to help public housing residents find employment and achieve greater economic self-sufficiency. It also agrees with the focus on strong partnerships with local Workforce Investment Boards. Through such partnerships, PHAs can leverage existing systems, services, and resources to have a greater impact on their residents.

In reviewing the Jobs-Plus proposal, it became apparent that there was overlap between the services that were critical to a successful Jobs-Plus program and those being offered as part of the ROSS program. Therefore the Committee has included funding for Jobs-Plus for the additional incentives and community outreach and expects the services aspects to be funded with other sources. The Committee believes the funding for these additional activities will strengthen existing ROSS programs. The Committee also hopes that communities will be able to successfully leverage other resources to provide the necessary intensive services that lead to the best outcomes. The Committee expects that HUD will use existing research and data to ensure that grantees implement Jobs-Plus programs effectively. The activities highlighted include onsite services and community engagement. The Committee also hopes the lessons learned from this can be applied to programs for section 8 residents.

While the Committee has given the Secretary some authority to set-aside a portion of the ROSS funds for use in this demonstration, the Committee is also mindful of the fact that ROSS funds activities beyond employment training and readiness. In fact, as much as 25 percent of the funding provides services to elderly residents. Therefore the Committee expects HUD to use caution in designing this initiative so as not to adversely impact those already being served in the ROSS program.

PUBLIC HOUSING OPERATING FUND

| | |
|--------------------------------|-----------------|
| Appropriations, 2012 | \$3,961,850,000 |
| Budget estimate, 2013 | 4,524,000,000 |
| Committee recommendation | 4,591,000,000 |

PROGRAM DESCRIPTION

This account provides funding for the payment of operating subsidies to approximately 3,100 public housing authorities (except Indian housing authorities) with a total of approximately 1.2 million units under management in order to augment rent payments by residents in order to provide sufficient revenues to meet reasonable operating costs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,591,000,000 for the public housing operating fund, which is \$67,000,000 more than the budget request and \$629,150,000 more than the fiscal year 2012 enacted level. The Committee has not included all of the cost-saving provisions proposed in the budget because of their effect on low-income tenants. The increase above the budget request will support the proposed proration without the use of these offsets.

Literacy Programs.—The Committee notes the importance of education and financial literacy in helping families improve life skills and increase their economic opportunities. An evaluation of the Family Self-Sufficiency [FSS] Program conducted by HUD found that families that exited the program before graduation had less education than program graduates. Increasing educational and financial literacy services for public housing residents offers an opportunity to increase the success of participants in FSS and other employment programs. The Committee encourages HUD to work with national community-based literacy organizations to identify models that successfully incorporate adult literacy programs into HUD sponsored housing initiatives. Successful models should link these programs to job readiness and post secondary transition initiatives, which will help adults with low literacy skills become more financially literate and gain the skills necessary to make informed decisions about the use and management of money. HUD should develop and share best practices with PHAs and other housing providers to expand services to adult learners.

CHOICE NEIGHBORHOODS

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$120,000,000 |
| Budget estimate, 2013 | 150,000,000 |
| Committee recommendation | 120,000,000 |

PROGRAM DESCRIPTION

The Choice Neighborhoods Initiative provides competitive grants to transform impoverished neighborhoods into functioning, sustainable, mixed-income neighborhoods with co-location of appropriate services, schools, public assets, transportation options, and access to jobs or job training. The goal of the program is to demonstrate that concentrated and coordinated neighborhood investments from multiple sources can transform a distressed neighborhood and improve the quality of life of residents.

Choice Neighborhoods grants will fund the preservation, rehabilitation, and transformation of public and HUD-assisted housing as well as their neighborhoods. The program builds on the successes of public housing transformation under HOPE VI with a broader approach to concentrated poverty. Grantees will include public housing authorities, local governments, and nonprofit organizations. For-profit developers may also apply in partnership with another eligible grantee. Grant funds can be used for resident and community services, community development and affordable housing activities in surrounding communities. Grantees will undertake comprehensive local planning with input from residents and the community. A strong emphasis will be placed on local community

planning for school and educational improvements, including early childhood initiatives.

The Department will place a strong emphasis on coordination with other Federal agencies, notably the Departments of Education, Labor, Transportation, and Health and Human Services and the Department of Justice, to leverage additional resources. Where possible, the program will be coordinated with the Department of Education’s Promise Neighborhoods Initiative.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$120,000,000 for the Choice Neighborhoods Initiative. This amount is equal to the fiscal year 2012 enacted level and \$30,000,000 less than the amount requested by the President. Choice Neighborhoods seeks to build on the HOPE VI program by expanding the types of eligible grantees and allowing funding to be used on HUD-owned or assisted housing, as well as the surrounding community.

The Committee agrees that expanding HUD’s ability to direct funds to revitalization efforts that reach beyond public housing will broaden the impact of the Department’s community revitalization efforts. However, the Committee notes that the work to replace distressed public housing is not yet complete. Therefore, the Committee has included language that stipulates that not less than \$80,000,000 of the funding provided shall be awarded to projects where public housing authorities are the lead applicant.

Choice Neighborhoods recognizes that community transformation requires more than replacing housing. The creation of vibrant, sustainable communities also requires greater access to transportation, jobs and services that will increase opportunities for community residents. However, HUD funding cannot support all of these activities. The Committee has been encouraged by the ability of Choice Neighborhood grantees to leverage significant resources with their grant awards. The first five Choice Neighborhood implementation grant recipients used the combined \$122,000,000 they were awarded to leverage \$1,600,000,000 in other resources. The Committee agrees with the emphasis that HUD has placed on ensuring that projects gain financial support from other sources, as well as its focus on strong local and Federal partnerships.

Some of the partners in Choice Neighborhood projects will provide residents with greater access to services. Dr. Susan Popkin from the Urban Institute has conducted research on HOPE VI projects and the effect of redevelopment on residents. She has stressed that integrating health, employment and other supportive services into redevelopment projects is critical to improving the lives of residents, particularly those with the highest needs. The Committee encourages HUD to ensure that grantees utilize this research and other best practices to develop and implement strategies to transform not just neighborhoods, but the lives of residents.

NATIVE AMERICAN HOUSING BLOCK GRANTS

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$650,000,000 |
| Budget estimate, 2013 | 650,000,000 |
| Committee recommendation | 650,000,000 |

PROGRAM DESCRIPTION

This account funds the Native American Housing Block Grants Program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 [NAHASDA]. This program provides a funding allocation on a formula basis to Indian tribes and their tribally designated housing entities in order to help address the housing needs within their communities. Under this block grant, Indian tribes will use performance measures and benchmarks that are consistent with the national goals of the program, but can base these measures on the needs and priorities established in their own Indian housing plan.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$650,000,000 for the Native American Housing Block Grants program, of which \$2,000,000 is set aside for a credit subsidy to support a loan level not to exceed \$18,332,000 for the section 601 Loan Guarantee Program. The recommended level of funding is equal to the amount provided in fiscal year 2012 and the budget request.

As the Nation struggles with high unemployment and economic challenges, the Committee recognizes that these challenges have long plagued Native Americans. The most recent data suggests that Native Americans are twice as likely to live in poverty as the rest of the Nation. As a result, the housing challenges on tribal lands are daunting. For example, nearly three times as many Native Americans live in overcrowded housing as compared to the rest of the Nation.

Technical Assistance.—The Committee recommends \$4,000,000 for technical assistance through a national organization representing Native American housing interests, and \$4,000,000 for inspections of Indian housing units, contract expertise, training, technical assistance, oversight, and management.

The Committee noted GAO’s determination that limited capacity hinders the ability of many tribes to effectively address their housing needs. The Committee expects HUD to use the technical assistance funding provided to aid tribes with capacity challenges, especially tribes receiving small grant awards. The funding should be used for training, contract expertise, and other services necessary to improve data collection, increase leveraging, and address other needs identified by tribes. The Committee expects that any assistance provided by HUD will reflect the unique needs and culture of Native Americans.

As HUD works to address the needs of tribes, and especially smaller tribes, the Committee hopes that HUD will look to identify opportunities to coordinate with other agencies, including the Department of Agriculture and the Indian Health Service.

NATIVE HAWAIIAN HOUSING BLOCK GRANT

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$13,000,000 |
| Budget estimate, 2013 | 13,000,000 |
| Committee recommendation | 13,000,000 |

PROGRAM DESCRIPTION

The Hawaiian Homelands Homeownership Act of 2000 created the Native Hawaiian Housing Block Grant program to provide grants to the State of Hawaii Department of Hawaiian Home Lands for housing and housing-related assistance, in order to develop, maintain, and operate affordable housing for eligible low-income Native Hawaiian families.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$13,000,000 for the Native Hawaiian Housing Block Grant Program, which is equal to the fiscal year 2012 enacted level and the budget request. Of the amount provided, \$300,000 may be for training and technical assistance activities, including up to \$100,000 for related travel for HUD employees.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

| | Program account | Limitation on guaranteed loans |
|--------------------------------|-----------------|--------------------------------|
| Appropriations, 2012 | \$6,000,000 | \$360,000,000 |
| Budget estimate, 2013 | 7,000,000 | 900,000,000 |
| Committee recommendation | 6,000,000 | 633,000,000 |

PROGRAM DESCRIPTION

This program provides access to private financing for Indian families, Indian tribes, and their tribally designated housing entities that otherwise could not acquire housing financing because of the unique status of Indian trust land. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$6,000,000 in program subsidies to support a loan level of \$633,000,000. This subsidy amount is \$1,000,000 less than the budget request and equal to the fiscal year 2012 enacted subsidy level.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

| | Program account | Limitation on guaranteed loans |
|--------------------------------|-----------------|--------------------------------|
| Appropriations, 2012 | \$386,000 | \$41,504,000 |
| Budget estimate, 2013 | 1,000,000 | 107,000,000 |
| Committee recommendation | 386,000 | 41,504,000 |

PROGRAM DESCRIPTION

This program provides access to private financing for Native Hawaiians who otherwise could not acquire housing finance because

of the unique status of the Hawaiian Home Lands as trust land. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$386,000 in program subsidies to support a loan level of \$41,504,000, which is \$614,000 less in subsidies than the budget request and equal to the subsidy and loan levels provided in fiscal year 2012.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS [HOPWA]

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$332,000,000 |
| Budget estimate, 2013 | 330,000,000 |
| Committee recommendation | 330,000,000 |

PROGRAM DESCRIPTION

The Housing Opportunities for Persons with AIDS [HOPWA] program provides States and localities with resources and incentives to devise long-term, comprehensive strategies for meeting the housing and supportive service needs of persons living with HIV/AIDS and their families.

By statute, 90 percent of formula-appropriated funds are distributed to qualifying States and metropolitan areas on the basis of the number of AIDS cases and incidence of AIDS reported to the Centers for Disease Control and Prevention by March 31 of the year preceding the fiscal year. The remaining 10 percent of funds are awarded through a national competition, with priority given to the renewal of funding for expiring agreements consistent with appropriations act requirements.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$330,000,000 for the Housing Opportunities for Persons with AIDS [HOPWA] program. This level of funding is equal to the President's budget request and is \$2,000,000 less than the fiscal year 2012 enacted level. The Committee continues to include language requiring HUD to allocate these funds in a manner that preserves existing HOPWA programs, to the extent that those programs are determined to be meeting the needs of persons with AIDS.

The HOPWA program currently provides short-term and permanent housing assistance and stabilizing supportive services to more than 56,400 households in 134 eligible areas nationwide. Of the households receiving assistance, more than 90 percent have extremely low or very low incomes. According to grantee annual reports from 2011, 15 percent of new clients, representing 4,507 households, were homeless at program entry.

The HOPWA program has proven effective at helping individuals with HIV/AIDS avoid homelessness and achieve housing stability. Research has demonstrated that stable housing provides a foundation for recipients to improve health, increase economic security, and move toward self-sufficiency. Grantees report that 90 percent

of households receiving assistance in 2011 achieved housing stability and successfully accessed or maintained sources of income.

Research also demonstrates that housing assistance and support services are a cost-effective alternative to hospitalization, emergency room services, and other higher levels of care. A Chicago Housing for Health Partnership study reports that supportive housing efforts cost an average of \$34 per day, compared to hospitalization costs of \$2,168 per day or nursing care at \$108 per day. Furthermore, research indicates that housing is a primary factor in promoting HIV prevention and in helping to avoid the lifetime costs of infection, estimated at more than \$600,000. These costs would largely fall on public systems for low-income/HOPWA eligible households.

While the HOPWA program has demonstrated success, there is still substantial work to be done to meet the housing demand of low-income persons with HIV/AIDS. HOPWA grantees report they are only able to directly address about one-third of the identified eligible housing need at program’s current funding level.

COMMUNITY DEVELOPMENT FUND

| | |
|---|-----------------|
| Appropriations, 2012 ¹ | \$3,408,090,000 |
| Budget estimate, 2013 | 3,143,090,000 |
| Committee recommendation | 3,210,000,000 |

¹ Includes \$100,000,000 in disaster relief funding.

PROGRAM DESCRIPTION

Under title I of the Housing and Community Development Act of 1974, as amended, the Department is authorized to award block grants to units of general local government and States for the funding of local community development programs. A wide range of physical, economic, and social development activities are eligible with spending priorities determined at the local level, but the law enumerates general objectives which the block grants are designed to fulfill, including adequate housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income. Grant recipients are required to use at least 70 percent of their block grant funds for activities that benefit low- and moderate-income persons.

Funds are distributed to eligible recipients for community development purposes utilizing the higher of two objective formulas, one of which gives somewhat greater weight to the age of housing stock. Of the funds appropriated, 70 percent are distributed to entitlement communities and 30 percent are distributed to nonentitlement communities after deducting designated amounts for set-asides for insular areas and Indian CDBG.

The resources provided under this program will also fund the Sustainable Communities Initiative, which is part of the Partnership for Sustainable Communities, and includes HUD and the Department of Transportation [DOT]. This effort will improve coordination of transportation and housing investments that result in more regional and local sustainable development patterns, better strategies to increase economic competitiveness, and more transit accessible housing choices for residents. These funds will stimulate more integrated regional planning to guide State, metropolitan,

and local decisions, investments, and reforms in land use, transportation, and housing.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,210,000,000 for the Community Development Fund in fiscal year 2013. This level is \$66,910,000 more than the budget request and \$198,090,000 less than the fiscal year 2012 enacted level. However, the fiscal year 2012 amount included \$400,000,000 for Disaster CDBG, of which \$100,000,000 was designated as disaster relief, that is not included in the Committee recommendation.

The Committee has provided \$3,100,000,000 for Community Development Block Grants. The recommended amount is \$151,910,000 more than the budget request and the fiscal year 2012 enacted level. This funding provides States and entitlement communities across the Nation with resources that allow them to undertake a wide range of community development activities, including public infrastructure improvements, housing rehabilitation and construction, job creation and retention, and public services that primarily benefit low and moderate income persons. According to HUD data, in 2011, an estimated 80,000 additional jobs were supported for the year through CDBG-funded construction and services. The Committee believes that investments through CDBG are important to creating jobs and improving communities.

The Committee includes \$60,000,000 for grants to Indian tribes for essential economic and community development activities which is equal to the budget request and the fiscal year 2012 enacted level.

Sustainable Communities Initiative.—The Committee has recommended \$50,000,000 to support the Sustainable Communities Initiative. The funding provided will support an interagency collaboration among HUD, DOT, and the Environmental Protection Agency [EPA]. The Committee notes that GAO has recognized the potential of this partnership to improve Federal collaboration. In its annual report on duplication, overlap and fragmentation, it cited the partnership as an example of Federal collaboration that will begin to develop a common set of performance measures.

The Committee believes that the value of Regional Planning and Community Challenge Grants is in helping communities develop and implement strategies to increase economic competitiveness and better align Federal resources. The initial grantees are already demonstrating success in achieving these outcomes. As a result of plans developed through this program, which outline how communities will address their infrastructure and economic development needs, communities are strategically targeting their Federal funding and drawing financial support from private developers and industries. For this reason, the Committee directs HUD to give greater weight when evaluating funding applications to projects that are focused on increasing economic competitiveness through such strategies as better utilizing or repurposing existing assets or creating jobs where people live. Moreover, the Committee believes applicants must demonstrate through their plans how they will realign Federal investments to reduce overlap or duplication.

Small and Rural Communities.—The Committee continues to be mindful of the needs of small and rural communities and has included a provision that requires that at least 25 percent of the funding provided be awarded to communities with a population less than 500,000. The Committee supports HUD’s recognition of the needs of smaller communities, including the additional set-aside it has created for communities with a population of less than 200,000. The Committee expects HUD to continue to pay special attention to the unique needs of small and rural communities that would also benefit from coordinated transportation and housing planning.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

| | Program account | Limitation on guaranteed loans |
|--------------------------------|-----------------|--------------------------------|
| Appropriations, 2012 | \$5,952,000 | \$240,000,000 |
| Budget estimate, 2013 | | 500,000,000 |
| Committee recommendation | | 500,000,000 |

PROGRAM DESCRIPTION

Section 108 of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to issue Federal loan guarantees of private market loans used by entitlement and non-entitlement communities to cover the costs of acquiring real property, rehabilitation of publicly owned real property, housing rehabilitation, and other economic development activities.

COMMITTEE RECOMMENDATION

The Committee recommendation includes the President’s proposal to make this a fee-based program, and provides no appropriation. However, the bill supports a loan level guarantee of \$500,000,000 for the section 108 loan guarantees account for fiscal year 2013. This guaranteed loan level is \$260,000,000 more than the fiscal year 2012 level and equal to the President’s request.

This program enables CDBG recipients to use their CDBG dollars as leverage as part of economic development projects and housing rehabilitation programs. Communities are allowed to borrow up to five times their most recent CDBG allocation.

