Calendar No. 99

113TH CONGRESS
1st Session

SENATE

REPORT
113–45

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

JUNE 27, 2013.—Ordered to be printed

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

REPORT

[To accompany S. 1243]

The Committee on Appropriations reports the bill (S. 1243) making appropriations for the Departments of Transportation and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2014, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amounts of new budget (obligational) authority for fiscal year 2014

Total of bill as reported to the Senate	$54,045,000,000
Amount of 2013 appropriations [1 2]	80,767,564,000
Amount of 2014 budget estimate [3]	51,603,014,000
Bill as recommended to Senate compared to—	
2013 appropriations	−26,722,564,000
2014 budget estimate [2]	+2,441,986,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] The fiscal year enacted level includes $29,070,000,000 in emergency funding provided by the Disaster Relief Appropriations Act, 2013 (division A of Public Law 113–2).
[3] The budget estimate proposed converting $1,452,000,000 previously treated as budget authority into obligation limits which are not included here.

81–640 PDF

CONTENTS

OVERVIEW AND SUMMARY OF THE BILL

The Transportation and Housing and Urban Development, and Related Agencies appropriations bill provides funding for a wide array of Federal programs, mostly in the Departments of Transportation [DOT] and Housing and Urban Development [HUD]. These programs include investment in road, transit, rail, maritime, and airport infrastructure; the operation of the Nation's air traffic control system; housing assistance for those in need, including the homeless, elderly, and disabled; resources to support community planning and development; activities to improve road, rail, and pipeline safety; and a wide range of research efforts.

The bill also provides funding for the Federal Housing Administration and Government National Mortgage Association to continue their traditional roles of providing access to affordable homeownership in the United States.

The programs and activities supported by this bill include significant responsibilities entrusted to the Federal Government and its partners to protect human health and safety, support a vibrant economy, and achieve policy objectives strongly supported by the American people. The funding provided in this bill supports the investments necessary for a strong and economically competitive Nation. The ability to fulfill these responsibilities and make important investments is made challenging by pressure on available levels of discretionary spending as a consequence of the overall public debate on Federal spending, revenues, and size of the Federal debt.

This bill makes the operation of the interstate highway system possible, as well as the world's safest air transportation system. It ensures safe and sanitary housing for 5.4 million low and extremely low-income families and individuals, over half of whom are elderly and/or disabled. It provides funding that is leading to the gradual elimination of homelessness among veterans. This bill also includes funding for competitive grants to communities to support transportation infrastructure projects of national or regional importance, as well as to improve, repair, or replace aging bridges located on critical road corridors.

In the context of overall pressures on spending and the competing priorities that the Committee faces, this bill as reported provides the proper amount of emphasis on transportation, housing, community development, and other programs and activities funded within it. It is consistent with the subcommittee's allocation for fiscal year 2014. All accounts in the bill have been closely examined to ensure that an appropriate level of funding is provided to carry out the programs of DOT, HUD, and related agencies. Details on each of the accounts, the funding level, and the Committee's justifications for the funding levels are included in the report.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2014, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended, with respect to appropriations contained in the accompanying bill, the terms "program, project, and activity" [PPA] shall mean any item for which a dollar amount is contained in appropriations acts (including joint resolutions providing continuing appropriations) or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference. 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. For example, 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 (section 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 prior year enacted level; budget request; adjustments made by Congress; adjustments for rescissions, if appropriate; and the fiscal year enacted level. The table shall delineate the appropriation and prior year enacted level 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 the Department of Transportation's Working Capital Fund, 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 2015 budget request by agencies funded under this act contain the customary level of detailed data and explanatory statements to support the appropriations requests at the level of detail contained in the funding table included at the end of 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 2015 to the fiscal year 2014 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 2015 budget request.

INCREASING EFFICIENCY

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 2014. Plans to achieve these savings in fiscal year 2014 should be submitted to the Committee no later than 30 days after enactment of this act.

TITLE I

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Section 3 of the Department of Transportation Act of October 15, 1966 (Public Law 89–670) provides for the 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 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, 2013[1]	$102,276,000
Budget estimate, 2014	113,109,000
Committee recommendation	109,340,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $109,340,000 for salaries and expenses of the Office of the Secretary of Transportation, including $60,000 for reception and representation expenses. The recommendation is $3,769,000 less than the budget request and $7,064,000 more than the fiscal year 2013 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 2013 enacted level and the budget request:

	Fiscal year—		Committee recommendation
	2013 enacted [1]	2014 estimate	
Immediate Office of the Secretary	2,613,000	2,652,000	2,652,000
Office of the Deputy Secretary	982,000	1,000,000	1,000,000
Office of the General Counsel	19,476,000	20,504,000	20,502,000
Office of the Under Secretary of Transportation for Policy	10,087,000	12,804,000	10,271,000
Office of the Assistant Secretary for Budget and Programs	10,517,000	13,326,000	13,026,000
Office of the Assistant Secretary for Government Affairs	2,495,000	2,627,000	2,627,000
Office of the Assistant Secretary for Administration	25,418,000	27,468,000	26,686,000
Office of Public Affairs	2,016,000	2,203,000	2,051,000
Executive Secretariat	1,592,000	1,714,000	1,714,000
Office of Small and Disadvantaged Business Utilization	1,366,000	1,386,000	1,386,000
Office of Intelligence, Security, and Emergency Response	10,756,000	10,849,000	10,849,000
Office of the Chief Information Officer	14,958,000	16,576,000	16,576,000
Total, Salaries and Expenses	102,276,000	113,109,000	109,340,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $2,652,000 for fiscal year 2014 for the Immediate Office of the Secretary. The recommendation is equal to the budget request and $39,000 more than the fiscal year 2013 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 $1,000,000 for the Immediate Office of the Deputy Secretary, which is equal to the budget request and $18,000 more than the fiscal year 2013 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 $20,502,000 for expenses of the Office of the General Counsel for fiscal year 2014. The recommended funding level is $2,000 less than the budget request and $1,026,000 more than the fiscal year 2013 enacted level.

The Committee supports the General Counsel's efforts to enforce air travel consumer rights and protections, and the Committee recommendation includes an additional $2,531,000 for these activities. This figure equals the additional $2,500,000 provided in each of the past 6 years, adjusted for unavoidable increases such as inflation. The Committee recommendation also includes $500,000 that the Department requested to support work related to aviation consumer protection and required by the FAA Modernization and Reform Act of 2012.

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 $10,271,000 for the Office of the Under Secretary for Policy. The recommended funding level is $2,533,000 less than the budget request and $184,000 more than the fiscal year 2013 enacted level.

The Committee recommendation does not include $1,033,000 in the Department's budget request for additional positions, or $1,500,000 requested for a series of workshops that would serve as a forum for Federal agencies with enforcement responsibilities.

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 $13,026,000 for the Office of the Assistant Secretary for Budget and Programs. The recommended level is $300,000 less than the budget request and $2,509,000 more than the fiscal year 2013 enacted level.

The Committee recommendation includes $2,000,000 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 $11,900,000,000 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 also includes $350,000 requested by the Department for contract support to improve the Department's internal financial management

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 national 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 $2,627,000 for the Office of the Assistant Secretary for Governmental Affairs. The recommended level is equal to the budget request and $132,000 more than the fiscal year 2013 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 $26,686,000 for the Office of the Assistant Secretary for Administration. The recommended funding level is $782,000 less than the budget request and $1,268,000 more than the fiscal year 2013 enacted level.