HOME INVESTMENT PARTNERSHIPS PROGRAM

| | |
|--------------------------------|-----------------|
| Appropriations, 2012 | \$1,000,000,000 |
| Budget estimate, 2013 | 1,000,000,000 |
| Committee recommendation | 1,000,000,000 |

PROGRAM DESCRIPTION

Title II of the National Affordable Housing Act, as amended, authorizes the HOME Investment Partnerships Program. This program provides assistance to States and local governments for the purpose of expanding the supply and affordability of housing to low-income and very low-income people. Eligible activities include tenant-based rental assistance, acquisition and rehabilitation of affordable rental and ownership housing, and housing construction. To participate in the HOME program, State and local governments must develop a comprehensive housing affordability strategy. There

is a 25 percent matching requirement for participating jurisdictions, which can be reduced or eliminated if they are experiencing fiscal distress.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,000,000,000 for the HOME Investment Partnership Program. This amount is equal to the fiscal year 2012 enacted level and the budget request.

The Committee has retained bill language from fiscal year 2012 designed to reform and strengthen the HOME program. These reforms sought to address criticism raised by the HUD–OIG and media about languishing projects, unqualified developers, and lax oversight by the Department. The Committee notes that HUD has published a proposed rule that will permanently incorporate these and other reforms into HOME regulations. Once a rule is finalized, the Committee will evaluate if the reform provisions included in this bill are still necessary.

In addition to the reforms included in the fiscal year 2012 bill, the House and Senate Committees on Appropriations required HUD to submit a report on the steps being taken to improve data quality and management, as well as grantee oversight and accountability. HUD submitted a report to the Committees in response to this request in March 2012. It included an explanation of modifications HUD is making to the Integrated Disbursement and Information System, which it uses to monitor grantees and track the status of HOME funds. The report also included planned improvements to grantee oversight and monitoring.

The Committee is encouraged by the program changes HUD outlined in the report, and wants to ensure that these planned reforms are implemented in a timely manner. Therefore, the Committee directs HUD to submit a follow-up report to the House and Senate Committees on Appropriations by February 15, 2013, on the status of the program reforms it has outlined. This report should include details on outcomes of the reforms implemented to date, as well as target dates for any reforms not yet put into place.

Program Oversight.—The Committee notes that HUD has established a process that automatically cancels projects that have not spent funds in the first 12 months after funds are committed to them. HUD established this process to discourage participating jurisdictions from committing funds to projects before they are ready. After instituting this process, the number of projects automatically cancelled has been decreasing, in part because participating jurisdictions are better evaluating project readiness. The Committee believes that the automatic cancellation process represents an additional oversight tool. However, HUD has resisted suggestions that participating jurisdictions seek HUD approval to restart a project once it has been automatically cancelled. It argues that in many cases projects that are automatically cancelled are experiencing reasonable, but unpredictable delays, so further HUD review would divert staff from more effective oversight work. While HUD staff should focus most of their attention on high-risk grantees and projects, integrating the automatic cancellation system into oversight activities makes sense and can be achieved without undermining the focus on high risk grantees. By requiring participating

jurisdictions to validate project readiness with HUD staff before recommitting funds to projects that have been automatically cancelled, HUD will put an additional check in place to help prevent projects from getting off track and improve timely performance of scarce federal resources. The Committee directs HUD to develop guidance on how staff should use automatic cancellations to improve HUD's oversight of grantees and prevent projects that are not ready from moving forward. HUD should include information on the guidance it develops in the follow-up report it is required to submit to the Committees.

SELF-HELP AND ASSISTED HOMEOWNERSHIP OPPORTUNITY PROGRAM

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$53,500,000 |
| Budget estimate, 2013 | |
| Committee recommendation | 53,500,000 |

PROGRAM DESCRIPTION

The Self-Help and Assisted Homeownership Opportunity Program is comprised of the Self-Help Homeownership Program [SHOP], which assists low-income homebuyers willing to contribute “sweat equity” toward the construction of their houses. These funds increase nonprofit organizations’ ability to leverage funds from other sources. This account also includes funding for the Capacity Building for Community Development and Affordable Housing Program, as well as assistance to rural communities as authorized under sections 6301 through 6305 of Public Law 110–246. These programs help to develop the capacity of nonprofit community development entities to undertake community development and affordable housing projects.

COMMITTEE RECOMMENDATION

The Committee recommends \$53,500,000 for the Self-Help and Assisted Homeownership Program, which is \$53,500,000 more than the budget request and equal to the fiscal year 2012 enacted level. This amount includes \$15,000,000 for SHOP, as authorized under section 11 of the Housing Opportunity Extension Act of 1996.

The Committee recommends \$35,000,000 for capacity building as authorized by section 4 of the HUD Demonstration Act of 1993, and notes that funding provided under this section requires a statutory 3-to-1 match to further leverage resources to assist more communities. The Committee provides \$5,000,000 to carry out capacity building activities in rural communities.

During the economic crisis, the need for affordable housing has only increased. Congress has provided funding through programs such as the Neighborhood Stabilization Program to create additional affordable housing and support economic development in communities across the Nation, especially those hardest hit by the foreclosure crisis and recession. However, the success of these efforts relies in large part on the capacity of States, local governments, and organizations to develop and implement effective housing and community development plans. The funding recommended under this program is intended to ensure that these communities have the skills and technical capabilities necessary to undertake effective community development activities. In addition, resources

have been targeted to rural communities to address their unique needs and challenges.

HOMELESS ASSISTANCE GRANTS

| | |
|--------------------------------|-----------------|
| Appropriations, 2012 | \$1,901,190,000 |
| Budget estimate, 2013 | 2,231,000,000 |
| Committee recommendation | 2,146,000,000 |

PROGRAM DESCRIPTION

The Homeless Assistance Grants Program provides funding to break the cycle of homelessness and to move homeless persons and families to permanent housing. This is done by providing rental assistance, emergency shelter, transitional and permanent housing, prevention, rapid re-housing, and supportive services to homeless persons and families. The emergency solutions grant is a formula grant program, while the Continuum of Care and Rural Housing Stability Programs are competitive grants. Homeless assistance grants provide Federal support to one of the Nation’s most vulnerable populations. These grants assist localities in addressing the housing and service needs of a wide variety of homeless populations while developing coordinated Continuum of Care [CoC] systems that ensure the support necessary to help those who are homeless to attain housing and move toward self-sufficiency.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,146,000,000 for Homeless Assistance Grants in fiscal year 2013. This amount is \$85,000,000 less than the President’s request, and \$244,810,000 more than the fiscal year 2012 enacted level.

As part of the Committee recommendation, at least \$1,841,262,000 will support the Continuum of Care Program, including the renewal of existing projects, and the Rural Housing Stability Assistance Program. Based on the renewal burden, HUD may also support planning, as authorized. The recommendation also includes at least \$286,000,000 for the emergency solutions grants program [ESG]. ESG will allow communities to take advantage of the additional flexibility provided under the Homeless Emergency and Rapid Transition to Housing [HEARTH] Act to do prevention and rapid re-housing. The Committee notes that renewal needs may change, and the Committee expects that any reduction in renewal burden will be used to increase ESG.

The most recent Annual Homeless Assessment Report [AHAR] was released by the Department in June 2011. The report showed an 11-percent reduction in chronic homelessness since 2007. However, the data also show that homelessness has increased 20 percent, and the number of people using homeless shelters in suburban and rural areas has increased 57 percent. According to the report, families now represent a larger share of the shelter population than ever before.

As part of the American Recovery and Reinvestment Act, Congress funded the Homelessness Prevention and Rapid Re-housing program [HPRP] to assist low-income Americans hit hard by the recession. As of December 2011, over 1,215,000 people have benefited from the program, which offers lower cost interventions.

These include short-term rental assistance, or assistance with security deposits or back rent, which allows families to stay in their homes or quickly leave homelessness. While many communities had not done prevention and rapid re-housing prior to HPRP, ESG will allow them to continue these activities. The Committee has been impressed with results from HPRP, particularly rapid re-housing. Communities that have dedicated a larger share of their HPRP to rapid re-housing have demonstrated success in helping families achieve long-term housing stability at reasonable cost. For example, preliminary data show that in Michigan, where most of the funding was dedicated to rapid re-housing, only 6 percent of persons assisted returned to homelessness. Philadelphia, which used a similar approach, has seen only 4 percent of program participants return to homelessness. The Committee supports HUD’s efforts to encourage communities to dedicate a greater share of their ESG funding to rapid re-housing activities instead of prevention. The Committee notes that the second HPRP report is due in May 2012, and the Committee expects HUD to use this data from this report to help communities effectively target ESG funding to the programs that have the greatest impact on reducing homelessness.

Annual Homeless Assessment Report [AHAR].—The Annual Homeless Assessment Report stems from congressional directives begun in 2001 that charged the Department with collecting homeless data through the implementation of a new Homeless Management Information System [HMIS]. The AHAR report includes HMIS data, information provided by Continuums of Care, and a count of sheltered and unsheltered persons from one night in January of each year. The Committee is encouraged that Federal agencies are sharing homeless data and working towards using HMIS as a platform for gathering information in other Federal programs. Having consistent national data will allow the Federal Government to better understand the needs of the homeless and better align Federal services to meet these needs. To support continued data collection and the AHAR report, the Committee has included \$8,000,000 for data analysis and technical assistance.

The Committee requests that HUD submit the AHAR report by June 17, 2013. The Committee further hopes that HUD’s efforts to increase participation in the HMIS effort will lead to improved information about and understanding of the Nation’s homeless.

Renewal Costs.—The Committee directs HUD to continue to include 5-year projections of the costs of renewing existing projects as part of the fiscal year 2014 budget justification. This should include estimated costs of renewing permanent supportive housing.

HOUSING PROGRAMS

PROJECT-BASED RENTAL ASSISTANCE

| | |
|---|-----------------|
| Appropriations, 2012 ¹ | \$9,339,672,000 |
| Budget estimate, 2013 ¹ | 8,700,400,000 |
| Committee recommendation ¹ | 9,875,795,000 |

¹ Includes an advance appropriation.

PROJECT DESCRIPTION

Section 8 project-based rental assistance provides a rental subsidy to a private landlord that is tied to a specific housing unit, as opposed to a voucher, which allows a recipient to seek a unit, subject primarily to certain rent caps. Amounts in this account include funding for the renewal of and amendments to expiring section 8 project-based contracts, including section 8, moderate rehabilitation, and single room occupancy [SRO] housing. This account also provides funds for contract administrators.

COMMITTEE RECOMMENDATION

The section 8 project-based rental assistance [PBRA] program provides more than 1.2 million low-income Americans with safe, stable, and sanitary housing. For many years, the program was plagued by inadequate budgets that threatened the supply of affordable housing. Moreover, the policy of short-funding contracts devised to keep the program within budget jeopardized the Department's credibility, created unnecessary administrative inefficiencies and reduced investor confidence. The Committee provided significant resources in the American Recovery and Reinvestment Act to address the shortfall and enable HUD to fully fund contracts. Sufficient resources have been provided each year since then, putting the program back on sound footing and restoring investor confidence. The Committee is concerned the administration is proposing to return to these shortsighted practices by proposing to short-fund contracts in fiscal year 2013, which would result in two-thirds of the housing portfolio receiving partial funding.

The Committee rejects the administration's proposal and recommends a total appropriation of \$9,875,795,000 for the annual renewal of project-based contracts, of which up to \$260,000,000 is for the cost of contract administrators. The recommended level of funding is \$536,123,000 more than the amount provided in fiscal year 2012 and \$1,175,395,000 more than the budget request. The resources provided would fully fund PRBA contracts for fiscal year 2013. The Committee's recommendation also includes several cost-saving measures proposed in the administration's budget, including applying residual receipts to offset assistance payments for new and old regulations contracts; limiting exception rent levels to the operating cost adjustment factor [OCAF]; applying Small Area Fair Market Rents as a benchmark for rents subject to comparability; and shortening vacancy payments.

Oversight of Property Owners.—The Committee places a priority on providing access to affordable housing for the Nation's low income. Therefore the Committee is disturbed that some properties continue to receive Federal subsidies despite unsafe or unsanitary conditions. It is incumbent upon HUD to ensure that these properties are safe for residents. Moreover, if owners fail to maintain their properties in accordance with HUD standards, they should be held accountable. While there is a tension between holding property owners accountable and ensuring tenants don't lose their housing, HUD has tools at its disposal to hold owners accountable without putting tenants at risk. The Committee recommendation includes a general provision that requires HUD to take specific steps

to ensure that physical deficiencies in properties are quickly addressed, and requires the Secretary to take explicit actions if the owner fails to maintain them. These actions include imposing civil money penalties, working to secure a different owner for the property, or transferring the section 8 contract to another the property. The Committee wants to take care to preserve critical project-based section 8 contracts, and believes this goal can be achieved while holding property owners accountable for their actions.

The Committee expects HUD to move quickly to identify problem properties and owners and find an appropriate remedy. The Committee directs HUD to provide bi-annual reports to the House and Senate Committees on Appropriations on the number of projects that receive multiple exigent health and safety violations; physical inspection scores below 30; and actions being taken to address safety concerns, including how often civil money penalties are imposed, contracts are transferred to another property or ownership is transferred. The Committee expects that with increased enforcement these numbers will quickly be reduced.

HOUSING FOR THE ELDERLY

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$374,627,000 |
| Budget estimate, 2013 | 475,000,000 |
| Committee recommendation | 375,000,000 |

PROGRAM DESCRIPTION

This account funds housing for the elderly under section 202. Under this program, the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing for seniors, and provides project-based rental assistance contracts [PRAC] to support operational costs for such units.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$375,000,000 for the section 202 program. This level is \$100,000,000 below the budget request and \$373,000 above the fiscal year 2012 enacted level. The Committee recommends \$70,000,000 for service coordinators and the continuation of existing congregate service grants, and \$20,000,000 for the conversion of projects to assisted living housing, or for substantial rehabilitation for emergency capital repairs.

The section 202 program provides nearly 400,000 federally assisted, privately owned affordable apartments for the elderly. An additional 120 projects are in the pipeline that will provide 4,380 housing units in future years as the construction of new developments is completed, using funding appropriated in prior years. However, the Committee recognizes that the supply of affordable housing to assist low-income elderly is insufficient to meet current demand. The shortage is expected to increase for the foreseeable future as the number of Americans aged 65 and older grows. The Seniors Commission projects that by 2020, there will be an estimated 1.3 million elderly with incomes at or below 150 percent of poverty. Unfortunately, due to severe budget constraints, the Committee is unable to continue to invest in the construction of new housing units. Assuming the current average per-unit rental assistance rate, the section 202 program will need at least an additional

\$31,000,000 to fund rental assistance contracts in future years, as housing units under construction become available for occupancy. Knowing that budgets will only become more constrained over time, the construction of new units is not financially sustainable at this time.

HOUSING FOR PERSONS WITH DISABILITIES

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$165,000,000 |
| Budget estimate, 2013 | 150,000,000 |
| Committee recommendation | 150,000,000 |

PROGRAM DESCRIPTION

This account provides funding for housing for the persons with disabilities under section 811. Under this program, the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing for persons with disabilities. Funding may be made available for PRAC to support operational costs for such units. Funding for mainstream vouchers, formerly funded under this heading, has been moved to the Tenant-Based Rental Assistance account.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$150,000,000 for the section 811 program. This level is equal to the budget request and \$15,000,000 below the fiscal year 2012 enacted level. Due to severe discretionary budget constraints, no funds are provided for capital assistance to construct new affordable housing units for persons with disabilities. However, this level of funding supports PRAC renewals and amendments, and allows the Secretary to provide project rental assistance to State housing finance agencies and other appropriate entities as authorized under section 811(b)(3) of the Cranston-Gonzalez National Affordable Housing Act.

HOUSING COUNSELING ASSISTANCE

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$45,000,000 |
| Budget estimate, 2013 | 55,000,000 |
| Committee recommendation | 55,000,000 |

PROGRAM DESCRIPTION

The Housing Counseling Assistance Program provides comprehensive housing counseling services to eligible homeowners and tenants through grants to nonprofit intermediaries, State government entities, and other local and national agencies. Eligible counseling activities include pre- and postpurchase education, personal financial management, reverse mortgage product education, foreclosure prevention, mitigation, and rental counseling.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$55,000,000 for the Housing Counseling Assistance program, which is equal to the budget request and \$10,000,000 more than the fiscal year 2012 enacted level. The funds provided will help individuals and families across the country make better-informed housing decisions. The Committee has included language requiring HUD to obligate coun-

selling grants within 120 days of enactment of this act to ensure that funding is made quickly available to clients in need of services.

The Housing Counseling Assistance program serves a range of clients and needs. Those receiving counseling include distressed homeowners facing delinquency or foreclosure, seniors seeking a Home Equity Conversion Mortgage [HECM], low-income renters seeking affordable housing, as well as prospective homebuyers looking to purchase their first home. By design, this program allows local agencies to provide the type of counseling services their clients need.

In recent years, HUD's Housing Counseling program has been criticized for the way it was run. In response, HUD is working to improve program management and execution. As an example, this year, HUD met the requirement to award funds to grantees within 120 days of enactment of the fiscal year 2012 bill. This compares to the previous process where awards weren't made in the same fiscal year in which the funding was appropriated.

In addition, HUD has sought to improve management of the program. It has restructured its staff, so that housing counseling personnel are dedicated full time to the program instead of having a larger staff that splits its time between counseling and other activities within the Office of Housing. HUD's budget reflects efforts to further improve program management through a proposal to reorganize staff and create the Office of Housing Counseling, as authorized. This new structure will provide more clarity into the roles and responsibilities of the office, and how staff will manage these different responsibilities.

The Department has also sought to find more effective ways to monitor grantees and track their performance. In support of these efforts, the Committee has included \$3,500,000, as requested, for administrative contract services. This increase of \$1,000,000 above the fiscal year 2012 enacted level will support activities, such as improving risk models and analytics for new standards. The Committee expects these investments to help HUD better monitor its grantees and provide better data on program outcomes.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

PROGRAM DESCRIPTION

This account provides amendment funding for housing assisted under a variety of HUD housing programs.

COMMITTEE RECOMMENDATION

The Committee does not recommend an appropriation for HUD-assisted, State-aided, noninsured rental housing projects, consistent with the budget request. In fiscal year 2012, \$1,300,000 was provided for this purpose. The Committee notes that HUD can meet amendment requirements with carryover balances. However, appropriations may be required to meet these needs in the future.

RENT SUPPLEMENT

The Committee does not recommend a rescission of balances from section 236 payments to State-aided, noninsured projects, which is consistent with the budget request. In fiscal year 2012, the Committee included a rescission of \$231,600,000 in unobligated balances in this account, leaving no balances to rescind in 2013.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

PROGRAM DESCRIPTION

The Housing and Urban Development Act of 1968 authorized HUD to establish a revolving fund for the collection of rents in excess of the established basic rents for section 236 projects. Subject to appropriations, HUD is authorized to transfer excess rent collection received after 1978 to the Flexible Subsidy Fund.

COMMITTEE RECOMMENDATION

The Committee recommends that the account continue to serve as the repository for the excess rental charges appropriated from the Rental Housing Assistance Fund; these funds will continue to offset flexible subsidy outlays and other discretionary expenditures to support affordable housing projects. The language is designed to allow surplus funds in excess of allowable rent levels to be returned to project owners only for purposes of the rehabilitation and renovation of projects.

MANUFACTURED HOUSING FEES TRUST FUND

| | |
|--------------------------------|-------------|
| Appropriations, 2012 | \$6,500,000 |
| Budget estimate, 2013 | 8,000,000 |
| Committee recommendation | 5,500,000 |

PROGRAM DESCRIPTION

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorizes 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 \$5,500,000 to support the manufactured housing standards programs, of which up to \$4,000,000 is expected to be derived from fees collected and deposited in the Manufactured Housing Fees Trust Fund account and not more than \$1,500,000 shall be available from the general fund. The total amount recommended is \$2,500,000 below the budget request and \$1,000,000 below the fiscal year 2012 enacted level.

The Committee continues language allowing the Department to collect fees from program participants for the dispute resolution and installment programs mandated by the Manufactured Housing

Improvement Act of 2000. These fees are to be deposited into the Trust Fund and may be used to support the manufactured housing standards programs subject to the overall cap placed on the account. The Committee expects the Department to move forward with this authority.

The Committee notes that carryover in the program will allow HUD to continue its current activities within the amount provided. However, the Committee recognizes that manufactured housing production has declined substantially since peak industry production in 1998, and has continued to decline in 2012 due to a variety of factors. Expenditures supporting the programs should reflect and correspond with this decline, which has specifically reduced the number of inspections and inspection hours required for new units.

FEDERAL HOUSING ADMINISTRATION
MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

| | Limitation on direct loans | Limitation on guaranteed loans | Administrative contract expenses |
|--------------------------------|----------------------------|--------------------------------|----------------------------------|
| Appropriations, 2012 | \$50,000,000 | \$400,000,000,000 | \$207,000,000 |
| Budget estimate, 2013 | 50,000,000 | 400,000,000,000 | 215,000,000 |
| Committee recommendation | 50,000,000 | 400,000,000,000 | 215,000,000 |

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

| | Limitation on direct loans | Limitation on guaranteed loans |
|--------------------------------|----------------------------|--------------------------------|
| Appropriations, 2012 | \$20,000,000 | \$25,000,000,000 |
| Budget estimate, 2013 | 20,000,000 | 25,000,000,000 |
| Committee recommendation | 20,000,000 | 25,000,000,000 |

¹ Administrative expenses for GSR are funded within the Office of Housing.

PROGRAM DESCRIPTION

The Federal Housing Administration [FHA] fund covers the mortgage and loan insurance activity of HUD mortgage/loan insurance programs. These include the mutual mortgage insurance [MMI] fund, cooperative management housing insurance [CMHI] fund, general insurance [GI] fund, and the special risk insurance [SRI] fund. For presentation and accounting control purposes, these are divided into two sets of accounts based on shared characteristics. The unsubsidized insurance programs of the mutual mortgage insurance fund and the cooperative management housing insurance fund constitute one set; and the general risk insurance and special risk insurance funds, which are partially composed of subsidized programs, make up the other.

COMMITTEE RECOMMENDATION

The Committee has included the following amounts for the “Mutual Mortgage Insurance Program” account: a limitation on guaranteed loans of \$400,000,000,000; a limitation on direct loans of \$50,000,000; and \$215,000,000 for administrative contract expenses, of which up to \$71,500,000 may be transferred to the Work-

ing Capital Fund to be used solely for the maintenance of FHA information technology systems.

For the GI/SRI account, the Committee recommends \$25,000,000,000 as a limitation on guaranteed loans and a limitation on direct loans of \$20,000,000. In fiscal year 2013, FHA will not require positive subsidy appropriations for new commitments issued under any of its active programs.

Since its inception in 1934, FHA has played a critical role in meeting the demands of borrowers that the private market would not serve—creating housing products that have insured over 34 million homes.

Since the foreclosure crisis began, FHA's presence in the housing market has expanded dramatically. FHA has provided mortgage insurance to eligible first time homebuyers, as well as existing homeowners seeking to refinance, enabling millions of Americans to take advantage of low-interest rates and affordable home prices. In this role, FHA has provided much-needed liquidity to the market. Yet, this increased role comes with its own risks. In 2010, FHA's capital reserve account fell below the 2-percent level required by Congress. Again this past fall, the actuarial report showed that the reserve account was well below the 2-percent level. Given the conditions in the housing market, the losses to the fund are not surprising, but they are a serious concern.

The Committee was likewise troubled when the budget suggested \$688,000,000 would be needed to ensure the solvency of FHA's MMI fund. Since the budget was released, several changes have mitigated the risk that an appropriation would be necessary. Nonetheless, the Committee remains concerned about the health of the MMI fund. To its credit, HUD has taken a series of steps to increase the solvency of the MMI fund. It has moved aggressively to recover losses from FHA lenders who violated its rules. As of March 2012, FHA has recovered over \$900,000,000 for underwriting or servicing violations, and the Committee expects the Department to continue working with the HUD Office of Inspector General to hold lenders accountable for violations of FHA rules.

Moreover, FHA has increased insurance premiums to bring in additional revenue to cover losses. This year, HUD announced increases to premiums, which the Administration had already increased three times since taking office. The premium changes announced this year include: an increase of 75 basis points in the upfront premium for new mortgages, an increase of 10 basis points in the annual premium for all new mortgages; and a 35-basis-point increase in the annual premium for new "jumbo" mortgages. These changes will not only improve the solvency of the MMI fund, but increasing the costs of FHA insurance will also help to make room for private capital.

The Committee expects HUD to continue to monitor the solvency of the MMI fund and take all steps necessary to avoid the need for taxpayer funding. As part of HUD's effort to better monitor and evaluate risk, the Committee is pleased that HUD will begin using stochastic modeling as part of the 2012 actuarial review. This new model will better capture risk, including economic risks.

Management of REO Properties.—Foreclosed properties can have a devastating effect on neighborhoods, leaving homes vacant and

reducing property values. Unfortunately, the negative impact of real estate owned [REO] properties on neighborhoods is exacerbated when they are not properly maintained. In addition, when servicers fail to properly maintain properties that are conveyed to FHA, the amount of money the government can recoup through resale is reduced. The Committee is aware that some servicers have pointed to FHA mortgagee letter [ML] 2010–18 as the reason why properties were not maintained in accordance with State and local laws and regulations. ML 2010–18 was issued to make clear that servicers wouldn’t be compensated for excessive repairs or maintenance on properties conveyed to HUD after foreclosure. However, there should be no question that every property that is conveyed to HUD, and for which a claim is paid, must comply with State and local codes. The Committee directs HUD to clarify this requirement to ensure that mortgagees that intend to convey property to HUD must adhere to State and local laws and regulations.

The Committee notes that in July 2010, HUD announced a new Management and Marketing program to handle Single Family REO disposition. The revisions in the program were designed to: ensure properties are conveyed in accordance with HUD guidelines, improve oversight of properties, eliminate conflicts of interest, and spur competition. As a result, HUD has increased sales of REO properties and reduced the number of days a property stays on the market. The Committee is encouraged by these improvements and expects HUD to continue to monitor its REO properties and work to reduce losses associated with them.

Multifamily Housing.—As a result of the housing crisis, many Americans are exiting homeownership or delaying their purchase of a home. This has caused increase demand for multifamily housing, as evidenced by falling vacancy rates. Consequently, demand for FHA multifamily loans has also increased. According to HUD, FHA’s volume in fiscal year 2011 was three times as much as fiscal year 2008. This increased volume has brought additional risk to HUD. The Committee expects FHA to continue to monitor this expanded portfolio and take the steps necessary to reduce risk and help encourage the return of private capital.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

| | Limitation on guaranteed loans | Limitation on personnel, compensation and administrative expenses |
|--------------------------------|--------------------------------|---|
| Appropriations, 2012 | \$500,000,000,000 | \$19,500,000 |
| Budget estimate, 2013 | 500,000,000,000 | 21,000,000 |
| Committee recommendation | 500,000,000,000 | 20,500,000 |

PROGRAM DESCRIPTION

The Government National Mortgage Association [Ginnie Mae], through the mortgage-backed securities program, guarantees privately issued securities backed by pools of Government-guaranteed

mortgages. Ginnie Mae is a wholly owned corporate instrumentality of the United States within the Department. Its powers are prescribed generally by title III of the National Housing Act, as amended. Ginnie Mae is authorized by section 306(g) of the act to guarantee the timely payment of principal and interest on securities that are based on and backed by a trust, or pool, composed of mortgages that are guaranteed and insured by the FHA, the Rural Housing Service, or the Department of Veterans Affairs. Ginnie Mae's guarantee of mortgage-backed securities is backed by the full faith and credit of the United States. This account also funds all salaries and benefits funding to support Ginnie Mae.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on new commitments on mortgage-backed securities of \$500,000,000,000. This level is the same as the budget request and the fiscal year 2012 enacted level. The bill allows Ginnie Mae to use \$20,500,000 for salaries and expenses. This is \$1,000,000 more than the fiscal year 2012 enacted level and \$500,000 below the President's request.

Since the near collapse of the private mortgage market, homeowners have relied on Federal programs, such as FHA, to purchase or refinance homes. Given that Ginnie Mae serves as a secondary market for FHA, its market share has also grown dramatically. In 2007, Ginnie Mae's market share was just over 5 percent; today it is nearly 26 percent. The Committee understands the important role that Ginnie Mae as well as FHA are currently playing in providing liquidity to the housing market. However, this increased role cannot come at the price of greater risk for the American taxpayer.

The HUD Inspector General has raised concerns about Ginnie Mae's focus on risk, particularly its ability to identify fraudulent lenders. The Committee notes that the leadership at Ginnie Mae has taken positive steps to address potential risks, including bringing on additional staff to focus on risk. The Committee also approved a requested reorganization of Ginnie Mae that will reinforce the work to identify and mitigate risk. The Committee expects Ginnie Mae to work closely with the Office of the Inspector General to implement measures that will strengthen risk management practices.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$46,000,000 |
| Budget estimate, 2013 | 52,000,000 |
| Committee recommendation | 46,000,000 |

PROGRAM DESCRIPTION

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 an appropriation of \$46,000,000 for research, technology, and community development activities in fiscal year 2013. This level is equal to the fiscal year 2012 enacted level and \$6,000,000 less than the budget request. The recommendation does not include funding for the Doctoral Dissertation Research Program.

The Committee supports the administration’s focus on collecting and utilizing data to develop housing policy. However, in the current fiscal environment, priority must be given to programs that directly serve low-income Americans who rely on HUD programs. Given the budget reductions, the Committee encourages HUD to partner with other researchers to pursue valuable housing research opportunities. To facilitate these partnerships and leverage other Federal and philanthropic funding sources, the Committee continues language to enable HUD to pursue cooperative agreements with other entities without having to go through a competition in cases where there is substantial leveraging.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$70,847,000 |
| Budget estimate, 2013 | 68,000,000 |
| Committee recommendation | 68,000,000 |

PROGRAM DESCRIPTION

The fair housing activities appropriation includes funding for both the Fair Housing Assistance Program [FHAP] and the Fair Housing Initiatives Program [FHIP].

The Fair Housing Assistance Program helps State and local agencies to implement title VIII of the Civil Rights Act of 1968, as amended, which prohibits discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. The major objective of the program is to assure prompt and effective processing of title VIII complaints with appropriate remedies for complaints by State and local fair housing agencies.

The Fair Housing Initiatives Program is authorized by section 561 of the Housing and Community Development Act of 1987, as amended, and by section 905 of the Housing and Community Development Act of 1992. This initiative is designed to alleviate housing discrimination by increasing support to public and private organizations for the purpose of eliminating or preventing discrimination in housing, and to enhance fair housing opportunities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$68,000,000 for the Office of Fair Housing and Equal Opportunity. This amount is equal to the budget request and \$2,847,000 less than the 2012 enacted level. Of the amounts provided, \$24,100,000 is for FHAP; \$1,500,000 is for the National Fair Housing Training Academy; and \$42,500,000 is for FHIP. The bill also includes \$300,000 for the creation, promotion, and dissemination of translated materials that support the assistance of persons with limited English proficiency.

The Committee supports the efforts of HUD and its local partners to prevent and combat housing discrimination. It is clear from HUD's fiscal year 2010 Annual Report on Fair Housing that Americans continue to experience housing discrimination, most often based on disability and race. The funding provided through the FHAP and FHIP programs helps HUD and local agencies investigate and work to resolve potential fair housing violations.

While the Committee supports the important work that HUD and its local partners do, the current budget environment requires the Committee to pare back some of the activities it currently funds.

Section 3.—The Committee notes a statutory requirement included in the United States Housing Act of 1968 that when HUD resources are used for certain housing or community development activities, grantees and contractors must try to provide training and employment opportunities to low- and very low-income persons and businesses located nearby. This preference provides public housing residents and other low-income persons with the chance to improve their financial circumstances and increase their self-sufficiency. It also supports small businesses in communities where HUD funding is being spent. This administration brought renewed attention to this requirement by more closely tracking grantees' fulfillment of it. While the Committee is concerned that some grantees are still not completing a required report, the Committee notes the progress made in increasing participation and will continue to monitor HUD's ability to ensure this requirement is met. HUD should also identify any barriers that limit its application.

OFFICE OF HEALTHY HOMES AND LEAD HAZARD CONTROL

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$120,000,000 |
| Budget estimate, 2013 | 120,000,000 |
| Committee Recommendation | 120,000,000 |

PROGRAM DESCRIPTION

Title X of the Housing and Community Development Act of 1992 established the Residential Lead-Based Paint Hazard Reduction Act, under which HUD is authorized to make grants to States, localities, and Native American tribes to conduct lead-based paint hazard reduction and abatement activities in private, low-income housing. Lead poisoning is a significant environmental health hazard, particularly for young children and pregnant women, and can result in neurological damage, learning disabilities, and impaired growth. Based on the most recent data from the Centers for Disease Control and Prevention [CDC], about 250,000 children have

elevated blood levels, down from 1.7 million in the late 1980s. Despite this improvement, lead poisoning remains a serious childhood environmental health condition, with some 1.1 percent of all children aged 1 to 5 years having elevated blood levels. This percentage is much higher for low-income children living in housing constructed prior to 1978.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$120,000,000 for lead-based paint hazard reduction and abatement activities for fiscal year 2013, of which \$30,000,000 is for the Healthy Homes Initiative. This amount is equal to the President’s budget request and the amount available in fiscal year 2012. Of this amount, the Committee recommends an appropriation of \$48,500,000 to the Lead Hazard Reduction Program, which was established in fiscal year 2003 to focus on major urban areas where children are disproportionately at risk for lead poisoning. The Committee encourages HUD to continue to work with grantees on lead-based abatement hazards programs so that information on lead hazard abatements, risk assessment data, and blood levels is readily available to the public through publications and Internet sites.

WORKING CAPITAL FUND

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$199,035,000 |
| Budget estimate, 2013 | 170,000,000 |
| Committee recommendation | 230,000,000 |

PROGRAM DESCRIPTION

The Working Capital Fund, authorized by the Department of Housing and Urban Development Act of 1965, finances HUD’s technology infrastructure and the processes and practices that support the flow of information on a centralized basis.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$230,000,000 for the Working Capital Fund [WCF] for fiscal year 2013. This level of funding is \$30,965,000 more than the fiscal year 2012 enacted level and \$60,000,000 more than the budget request. The Working Capital Fund is also supported with additional funding provided through a transfer of \$71,500,000 from the FHA’s Mutual Mortgage Insurance Fund as proposed by the President.

The Committee recommendation includes at least \$60,000,000 for development, modernization and enhancement activities requested as part of the Transformation Initiative [TI]. Last year, the administration requested, and the Committee approved, moving technology modernization activities from the TI account to the Working Capital Fund. Since HUD had requested this shift in order to have consistent management of all IT activities, the Committee was surprised that this year’s budget proposed to return to a practice of funding these activities out of TI. The Committee has rejected this proposal, and instead continues funding modernization activities under the WCF. However, the Committee recognizes the value of distinguishing these major capital improvements from the activities

traditionally funded as part of the WCF, and has therefore set aside a minimum amount of funding for Development, Modernization and Enhancement [DME] activities. The Committee continues to stress the importance of FHA Modernization and Next Generation Management System, which are critical to management and oversight of the Department's largest programs.

In addition, the Committee continues to require HUD to develop an expenditure plan for the modernization activities, which will be reviewed by GAO. The Committee notes that GAO has reviewed the most recent spend-plan and concluded that it has met the statutory requirements. Importantly, GAO views the plan as a document which the Committee can use to monitor HUD's work. While the Committee notes the improvement HUD has made, there is still work to do to make sure that projects achieve their goals. At the request of the Committee, GAO will undertake a deeper look at a few of HUD's major modernization projects to assess its ability to execute against the plans it has developed. The Committee looks forward to this assessment and working with GAO and the Department to ensure HUD can successfully complete these long-overdue technology improvements.

HIFMIP.—One of HUD's key modernization projects is the HUD Integrated Financial Management Improvement Project [HIFMIP], which will update the Department's aging financial system. A sound financial system is essential to a well-functioning department, and HUD's current system is outdated and inefficient. However, the HIFMIP project has encountered delay and cost issues. The Committee is frustrated that many of the problems are the result of inadequate project management and governance. The current problems with HIFMIP underscore some of the challenges that HUD still faces. HUD must work to increase the number of qualified project managers and ensure that they are assigned to critical projects. Moreover, HUD must continue to improve its procurement process to ensure that it lets sound contracts with clear deliverables for which contractors can be held accountable. Finally, HUD must continue to improve communication across offices, while ensuring a clear delineation of responsibilities. HUD's overall success with HIFMIP, and all of its modernization projects, depends on strengthening these types of management skills.