The Committee recommendation includes $900,000 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. The funding will also allow the Department to train over 200 acquisition professionals across the Department. The Committee recommendation also includes $300,000 requested for contract support to meet executive order and legislative requirements related to the Department's energy, environmental, and sustainability impacts. The Committee recommendation, however, does not include funding requested for additional positions, workforce plans, and other personnel activities.

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 $2,051,000 for the Office of Public Affairs, which is $152,000 less than the budget request and $35,000 more than the fiscal year 2013 enacted level. The Committee recommendation does not include $152,000 requested for a new speechwriter.

EXECUTIVE SECRETARIAT

PROGRAM DESCRIPTION

The Executive Secretariat assists the Secretary and the Deputy Secretary in carrying out their management functions and responsibilities by controlling and coordinating internal and external written materials.

COMMITTEE RECOMMENDATION

The Committee recommends $1,714,000 for the Executive Secretariat. The recommendation is equal to the budget request and $122,000 more than the fiscal year 2013 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 $1,386,000, an amount that is equal to the budget request and $20,000 more than the fiscal year 2013 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 $10,849,000 for the Office of Intelligence, Security, and Emergency Response. The recommendation is equal to the request and $93,000 more than the fiscal year 2013 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 $16,576,000, which is equal to the budget request and $1,618,000 more than the fiscal year 2013 enacted level.

NATIONAL INFRASTRUCTURE INVESTMENTS

Appropriations, 2013[1]	$499,000,000
Budget estimate, 2014	500,000,000
Committee recommendation	550,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $550,000,000 for grants and credit assistance for investment in significant transportation projects, which is $51,000,000 more than the fiscal year 2013 enacted level and $50,000,000 more than the budget request.

Eligibility of Projects That Support Safety.—On the evening of Thursday, May 23, 2013, a section of the I–5 bridge collapsed into the Skagit River. While it is fortunate that nobody was seriously injured, the incident serves as a reminder of the need to invest in our Nation's transportation infrastructure. For many, the collapse of this bridge called to mind the collapse of the I–35 West bridge in Minneapolis, Minnesota, which killed 13 people and injured another 145 people.

Such high profile incidents occur in every mode of transportation. In 2008, for example, two trains collided near Chatsworth, California. This collision lead to the enactment of legislation that mandates the implementation of positive train control on certain rail lines. According to the National Transportation Safety Board, positive train control technology provides critical redundancy that would have prevented the collision.

Incidents such as the collapse of a bridge or a train collision illustrate the importance of making transportation investments that improve safety and protect human life. Such projects, including the implementation of positive train control, are eligible for funding under this program.

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, 2013[1]	$4,980,000
Budget estimate, 2014	10,000,000
Committee recommendation	10,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

The Financial Management Capital program is a multi-year business transformation initiative to streamline and standardize the financial systems and business processes across the Department. 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 $5,020,000 more than the fiscal year 2013 enacted level.

The Committee repeats instructions included in its report last year, directing OST to include a table in its budget justifications for fiscal year 2015 that specifies how much of the funding for this activity would be provided by each of the modal administrations.

CYBER SECURITY INITIATIVE

Appropriations, 2013[1]	$9,980,000
Budget estimate, 2014	6,000,000
Committee recommendation	6,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

The Cyber Security Initiative is an 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 $3,980,000 less than the fiscal year 2013 enacted level.

OFFICE OF CIVIL RIGHTS

Appropriations, 2013[1]	$9,365,000
Budget estimate, 2014	9,551,000
Committee recommendation	9,551,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $9,551,000 for the Office of Civil Rights. The recommendation is equal to the budget request and $186,000 more than the fiscal year 2013 enacted level.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

Appropriations, 2013[1]	$8,982,000
Budget estimate, 2014	9,750,000
Committee recommendation	9,750,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $9,750,000 for transportation planning, research, and development, which is equal to the budget request and $768,000 more than the fiscal year 2013 enacted level.

WORKING CAPITAL FUND

Limitation, 2013[1]	$172,000,000
Budget estimate, 2014[2]	....
Committee recommendation	178,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] Proposed without limitation.

PROGRAM DESCRIPTION

The Working Capital Fund 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 $178,000,000 on activities financed through the Working Capital Fund. The recommended limit is $6,000,000 more than the limit enacted for fiscal year 2013. The Department requested that no limitation be included in the bill.

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 2014 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 2015.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

	Appropriations	Limitation on guaranteed loans
Appropriations, 2013 [1]	$920,000	$18,367,000
Budget estimate, 2014	925,000	18,367,000
Committee recommendation	925,000	18,367,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $592,000 for administrative expenses to carry out the guaranteed loan program.

These recommended levels add to a total funding level of $925,000 for the Minority Business Resource Center. This total funding level is equal to the budget estimate and $5,000 more than the fiscal year 2013 enacted level. The Committee also recommends a limitation on guaranteed loans of $18,367,000, which is equal to the budget request and the fiscal year 2013 enacted level.

MINORITY BUSINESS OUTREACH

Appropriations, 2013 [1]	$3,062,000
Budget estimate, 2014	3,088,000
Committee recommendation	3,088,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

This appropriation provides contractual support to assist small, women-owned, Native American, and other disadvantaged business firms in securing contracts and subcontracts for transportation-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 $3,088,000 for grants and contractual support provided under this program for fiscal year 2014. The recommendation is equal to the budget request and $26,000 more than the fiscal year 2013 enacted level.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

	Appropriations	Mandatory [1]	Total
Appropriation, 2013 [2]	$142,714,000	$50,000,000	$192,714,000
Budget estimate, 2014	146,000,000	100,000,000	246,000,000
Committee recommendation	146,000,000	100,000,000	246,000,000

[1] From overflight fees provided to the Federal Aviation Administration pursuant to section 41742 of title 49, United States Code.
[2] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 (FAA) collects user fees that cover the air traffic control services the agency provides to aircraft that neither take off from, nor land in, the United States. These fees are commonly referred to as "overflight fees", and the receipts from the fees are used to help finance the EAS program.

COMMITTEE RECOMMENDATION

The Committee recommends the appropriation of $146,000,000 for the EAS program. This appropriation would be in addition to an estimated $100,000,000 of overflight fees collected by the Federal Aviation Administration, allowing the Department to support a total program level for EAS of about $246,000,000. 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 $53,286,000 more than the total program level enacted for fiscal year 2013; the total program level enacted for that year was comprised of an appropriation of $142,714,000 plus $50,000,000 in overflight fees.

Recently enacted legislation to reauthorize the FAA allows all of the receipts collected from overflight fees to be used to finance the EAS program. The Administration currently estimates that it will have a total of about $116,000,000 available in fiscal year 2014 from the collection of new overflight fees and unobligated balances of fees collected in prior years. The Committee recognizes that it is difficult to forecast the exact cost of the EAS program. By assuming the Administration uses less than $116,000,000 of fee collections in fiscal year 2014, the Committee protects the program against unexpected costs or low fee collections that might otherwise disrupt service to communities dependent on EAS. Any fees not spent in fiscal year 2014 will then be available to support the program the following year.

Aircraft Size Requirement.—The Committee continues to include a provision that removes the requirement for 15-passenger seat aircraft, as requested by the Administration. 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.—Under the FAA Modernization and Reform Act of 2012, a larger share of the funding for the EAS program is derived from the FAA's collection of overflight fees. The Committee recognizes that funding the EAS program in this way presents the Department with a challenge because it is uncertain when during the course of the fiscal year the FAA will receive the fees and then be able to transfer them to the Office of the Secretary. In order to help the Office of the Secretary manage the timing of its EAS funding in the coming year, the Committee recommendation includes bill language that allows the Secretary to borrow funds from other programs within the Office of the Secretary. Such funds, however, must also be returned to the original program in fiscal year 2014 once enough overflight fees have been transferred from the FAA.

Passenger Levels and Subsidy Rates.—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 two communities that received per passenger subsidies greater than $1,000 during the period the data was collected. Following its regular process for such circumstances, the Department issued a tentative finding that the communities are no longer eligible under the EAS program. After issuing the tentative finding, the Department may receive objections to the termination of subsidies. A final decision on each community is expected by the end of June.

ESSENTIAL AIR SERVICE SUBSIDY PER PASSENGER

[Data is based on April 1, 2013, subsidy rates and calendar year 2012 passengers]

State	EAS communities	Est. miles to nearest hub (S, M, or L)	Average enplanements per day	Annual subsidy rates at 6/1/13	Passenger totals at 12/31/12	Subsidy per passenger at 6/1/13
AL	Muscle Shoals	60	13.1	$2,603,365	8,216	$316.87
AR	El Dorado/Camden	107	9.6	2,436,074	6,008	405.47
AR	Harrison	86	16.9	2,080,318	10,590	196.44
AR	Hot Springs	51	7.6	1,474,388	4,749	310.46
AR	Jonesboro	82	14.5	1,717,781	9,107	188.62
AZ	Kingman	121	2.9	1,168,390	1,829	638.81
AZ	Page	282	20.6	1,559,206	12,924	120.64
AZ	Prescott	102	16.6	1,832,233	10,405	176.09
AZ	Show Low	154	12.1	1,719,058	7,547	227.78
CA	Crescent City	314	41.3	1,996,959	25,849	77.25
CA	El Centro	101	17.8	1,943,751	11,144	174.42
CA	Merced	60	10.5	1,698,878	6,602	257.33
CA	Visalia	47	10.7	1,697,929	6,700	253.42
CO	Alamosa	164	22.3	2,078,676	13,988	148.60
CO	Cortez	255	24.5	2,240,766	15,349	145.99
CO	Pueblo	36	13.7	1,592,276	8,548	186.27
GA	Athens	72		1,553,093		[1] N/A
GA	Macon	82		1,998,696		[1] N/A
IA	Burlington	74	24.6	1,917,566	15,376	124.71
IA	Fort Dodge	91	18.1	1,798,693	11,329	158.77
IA	Mason City	131	18.9	1,174,468	11,814	99.41
IA	Sioux City	88	84.1	1,512,799	52,634	28.74
IA	Waterloo	63	57.5	1,541,824	36,026	42.80
IL	Decatur	126	23.1	2,667,922	14,439	184.77
IL	Marion/Herrin	123	31.4	2,053,783	19,626	104.65
IL	Quincy	111	30.9	1,946,270	19,333	100.67
KS	Dodge City	150	18.0	1,688,598	11,262	149.94
KS	Garden City	202	55.2	2,919,026	34,571	84.44
KS	Great Bend	114	3.1	1,082,020	1,929	560.92
KS	Hays	175	29.7	2,164,041	18,600	116.35
KS	Liberal/Guymon	138	17.9	2,555,150	11,196	228.22
KS	Salina	97	7.9	1,490,479	4,955	300.80
KY	Owensboro	105	11.5	1,529,913	7,175	213.23
KY	Paducah	146	65.7	1,710,775	41,135	41.59
MD	Hagerstown	78		1,785,638		[1] N/A
ME	Augusta/Waterville	69		1,362,616		[1] N/A
ME	Bar Harbor	178	16.5	1,631,223	10,320	158.06
ME	Presque Isle/Houlton	270	38.7	3,892,174	24,242	160.55
ME	Rockland	80	25.5	1,420,545	15,983	88.88
MI	Alpena	174	40.6	3,098,472	25,404	121.97
MI	Escanaba	112	42.8	2,833,558	26,764	105.87
MI	Hancock/Houghton	219	81.1	934,156	50,750	18.41
MI	Iron Mountain/Kingsford	105	26.8	2,512,971	16,790	149.67
MI	Ironwood/Ashland	213	8.0	1,747,326	5,006	349.05
MI	Manistee	110		2,143,294		[1] N/A
MI	Muskegon	42	54.4	1,576,067	34,029	46.32

ESSENTIAL AIR SERVICE SUBSIDY PER PASSENGER—Continued

[Data is based on April 1, 2013, subsidy rates and calendar year 2012 passengers]

State	EAS communities	Est. miles to nearest hub (S, M, or L)	Average enplanements per day	Annual subsidy rates at 6/1/13	Passenger totals at 12/31/12	Subsidy per passenger at 6/1/13
MI	Pellston	213	78.5	1,055,322	49,142	21.47
MI	Sault Ste. Marie	278	63.0	1,676,136	39,424	42.52
MN	Bemidji	158	69.1	1,338,293	43,287	30.92
MN	Brainerd	143	46.2	1,356,764	28,948	46.87
MN	Chisholm/Hibbing	199	35.9	2,517,770	22,495	111.93
MN	International Falls	298	46.4	1,107,900	29,058	38.13
MN	Thief River Falls	305	9.1	1,881,815	5,727	328.59
MO	Cape Girardeau	127	18.7	1,469,715	11,721	125.39
MO	Fort Leonard Wood	85	26.3	2,905,794	16,440	176.75
MO	Joplin	70	78.1	342,560	48,894	7.01
MO	Kirksville	137	17.7	1,649,248	11,095	148.65
MS	Greenville	124	16.3	3,522,398	10,227	344.42
MS	Hattiesburg/Laurel	85	34.4	2,965,667	21,532	137.73
MS	Meridian	84	44.7	2,417,808	27,970	86.44
MS	Tupelo	94	24.3	3,522,398	15,197	231.78
MT	Butte	76	64.7	672,230	40,488	16.60
MT	Glasgow	285	6.0	1,166,049	3,784	308.15
MT	Glendive	223	2.3	1,193,391	1,427	836.29
MT	Havre	230	3.8	1,162,329	2,354	493.77
MT	Lewistown	103	1.0	1,325,733	656	[2] 2,020.93
MT	Miles City	145	1.1	1,621,821	713	[2] 2,274.64
MT	Sidney	272	36.3	2,932,152	22,736	128.97
MT	West Yellowstone	89	40.9	535,141	9,986	53.59
MT	Wolf Point	293	9.2	1,502,378	5,757	260.97
ND	Devils Lake	402	9.5	2,797,467	5,952	470.00
ND	Jamestown	97	11.7	1,987,655	7,309	271.95
NE	Alliance	233	5.1	1,309,865	3,192	410.36
NE	Chadron	290	6.4	1,309,865	4,022	325.67
NE	Grand Island	138	73.4	2,215,582	45,949	48.22
NE	Kearney	181	39.8	1,752,904	24,907	70.38
NE	McCook	256	5.3	1,976,338	3,310	597.08
NE	North Platte	255	26.4	1,657,510	16,538	100.22
NE	Scottsbluff	192	28.2	1,398,351	17,667	79.15
NH	Lebanon/White River Jct.	124	31.9	2,347,744	19,991	117.44
NM	Carlsbad	149	8.6	1,397,081	5,371	260.12
NM	Clovis	102	5.8	1,954,490	3,642	536.65
NM	Silver City/Hurley/Deming	134	4.4	2,098,460	2,755	761.69
NY	Jamestown	76	9.9	1,940,272	6,223	311.79
NY	Massena	138	15.6	2,090,949	9,753	214.39
NY	Ogdensburg	105	15.8	1,702,697	9,914	171.75
NY	Plattsburgh	82	21.9	2,470,834	13,722	180.06
NY	Saranac Lake/Lake Placid	132	19.0	1,366,538	11,909	114.75
NY	Watertown	54	56.4	3,047,972	35,327	86.28
OR	Pendleton	185	15.3	1,834,708	9,591	191.29
PA	Altoona	112	10.9	1,998,594	6,835	292.41
PA	Bradford	77	6.8	1,940,272	4,277	453.65
PA	DuBois	112	16.1	2,587,029	10,055	257.29
PA	Franklin/Oil City	85	4.1	1,293,515	2,597	498.08
PA	Johnstown	84	20.8	1,998,594	13,009	153.63
PA	Lancaster	28	....	2,504,174	....	[1] N/A
PR	Mayaguez	105	17.7	1,198,824	11,097	108.03
SD	Aberdeen	189	78.4	1,198,222	49,077	24.42
SD	Huron	121	5.3	1,929,349	3,312	582.53
SD	Watertown	207	18.4	1,710,324	11,494	148.80
TN	Jackson	86	5.7	1,115,210	3,597	310.04
TX	Victoria	93	....	2,294,036	....	[1] N/A
UT	Cedar City	179	32.3	2,273,395	20,224	112.41
UT	Moab	256	13.0	1,816,486	8,127	223.51
UT	Vernal	150	23.0	1,299,194	14,379	90.35
VA	Staunton	113	42.0	3,394,629	26,309	129.03
VT	Rutland	69	18.8	797,141	11,756	67.81