While the Committee remains concerned about its execution, the Committee appreciates the steps that HUD took to address the risks associated with this project, particularly gathering together outside experts to evaluate the best way to move forward. The Committee expects that HUD will make this project a priority and improve the oversight and governance of it. The Committee will continue to monitor this and other projects HUD is undertaking.

OFFICE OF INSPECTOR GENERAL

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$124,000,000 |
| Budget estimate, 2013 | 125,600,000 |
| Committee recommendation | 125,194,000 |

PROGRAM DESCRIPTION

This appropriation will finance all salaries and related expenses associated with the operation of the Office of the Inspector General [OIG].

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$125,194,000 for the Office of Inspector General [OIG]. The amount of funding is \$1,194,000 more than the fiscal year 2012 enacted level and \$406,000 less than the President's request.

The Committee is encouraged by HUD's new Inspector General and his focus on not only the important audit and investigations work to uncover waste, fraud and abuse, but also on ways to prevent misuse of Federal funds. Audits and investigations are critical parts of any OIG; however, the Committee is also interested in policy and program changes to strengthen HUD programs. The OIG's work in this area has historically been limited. Therefore, the Committee was pleased by the IG's stated intention to elevate and bolster the work of the Inspections and Evaluations unit. The Committee welcomes this vision and sees the potential of increased focus on this work as important to improving HUD policies and the OIG's ability to respond to emerging issues. The Committee looks forward to seeing the results of these changes and to policy recommendations that will assist the Committee in its work.

In addition, the Committee is aware that the IG is focused on improving its own IT capabilities. By improving its technology, the OIG should have the ability to mine its own and HUD's data to identify areas of risk. The Committee supports these efforts to develop the staff and technology necessary to improve the OIG's capabilities.

TRANSFORMATION INITIATIVE

| | |
|--------------------------------|--------------------------|
| Appropriations, 2012 | \$50,000,000 |
| Budget estimate, 2013 | ¹ 120,000,000 |
| Committee recommendation | 43,000,000 |

¹This amount is by transfer.

PROGRAM DESCRIPTION

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; and (3) technical assistance and capacity building. Funding to support these activities is provided by transfer from HUD programs.

COMMITTEE RECOMMENDATION

The Committee includes \$43,000,000 for the Transformation Initiative [TI]. This amount is \$7,000,000 less than the fiscal year 2012 enacted level. The President's budget had instead proposed up to \$120,000,000 for TI through transfers of up to 0.5 percent from HUD programs.

In fiscal year 2010, the administration launched TI to improve the operations and capacity of HUD. TI funds research and demonstrations to better equip HUD to address the Nation's housing needs. In addition to improving HUD's own operations, TI also includes funding to improve the capacity and performance of its grantees through technical assistance [TA]. The Committee believes that the funding provided will help HUD develop evidence-based policies and improve program outcomes.

Within the reduced level of funding provided, the Committee will allow HUD to determine the appropriate use of funding among the requested projects. However, the Committee continues to emphasize the importance of fully funding projects. The Committee expects the following projects, designed to improve program management or reduce costs, to be adequately funded: research on energy efficiency and utility costs, disaster resiliency focused on mitigating damage from disasters, the Moving to Work Evaluation, and PIH Integrated TA focused on troubled PHAs. The recommendation does not include funding for the Natural Experiments Grant Program or Demonstration and Related Small Grants.

The Committee continues to value the technical assistance provided through TI. The Committee supports HUD's intent to refocus its technical assistance on improving outcomes, and not just concentrating on timely execution of activities and funding. While the Committee continues to support the goals of OneCPD, the Committee notes that the program still has balances to draw down from prior year funding. As a result, the Committee has not included the requirement from previous years that at least \$23,000,000 be spent on this activity. Instead, the Committee expects HUD to use existing funding to meet the needs of CPD grantees and to focus TA funding for fiscal year 2013 on technical assistance for troubled public housing authorities and other housing providers. Following the execution of the existing OneCPD funds, the Committee anticipates providing additional funding to continue this type of targeted, risk-based TA.

BROWNFIELDS REDEVELOPMENT

The Committee notes that the Brownfields program has not been funded since fiscal year 2010, given other Federal appropriations are available for the same purpose through the Environmental Protection Agency [EPA]. The Committee therefore encourages the administration to consider legislation to permanently eliminate the program within HUD.

GENERAL PROVISIONS—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Committee recommends administrative provisions. A brief description follows.

SEC. 201. This section promotes the refinancing of certain housing bonds.

SEC. 202. This section clarifies a limitation on the use of funds under the Fair Housing Act.

SEC. 203. This section continues the fiscal year 2012 clarification of the allocation of HOPWA funding for fiscal year 2006 and be-

yond as well as the fiscal year 2012 corrections to the award of HOPWA funding.

SEC. 204. This section requires HUD to award funds on a competitive basis unless otherwise provided.

SEC. 205. This section allows funds to be used to reimburse GSEs and other Federal entities for various administrative expenses.

SEC. 206. This section limits HUD spending to amounts set out in the budget justification.

SEC. 207. This section clarifies expenditure authority for entities subject to the Government Corporation Control Act.

SEC. 208. This section requires quarterly reports on all uncommitted, unobligated and excess funds associated with HUD programs.

SEC. 209. This section requires public housing authorities to set flat rents at levels no lower than 80 percent of the fair market rent, except that PHAs will have to phase-in flat rent increases as necessary to ensure that a family's existing rental payment does not increase by more than 35 percent.

SEC. 210. This section requires HUD to submit its fiscal year 2013 budget justifications according to congressional requirements.

SEC. 211. This section exempts Los Angeles County, Alaska, Iowa, and Mississippi from the requirement of having a PHA resident on the board of directors for fiscal year 2013. Instead, the public housing agencies in these States are required to establish advisory boards that include public housing tenants and section 8 recipients.

SEC. 212. This section allows HUD to authorize the transfer of existing project-based subsidies and liabilities from obsolete housing to housing that better meets the needs of the assisted tenants.

SEC. 213. This section provides allocation requirements for Native Alaskans under the Native American Indian Housing Block Grant program.

SEC. 214. This section exempts GNMA from certain requirements of the Federal Credit Reform Act of 1990.

SEC. 215. This section reforms certain section 8 rent calculations as related to athletic scholarships.

SEC. 216. This section eliminates a cap on Home Equity Conversion Mortgages.

SEC. 217. This section requires HUD to maintain section 8 assistance on HUD-held or owned multifamily housing.

SEC. 218. This section authorizes the Secretary to waive certain requirements on adjusted income for certain assisted living projects for counties in Michigan.

SEC. 219. This section requires HUD to report quarterly to the Appropriations Committees on the use of sole-source contracting by HUD.

SEC. 220. This section allows the recipient of a section 202 grant to establish a single-asset nonprofit entity to own the project and may lend grant funds to such entity.

SEC. 221. This section clarifies the use of the 108 loan guaranteed program for nonentitlement communities.

SEC. 222. This section extends the HOPE VI program until September 30, 2013.

SEC. 223. This section allows public housing authorities with less than 400 units to be exempt from management requirements in the operating fund rule.

SEC. 224. This section 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 QWHRA.

SEC. 225. This section requires allotment holders to meet certain criteria of the CFO.

SEC. 226. This section requires HUD to take certain actions against owners receiving rental subsidies that do not maintain safe properties.

SEC. 227. This section limits attorney fees.

SEC. 228. The section modifies the NOFA process to include the Internet.

SEC. 229. This section changes the frequency of submitting reports to the Committees on Appropriations on actions related to disaster supplementals from quarterly to annually.

SEC. 230. This section establishes reprogramming and reallocation requirements within HUD's salaries and expenses accounts.

SEC. 231. This section allows the Disaster Housing Assistance Programs to be considered a program of the Department of Housing and Urban Development for the purpose of income verification and matching.

SEC. 232. This section allows the Secretary to transfer funding from salaries and expenses accounts to the "Working Capital Fund" to support technology improvements.

SEC. 233. This section eliminates an unnecessary transfer from the Rental Housing Assistance Fund to the Flexible Subsidy Fund.

SEC. 234. This section continues to allow critical access hospitals to be insured under section 242 of the National Housing Act.

SEC. 235. This section changes the definition of a PHA that operates public housing to include a consortium of PHAs.

SEC. 236. This section modifies the requirements for low-income targeting to better target rental assistance to the working poor.

SEC. 237. This section streamlines the inspection of units and allows them to use alternative Federal inspection standards to reduce duplication and focus more on risk-based inspections.

SEC. 238. This section makes a technical correction to the Rental Assistance Demonstration included in the fiscal year 2012 bill in order to help preserve moderate rehabilitation properties.

SEC. 239. This section makes changes to the HOME Investment Partnership program.

TITLE III
INDEPENDENT AGENCIES

ACCESS BOARD

SALARIES AND EXPENSES

| | |
|--------------------------------|-------------|
| Appropriations, 2012 | \$7,400,000 |
| Budget estimate, 2013 | 7,400,000 |
| Committee recommendation | 7,400,000 |

PROGRAM DESCRIPTION

The Access Board (formerly known as the Architectural and Transportation Barriers Compliance Board) was established by section 502 of the Rehabilitation Act of 1973. The Access Board is responsible for developing guidelines under the Americans with Disabilities Act, the Architectural Barriers Act, and the Telecommunications Act. These guidelines ensure that buildings and facilities, transportation vehicles, and telecommunications equipment covered by these laws are readily accessible to and usable by people with disabilities. The Board is also responsible for developing standards under section 508 of the Rehabilitation Act for accessible electronic and information technology used by Federal agencies, and for medical diagnostic equipment under section 510 of the Rehabilitation Act. The Access Board also enforces the Architectural Barriers Act. In addition, the Board provides training and technical assistance on the guidelines and standards it develops to Government agencies, public and private organizations, individuals and businesses on the removal of accessibility barriers.

In 2002, the Access Board was given additional responsibilities under the Help America Vote Act. The Board serves on the Board of Advisors and the Technical Guidelines Development Committee, which helps the Election Assistance Commission develop voluntary guidelines and guidance for voting systems, including accessibility for people with disabilities.

COMMITTEE RECOMMENDATION

The Committee recommends \$7,400,000 for the operations of the Access Board. This level of funding is equal to the fiscal year 2012 enacted level and the President's fiscal year 2013 request.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$24,100,000 |
| Budget estimate, 2013 | 26,000,000 |
| Committee recommendation | 25,000,000 |

PROGRAM DESCRIPTION

The Federal Maritime Commission [FMC] is an independent regulatory agency which administers the Shipping Act of 1984 (Public Law 98–237), as amended by the Ocean Shipping Reform Act of 1998 (Public Law 105–258); section 19 of the Merchant Marine Act, 1920 (41 Stat. 998); the Foreign Shipping Practices Act of 1988 (Public Law 100–418); and Public Law 89–777.

FMC’s mission is to foster a fair, efficient, and reliable international ocean transportation system and to protect the public from unfair and deceptive practices. To accomplish this mission, FMC regulates the international waterborne commerce of the United States. In addition, FMC has responsibility for licensing and bonding ocean transportation intermediaries and assuring that vessel owners or operators establish financial responsibility to pay judgments for death or injury to passengers, or nonperformance of a cruise, on voyages from U.S. ports.

COMMITTEE RECOMMENDATION

The Committee recommends \$25,000,000 for the salaries and expenses of the Federal Maritime Commission [FMC] for fiscal year 2013. This amount is \$1,000,000 less than the budget request and \$900,000 more than the fiscal year 2012 enacted level.

The Committee commends FMC’s continued efforts to assist American exporters to resolve supply chain disruptions due to insufficient domestic container supply. Facilitating the accessibility of U.S. exports to foreign markets is a key factor in the Nation’s economic recovery. The Committee also supports FMC’s continued efforts to protect consumers from potentially unlawful, unfair, or deceptive ocean transportation practices related to the movement of household goods or personal property in international oceanborne trade.

NATIONAL RAILROAD PASSENGER CORPORATION

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

| | |
|--------------------------------|--------------|
| Appropriations, 2012 | \$20,500,000 |
| Budget estimate, 2013 | 22,000,000 |
| Committee recommendation | 19,000,000 |

PROGRAM DESCRIPTION

The Office of Inspector General for Amtrak was created by the Inspector General Act Amendment of 1988. The Act recognized Amtrak as a “designated Federal entity” and required the railroad to establish an independent and objective unit to conduct and supervise audits and investigations relating to the programs and operations of Amtrak; to provide leadership and coordination and recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of Amtrak, and for activities designed to prevent and detect fraud and abuse in Amtrak operations; and to provide a means for keeping the Amtrak leadership and the Congress fully and currently informed about

problems and deficiencies relating to the administration of Amtrak and the necessity for and progress of corrective action.

COMMITTEE RECOMMENDATION

The Committee recommends \$19,000,000 for the Amtrak Office of Inspector General [OIG]. This funding level is \$3,000,000 less than the budget request and \$1,500,000 less than the fiscal year 2012 enacted level. The Committee retains language that requires the Amtrak OIG to submit a budget request in similar format and substance to those submitted by other executive agencies in the Federal Government.

The Committee commends the progress the OIG has made to institute an appropriate separation of duties, financial systems and hiring practices. The Committee continues to direct the OIG to report on its progress in addressing the recommendations of the Council of Inspectors General on Integrity and Efficiency and the recommendations of the National Academy of Public Administrators in its semi-annual report.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$102,400,000 |
| Budget estimate, 2013 | 102,400,000 |
| Committee recommendation | 102,400,000 |

PROGRAM DESCRIPTION

Initially established along with the Department of Transportation, the National Transportation Safety Board [NTSB] commenced operations on April 1, 1967 as an independent Federal agency. The board is charged by Congress with investigating every civil aviation accident in the United States as well as significant accidents in the other modes of transportation—railroad, highway, marine, and pipeline—and issuing safety recommendations aimed at preventing future accidents. Although it has always operated independently, NTSB relied on 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 starting in 1975.

In addition to its investigatory duties, NTSB is responsible for maintaining the Government’s database of civil aviation accidents and also conducts special studies of transportation safety issues of national significance. Furthermore, in accordance with the provisions of international treaties, 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. NTSB also serves as the “court of appeals” for any airman, mechanic, or mariner whenever certificate action is taken by the Federal Aviation Administration or the U.S. Coast Guard Commandant, or when civil penalties are assessed by FAA.

COMMITTEE RECOMMENDATION

The Committee recommends \$102,400,000 for the National Transportation Safety Board, which is equal to the budget request and the fiscal year 2012 enacted level. The Committee has also continued to include language that allows NTSB to make payments on its lease for the NTSB training facility with funding provided in the bill.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

| | |
|--------------------------------|---------------|
| Appropriations, 2012 | \$215,300,000 |
| Budget estimate, 2013 | 213,000,000 |
| Committee recommendation | 215,300,000 |

PROGRAM DESCRIPTION

The Neighborhood Reinvestment Corporation was created by the Neighborhood Reinvestment Corporation Act (title VI of the Housing and Community Development Amendments of 1978, Public Law 95–557, October 31, 1978). Neighborhood Reinvestment Corporation now operates under the trade name, “NeighborWorks America.” NeighborWorks America helps local communities establish efficient and effective partnerships between residents and representatives of the public and private sectors. These partnership-based organizations are independent, tax-exempt, nonprofit entities and are frequently known as Neighborhood Housing Services or mutual housing associations.

Collectively, these organizations are known as the NeighborWorks network. Nationally, 235 NeighborWorks organizations serve nearly 3,000 urban, suburban, and rural communities in 49 States, the District of Columbia, and Puerto Rico.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$215,300,000 for the Neighborhood Reinvestment Corporation [NRC] for fiscal year 2013. This amount is \$2,300,000 more than the budget request and equal to the fiscal year 2012 enacted level. The Committee has included \$135,300,000 to support NeighborWorks core programs, and continues to support the set-aside of \$5,000,000 for the multifamily rental housing initiative, which has been successful in developing innovative approaches to producing mixed-income affordable housing throughout the Nation. The Committee directs NRC to provide a status report on this initiative in its fiscal year 2014 budget justification.

Housing Counseling Assistance.—The Committee has included \$80,000,000 to continue the National Foreclosure Mitigation Counseling Program [NFMC] initiated by Congress in fiscal year 2008. NFMC is not a permanent program, but it is clear that resources are still warranted to address the elevated levels of foreclosures. Moreover, with the announcement of the recent mortgage servicing settlement, more families may be facing foreclosure or could use a housing counselor to help access assistance that banks are required to provide to homeowners.

The Committee believes that the outcomes associated with NFMC demonstrate the impact it is having on people’s lives. According to a report by the Urban Institute issued in December 2011 on the program, homeowners were 89 percent more likely to receive a loan modification cure on the first attempt than noncounseled homeowners. The report also found that 9 months after receiving a modification, counseled homeowners were 67 times more likely to remain current on their mortgage. One of the important factors in this increased stability is the financial management skills gained through the counseling process, which will have a long-term impact on homeowners.

Mortgage Rescue Scams.—Since 2009, NeighborWorks America has been working to raise awareness of mortgage rescue scams and help vulnerable homeowners access legitimate forms of assistance. This campaign targets at-risk communities and populations through public service announcements, public media and the Internet. The \$25,000,000 settlement recently announced among the five largest servicers, the Federal Government and the State attorneys general will provide relief to homeowners affected by the foreclosure crisis. Unfortunately, it also offers a new opportunity for scammers to take advantage of troubled homeowners. The Committee is aware that NeighborWorks is warning homeowners of these dangers and directing them toward legitimate assistance. NeighborWorks is also working with other partners, such as the Department of Justice and Federal Trade Commission to stop rescue scams. The Committee expects NeighborWorks to continue working with its partners to address this important issue.