ESSENTIAL AIR SERVICE SUBSIDY PER PASSENGER—Continued

[Data is based on April 1, 2013, subsidy rates and calendar year 2012 passengers]

State	EAS communities	Est. miles to nearest hub (S, M, or L)	Average enplanements per day	Annual subsidy rates at 6/1/13	Passenger totals at 12/31/12	Subsidy per passenger at 6/1/13
WI	Eau Claire	92	64.6	1,733,576	40,424	42.88
WI	Rhinelander	190	35.1	1,519,619	21,996	69.09
WV	Beckley	168	8.3	2,512,494	5,198	483.36
WV	Clarksburg	96	18.2	1,728,125	11,423	151.28
WV	Greenbrier/White Sulphur Springs	166	26.8	3,484,710	16,782	207.65
WV	Morgantown	75	29.8	1,728,125	18,650	92.66
WV	Parkersburg/Marietta	110	24.8	2,587,029	15,515	166.74
WY	Cody	108	90.0	352,058	56,359	6.25
WY	Laramie	145	22.7	1,635,346	14,211	115.08
WY	Worland	161	8.9	1,987,148	5,556	357.66

[1] Communities may not have any passenger data due to a service hiatus, an airport closure, a carrier transition, or incorrect or missing data. The Department does not pay any subsidy for the time that an air carrier is not providing service to the community.
[2] On March 28, the Department issued a tentative finding that Lewistown and Miles City, Montana, are no longer eligible under the EAS program. A final decision is expected by the end of June.

RESEARCH AND TECHNOLOGY

Appropriations, 2013 [1 2]	$15,949,000
Budget estimate, 2014	14,765,000
Committee recommendation	14,765,000

[1] Appropriations for fiscal year 2013 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.
[2] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $14,765,000 for the Office of the Assistant Secretary for Research and Technology. This amount is equal to the budget request, and $1,184,000 less than the amount provided to the Research and Innovative Technology Administration to perform the same activities in fiscal year 2013. The following table summarizes the Committee's recommendation in comparison to the budget request and the fiscal year 2013 enacted level:

	Fiscal year—		Committee recommendation
	2013 enacted [1]	2014 estimate	
Salaries and administrative expenses	$6,960,000	$6,547,000	$6,547,000

	Fiscal year— 2013 enacted [1]	Fiscal year— 2014 estimate	Committee recommendation
Alternative fuels research and development	498,000	499,000	499,000
Research, development and technology coordination	508,000	509,000	509,000
Nationwide differential global positioning system	7,585,000	5,600,000	5,600,000
Positioning, navigation and timing	398,000	1,610,000	1,610,000
Total	15,949,000	14,765,000	14,765,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

Intelligent Transportation Systems [ITS].—Intelligent Transportation Systems are developed to improve the safety and efficiency of our transportation network. The Committee recommendation includes $100,000,000 for ITS research, technology transfer and evaluations, and program support. This funding is provided through the Federal Highway Administration, and the level is consistent with the most recent authorization law, the Moving Ahead for Progress in the 21st Century Act. The ITS Joint Program Office coordinates the Department's ITS initiatives among the Federal Highway Administration, the Federal Transit Administration, the Maritime Administration, the National Highway Traffic Safety Administration, and the Office of the Secretary of Transportation.

The Department's efforts include work on vehicle-to-vehicle and vehicle-to-infrastructure communications. Such communications increase situational awareness, and can reduce or eliminate crashes through the use of driver advisories, driver warnings, and vehicle or infrastructure controls. With safety applications for light vehicles, trucks, buses, and fleets of all kinds, vehicle-to-vehicle communications have the potential to address up to 80 percent of crash scenarios that involve unimpaired drivers. As result, vehicle-to-vehicle communications may prevent tens of thousands of automobile crashes every year. Vehicle-to-infrastructure communications have the potential to address an additional 12 percent of the crash scenarios that involve unimpaired drivers.

The private sector will continue to develop technologies that have market demand or a clear business case. However, Federal leadership is needed to apply vehicle-to-vehicle and vehicle-to-infrastructure communications to safety improvements. The Federal Government supports collaboration among automotive manufacturers, public sector agencies, and their suppliers, and it is developing standards that ensure the interoperability of vehicle-to-vehicle and vehicle-to-infrastructure systems produced throughout the industry.

University Transportation Centers.—The Committee recommendation includes $72,500,000 for University Transportation Centers. This funding is provided through the Federal Highway Administration, and the level is consistent with the Moving Ahead for Progress in the 21st Century Act.

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.

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 Transportation Security Administration.

COMMITTEE RECOMMENDATION

The total recommended funding level for the FAA for fiscal year 2014 amounts to $15,920,817,000 including new budget authority, a limitation on the obligation of contract authority, and a rescission of unobligated balances. This funding level is $370,019,000 more than the budget request and $20,937,000 more than the fiscal year 2013 enacted level.

The following table summarizes the Committee's recommendations for fiscal year 2014 in comparison to the budget request and the fiscal year 2013 enacted level:

	Fiscal year—		Committee recommendation
	2013 enacted [1]	2014 estimate	
Operations	$9,634,089,000	$9,707,000,000	$9,707,000,000
Facilities and equipment	2,725,270,000	2,777,798,000	2,730,000,000
Emergency funds for facilities and equipment	30,000,000		
Research, engineering and development	167,221,000	166,000,000	160,000,000
Rescission of research, engineering and development funds			−26,183,000
Grants-in-aid for airports	3,343,300,000	2,900,000,000	3,350,000,000
Total	15,899,880,000	15,550,798,000	15,920,817,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

OPERATIONS

Appropriations, 2013 [1]	$9,634,089,000
Budget estimate, 2014	9,707,000,000
Committee recommendation	9,707,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 and support offices.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $9,707,000,000 for FAA operations. This funding level is equal to the budget request, and $72,911,000 more than the fiscal year 2013 enacted level. The Committee recommendation derives $6,121,000,000 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 following table summarizes the Committee's recommendation in comparison to the budget estimate and fiscal year 2013 enacted level:

FAA OPERATIONS

	Budget estimate, 2014	Committee recommendation
Air traffic organization	$7,311,790,000	$7,311,790,000
Aviation safety	1,204,777,000	1,216,777,000
Commercial space transportation	16,011,000	17,011,000
Finance and management	807,646,000	802,520,000
NextGen and operations planning	59,782,000	59,477,000
Staff offices	199,801,000	192,780,000
Human resource management	107,193,000	106,645,000
Total	9,707,000,000	9,707,000,000

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 Assistant Secretary for Administration to be the approving official for any request for a retention bonus by the FAA during fiscal year 2014.

Contract Towers.—The Committee recommendation provides a total of $140,350,000 for the contract tower program, which includes $130,000,000 for the base program and $10,350,000 for the contract tower cost share program. This total funding level is sufficient to keep all 251 current contract towers open throughout fiscal year 2014. The Committee also retains language that limits contributions in the contract tower cost share program to 20 percent of total costs.

Air Traffic Controller Workforce.—The Committee remains committed to the critical workforces of the Federal Aviation Administration, including its air traffic controllers. The Committee notes, however, that the controller workforce has been undermined by the combination of a full-year continuing resolution and the sequestration of funds during fiscal year 2013.

To live with its budget constraints this year, in April, the FAA began to furlough almost its entire workforce for 1 day each pay period. These furloughs resulted in significant air traffic delays across the country, and the Congress took notice. It enacted the Reducing Flight Delays Act of 2013 to stop the furloughs and return air traffic operations back to its regular levels. While this act provided some relief for the FAA, it did not address the full damage of sequestration to the agency's budget. The FAA continues to operate under a hiring freeze and with severely reduced training resources, including resources for the training necessary to certify new air traffic controllers. As a result of these measures, the agency is losing controllers through attrition at a time when about a quarter of all certified controllers are eligible to retire. This situation is unsustainable for the FAA and the safety of our aviation system.

The Committee recommendation includes sufficient funding to maintain the FAA's workforce of air traffic controllers. The recommended funding level will allow the FAA to add new hires to its workforce as its current controllers retire or leave the agency for other reasons. The funding level will also allow the FAA to train its new hires and developmental controllers.

Aviation Inspector Workforce.—Aviation safety inspectors are another critical workforce that has been hurt by the combination of a full-year continuing resolution and the sequestration of funds this past year. Yet, recent events with lithium-ion batteries have underscored the importance of a strong inspector workforce in protecting the safety of our air transportation system. The Committee recommendation therefore includes an additional $12,000,000 for aviation safety activities to strengthen the FAA's workforce of safety inspectors, critical certification staff and necessary support staff. The Committee directs the FAA to use this funding to increase its workforce by not fewer than 100 positions, and to dedicate an appropriate portion of this funding to training activities.

In previous years, the Committee has included language in the bill that protected any funding increases for aviation safety inspectors by prohibiting the FAA from using those funds for any other purpose. These staff increases remain a high priority, and the Committee recommendations dedicate scarce resources to the inspector workforce. Nevertheless, the Committee recognizes that this bill language diminishes the flexibility of the FAA. With resources so scarce, the Committee does not believe that it is in the best interest of the FAA to put such strong limitations on the use of its funding. The Committee also believes that it can best protect the public interest by ensuring that taxpayer dollars can always be put to the highest priority, even if those priorities shift during the course of a fiscal year. For these reasons, the Committee has not included the same language in this year's bill. The Committee, however, identifies the staff increases for aviation safety activities as a congressional item of interest and expects the FAA to use the funding increases for their intended purpose. Furthermore, the Committee 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 staff increases to any other activity.

The Committee also supports the FAA's efforts to implement a system approach to aviation safety. Under this approach, the FAA will make better use of data analysis to identify risks and target resources to the highest priorities. Aviation safety inspectors will always be the foundation of the FAA's safety oversight, and a system approach will allow the FAA workforce to conduct its oversight effectively without constraining the growth and innovation of the aviation industry. The Committee recognizes the progress that FAA has made in implementing a system approach to its flight standards work, and the Committee urges the FAA to continue its efforts to achieve a fuller implementation of its new approach. The Committee believes that the FAA also needs to prioritize implementing a system approach in its aircraft certification work.

The FAA Modernization and Reform Act identified two other areas where the FAA must improve its certification process. Section 312 of the act requires the FAA to develop a more streamlined certification process, and section 313 requires the FAA to address the agency's inconsistent interpretation of safety regulations. Each of these sections requires the FAA to consult with aviation stakeholders, assess the problem, and issue a report with recommendations and a plan for implementing those recommendations. Both reports are now overdue. Given the importance of these issues, the Committee is disappointed that the Administration did not respond to these deadlines in a timely manner.

The Committee urges the FAA to issue both reports due under sections 312 and 313 immediately. The Committee also instructs the FAA to submit to the Congress reports that describe the agency's progress in implementing the section 312 and section 313 recommendations 1 year after the submission of the original reports, and to submit the update reports not later than 18 months after the submission of the original reports. These issues are complex in nature, and the Committee understands that the FAA will not be able to achieve its most ambitious goals within a year. However, the Committee also believes that 1 year is long enough to show progress and report on it.

Unmanned Aerial Systems.—The development of unmanned aerial systems [UAS] offers benefits in a wide variety of applications, including law enforcement and border patrol, precision agriculture, wildfire mapping, weather monitoring, oil and gas exploration, disaster management, and aerial imaging. The UAS industry also presents an opportunity for substantial domestic job growth. The FAA is taking important steps toward integrating UAS into the national airspace, including implementing a UAS test site program to help the agency gather critical safety data.

The expanded use of UAS also presents the FAA with significant challenges. The Committee is concerned that, without adequate safeguards, expanded use of UAS by both governmental and non-governmental entities will pose risks to individuals' privacy. The FAA has recognized the importance of addressing privacy concerns by requiring that UAS test sites have privacy policies in place before test flights begin. However, as the FAA looks to integrate UAS into the national airspace, a more comprehensive approach to privacy may be warranted. The United States Constitution, Federal, and various State privacy laws apply to the operation of UAS, but in consideration of the rapid advancement of technology in this area, the Committee questions whether current laws offer sufficient protections to adequately protect individuals.

FAA's oversight and regulatory authority over the national airspace places the agency in a position to work with other agencies on addressing privacy concerns. To that end, the Committee directs the FAA to collaborate with other Federal agencies in evaluating the impact that broader use of UAS in the national airspace could have on individual privacy. Furthermore, the Committee includes bill language that prohibits the FAA from issuing final regulations on the integration of UAS into the national airspace until the Secretary submits a report detailing the results of such collaboration. The Committee expects this report to address the application of existing privacy law to governmental and non-governmental entities; identify gaps in existing law, especially with regard to the use and retention of personally identifiable information by both governmental and non-governmental entities; and recommend next steps in how the FAA or other Federal agencies can address the impact of widespread use of UAS on individual privacy. The Committee directs the FAA to submit this report to the House and Senate Committees on Appropriations not later than 1 year after enactment of this act.

Aeronautical Navigation Products.—The Committee remains concerned that Aeronautical Navigation Products [AeroNav] continues to move forward with plans to impose a per person charge and erect a digital copyright on digital products produced by the FAA for the public benefit. The FAA has previously made these products available for download from its Web site without charge. The Committee is also concerned that the proposed scheme will be used to support the declining paper chart services by charging those that are moving to a digital format. In contrast to AeroNav's efforts, Executive Order 13642 was issued on May 14, 2013, to make government data available to foster entrepreneurship and innovation. This order builds on another order issued in 2012 to open up government systems with public interfaces for commercial application providers.