Rural Areas.—The Committee also continues to support Neighborhood Reinvestment Corporation’s efforts in building capacity in rural areas. The Committee urges the Corporation to continue its efforts in addressing the needs of rural communities.

UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

OPERATING EXPENSES

| | |
|--------------------------------|-------------|
| Appropriations, 2012 | \$3,300,000 |
| Budget estimate, 2013 | 3,600,000 |
| Committee recommendation | 3,600,000 |

PROGRAM DESCRIPTION

The United States Interagency Council on Homelessness is an independent agency created by the McKinney-Vento Homeless Assistance Act of 1987 to coordinate and direct the multiple efforts of Federal agencies and other designated groups. The Council was authorized to review Federal programs that assist homeless persons and to take necessary actions to reduce duplication. The Council can recommend improvements in programs and activities conducted by Federal, State, and local government as well as local volunteer organizations. The Council consists of the heads of 19 Federal agencies, such as the Departments of Housing and Urban Development, Health and Human Services, Veterans Affairs, Agriculture, Commerce, Defense, Education, Labor, and Transportation; and other entities as deemed appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,600,000 for the United States Interagency Council on Homelessness [USICH]. This amount is equal to the budget request and \$300,000 more than the fiscal year 2012 enacted level.

In June 2010, the Interagency Council on Homelessness released *Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness*. This plan includes goals for ending homelessness in America, including: finishing the job of ending chronic homelessness in 5 years; preventing and ending homelessness among veterans in 5 years; preventing and ending homelessness for families, youth and children in 10 years; and setting a path to ending all types of homelessness. This plan includes the strategies that will be necessary to achieve these goals. The plan also outlines steps that will improve the effectiveness of Federal programs to meet the needs of those experiencing homelessness.

The Committee notes the work that USICH is doing to improve Federal collaboration. These efforts include working to develop a common vocabulary around homelessness and to standardize and share data across Federal agencies. Standardizing language and data will allow Federal, State, and local governments to better understand the homeless population and how to effectively target resources to meet their needs. It also supports the meetings that USICH has held to bring Federal agencies together, and to engage with communities where homelessness is most prevalent.

The Committee notes that in a February 2012 report on ways to reduce duplication, overlap, and fragmentation in the Federal Government, GAO found that progress was being made in addressing redundancies in providing homeless assistance. It also cited the importance of Federal agencies aligning their programs with the Federal Strategic Plan to End Homelessness in fully addressing GAO's concerns. The Committee expects USICH to continue its efforts to better align Federal strategies around homelessness to improve the effectiveness of Federal investments and meet the goals established in the plan to prevent and end homelessness.

TITLE IV

GENERAL PROVISIONS—THIS ACT

Section 401 requires pay raises to be absorbed within appropriated levels in this act or previous appropriations acts.

Section 402 prohibits pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this act.

Section 403 prohibits obligations beyond the current fiscal year and prohibits transfers of funds unless expressly so provided herein.

Section 404 limits expenditures for consulting service through procurement contracts where such expenditures are a matter of public record and available for public inspection.

Section 405 authorizes the reprogramming of funds and specifies the reprogramming procedures for agencies funded by this act.

Section 406 ensures that 50 percent of unobligated balances may remain available for certain purposes.

Section 407 requires departments and agencies under this act to report information regarding all sole-source contracts.

Section 408 prohibits the use of funds for employee training unless such training bears directly upon the performance of official duties.

Section 409 prohibits the use of funds for eminent domain unless such taking is employed for public use.

Section 410 prohibits funds in this act to be transferred without express authority.

Section 411 protects employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 412 prohibits the use of funds for activities not in compliance with the Buy American Act.

Section 413 prohibits funding for any person or entity convicted of violating the Buy American Act.

Section 414 prohibits funds for first-class airline accommodation in contravention of section 301–10.122 and 301–10.123 of title 41 CFR.

Section 415 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 416 prohibits funds in this act or any prior act for going to the group ACORN or any of its affiliates, subsidiaries, or allied organizations.

Section 417 requires the Department of Transportation and the Department of Housing and Urban Development to post on their web sites basic information about each of their programs that provides grants or credit assistance through a competitive process, in-

cluding information about program applicants and recipients of grants and credit assistance.

Section 418 requires all agencies and departments funded in this act to report vehicle fleet inventory and associated costs to Congress at the end of fiscal year 2013.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE
STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

The Committee is filing an original bill, which is not covered under this rule, but reports this information in the spirit of full disclosure.

The Committee recommends funding for the following programs or activities which currently lack authorization for fiscal year 2012:

TITLE I—DEPARTMENT OF TRANSPORTATION

Federal Highway Administration:
Federal-aid Highways
Federal Motor Carrier Safety Administration:
Motor Carrier Safety Operations and Programs
Motor Carrier Safety Grants
National Highway Traffic Safety Administration:
Operations and Research
National Driver Register
National Driver Register Modernization
Highway Traffic Safety Grants
Federal Transit Administration:
Administrative Expenses
Formula and Bus Grants
Research and University Research Centers
Capital Investment Grants
Grants for Energy Efficiency and Greenhouse Gas Reduction
Maritime Administration:
Operations and Training
Ship Disposal
Maritime Security
Title XI
Pipeline and Hazardous Materials Safety Administration:
Administration Expenses
Pipeline Safety
Research and Innovative Technology Administration:
Research and Development
Surface Transportation Board

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Rental Assistance:
Section 8 Contract Renewals and Administrative Expenses

Section 441 Contracts
 Section 8 Preservation, Protection, and Family Unification
 Contract Administrators
 Public Housing Capital Fund
 Public Housing Operating Fund
 Choice Neighborhoods
 Native Hawaiian Housing Block Grant
 Native Hawaiian Housing Loan Guarantee Fund
 Housing Opportunities for Persons with Aids
 Community Development Fund:
 Community Development Block Grants
 Sustainable Communities Initiative
 HOME Program:
 HOME Investment Partnership
 Self Help and Assisted Homeownership Opportunity:
 Capacity Building
 Self-Help Homeownership Opportunity Program
 National Housing Development Corporation
 Housing for the Elderly
 Housing for Persons with Disabilities
 FHA General and Special Risk Program Account:
 Limitation on Guaranteed Loans
 Limitation on Direct Loans
 Credit Subsidy
 Administrative Expenses
 GNMA Mortgage Backed Securities Loan Guarantee Program Account:
 Limitation on Guaranteed Loans
 Administrative Expenses
 Policy Development and Research
 Fair Housing Activities, Fair Housing Program
 Lead Hazards Reduction Program
 Salaries and Expenses

TITLE III—RELATED AGENCIES

National Transportation Safety Board

COMPLIANCE WITH PARAGRAPH 7(c), RULE XXVI OF THE STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on April 19, 2012, the Committee ordered favorably reported en bloc an original bill (S. 2323) making appropriations for the Departments of Commerce and Justice, and Science, and Related Agencies for the fiscal year ending September 30, 2013, and for other purposes, and reported an original bill (S. 2322) making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2013, and for other purposes, provided, that each bill be subject to further amendment and that each bill be consistent with its spending allocations, by a recorded vote of 28–1, a quorum being present. The vote was as follows:

| Yeas | Nays |
|------------------|------------------|
| Chairman Inouye | Mr. Johnson (WI) |
| Mr. Leahy | |
| Mr. Harkin | |
| Ms. Mikulski | |
| Mr. Kohl | |
| Mrs. Murray | |
| Mrs. Feinstein | |
| Mr. Durbin | |
| Mr. Johnson (SD) | |
| Ms. Landrieu | |
| Mr. Reed | |
| Mr. Lautenberg | |
| Mr. Nelson | |
| Mr. Pryor | |
| Mr. Tester | |
| Mr. Brown | |
| Mr. Cochran | |
| Mr. McConnell | |
| Mr. Shelby | |
| Mrs. Hutchison | |
| Mr. Alexander | |
| Ms. Collins | |
| Ms. Murkowski | |
| Mr. Graham | |
| Mr. Coats | |
| Mr. Blunt | |
| Mr. Moran | |
| Mr. Hoeven | |

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

TITLE 12—BANKS AND BANKING

CHAPTER 13—NATIONAL HOUSING

SUBCHAPTER II—MORTGAGE INSURANCE

§ 1715z-7. Mortgage insurance for hospitals

(a) Purpose

* * * * *

(i) Termination of exemption for critical access hospitals

(1) In general

The exemption for critical access hospitals under subsection (b)(1)(B) of this section shall have no effect after [July 31, 2011] *July 31, 2016*.

TITLE 23—HIGHWAYS

CHAPTER 1—FEDERAL-AID HIGHWAYS

§ 127. Vehicle weight limitations—Interstate System

(a) IN GENERAL.—

* * * * *

(h) WAIVER FOR A ROUTE IN STATE OF MAINE DURING PERIODS OF NATIONAL EMERGENCY.—

(1) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary, in consultation with the Secretary of Defense, may waive or limit the application of any vehicle weight limit established under this section with respect to the portion of InterstateRoute 95 in the State of Maine between Augusta and Bangor for the purpose of making bulk shipments of jet fuel to the Air NationalGuard Base at Bangor International Airport during a period of national emergency in order to respond to the effects of the national emergency.

(2) APPLICABILITY.—Emergency limits established under paragraph (1) shall preempt any inconsistent State vehicle weight limits.

(i) OPERATION OF VEHICLES ON CERTAIN WISCONSIN HIGHWAYS.—*If any segment of the United States Route 41 corridor described in section 1105(c)(57) of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240; 105 Stat. 2032; 119 Stat. 1209), is designated as a route on the Interstate System, a vehicle that could operate legally on the segment before the date of the designation may continue to operate on the segment without regard to any requirement under subsection (a).*

TITLE 42—THE PUBLIC HEALTH AND WELFARE

CHAPTER 8—LOW-INCOME HOUSING

SUBCHAPTER I—GENERAL PROGRAM OF ASSISTED HOUSING

§ 1437a. Rental payments

(a) Families included; rent options; minimum amount; occupancy by police officers and over-income families

(1) * * *

(2) RENTAL PAYMENTS FOR PUBLIC HOUSING FAMILIES.—

(A) AUTHORITY FOR FAMILY TO SELECT.—

(i) FLAT RENTS.—~~Except as otherwise provided under this clause, each~~ *Each* public housing agency shall establish, for each dwelling unit in public housing owned or operated by the agency, a flat rental amount for the dwelling unit, which shall *not be lower than 80 percent of the applicable fair market rental established under section 8(c) of this Act and which shall—*

* * * * *

~~]~~ The rental amount for a dwelling unit shall be considered to comply with the requirements of this clause if such amount does not exceed the actual monthly costs to the public housing agency attributable to providing and operating the dwelling unit. The preceding sentence may not be construed to require establishment of rental amounts equal to or based on operating costs or to prevent public housing agencies from developing flat rents required under this clause in any other manner that may comply with this clause. ~~]~~ *Public housing agencies must comply by September 30, 2013, with the requirement of this clause, except that if a new flat rental amount for a dwelling unit will increase a family’s existing rental payment by more than 35 percent, the new flat rental amount shall be phased in as necessary to ensure that the family’s existing rental payment does not increase by more than 35 percent annually. The preceding sentence shall not be construed to require establishment of rental amounts equal to 80 percent of the fair market rental in years when the fair market rental falls from the prior year.*

* * * * *

(b) Definition of terms under this chapter

(1) * * *

* * * * *

~~[(2)]~~ (A) The term “low-income families” means those families whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes.

(B) The term “very low-income families” means low-income families whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.

(C) *The term extremely low-income families means very low-income families whose incomes do not exceed the higher of—*

(i) the poverty guidelines updated periodically by the Department of Health and Human Services under the authority of section 673(2) of the Community Services Block Grant Act applicable to a family of the size involved (except that this clause shall not apply in the case of public housing agencies located in Puerto Rico or any other territory or possession of the United States); or

(ii) 30 percent of the median family income for the area, as determined by the Secretary, with adjustments for smaller and larger families (except that the Secretary may establish income ceilings higher or lower than 30 percent of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes).

(D) Such ceilings shall be established in consultation with the Secretary of Agriculture for any rural area, as defined in section 1490 of this title, taking into account the subsidy characteristics and types of programs to which such ceilings apply. In determining median incomes (of persons, families, or households) for an area or establishing any ceilings or limits based on income under this chapter, the Secretary shall determine or establish area median incomes and income ceilings and limits for Westchester and Rockland Counties, in the State of New York, as if each such county were an area not contained within the metropolitan statistical area in which it is located. In determining such area median incomes or establishing such income ceilings or limits for the portion of such metropolitan statistical area that does not include Westchester or Rockland Counties, the Secretary shall determine or establish area median incomes and income ceilings and limits as if such portion included Westchester and Rockland Counties. In determining areas that are designated as difficult development areas for purposes of the low-income housing tax credit, the Secretary shall include Westchester and Rockland Counties, New York, in the New York City metropolitan area.

* * * * *

(6) PUBLIC HOUSING AGENCY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term “public housing agency ” means any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of public housing, or a consortium of such entities or bodies as approved by the Secretary.

* * * * *

§ 1437f. Low-income housing assistance

(a) Authorization for assistance payments

* * * * *

(o) Voucher program

* * * * *

(1) Authority

* * * * *

(8) Inspection of units by PHAs

(A) In general

* * * * *

[(D) Annual inspections

] Each public housing agency providing assistance under this subsection (or other entity, as provided in paragraph (11)) shall make an annual inspection of each assisted dwelling unit during the term of the housing assistance payments contract for the unit to determine whether the unit is maintained in accordance with the requirements under subparagraph (A). The agency (or other entity) shall retain the records of the inspection for a reasonable time and shall make the records available upon request to the Secretary, the Inspector General for the Department of Housing and Urban Development, and any auditor conducting an audit under section 1437c(h) of this title.]

(D) BIENNIAL INSPECTIONS.—

(i) REQUIREMENT.—Each public housing agency providing assistance under this subsection (or other entity, as provided in paragraph (11)) shall, for each assisted dwelling unit, make inspections not less often than biennially during the term of the housing assistance payments contract for the unit to determine whether the unit is maintained in accordance with the requirements under subparagraph (A).

(ii) Use of alternative inspection method.—The requirements under clause (i) may be complied with by use of inspections that qualify as an alternative inspection method pursuant to subparagraph (E).

(iii) RECORDS.—The public housing agency (or other entity) shall retain the records of the inspection for a reasonable time and shall make the records avail-

able upon request to the Secretary, the Inspector General for the Department of Housing and Urban Development, and any auditor conducting an audit under section 5(h) of this Act.

(E) *Alternative inspection method.*—An inspection of a property shall qualify as an alternative inspection method for purposes of this subparagraph if—

(i) the inspection was conducted pursuant to requirements under a Federal, State, or local housing program (including the Home investment partnership program under title II of the Cranston-Gonzalez National Affordable Housing Act and the low-income housing tax credit program under section 42 of the Internal Revenue Code of 1986); and

(ii) pursuant to such inspection, the property was determined to meet the standards or requirements regarding housing quality or safety applicable to properties assisted under such program, and, if a non-Federal standard or requirement was used, the public housing agency has certified to the Secretary that such standard or requirement provides the same (or greater) protection to occupants of dwelling units meeting such standard or requirement as would the housing quality standards under subparagraph (B).

(F) *INTERIM INSPECTIONS.*—Upon notification to the public housing agency, by a family (on whose behalf tenant-based rental assistance is provided under this subsection) or by a government official, that the dwelling unit for which such assistance is provided does not comply with the housing quality standards under subparagraph (B), the public housing agency shall inspect the dwelling unit—

(i) in the case of any condition that is life-threatening, within 24 hours after the agency’s receipt of such notification; and

(ii) in the case of any condition that is not life-threatening, within 15 days after the agency’s receipt of such notification.

(E) (G) Inspection guidelines

The Secretary shall establish procedural guidelines and performance standards to facilitate inspections of dwelling units and conform such inspections with practices utilized in the private housing market. Such guidelines and standards shall take into consideration variations in local laws and practices of public housing agencies and shall provide flexibility to authorities appropriate to facilitate efficient provision of assistance under this subsection.

* * * * *

§ 1437n. Eligibility for assisted housing

(a) Income eligibility for public housing

(1) Income mix within projects

* * * * *

(2) PHA income mix

(A)¹TARGETING.—Except as provided in paragraph (4), of the public housing dwelling units of a public housing agency made available for occupancy in any fiscal year by eligible families, not less than 40 percent shall be occupied by [families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families; except that the Secretary may establish income ceilings higher or lower than 30 percent of the area median income on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes] *extremely low-income families*.

* * * * *

(b) Income eligibility for tenant-based section 1437f assistance

(1) In general

Of the families initially provided tenant based assistance under section 1437f of this title by a public housing agency in any fiscal year, not less than 75 percent shall be [families whose incomes do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families; except that the Secretary may establish income ceilings higher or lower than 30 percent of the area median income on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes] *extremely low-income families*.

* * * * *

(c) Income eligibility for project-based section 1437f assistance

(1) Pre-1981 act projects

* * * * *

(3) Targeting

For each project assisted under a contract for project-based assistance, of the dwelling units that become available for occupancy in any fiscal year that are assisted under the contract, not less than 40 percent shall be available for leasing only by [families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families; except that the Secretary may establish income ceilings higher or lower than 30 percent of the area median income on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes] *extremely low-income families*.

* * * * *

¹ So in original. No subpar. (B) has been enacted.