With these concerns in mind, the Committee has included bill language that prohibits AeroNav from implementing new charges on AeroNav products until the FAA provides the House and Senate Committees on Appropriations a report that describes (1) the estimated cost of producing only its digital products, on a product-by-product basis (for example, delineating costs for electronic navigation charts and vector charts separately), for use on computers, tablets, and other displays; (2) the cost of producing both digital products and paper products, on a product-by-product basis; (3) safety and operational benefits of using digital products; and (4) how AeroNav's actions conflict with the direction in Executive Order 13642 to support open data for entrepreneurship, innovation, and scientific discovery.

Automated Weather Observation Systems [AWOS].—AWOS systems provide real-time weather information, including specific data on visibility, cloud height, temperature, dew point, wind speed, wind direction, pressure, and precipitation. With this information in hand, pilots are able to use an airport more often during marginal weather conditions than would otherwise be possible.

The FAA currently requires that a licensed technician conduct an on-site inspection of each AWOS system on a quarterly basis. These inspections entail an additional cost for the airport, and can be a heavy burden on small general aviation airports. Remote monitoring technology could allow an airport to inspect AWOS systems on a continuous basis without having to pay for on-site inspections. The Committee directs the FAA to review allowing automated remote monitoring of AWOS systems as an alternative to quarterly on-site inspections at general aviation airports. The Committee further directs the FAA to submit a report on its findings to the House and Senate Committees on Appropriations not later than 90 days after enactment of this act.

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 its 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.

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 2014–2016 period.

Use of Personal Electronic Devices on Airplanes.—The Federal Aviation Administration initiated a study on the use of personal electronic devices (PEDs) in the spring of 2012. An Aviation Rulemaking Committee has been established to make recommendations to the FAA that will clarify and provide guidance on allowing additional PEDs without compromising the continued safe operation of the aircraft.

The existing rules regarding PEDs have gone essentially unchanged for decades, even though technology has radically changed. Air travelers have expressed interest in using PEDs during taxis, takeoffs, and landings. The Committee believes this issue needs to be resolved, encourages the Aviation Rulemaking Committee to submit its final report as soon as possible, and urges the FAA to act on those recommendations expeditiously.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriations, 2013[1,2]	$2,755,270,000
Budget estimate, 2014	2,777,798,000
Committee recommendation	2,730,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] Includes emergency funding of $30,000,000 in the Disaster Relief Appropriations Act, 2013 (division A of Public Law 113–2).

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 $2,730,000,000 for the Facilities and Equipment account of the Federal Aviation Administration. The recommended level is $47,798,000 less than the budget request and $25,270,000 less than the fiscal year 2013 enacted level. Excluding emergency funding, the Committee recommendation is $4,730,000 more than the fiscal year 2013 enacted level.

Budget Activities Format.—The Committee directs that the fiscal year 2015 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

	Budget estimate, 2014	Committee recommendation
Activity 1, Engineering, Development, Test and Evaluation:		
Advanced Technology Development and Prototype	$33,500,000	$32,000,000
NAS Improvements of System Support Laboratory	1,000,000	1,000,000
William J. Hughes Technical Center Facilities	12,000,000	12,000,000
William J. Hughes Technical Center Infrastructure Sustainment	6,000,000	6,000,000
Data Communications in support of Next Generation Air Transportation System	115,450,000	115,450,000
Next Generation Transportation System—Technology Demonstrations and Infrastructure Development	24,674,500	20,000,000
Next Generation Transportation System—System Development	61,500,000	56,500,000
Next Generation Transportation System—Trajectory Based Operations	18,000,000	17,000,000
Next Generation Transportation System—Reduce Weather Impact	6,000,000	5,000,000
Next Generation Transportation System—Arrivals/Departures at High Density Airports	7,000,000	6,000,000
Next Generation Transportation System—Collaborative ATM	41,000,000	40,000,000
Next Generation Transportation System—Flexible Terminals and Airports	15,000,000	14,000,000
Next Generation Transportation System—System Network Facilities	9,000,000	8,750,000
Next Generation Transportation System—Future Facilities	10,000,000	10,000,000
Performance Based Navigation	32,200,000	32,200,000
Activity 2, Air Traffic Control Facilities and Equipment:		
En Route Programs:		
En Route Automation Modernization [ERAM]	26,100,000	86,100,000
En Route Automation Modernization [ERAM]—D Position Upgrade and System Enhancements	64,974,000	34,974,000
En Route Communications Gateway [ECG]	2,200,000	2,200,000
Next Generation Weather Radar [NEXRAD]	4,100,000	4,100,000
ARTCC Building Improvements/Plant Improvements	53,000,000	40,000,000
Air Traffic Management [ATM]	13,800,000	13,800,000
Air/Ground Communications Infrastructure	5,500,000	5,500,000
Air Traffic Control En Route Radar Facilities Improvements	5,900,000	5,900,000
Voice Switch and Control System [VSCS]	20,000,000	20,000,000
Oceanic Automation System	4,800,000	4,800,000
Next Generation Very High Frequency A/G Communications System [NEXCOM]	20,250,000	20,250,000
System-Wide Information Management [SWIM]	70,500,000	70,500,000
ADS–B NAS Wide Implementation	282,100,400	282,100,400
Wind Hazard Detection Equipment	2,000,000	2,000,000
Weather and Radar Processor [WARP]	700,000	700,000
Collaborative Air Traffic Management Technologies	29,390,800	29,390,600
Colorado ADS–B WAM Cost Share	3,400,000	3,400,000
Tactical Flow Time Based Flow Management [TBFM]	10,500,000	10,500,000
ATC Beacon Interrogator [ATCBI]—Sustainment	1,000,000	1,000,000
NextGen Weather Processors	23,510,000	23,510,000
Terminal Programs:		
Airport Surface Detection Equipment—Model X [ASDE–X]	12,100,000	12,100,000
Terminal Doppler Weather Radar [TDWR]—Provide	3,600,000	3,600,000
Standard Terminal Automation Replacement System [STARS] (TAMR Phase 1)	45,500,000	47,300,000
Terminal Automation Modernization/Replacement Program (TAMR Phase 3)	136,550,000	144,500,000
Terminal Automation Program	2,600,000	2,600,000
Terminal Air Traffic Control Facilities—Replace	71,998,300	69,000,000
ATCT/Terminal Radar Approach Control [TRACON] Facilities—Improve	53,200,000	49,000,000
Terminal Voice Switch Replacement [TVSR]	5,000,000	5,000,000

FACILITIES AND EQUIPMENT—Continued

	Budget estimate, 2014	Committee recommendation
NAS Facilities OSHA and Environmental Standards Compliance	26,000,000	20,000,000
Airport Surveillance Radar [ASR–9] Service Life Extension Program [SLEP]	10,900,000	10,900,000
Terminal Digital Radar [ASR–11] Technology Refresh	19,400,000	19,400,000
Runway Status Lights [RWSL]	35,250,000	35,250,000
National Airspace System Voice Switch [NVS]	16,000,000	16,000,000
Integrated Display System [IDS]	4,100,000	4,100,000
Remote Monitoring and Maintenance System [RMLS] Technology Refresh	1,000,000	1,000,000
Mode S Service Life Extension Program [SLEP]	7,300,000	7,300,000
Surveillance Interface Modernization [SIM]	6,000,000	6,000,000
Tower Flight Data Manager [TFDM]	23,500,000	23,500,000
Voice Recorder Replacement Program [VRRP]	6,200,000	6,200,000
Precision Runway Monitor Replacement [PRMR]	5,000,000	5,000,000
Integrated Terminal Weather System [ITWS]	1,300,000	1,300,000
Flight Service Programs:		
Automated Surface Observing System [ASOS]	10,000,000	10,000,000
Future Flight Service Program	3,000,000	3,000,000
Alaska Flight Service Facilities Modernization [AFSFM]	2,900,000	2,900,000
Weather Camera Program	1,200,000	1,200,000
Landing and Navigational Aids Programs:		
VHF Omnidirectional Radio Range [VOR] with Distance Measuring Equipment [DME]	8,300,000	8,300,000
Instrument Landing System [ILS] Establish/Expand	7,000,000	7,000,000
Wide Area Augmentation System [WAAS] for GPS	109,000,000	100,000,000
Runway Visual Range [RVR]	6,000,000	6,000,000
Approach Lighting System Improvement Program [ALSIP]	3,000,000	4,000,000
Distance Measuring Equipment [DME]	4,000,000	4,000,000
Visual Navaids—Establish/Expand	2,500,000	2,500,000
Instrument Flight Procedures Automation [IFPA]	4,500,000	4,500,000
Navigation and Landing Aids—Service Life Extension Program [SLEP]	3,000,000	3,000,000
VASI Replacement-Replace with Precision Approach Indicator [PAPI]	2,500,000	2,500,000
Global Positioning System [GPS] Civil Requirements	20,000,000	15,000,000
Runway Safety Areas—Navigational Mitigation	38,000,000	38,000,000
Other Air Traffic Control Facilities Programs:		
Fuel Storage Tank Replacement and Monitoring	8,700,000	8,700,000
Unstaffed Infrastructure Sustainment	33,000,000	30,000,000
Aircraft Related Equipment Program	10,400,000	10,400,000
Airport Cable Loop System—Sustained Support	5,000,000	5,000,000
Alaskan Satellite Telecommunications Infrastructure [ASTI]	11,000,000	11,000,000
Facilities Decommissioning	6,500,000	6,500,000
Electrical Power Systems—Sustain/Support	85,000,000	70,075,000
FAA Employee Housing and Life Safety Shelter System Service	2,500,000	2,500,000
Activity 3, Non-Air Traffic Control Facilities and Equipment:		
Support Equipment:		
Hazardous Materials Management	20,000,000	20,000,000
Aviation Safety Analysis System [ASAS]	12,700,000	12,700,000
Logistics Support Systems and Facilities [LSSF]	10,000,000	10,000,000
NAS Recovery Communications [RCOM]	12,000,000	12,000,000
Facility Security Risk Management	15,000,000	15,000,000
Information Security	13,000,000	13,000,000
System Approach for Safety Oversight [SASO]	9,500,000	9,500,000
Aviation Safety Knowledge Management Environment [ASKME]	12,200,000	12,200,000
Data Center Optimization	1,000,000	1,000,000
Aerospace Medical Equipment Needs [AMEN]	5,000,000	5,000,000
Aviation Safety Information Analysis and Sharing	15,000,000	15,000,000
National Test Equipment Program	3,000,000	3,000,000
Mobile Assets Management Program	3,000,000	3,000,000
Aerospace Medicine Safety Information System [AMSIS]	3,900,000	3,900,000
Training Equipment and Facilities:		
Aeronautical Center Infrastructure Modernization	12,300,000	12,300,000
Distance Learning	1,000,000	1,000,000
Activity 4, Facilities and Equipment Mission Support:		
System Engineering and Development Support	35,600,000	35,600,000

FACILITIES AND EQUIPMENT—Continued

	Budget estimate, 2014	Committee recommendation
Program Support Leases	42,100,000	42,100,000
Logistics Support Services [LSS]	11,500,000	11,500,000
Mike Monroney Aeronautical Center Leases	17,900,000	17,900,000
Transition Engineering Support	16,500,000	16,500,000
Technical Support Services Contract [TSSC]	25,000,000	25,000,000
Resource Tracking Program [RTP]	4,000,000	4,000,000
Center for Advanced Aviation System Development [CAASD]	70,000,000	70,000,000
Aeronautical Information Management Program	9,050,000	9,050,000
Activity 5, Personnel and Related Expenses:		
Personnel and Related Expenses	482,000,000	468,000,000
Total	2,777,798,000	2,730,000,000

Cyber Security.—The primary mission of the FAA is to protect the safety of our aviation system, and to fulfill this mission, it must protect the security of its own computer systems. This responsibility grows more challenging as the FAA modernizes its air traffic control system. FAA's next generation system will not rely on radars and closed information systems; instead it will make use of satellite technology and open computer networks that can manage and share data more efficiently. These same innovations, however, will make the FAA's air traffic control system more vulnerable to cyber attacks. For that reason, it is critical that the FAA continually assess its vulnerabilities and effectively addresses its risks.

The Department's budget reflects the importance of protecting cyber security at the FAA. For the entire Department of Transportation, the Committee recommendation includes $136,339,000 to improve cyber security, a funding level that is equal to the budget request. Of this total, $105,195,000—or 77 percent—is for improving cyber security at the FAA.

Given the importance of securing the FAA's computer systems, the Committee is concerned about recent reports from the Office of Inspector General [OIG]. This past December, the OIG published a report describing how the FAA had not adequately implemented security requirements for its En Route Automation Modernization System. The report follows another published in 2011, which describes how the FAA had not adequately implemented security requirements for its Automatic Dependent Surveillance-Broadcast System. The two programs discussed in these reports are fundamental parts of the FAA's efforts to modernize its air traffic control system.

A new Chief Information Officer [CIO] serves in the Office of the Secretary. The Committee supports his efforts to reach out to CIOs at each of the modal administrations and discuss the Department's cyber security needs. The Committee notes, however, that the Program Management Office at the FAA serves an important role in the development of the FAA's computer systems. This office was created in order to improve the agency's management of its acquisitions programs, including programs that develop complex computer systems. The Committee therefore expects the Vice President of Program Management to coordinate with the CIO for the FAA and for the Department to ensure the security of FAA's systems is made a high priority.

Performance-Based Navigation.—The Committee provides $32,200,000 for Performance-Based Navigation [PBN], which is equal to the budget request. The Committee believes that the use of PBN procedures will give users of the national airspace critical near-term benefits that support the FAA's modernization effort. However, aviation stakeholders, the Inspector General, and the Government Accountability Office have all expressed concern over the FAA's implementation of the PBN program. The FAA has not yet developed an efficient way to produce PBN procedures, and the agency has been unable to integrate published procedures into its management of air traffic.

The Committee directs FAA to continue implementing section 213 of the FAA Modernization and Reform Act of 2012, which establishes a number of requirements for the FAA related to PBN. The Committee further directs FAA to provide a letter report on its progress in meeting the requirements of section 213, including the estimated fuel and carbon dioxide emissions savings from any new PBN procedure designed or implemented in 2012 and 2013, to the House and Senate Committees on Appropriations by March 31, 2014. In addition, upon completion of the FAA's pilot program on the use of third-party procedures, the Committee expects the FAA to present to the House and Senate Committee on Appropriations a complete evaluation of the pilot program, including an analysis of costs and benefits of using third parties to develop PBN procedures.

En Route Automation Modernization [ERAM].—The FAA established ERAM to replace the computer system for air traffic control facilities that manage high-altitude traffic. Modernizing this network is critical to the effective management of air traffic, and the program is essential to moving the FAA into the next generation of air traffic control.

The Committee recognizes that the FAA has improved its management of ERAM, addressing many of the concerns that led to significant cost increases and schedule delays just a few years ago. However, the budget and schedule of ERAM is still subject to risk. Testifying before the Committee this past April, the Inspector General described several of these risks. He noted, for example, that the FAA will likely encounter new problems when it deploys ERAM at its busiest facilities. He also noted that the FAA spends about $12,000,000 each month on the capital needs of ERAM, and that the current budget cannot afford continued spending at this rate. Furthermore, the Office of the Inspector General has previously reported that, while the FAA increased the ERAM budget by $330,000,000, actual cost increases could reach as much as $500,000,000 if problems persist with the program.