§ 1437v. Demolition, site revitalization, replacement housing, and tenant-based assistance grants for projects

(a) * * *

* * * * *

(m) **Funding**

(1) **Authorization of appropriations**

There are authorized to be appropriated for grants under this section \$574,000,000 for **【fiscal year 2010.】** *fiscal year 2013.*

* * * * *

(o) **Sunset**

No assistance may be provided under this section after **【September 30, 2010.】** *September 30, 2013.*

* * * * *

CHAPTER 130—NATIONAL AFFORDABLE HOUSING

SUBCHAPTER II—INVESTMENT IN AFFORDABLE HOUSING

PART A—HOME INVESTMENT PARTNERSHIPS

§ 12755. Tenant and participant protections

(a) **Lease**

* * * * *

(b) **Termination of tenancy**

An owner shall not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted under this subchapter except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action. *Such 30 day waiting period is not required if the grounds for the termination or refusal to renew involve a direct threat to the safety of the tenants or employees of the housing, or an imminent and serious threat to the property (and the termination or refusal to renew is in accordance with the requirements of State or local law).*

* * * * *

PART B—COMMUNITY HOUSING PARTNERSHIP

§ 12771. Set-aside for community housing development organizations

(a) **In general**

* * * * *

(b) **Recapture and reuse**

If any funds reserved under subsection (a) of this section remain uninvested for a period of 24 months, then the Secretary shall deduct such funds from the line of credit in the participating jurisdiction's HOME Investment Trust Fund and [make such funds available by direct reallocation (1) to other participating jurisdictions for affordable housing developed, sponsored or owned by community housing development organizations, or (2) to nonprofit intermediary organizations to carry out activities that develop the capacity of community housing development organizations consistent with section 12773 of this title, with preference to community housing development organizations serving the jurisdiction from which the funds were recaptured] *reallocate the funds by formula in accordance with section 217(d) of this Act (42 U.S.C. 12747(d)).*

[(c) Direct reallocation criteria

[Insofar as practicable, direct reallocations under this section shall be made according to the selection criteria established under section 12747(c) of this title.]

TITLE 49—TRANSPORTATION

PART B—AIRPORT DEVELOPMENT AND NOISE

CHAPTER 471—AIRPORT DEVELOPMENT

SUBCHAPTER I—AIRPORT IMPROVEMENT

§ 47124. Agreements for State and local operation of airport facilities

(a) GOVERNMENT RELIEF FROM LIABILITY.— * * *

(b) AIR TRAFFIC CONTROL CONTRACT PROGRAM.—(1) * * *

* * * * *

(3) CONTRACT AIR TRAFFIC CONTROL TOWER PROGRAM.—(A) IN GENERAL.— * * *

* * * * *

(D) COSTS EXCEEDING BENEFITS.—If the costs of operating an air traffic tower under the program exceed the benefits, the airport sponsor or State or local government having jurisdiction over the airport shall pay the portion of the costs that exceed such [benefit.] *benefit, with the maximum allowable local cost share capped at 20 percent.*

DEPARTMENT OF DEFENSE, EMERGENCY SUPPLEMENTAL APPROPRIATIONS TO ADDRESS HURRICANES IN THE GULF OF MEXICO, AND PANDEMIC INFLUENZA ACT, 2006, PUBLIC LAW 109-148

DIVISION B

EMERGENCY SUPPLEMENTAL APPROPRIATIONS TO ADDRESS HURRICANES IN THE GULF OF MEXICO AND PANDEMIC INFLUENZA, 2006

TITLE I

EMERGENCY SUPPLEMENTAL APPROPRIATIONS TO ADDRESS HURRICANES IN THE GULF OF MEXICO

CHAPTER 9

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT FUND

For an additional amount for the “Community development fund”, for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of hurricanes in the Gulf of Mexico in 2005 in States for which the President declared a major disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) in conjunction with Hurricane Katrina, Rita, or Wilma, \$11,500,000,000, to remain available until expended, for activities authorized under title I of the Housing and Community Development Act of 1974 (Public Law 93-383): *Provided*, That no State shall receive more than 54 percent of the amount provided under this heading: *Provided further*, That funds provided under this heading shall be administered through an entity or entities designated by the Governor of each State: *Provided further*, That such funds may not be used for activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency or the Army Corps of Engineers: *Provided further*, That funds allocated under this heading shall not adversely affect the amount of any formula assistance received by a State under this heading: *Provided further*, That each State may use up to five percent of its allocation for administrative costs: *Provided further*, That Louisiana and Mississippi may each use up to \$20,000,000 (with up to \$400,000 each for technical assistance) from funds made available under this heading for LISC and the Enterprise Foundation for activities authorized by section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note), as in effect immediately before June 12, 1997, and for activities authorized under section 11 of the Housing Opportunity Program Extension Act of 1996, including demolition, site clearance and remediation, and program administration: *Provided further*, That in administering the funds under this heading, the Secretary of Housing and Urban

Development shall waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds or guarantees (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a request by the State that such waiver is required to facilitate the use of such funds or guarantees, and a finding by the Secretary that such waiver would not be inconsistent with the overall purpose of the statute, as modified: *Provided further*, That the Secretary may waive the requirement that activities benefit persons of low and moderate income, except that at least 50 percent of the funds made available under this heading must benefit primarily persons of low and moderate income unless the Secretary otherwise makes a finding of compelling need: *Provided further*, That the Secretary shall publish in the Federal Register any waiver of any statute or regulation that the Secretary administers pursuant to title I of the Housing and Community Development Act of 1974 no later than 5 days before the effective date of such waiver: *Provided further*, That every waiver made by the Secretary must be reconsidered according to the three previous provisos on the two-year anniversary of the day the Secretary published the waiver in the Federal Register: *Provided further*, That prior to the obligation of funds each State shall submit a plan to the Secretary detailing the proposed use of all funds, including criteria for eligibility and how the use of these funds will address long-term recovery and restoration of infrastructure: *Provided further*, That each State will report **【quarterly】** *annually* to the Committees on Appropriations on all awards and uses of funds made available under this heading, including specifically identifying all awards of sole-source contracts and the rationale for making the award on a sole-source basis: *Provided further*, That the Secretary shall notify the Committees on Appropriations on any proposed allocation of any funds and any related waivers made pursuant to these provisions under this heading no later than 5 days before such waiver is made: *Provided further*, That the Secretary shall establish procedures to prevent recipients from receiving any duplication of benefits and report **【quarterly】** *annually* to the Committees on Appropriations with regard to all steps taken to prevent fraud and abuse of funds made available under this heading including duplication of benefits: *Provided further*, That the amounts provided under this heading are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

**EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT
FOR DEFENSE, THE GLOBAL WAR ON TERROR, AND
HURRICANE RECOVERY, 2006, PUBLIC LAW 109-234**

TITLE II

FURTHER HURRICANE DISASTER RELIEF AND RECOVERY

CHAPTER 9

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for the “Community development fund”, for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of Hurricanes Katrina, Rita, or Wilma in States for which the President declared a major disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), \$5,200,000,000, to remain available until expended, for activities authorized under title I of the Housing and Community Development Act of 1974 (Public Law 93–383): *Provided*, That funds provided under this heading shall be administered through an entity or entities designated by the Governor of each State: *Provided further*, That such funds may not be used for activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency or the Army Corps of Engineers: *Provided further*, That funds allocated under this heading shall not adversely affect the amount of any formula assistance received by a State under this heading: *Provided further*, That each State may use up to five percent of its allocation for administrative costs: *Provided further*, That not less than \$1,000,000,000 from funds made available on a pro-rata basis according to the allocation made to each State under this heading shall be used for repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas: *Provided further*, That no State shall receive more than \$4,200,000,000: *Provided further*, That in administering the funds under this heading, the Secretary of Housing and Urban Development may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds or guarantees (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a request by the State that such waiver is required to facilitate the use of such funds or guarantees, and a finding by the Secretary that such waiver would not be inconsistent with the overall purpose of the statute: *Provided further*, That the Secretary may waive the requirement that activities benefit per-

sons of low and moderate income, except that at least 50 percent of the funds made available under this heading must benefit primarily persons of low and moderate income unless the Secretary otherwise makes a finding of compelling need: *Provided further*, That the Secretary shall publish in the Federal Register any waiver of any statute or regulation that the Secretary administers pursuant to title I of the Housing and Community Development Act of 1974 no later than 5 days before the effective date of such waiver: *Provided further*, That every waiver made by the Secretary must be reconsidered according to the three previous provisos on the two-year anniversary of the day the Secretary published the waiver in the Federal Register: *Provided further*, That prior to the obligation of funds each State shall submit a plan to the Secretary detailing the proposed use of all funds, including criteria for eligibility and how the use of these funds will address long-term recovery and restoration of infrastructure: *Provided further*, That prior to the obligation of funds to each State, the Secretary shall ensure that such plan gives priority to infrastructure development and rehabilitation and the rehabilitation and reconstruction of the affordable rental housing stock including public and other HUD-assisted housing: *Provided further*, That each State will report **[quarterly]** *annually* to the Committees on Appropriations on all awards and uses of funds made available under this heading, including specifically identifying all awards of sole-source contracts and the rationale for making the award on a sole-source basis: *Provided further*, That the Secretary shall notify the Committees on Appropriations on any proposed allocation of any funds and any related waivers made pursuant to these provisions under this heading no later than 5 days before such waiver is made: *Provided further*, That the Secretary shall establish procedures to prevent recipients from receiving any duplication of benefits and report **[quarterly]** *annually* to the Committees on Appropriations with regard to all steps taken to prevent fraud and abuse of funds made available under this heading including duplication of benefits: *Provided further*, That of the amounts made available under this heading, \$12,000,000 shall be transferred to “Management and Administration, Salaries and Expenses”, of which \$7,000,000 is for the administrative costs, including IT costs, of the KDHAP/DVP voucher program; \$9,000,000 shall be transferred to the Office of Inspector General; and \$6,000,000 shall be transferred to HUD’s Working Capital Fund: *Provided further*, That none of the funds provided under this heading may be used by a State or locality as a matching requirement, share, or contribution for any other Federal program: *Provided further*, That the amounts provided under this heading are designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.

**SUPPLEMENTAL APPROPRIATIONS ACT, 2008, PUBLIC
LAW 110-252**

TITLE II—DOMESTIC MATTERS

CHAPTER 6—HOUSING AND URBAN DEVELOPMENT

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT FUND

For an additional amount for “Community Development Fund”, for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in areas covered by a declaration of major disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) as a result of recent natural disasters, \$300,000,000, to remain available until expended, for activities authorized under title I of the Housing and Community Development Act of 1974 (Public Law 93-383): *Provided*, That funds provided under this heading shall be administered through an entity or entities designated by the Governor of each State: *Provided further*, That such funds may not be used for activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency or the Army Corps of Engineers: *Provided further*, That funds allocated under this heading shall not adversely affect the amount of any formula assistance received by a State under this heading: *Provided further*, That each State may use up to five percent of its allocation for administrative costs: *Provided further*, That in administering the funds under this heading, the Secretary of Housing and Urban Development shall waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds or guarantees (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a request by the State that such waiver is required to facilitate the use of such funds or guarantees, and a finding by the Secretary that such waiver would not be inconsistent with the overall purpose of the statute, as modified: *Provided further*, That the Secretary may waive the requirement that activities benefit persons of low and moderate income, except that at least 50 percent of the funds made available under this heading must benefit primarily persons of low and moderate income unless the Secretary otherwise makes Federal Register, a finding of compelling need: *Provided further*, That the Secretary shall publish in the Federal Register any waiver of any statute or regulation that the Secretary administers pursuant to title I of the Housing and Community Development Act of 1974 no later than 5 days before the effective date of such waiver: *Provided further*, That every waiver made by the Secretary must be reconsidered according to the three previous provisos on the two-year anniversary of the day the Secretary published the waiver in the Federal Register: *Provided further*, That prior to the obligation of funds each State shall submit a plan to the Secretary detailing the proposed use of all

funds, including criteria for eligibility and how the use of these funds will address long-term recovery and restoration of infrastructure: *Provided further*, That each State will report **【quarterly】** *annually* to the Committees on Appropriations on all awards and uses of funds made available under this heading, including specifically identifying all awards of sole-source contracts and the rationale for making the award on a sole-source basis: *Provided further*, That the Secretary shall notify the Committees on Appropriations on any proposed allocation of any funds and any related waivers made pursuant to these provisions under this heading no later than 5 days before such waiver is made: *Provided further*, That the Secretary shall establish procedures to prevent recipients from receiving any duplication of benefits and report **【quarterly】** *annually* to the Committees on Appropriations with regard to all steps taken to prevent fraud and abuse of funds made available under this heading including duplication of benefits.

**CONSOLIDATED APPROPRIATIONS ACT, 2008, PUBLIC
LAW 110-161**

DIVISION K—TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS ACT, 2008

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

【FLEXIBLE SUBSIDY FUND

【(TRANSFER OF FUNDS)

【From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 2007, and any collections made during fiscal year 2008 and all subsequent fiscal years, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act.】

**CONSOLIDATED SECURITY, DISASTER ASSISTANCE, AND
CONTINUING APPROPRIATIONS ACT, 2009, PUBLIC
LAW 110-329**

**DIVISION B—DISASTER RELIEF AND RECOVERY
SUPPLEMENTAL APPROPRIATIONS ACT, 2008**

**TITLE I—RELIEF AND RECOVERY FROM NATURAL
DISASTERS**

**CHAPTER 10—TRANSPORTATION AND HOUSING AND
URBAN DEVELOPMENT**

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT FUND

For an additional amount for the “Community Development Fund”, for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization in areas affected by hurricanes, floods, and other natural disasters occurring during 2008 for which the President declared a major disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974, \$6,500,000,000, to remain available until expended, for activities authorized under title I of the Housing and Community Development Act of 1974 (Public Law 93-383): *Provided*, That funds provided under this heading shall be administered through an entity or entities designated by the Governor of each State: *Provided further*, That such funds may not be used for activities reimbursable by, or for which funds are made available by, the Federal Emergency Management Agency or the Army Corps of Engineers: *Provided further*, That funds allocated under this heading shall not adversely affect the amount of any formula assistance received by a State under the Community Development Fund: *Provided further*, That each State may use up to 5 percent of its allocation for administrative costs: *Provided further*, That \$6,500,000 shall be available for use by the Assistant Secretary of Community Planning and Development for the administrative costs, including information technology costs, with respect to amounts made available under this section and under section 2301(a) of the Housing and Economic Recovery Act of 2008: *Provided further*, That not less than \$650,000,000 from funds made available on a pro-rata basis according to the allocation made to each State under this heading shall be used for repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas where there is a demonstrated need as determined by the Secretary: *Provided further*, That in administering the funds under this heading, the Secretary of Housing and Urban Development may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds or guarantees (except for requirements re-

lated to fair housing, nondiscrimination, labor standards, and the environment), upon a request by a State explaining why such waiver is required to facilitate the use of such funds or guarantees, if the Secretary finds that such waiver would not be inconsistent with the overall purpose of title I of the Housing and Community Development Act of 1974: *Provided further*, That a waiver granted by the Secretary under the preceding proviso may not reduce the percentage of funds which must be used for activities that benefit persons of low and moderate income to less than 50 percent, unless the Secretary specifically finds that there is compelling need to further reduce or eliminate the percentage requirement: *Provided further*, That the Secretary shall publish in the Federal Register any waiver of any statute or regulation that the Secretary administers pursuant to title I of the Housing and Community Development Act of 1974 no later than 5 days before the effective date of such waiver: *Provided further*, That every waiver made by the Secretary must be reconsidered according to the three previous provisos on the 2-year anniversary of the day the Secretary published the waiver in the Federal Register: *Provided further*, That the Secretary shall allocate to the states not less than 33 percent of the funding provided under this heading within 60 days after the enactment of this Act based on the best estimates available of relative damage and anticipated assistance from other Federal sources: *Provided further*, That prior to the obligation of funds each State shall submit a plan to the Secretary detailing the proposed use of all funds, including criteria for eligibility and how the use of these funds will address long-term recovery and restoration of infrastructure: *Provided further*, That each State will report **[quarterly]** *annually* to the Committees on Appropriations on all awards and uses of funds made available under this heading, including specifically identifying all awards of sole-source contracts and the rationale for making the award on a sole-source basis: *Provided further*, That the Secretary shall notify the Committees on Appropriations of any proposed allocation of any funds and any related waivers made pursuant to the provisions under this heading no later than 5 days before such allocation or waiver is made: *Provided further*, That the Secretary shall establish procedures to prevent recipients from receiving any duplication of benefits and report **[quarterly]** *annually* to the Committees on Appropriations with regard to all steps taken to prevent fraud and abuse of funds made available under this heading including duplication of benefits: *Provided further*, That none of the funds provided under this heading may be used by a State or locality as a matching requirement, share, or contribution for any other Federal program.

**CONSOLIDATED AND FURTHER CONTINUING
APPROPRIATIONS ACT, 2012, PUBLIC LAW 112-55**

**DIVISION C—TRANSPORTATION, HOUSING AND URBAN
DEVELOPMENT, AND RELATED AGENCIES**

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RENTAL ASSISTANCE DEMONSTRATION

To conduct a demonstration designed to preserve and improve public housing and certain other multifamily housing through the voluntary conversion of properties with assistance under section 9 of the United States Housing Act of 1937, (hereinafter, “the Act”), or the moderate rehabilitation program under section 8(e)(2) of the Act (except for funds allocated under such section for single room occupancy dwellings as authorized by title IV of the McKinney-Vento Homeless Assistance Act), to properties with assistance under a project-based subsidy contract under section 8 of the Act, which shall be eligible for renewal under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997, or assistance under section 8(o)(13) of the Act, the Secretary may transfer amounts provided through contracts under section 8(e)(2) of the Act or under the headings “Public Housing Capital Fund” and “Public Housing Operating Fund” to the headings “Tenant-Based Rental Assistance” or “Project-Based Rental Assistance”: *Provided*, That the initial long-term contract under which converted assistance is made available may allow for rental adjustments only by an operating cost factor established by the Secretary, and shall be subject to the availability of appropriations for each year of such term: *Provided further*, That project applications may be received under this demonstration until September 30, 2015: *Provided further*, That any increase in cost for “Tenant-Based Rental Assistance” or “Project-Based Rental Assistance” associated with such conversion shall be equal to amounts transferred from “Public Housing Capital Fund” and “Public Housing Operating Fund” or other account from which it was transferred: *Provided further*, That not more than 60,000 units currently receiving assistance under section 9 [or section 8(e)(2)] of the Act shall be converted under the authority provided under this heading:

* * * * *

GENERAL PROVISIONS—DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

(INCLUDING RESCISSION AND TRANSFER OF FUNDS)

SEC. 203. (a) Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for [fiscal year 2012] *fiscal years 2012 and 2013* that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and

make a grant, in the amount determined under subsection (b), for any State that—

* * * * *

(2) is not otherwise eligible for an allocation for **[fiscal year 2012]** *fiscal years 2012 and 2013* under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in **[fiscal year 2011]** *fiscal years 2012 and 2013* do not have the number of cases of acquired immunodeficiency syndrome (AIDS) required under such clause.

(b) The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in **[fiscal year 2012]** *fiscal years 2012 and 2013*, in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

(c) Notwithstanding any other provision of law, the amount allocated for **[fiscal year 2012]** *fiscal years 2012 and 2013* under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), to the city of New York, New York, on behalf of the New York-Wayne-White Plains, New York-New Jersey Metropolitan Division (hereafter “metropolitan division”) of the New York-Newark-Edison, NY-NJ-PA Metropolitan Statistical Area, shall be adjusted by the Secretary of Housing and Urban Development by:

* * * * *

(d) Notwithstanding any other provision of law, the amount allocated for **[fiscal year 2012]** *fiscal years 2012 and 2013* under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to areas with a higher than average per capita incidence of AIDS, shall be adjusted by the Secretary on the basis of area incidence reported over a 3-year period.

* * * * *

SEC. 209. (a) Notwithstanding any other provision of law, the amount allocated for **[fiscal year 2012]** *fiscal years 2012 and 2013* under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), to the city of Wilmington, Delaware, on behalf of the Wilmington, Delaware-Maryland-New Jersey Metropolitan Division (hereafter “metropolitan division”), shall be adjusted by the Secretary of Housing and Urban Development by allocating to the State of New Jersey the proportion of the metropolitan division’s amount that is based on the number of cases of AIDS reported in the portion of the metropolitan division that is located in New Jersey, and adjusting for the proportion of the metropolitan division’s high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS. The State of New Jersey shall use amounts allocated to the State under this subsection to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in the portion of the metropolitan division that is located in New Jersey.

(b) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall allocate to Wake County, North Carolina, the amounts that otherwise would be allocated for **【fiscal year 2012】** *fiscal years 2012 and 2013* under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to the city of Raleigh, North Carolina, on behalf of the Raleigh-Cary North Carolina Metropolitan Statistical Area. Any amounts allocated to Wake County shall be used to carry out eligible activities under section 855 of such Act (42 U.S.C. 12904) within such metropolitan statistical area.

(c) Notwithstanding section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), the Secretary of Housing and Urban Development may adjust the allocation of the amounts that otherwise would be allocated for **【fiscal year 2012】** *fiscal years 2012 and 2013* under section 854(c) of such Act, upon the written request of an applicant, in conjunction with the State(s), for a formula allocation on behalf of a metropolitan statistical area, to designate the State or States in which the metropolitan statistical area is located as the eligible grantee(s) of the allocation. In the case that a metropolitan statistical area involves more than one State, such amounts allocated to each State shall be in proportion to the number of cases of AIDS reported in the portion of the metropolitan statistical area located in that State. Any amounts allocated to a State under this section shall be used to carry out eligible activities within the portion of the metropolitan statistical area located in that State.

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.
308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

| | Budget authority | | Outlays | |
|--|----------------------|----------------|----------------------|----------------------|
| | Committee allocation | Amount of bill | Committee allocation | Amount of bill |
| Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the Budget Resolution for 2013: Subcommittee on Transportation and Housing and Urban Development, and Related Agencies | | | | |
| Mandatory | | | | (¹) |
| Discretionary | 53,438 | 53,438 | 115,604 | ¹ 115,554 |
| Security | 184 | 184 | NA | NA |
| Nonsecurity | 53,254 | 53,254 | NA | NA |
| Projections of outlays associated with the recommendation: | | | | |
| 2013 | | | | ² 38,645 |
| 2014 | | | | 32,742 |
| 2015 | | | | 13,979 |
| 2016 | | | | 6,073 |
| 2017 and future years | | | | 7,192 |
| Financial assistance to State and local governments for 2013 | NA | 32,454 | NA | 30,677 |

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2013
 (In thousands of dollars)

| Item | 2012 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) | |
|---|--------------------|-----------------|--------------------------|--|-----------------|
| | | | | 2012 appropriation | Budget estimate |
| TITLE I—DEPARTMENT OF TRANSPORTATION | | | | | |
| Office of the Secretary | | | | | |
| Salaries and expenses | 102,481 | 110,450 | 108,097 | + 5,616 | - 2,353 |
| Immediate Office of the Secretary | (2,618) | (2,635) | (2,635) | (+ 17) | ..... |
| Office of the Deputy Secretary | (984) | (992) | (992) | (+ 8) | ..... |
| Office of the General Counsel | (19,515) | (19,615) | (19,615) | (+ 100) | ..... |
| Office of the Under Secretary of Transportation for Policy | (10,107) | (11,248) | (11,248) | (+ 1,141) | ..... |
| Office of the Assistant Secretary for Budget and Programs | (10,538) | (13,201) | (12,825) | (+ 2,287) | (- 376) |
| Office of the Assistant Secretary for Governmental Affairs | (2,500) | (2,601) | (2,514) | (+ 14) | (- 87) |
| Office of the Assistant Secretary for Administration | (25,469) | (28,672) | (27,095) | (+ 1,626) | (- 1,577) |
| Office of Public Affairs | (2,020) | (2,254) | (2,034) | (+ 14) | (- 220) |
| Office of the Executive Secretariat | (1,595) | (1,701) | (1,608) | (+ 13) | (- 93) |
| Office of Small and Disadvantaged Business Utilization | (1,369) | (1,539) | (1,539) | (+ 170) | ..... |
| Office of Intelligence, Security, and Emergency Response | (10,778) | (10,875) | (10,875) | (+ 97) | ..... |
| Office of the Chief Information Officer | (14,988) | (15,117) | (15,117) | (+ 129) | ..... |
| Subtotal | 102,481 | 110,450 | 108,097 | + 5,616 | - 2,353 |
| Office of the Assistant Secretary for Research and Technology ..... | ..... | 13,670 | 13,500 | + 13,500 | - 170 |
| National infrastructure investments (General Fund) | 500,000 | ..... | 500,000 | ..... | + 500,000 |
| (Legislative proposal) ..... | ..... | 500,000 | ..... | ..... | - 500,000 |
| Livable communities initiative ..... | ..... | 5,000 | ..... | ..... | - 5,000 |
| Financial management capital | 4,990 | 10,000 | 10,000 | + 5,010 | ..... |
| Cyber security initiatives | 10,000 | 6,000 | 6,000 | - 4,000 | ..... |
| Office of Civil Rights | 9,384 | 9,773 | 9,773 | + 389 | ..... |
| Transportation planning, research, and development | 9,000 | 10,000 | 8,000 | - 1,000 | - 2,000 |
| Working capital fund | (172,000) | ..... | (174,128) | (+ 2,128) | (+ 174,128) |
| Minority business resource center program | 922 | 1,285 | 922 | ..... | - 363 |
| (Limitation on guaranteed loans) | (18,367) | (21,955) | (18,367) | ..... | (- 3,588) |
| Minority business outreach | 3,068 | 3,234 | 3,234 | + 166 | ..... |
| Payments to air carriers (Airport & Airway Trust Fund) | 143,000 | 114,000 | 114,000 | - 29,000 | ..... |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2013—Continued

[In thousands of dollars]

| Item | 2012 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) | |
|--|--------------------|-----------------|--------------------------|--|-----------------|
| | | | | 2012 appropriation | Budget estimate |
| Rescission of excess compensation for general aviation operations (Sec. 106) | -3,254 | | | +3,254 | |
| Total, Office of the Secretary | 779,591 | 783,412 | 773,526 | -6,065 | -9,886 |
| Federal Aviation Administration | | | | | |
| Operations | | | | | |
| Air traffic organization | 9,653,395 | 9,718,000 | 9,698,396 | +45,001 | -19,604 |
| Aviation safety | (7,442,738) | (7,513,850) | (7,496,279) | (+53,541) | (-17,571) |
| Commercial space transportation | (1,252,991) | (1,255,000) | (1,255,000) | (+2,009) | |
| Finance and management | (16,271) | (16,700) | (16,271) | | (-429) |
| Human resources programs | (582,117) | (573,591) | (573,591) | (-8,526) | |
| Staff offices | (98,858) | | | (-98,858) | |
| NextGen | (200,286) | (298,395) | (297,191) | (+96,905) | (-1,204) |
| | (60,134) | (60,064) | (60,064) | (-70) | |
| Facilities & equipment (Airport & Airway Trust Fund) | 2,730,731 | 2,850,000 | 2,750,000 | +19,269 | -100,000 |
| Research, engineering, and development (Airport & Airway Trust Fund) | 167,556 | 180,000 | 160,000 | -7,556 | -20,000 |
| Rescission | | -26,184 | -26,184 | | |
| Subtotal | 167,556 | 153,816 | 133,816 | -33,740 | -20,000 |
| Grants-in-aid for airports (Airport and Airway Trust Fund) (Liquidation of contract authorization) | (3,435,000) | (3,400,000) | (3,400,000) | (-35,000) | |
| (Limitation on obligations) | (3,350,000) | (3,350,000) | (3,350,000) | | |
| Administration | (101,000) | (103,000) | (103,000) | (+2,000) | |
| Airport Cooperative Research Program | (15,000) | (15,000) | (15,000) | | |
| Airport technology research | (29,250) | (29,300) | (29,300) | (+50) | |
| Small community air service development program | (6,000) | | (6,000) | | (+6,000) |
| Chapter 471 reform obligation limitation reduction (legislative proposal) | | (-926,000) | | | (+926,000) |
| Aviation Insurance Revolving Fund (Sec. 117) | | -1,000 | | | +1,000 |
| Total, Federal Aviation Administration | 12,551,682 | 12,720,816 | 12,582,212 | +30,530 | -138,604 |
| Appropriations | (12,551,682) | (12,747,000) | (12,608,396) | (+56,714) | (-138,604) |

| | | | | | | |
|---|--------------|--------------|--------------|--------------|---------------|---------------|
| Rescissions | (-26,184) | (-26,184) | (-26,184) | (-26,184) | (-26,184) | (-26,184) |
| (Limitations on obligations) | (3,350,000) | (2,424,000) | (3,350,000) | (3,350,000) | (3,350,000) | (+ 926,000) |
| Total budgetary resources | (15,901,682) | (15,144,816) | (15,932,212) | (15,932,212) | (+ 30,530) | (+ 787,396) |
| Federal Highway Administration | | | | | | |
| Limitation on administrative expenses | (412,000) | (437,780) | (426,476) | (426,476) | (+ 14,476) | (- 11,304) |
| Federal-aid highways (Highway Trust Fund): | | | | | | |
| (Liquidation of contract authorization) | (39,882,583) | (42,569,000) | (39,882,583) | (39,882,583) | | (- 2,686,417) |
| (Limitation on obligations) | (39,143,583) | (41,830,000) | (39,143,583) | (39,143,583) | | (- 2,686,417) |
| (Exempt contract authority) | (739,000) | (739,000) | (739,000) | (739,000) | | |
| Emergency relief (disaster relief category) | 1,662,000 | | | | - 1,662,000 | |
| Total, Federal Highway Administration | 1,662,000 | | | | - 1,662,000 | |
| Appropriations | | | | | | |
| (Limitations on obligations) | (39,143,583) | (41,830,000) | (39,143,583) | (39,143,583) | | (- 2,686,417) |
| (Exempt contract authority) | (739,000) | (739,000) | (739,000) | (739,000) | | |
| Total budgetary resources | (41,544,583) | (42,569,000) | (39,882,583) | (39,882,583) | (- 1,662,000) | (- 2,686,417) |
| Federal Motor Carrier Safety Administration | | | | | | |
| Motor carrier safety operations and programs (Highway Trust Fund) (Liquidation of contract authorization) | | | | | | |
| (Limitation on obligations) | (247,724) | (250,000) | (247,594) | (247,594) | (- 130) | (- 2,406) |
| Motor carrier safety grants (Highway Trust Fund) (Liquidation of contract authorization) | | | | | | |
| (Limitation on obligations) | (307,000) | (330,000) | (308,624) | (308,624) | (+ 1,624) | (- 21,376) |
| CVSN contract authority (Sec. 131) | 1,000 | (330,000) | (308,624) | (308,624) | (+ 1,624) | (- 21,376) |
| Rescission of contract authority | - 1,000 | | | | - 1,000 | |
| National Motor carrier safety (Highway Trust Fund) (Liquidation of contract authorization) | | | | | | |
| (Limitation on obligations) | | | (16,000) | (16,000) | (+ 16,000) | (+ 16,000) |
| Total, Federal Motor Carrier Safety Administration | (554,724) | (580,000) | (572,218) | (572,218) | (+ 17,494) | (- 7,782) |
| (Limitations on obligations) | | | | | | |
| National Highway Traffic Safety Administration | | | | | | |
| Operations and research (general fund) | 140,146 | | 136,686 | 136,686 | - 3,460 | + 136,686 |
| Vehicle safety | | | | | | |
| Operations and research (Highway Trust Fund) (Liquidation of contract authorization) | (109,500) | (338,000) | (122,360) | (122,360) | (+ 12,860) | (- 215,640) |
| (Limitation on obligations) | (109,500) | (338,000) | (122,360) | (122,360) | (+ 12,860) | (- 215,640) |
| Subtotal | 140,146 | | 136,686 | 136,686 | - 3,460 | + 136,686 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
 FOR FISCAL YEAR 2013—Continued
 (In thousands of dollars)

| Item | 2012 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) | |
|--|--------------------|-----------------|--------------------------|--|-----------------|
| | | | | 2012 appropriation | Budget estimate |
| Highway traffic safety grants (Highway Trust Fund) (Liquidation of contract authorization) | | | | | |
| (Limitation on obligations) | (550,328) | (643,000) | (550,328) | ..... | (- 92,672) |
| Highway safety programs (23 USC 402) | (550,328) | (643,000) | (550,328) | ..... | (- 92,672) |
| Occupant protection incentive grants (23 USC 405) | (235,000) | (317,500) | (235,000) | ..... | (- 82,500) |
| Safety belt performance grants (23 USC 406) | (25,000) | (40,000) | (25,000) | ..... | (- 15,000) |
| Distracted driving prevention | (48,500) | ..... | (8,500) | (- 40,000) | (+ 8,500) |
| State traffic safety information system improvement (23 USC 408) ..... | ..... | (50,000) | (40,000) | (+ 40,000) | (- 10,000) |
| Impaired driving countermeasures (23 USC 410) | (34,500) | (34,500) | (34,500) | ..... | ..... |
| Grant administration | (139,000) | (139,000) | (139,000) | ..... | ..... |
| High visibility enforcement | (25,328) | (18,000) | (25,328) | ..... | (+ 7,328) |
| Child safety and booster seat grants | (29,000) | (37,000) | (29,000) | ..... | (- 8,000) |
| Motorcyclist safety | (7,000) | (7,000) | (7,000) | ..... | (+ 7,000) |
| Total, National Highway Traffic Safety Admin | 140,146 | ..... | 136,686 | - 3,460 | + 136,686 |
| Appropriations | (140,146) | ..... | (136,686) | (- 3,460) | (+ 136,686) |
| (Limitations on obligations) | (659,828) | (981,000) | (672,888) | (+ 12,860) | (- 308,312) |
| Total budgetary resources | (799,974) | (981,000) | (809,374) | (+ 9,400) | (- 171,626) |
| Federal Railroad Administration | | | | | |
| Safety and operations | 178,596 | 196,000 | 179,000 | + 404 | - 17,000 |
| Offsetting fee collections (legislative proposal) ..... | ..... | - 40,000 | ..... | ..... | + 40,000 |
| Direct appropriation | 178,596 | 156,000 | 179,000 | + 404 | + 23,000 |
| Railroad research and development | 35,000 | 35,500 | 35,000 | ..... | - 500 |
| System Preservation (limitation on obligations) ..... | ..... | (1,546,000) | ..... | ..... | (- 1,546,000) |
| Network Development (limitation on obligations) ..... | ..... | (1,000,000) | ..... | ..... | (- 1,000,000) |
| Next Gen High-Speed Rail Service (rescission) ..... | ..... | - 1,973 | - 1,973 | - 1,973 | ..... |
| Northeast Corridor Improvement Program (rescission) ..... | ..... | - 4,419 | - 4,419 | - 4,419 | ..... |
| Capital assistance for high performance passenger rail service ..... | ..... | ..... | 100,000 | + 100,000 | + 100,000 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2013—Continued

[In thousands of dollars]

| Item | 2012 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) | |
|---|--------------------------|------------------------|--------------------------|--|-----------------|
| | | | | 2012 appropriation | Budget estimate |
| Total, Federal Transit Administration (Limitations on obligations) | 2,189,213 (8,360,565) | 32,109 (10,701,000) | 2,240,504 (8,360,565) | + 51,291 | + 2,208,395 |
| Total budgetary resources | (10,549,778) | (10,733,109) | (10,601,069) | (+ 51,291) | (- 132,040) |
| Operations and maintenance (Harbor Maintenance Trust Fund) | 32,259 | 33,000 | 32,500 | + 241 | - 500 |
| Maritime Administration | | | | | |
| Maritime security program | 174,000 | 184,000 | 184,000 | + 10,000 | ..... |
| Operations and training | 156,258 | 146,298 | 150,896 | - 5,362 | + 4,598 |
| Rescission | - 980 | ..... | ..... | + 980 | ..... |
| Ship disposal | 5,500 | 10,000 | 4,000 | - 1,500 | - 6,000 |
| Assistance to small shipyards | 9,980 | ..... | 9,000 | - 980 | + 9,000 |
| Maritime Guaranteed Loan (Title XI) Program Account: | | | | | |
| Administrative expenses | 3,740 | 3,750 | 3,750 | + 10 | ..... |
| Rescission | - 35,000 | ..... | ..... | + 35,000 | ..... |
| Guaranteed loans subsidy | ..... | ..... | 35,000 | + 35,000 | + 35,000 |
| Subtotal | - 31,260 | 3,750 | 38,750 | + 70,010 | + 35,000 |
| Total, Maritime Administration | 313,498 | 344,048 | 386,646 | + 73,148 | + 42,598 |
| Administrative expenses: | | | | | |
| General Fund | 20,721 | 20,408 | 20,408 | - 313 | ..... |
| Pipeline Safety Fund | 639 | 639 | 639 | ..... | ..... |
| Pipeline Safety information grants to communities | (1,000) | (1,000) | (1,000) | ..... | ..... |
| Subtotal | 21,360 | 21,047 | 21,047 | - 313 | ..... |
| Hazardous materials safety | 42,338 | 50,673 | 43,025 | + 687 | - 7,648 |

| | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--|--|--|--|
| Pipeline safety: | | | | | | | | | |
| Pipeline Safety Fund | 90,679 | 150,500 | 111,271 | +20,592 | -39,229 | | | | |
| Oil Spill Liability Trust Fund | 18,573 | 21,510 | 18,573 | ..... | -2,937 | | | | |
| Pipeline Safety Design Review Fund (leg. proposal) ..... | ..... | 4,000 | 2,000 | +2,000 | -2,000 | | | | |
| Subtotal | 109,252 | 176,010 | 131,844 | +22,592 | -44,166 | | | | |
| Subtotal, Pipeline and Hazardous Materials Safety Administration | 172,950 | 247,730 | 195,916 | +22,966 | -51,814 | | | | |
| Pipeline safety user fees | -91,318 | -151,139 | -111,910 | -20,592 | +39,229 | | | | |
| Special permit and approval fees (leg. proposal) ..... | ..... | -12,000 | ..... | ..... | +12,000 | | | | |
| Pipeline Safety Design Review fee (leg. proposal) ..... | ..... | -4,000 | -2,000 | -2,000 | +2,000 | | | | |
| Emergency preparedness grants: | | | | | | | | | |
| Limitation on emergency preparedness fund | (28,318) | (28,318) | (28,318) | ..... | ..... |  |  |  |  |
| (Emergency preparedness fund) | (188) | (188) | (188) | ..... | ..... |  |  |  |  |
| Total, Pipeline and Hazardous Materials Safety Administration | 81,632 | 80,591 | 82,006 | +374 | +1,415 | | | | |
| Research and development | 15,981 | ..... | ..... | -15,981 | ..... |  |  |  |  |
| Office of Inspector General ..... | ..... | ..... | ..... | ..... | ..... |  |  |  |  |
| Surface Transportation Board | 79,624 | 84,499 | 84,499 | +4,875 | ..... |  |  |  |  |
| Salaries and expenses | 29,310 | 31,250 | 29,300 | -10 | -1,950 | | | | |
| Offsetting collections | -1,250 | -1,250 | -1,250 | ..... | ..... |  |  |  |  |
| Total, Surface Transportation Board | 28,060 | 30,000 | 28,050 | -10 | -1,950 | | | | |
| Total, title I, Department of Transportation | 19,505,282 | 14,293,583 | 18,104,237 | -1,401,045 | +3,810,654 | | | | |
| Appropriations | (17,942,016) | (14,429,050) | (18,239,704) | (+297,688) | (+3,810,654) | | | | |
| Rescissions | (-97,734) | (-135,467) | (-135,467) | (-37,733) | ..... |  |  |  |  |
| Disaster relief category | (1,662,000) | ..... | ..... | (-1,662,000) | ..... |  |  |  |  |
| Rescissions of contract authority | (-1,000) | ..... | ..... | (+1,000) | ..... |  |  |  |  |
| (Limitations on obligations) | (52,068,700) | (59,062,000) | (52,099,054) | (+30,354) | (-6,962,946) | | | | |
| Total budgetary resources | (71,573,982) | (73,355,583) | (70,203,291) | (-1,370,691) | (-3,152,292) | | | | |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
 FOR FISCAL YEAR 2013—Continued
 [In thousands of dollars]

| Item | 2012 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) | |
|---|--------------------|-----------------|--------------------------|--|-----------------|
| | | | | 2012 appropriation | Budget estimate |
| TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | | |
| Management and Administration | | | | | |
| Administration, operations and management | 537,789 | 532,546 | 527,690 | - 10,099 | - 4,856 |
| Program Office Salaries and Expenses: | | | | | |
| Public and Indian Housing | 200,000 | 211,634 | 206,500 | + 6,500 | - 5,134 |
| Community Planning and Development | 100,000 | 103,882 | 103,500 | + 3,500 | - 382 |
| Housing | 391,500 | 398,832 | 398,500 | + 7,000 | - 332 |
| Policy Development and Research | 22,211 | 21,394 | 22,326 | + 115 | + 932 |
| Fair Housing and Equal Opportunity | 72,600 | 74,296 | 72,904 | + 304 | - 1,392 |
| Office of Healthy Homes and Lead Hazard Control | 7,400 | 6,816 | 7,433 | + 33 | + 617 |
| Subtotal | 793,711 | 816,854 | 811,163 | + 17,452 | - 5,691 |
| Total, Management and Administration | 1,331,500 | 1,349,400 | 1,338,853 | + 7,353 | - 10,547 |
| Public and Indian Housing | | | | | |
| Tenant-based rental assistance: | | | | | |
| Renewals | 17,242,351 | 17,237,948 | 17,495,000 | + 252,649 | + 257,052 |
| Tenant protection vouchers | 75,000 | 75,000 | 80,000 | + 5,000 | + 5,000 |
| Administrative fees | 1,350,000 | 1,575,000 | 1,575,000 | + 225,000 | ..... |
| Family self-sufficiency coordinators | 60,000 | ..... | 60,000 | ..... | + 60,000 |
| Veterans affairs supportive housing | 75,000 | 75,000 | 75,000 | ..... | ..... |
| Sec. 811 Mainstream voucher renewals | 112,018 | 111,335 | 111,335 | - 683 | ..... |
| Subtotal (available this fiscal year) | 18,914,369 | 19,074,283 | 19,396,335 | + 481,966 | + 322,052 |
| Advance appropriations | 4,000,000 | 4,000,000 | 4,000,000 | ..... | ..... |
| Less appropriations from prior year advances | - 4,000,000 | - 4,000,000 | - 4,000,000 | ..... | ..... |
| Total, Tenant-based rental assistance appropriated in this bill | 18,914,369 | 19,074,283 | 19,396,335 | + 481,966 | + 322,052 |

| | | | | | |
|--|------------|------------|------------|--------------|-------------|
| Public Housing Capital Fund | 1,875,000 | 2,070,000 | 1,985,000 | + 110,000 | - 85,000 |
| Public Housing Operating Fund | 3,961,850 | 4,524,000 | 4,591,000 | + 629,150 | + 67,000 |
| Choice neighborhoods | 120,000 | 150,000 | 120,000 | ..... | - 30,000 |
| Family Self-Sufficiency ..... | ..... | 60,000 | ..... | ..... | - 60,000 |
| Native American housing block grants | 650,000 | 650,000 | 650,000 | ..... | ..... |
| Native Hawaiian housing block grant | 13,000 | 13,000 | 13,000 | ..... | - 1,000 |
| Indian housing loan guarantee fund program account | 6,000 | 7,000 | 6,000 | ..... | (- 267,000) |
| (Limitation on guaranteed loans) | (360,000) | (900,000) | (633,000) | (+ 273,000) | ..... |
| Native Hawaiian loan guarantee fund program account | 386 | 1,000 | 386 | ..... | - 614 |
| (Limitation on guaranteed loans) | (41,504) | (107,000) | (41,504) | ..... | (- 65,496) |
| Housing Certificate Fund (rescission) | - 200,000 | ..... | ..... | + 200,000 | ..... |
| Total, Public and Indian Housing | 25,340,605 | 26,549,283 | 26,761,721 | + 1,421,116 | + 212,438 |
| Community Planning and Development | | | | | |
| Housing opportunities for persons with AIDS | 332,000 | 330,000 | 330,000 | - 2,000 | ..... |
| CDBG formula | 2,948,090 | 2,948,090 | 3,100,000 | + 151,910 | + 151,910 |
| Indian CDBG | 60,000 | 60,000 | 60,000 | ..... | ..... |
| Sustainable Housing and Communities ..... | ..... | 100,000 | 50,000 | + 50,000 | - 50,000 |
| Capacity building ..... | ..... | 35,000 | ..... | ..... | - 35,000 |
| Disaster relief | 300,000 | ..... | ..... | - 300,000 | ..... |
| (Disaster relief category) | 100,000 | ..... | ..... | - 100,000 | ..... |
| Subtotal, CDF | 3,408,090 | 3,143,090 | 3,210,000 | - 198,090 | + 66,910 |
| Community development loan guarantees (Section 108): | | | | | |
| (Limitation on guaranteed loans) | (240,000) | (500,000) | (500,000) | (+ 260,000) | ..... |
| Credit subsidy | 5,952 | ..... | ..... | - 5,952 | ..... |
| HOME investment partnerships program | 1,000,000 | 1,000,000 | 1,000,000 | ..... | ..... |
| Self-help and assisted homeownership opportunity program | 53,500 | ..... | 53,500 | ..... | + 53,500 |
| Homeless assistance grants | 1,901,190 | 2,231,000 | 2,146,000 | + 244,810 | - 85,000 |
| Total, Community Planning and Development | 6,700,732 | 6,704,090 | 6,739,500 | + 38,768 | + 35,410 |
| Housing Programs | | | | | |
| Project-based rental assistance: | | | | | |
| Renewals | 9,050,672 | 8,440,400 | 9,615,795 | + 565,123 | + 1,175,395 |
| Contract administrators | 289,000 | 260,000 | 260,000 | - 29,000 | ..... |
| Subtotal (available this fiscal year) | 9,339,672 | 8,700,400 | 9,875,795 | + 536,123 | + 1,175,395 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2013—Continued
[In thousands of dollars]

| Item | 2012 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) | |
|--|--------------------|-----------------|--------------------------|--|-----------------|
| | | | | 2012 appropriation | Budget estimate |
| Advance appropriations | 400,000 | 400,000 | 400,000 | | |
| Less appropriations from prior year advances | -400,000 | -400,000 | -400,000 | | |
| Total, Project-based rental assistance appropriated in this bill | 9,339,672 | 8,700,400 | 9,875,795 | +536,123 | +1,175,395 |
| Housing for the elderly | 374,627 | 475,000 | 375,000 | +373 | -100,000 |
| Housing for persons with disabilities | 165,000 | 150,000 | 150,000 | -15,000 | |
| Housing counseling assistance | 45,000 | 55,000 | 55,000 | +10,000 | |
| Rental housing assistance | 1,300 | | | -1,300 | |
| Rent supplement (rescission) | -231,600 | | | +231,600 | |
| Manufactured housing fees trust fund | 6,500 | 8,000 | 5,500 | -1,000 | -2,500 |
| Offsetting collections | -4,000 | -4,000 | -4,000 | | |
| Subtotal | 2,500 | 4,000 | 1,500 | -1,000 | -2,500 |
| Total, Housing Programs | 9,696,499 | 9,384,400 | 10,457,295 | +760,796 | +1,072,895 |
| Appropriations | (9,932,099) | (9,388,400) | (10,461,295) | (+529,196) | (+1,072,895) |
| Rescissions | (-231,600) | | | (+231,600) | |
| Offsetting collections | (-4,000) | (-4,000) | (-4,000) | | |
| Federal Housing Administration | | | | | |
| FHA—Mutual mortgage insurance program account: | | | | | |
| (Limitation on guaranteed loans) | (400,000,000) | (400,000,000) | (400,000,000) | | |
| (Limitation on direct loans) | (50,000) | (50,000) | (50,000) | | |
| Offsetting receipts | -4,427,000 | -9,676,000 | -9,676,000 | -5,249,000 | |
| Proposed offsetting receipts (HECM) (Sec. 210) | -286,000 | -170,000 | -170,000 | +116,000 | |
| Additional offsetting receipts (Sec. 238) | -59,000 | | | +59,000 | |
| Administrative contract expenses | 207,000 | 215,000 | 215,000 | +8,000 | |
| FHA—General and special risk program account: | | | | | |
| (Limitation on guaranteed loans) | (25,000,000) | (25,000,000) | (25,000,000) | | |
| (Limitation on direct loans) | (20,000) | (20,000) | (20,000) | | |

| | | | | | |
|--|---------------|---------------|---------------|--------------|--------------|
| Offsetting receipts | -400,000 | -588,000 | -588,000 | -188,000 | ..... |
| Total, Federal Housing Administration | -4,965,000 | -10,219,000 | -10,219,000 | -5,254,000 | ..... |
| Government National Mortgage Association (GNMA) | | | | | |
| Guarantees of mortgage-backed securities loan guarantee program account: | | | | | |
| (Limitation on guaranteed loans) | (500,000,000) | (500,000,000) | (500,000,000) | +1,000 | -500 |
| Administrative expenses (legislative proposal) | 19,500 | 21,000 | 20,500 | ..... | ..... |
| Offsetting receipts (legislative proposal) | -100,000 | -100,000 | -100,000 | ..... | ..... |
| Offsetting receipts | -521,000 | -647,000 | -647,000 | -126,000 | ..... |
| Offsetting receipts (Sec. 238) | -5,000 | ..... | ..... | +5,000 | ..... |
| Proposed offsetting receipts (HECM) (Sec. 210) | -24,000 | -23,000 | -23,000 | +1,000 | ..... |
| Total, Gov't National Mortgage Association | -630,500 | -749,000 | -749,500 | -119,000 | -500 |
| Policy Development and Research | | | | | |
| Research and technology | 46,000 | 52,000 | 46,000 | ..... | -6,000 |
| Fair Housing and Equal Opportunity | | | | | |
| Fair housing activities | 70,847 | 68,000 | 68,000 | -2,847 | ..... |
| Office of Lead Hazard Control and Healthy Homes | | | | | |
| Lead hazard reduction | 120,000 | 120,000 | 120,000 | ..... | ..... |
| Management and Administration | | | | | |
| Working capital fund | 199,035 | 170,000 | 230,000 | +30,965 | +60,000 |
| (By transfer) | (71,500) | (71,500) | (71,500) | ..... | ..... |
| Office of Inspector General | 124,000 | 125,600 | 125,194 | +1,194 | -406 |
| Transformation initiative | 50,000 | ..... | 43,000 | -7,000 | +43,000 |
| (By transfer) | ..... | (120,000) | ..... | ..... | (-120,000) |
| Total, Management and Administration | 373,035 | 295,600 | 398,194 | +25,159 | +102,594 |
| (Grand total, Management and Administration) | (1,704,535) | (1,645,000) | (1,737,047) | (+32,512) | (+92,047) |
| General Provisions | | | | | |
| Rescission of prior-year advance (Sec. 236) | -650,000 | ..... | ..... | +650,000 | ..... |
| Total, title II, Department of Housing and Urban Development | 37,433,718 | 33,554,773 | 34,961,063 | -2,472,655 | +1,406,290 |
| Appropriations | (39,841,318) | (40,362,773) | (41,769,063) | (+1,927,745) | (+1,406,290) |
| Rescissions | (-431,600) | ..... | ..... | (+431,600) | ..... |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2013—Continued
(In thousands of dollars)

| Item | 2012 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) | |
|---|--------------------|-----------------|--------------------------|--|-----------------|
| | | | | 2012 appropriation | Budget estimate |
| Disaster relief category | (100,000) | ..... | ..... | (-100,000) | ..... |
| Advance appropriations | (4,400,000) | (4,400,000) | (4,400,000) | ..... | ..... |
| Rescissions of prior year advances | (-650,000) | ..... | ..... | (+650,000) | ..... |
| Offsetting receipts | (-3,822,000) | (-11,204,000) | (-11,204,000) | (-5,382,000) | ..... |
| Offsetting collections | (-4,000) | (-4,000) | (-4,000) | ..... | ..... |
| (By transfer) | 71,500 | 191,500 | 71,500 | ..... | -120,000 |
| (Limitation on direct loans) | (70,000) | (70,000) | (70,000) | ..... | ..... |
| (Limitation on guaranteed loans) | (925,641,504) | (926,507,000) | (926,174,504) | (+533,000) | (-332,496) |
| TITLE III—OTHER INDEPENDENT AGENCIES | | | | | |
| Access Board | 7,400 | 7,400 | 7,400 | ..... | ..... |
| Federal Maritime Commission | 24,100 | 26,000 | 25,000 | +900 | -1,000 |
| Amtrak Office of Inspector General | 20,500 | 22,000 | 19,000 | -1,500 | -3,000 |
| National Transportation Safety Board, Salaries and expenses | 102,400 | 102,400 | 102,400 | ..... | ..... |
| Neighborhood Reinvestment Corporation | 215,300 | 213,000 | 215,300 | ..... | +2,300 |
| United States Interagency Council on Homelessness | 3,300 | 3,600 | 3,600 | +300 | ..... |
| Total, title III, Other Independent Agencies | 373,000 | 374,400 | 372,700 | -300 | -1,700 |
| Grand total (net) | 57,312,000 | 48,222,756 | 53,438,000 | -3,874,000 | +5,215,244 |
| Appropriations | (58,156,334) | (55,166,223) | (60,381,467) | (+2,225,133) | (+5,215,244) |
| Rescissions | (-529,334) | (-135,467) | (-135,467) | (+393,867) | ..... |
| Disaster relief category | (1,762,000) | ..... | ..... | (-1,762,000) | ..... |
| Rescissions of contract authority | (-1,000) | ..... | ..... | (+1,000) | ..... |
| Advance appropriations | (4,400,000) | (4,400,000) | (4,400,000) | ..... | ..... |
| Rescissions of prior year advances | (-650,000) | ..... | ..... | (+650,000) | ..... |
| Negative subsidy receipts | (-3,822,000) | (-11,204,000) | (-11,204,000) | (-5,382,000) | ..... |
| Offsetting collections | (-4,000) | (-4,000) | (-4,000) | ..... | ..... |
| (Limitation on obligations) | (52,068,700) | (59,062,000) | (52,099,054) | (+30,354) | (-6,962,946) |
| (By transfer) | 71,500 | 191,500 | 71,500 | ..... | -120,000 |

| | | | | | |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total budgetary resources | (109,380,700) | (107,284,756) | (105,537,054) | (- 3,843,646) | (- 1,747,702) |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|

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