In addition to the risks identified by the Inspector General, the temporary furlough of FAA employees due to sequestration disrupted the implementation of ERAM this year. In order to support the deployment of the program during fiscal year 2014, and avoid further risk to the program's schedule, the Committee recommendation includes $86,100,000 for ERAM in fiscal year 2014, an increase of $60,000,000 above the budget request.

The Committee develops its recommendations in a constrained budget environment, and so the additional funds that the Committee recommends for the base ERAM program come at a cost to other activities in the FAA's budget request. For example, the Committee recommendation includes $34,974,000 for D-position upgrades and system enhancements to the ERAM program, a decrease of $30,000,000 from the budget request.

Terminal Automation Modernization/Replacement [TAMR].—The Committee recommendation includes $47,300,000 for the first phase of TAMR, an increase of $1,800,000 above the budget request. The recommendation also includes $144,500,000 for the third phase of TAMR, an increase of $7,950,000 above the budget request. The Committee recognizes that the temporary furlough of FAA employees due to sequestration disrupted the implementation of TAMR this year, and recommends these increases to support the program and avoid further risk to the program's schedule.

Under the TAMR program, the FAA is replacing the computer systems used for facilities that manage air traffic coming into and leaving airports. Like ERAM, the TAMR program is essential for the FAA to move forward with its effort to modernize the air traffic control system; also like ERAM, TAMR has a history of cost overruns and schedule delays.

This past May, the OIG issued a report on TAMR that questions whether the FAA has developed a reliable schedule and budget for the program. The OIG asserts that the FAA did not complete all of the risk assessments required by its own acquisition management system before approving the program schedule, and that the FAA ignored important elements of the program when it approved the program's cost baseline. The FAA has concurred or partially concurred with every one of the OIG's recommendations, and the agency continues to provide additional information on how it will fulfill those recommendations.

The Committee expects that the FAA's continued adherence to OIG recommendations will help keep the program within its schedule and budget. While the Committee understands that the program remains within its current baseline, the agency's track record on its acquisition programs does not give comfort to the Committee.

Runway Status Lights.—The Committee recommends $32,250,000 for runway status lights, which is equal to the budget request. This program improves safety by installing runway and taxiway lights that signal when it is unsafe to enter, cross, or begin takeoff on a runway.

The FAA planned to install runway status lights at a total of 23 airports, but the Committee understands the agency is facing cost increases that will make it difficult to complete the original scope of work under the current baseline. While the FAA considers alternatives for moving forward with this program, the Committee is concerned that it will simply reduce the number of sites where the agency will install runway status lights without a plan for addressing the remaining original locations. This approach would allow the FAA to claim that it is staying within its budget, but in fact fewer airports would receive an important technology for preventing runway incursions under the FAA's current baseline.

Some of the deadliest airplane accidents occur on the ground, and not in the air. For this reason, the National Transportation Safety Board [NTSB] continues to include the improvement of runway safety on its "most wanted" list. In fact, the NTSB specifically cites runway safety lights as an effective way to improve runway safety.

Given the importance of improving runway safety, the Committee believes that the FAA's management of this program reflects poorly on the agency. As it moves forward with the program, the Committee expects the FAA be more responsible in developing a realistic budget and schedule, more vigilant in containing costs throughout the life of the program, and more engaged with airport sponsors on agreeing to an equitable share of program costs.

Approach Lighting System Improvement Program.—The Committee recommendation includes $4,000,000 for the procurement and replacement of Medium Intensity Approach Lighting Systems with Runway Alignment Indicator Lights, an increase of $1,000,000 above the budget request. These lighting systems improve safety by helping pilots align their aircraft with the center line of the runway.

VHF Omnidirectional Radio Range [VOR] With Distance Measuring Equipment [DME].—The Committee is aware of the FAA's efforts to reduce the number of VORs to a minimum operating network. The Committee directs the FAA to provide the House and Senate Committees on Appropriations a report that provides a schedule for the implementation of the network, and a plan for involving stakeholders and aviation users in the implementation. The Committee further directs the FAA to submit this plan within 120 days of enactment of this act.

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, 2013 [1]	$167,221,000
Budget estimate, 2014	166,000,000
Committee recommendation	160,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 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 $6,000,000 less than the budget request and $7,221,000 less than the fiscal year 2013 enacted level. The Committee also recommends the rescission of $26,183,000 in unobligated balances from prior year appropriations.

A table showing the fiscal year 2014 budget estimate and the Committee recommendation follows:

RESEARCH, ENGINEERING, AND DEVELOPMENT

	Budget estimate, 2014	Committee recommendation
Safety:		
Fire Research and Safety	$8,313,000	$7,500,000
Propulsion and Fuel Safety	1,974,000	1,800,000
Advanced Structural/Structural Safety	2,607,000	2,600,000
Atmospheric Hazards-Aircraft Icing/Digital System Safety	7,582,000	7,500,000
Continued Airworthiness	8,167,000	8,000,000
Aircraft Catastrophic Failure Prevention Research	1,652,000	1,500,000
Flightdeck/Maintenance/System Integration Human Factors	5,000,000	5,000,000
System Safety Management	11,583,000	11,000,000
Air Traffic Control Technical Operations Human Factors	6,000,000	5,000,000
Aeromedical Research	8,672,000	7,000,000
Weather Program	15,279,000	13,860,000
Unmanned Aircraft System	7,500,000	7,500,000
NextGen Alternative Fuels for General Aviation	5,571,000	7,100,000
NextGen Advanced Systems and Software Validation	1,021,000	1,000,000
Economic Competitiveness:		
Joint Program and Development Office	12,057,000	9,000,000
NextGen: Wake Turbulence	9,267,000	9,000,000
NextGen: Air Ground Integration	10,329,000	10,000,000
NextGen: Weather in the Cockpit	4,169,000	4,000,000
Environmental Sustainability:		
Environment and Energy	14,542,000	14,600,000
NextGen: Environmental Research	18,979,000	21,400,000
Mission Support:		
System Planning and Resource Management	2,289,000	2,200,000
William J. Hughes Technical Center Laboratory Facility	3,447,000	3,440,000
Total	166,000,000	160,000,000

Unmanned Aerial Systems.—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 research challenges associated with integration of UAS systems into the national airspace. The Committee asserts that the formation of a UAS Center of Excellence is essential to meet requirements enacted as part of the FAA Modernization and Reform Act of 2012. The Committee directs the FAA to complete the establishment of the UAS Center of Excellence with funds provided for UAS research. The Committee directs that the establishment of a Center of Excellence shall be through a separate process than the process it uses to establish

UAS test sites in accordance with the FAA Modernization and Reform Act of 2012, although the Committee encourages cooperation among the Center of Excellence and the six test sites after establishment. 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 and clean fuel technologies; coordinate such research and development activities with the National Aeronautics and Space Administration and the Department of Defense; provide recommendations on aircraft certification to include composites and stress modeling, flight standards and air traffic requirements; and facilitate UAS technology transfer to other civilian and defense agencies, initially focusing on 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.

UAS Test Sites.—The Committee recognizes the FAA's progress in designating UAS test ranges in accordance with the FAA Modernization and Reform Act of 2012. The Committee directs the FAA to ensure the selection of test sites incorporates location criteria outlined in that law. The Committee notes the importance of each of the selection requirements, which involve consideration of geographic and climatic diversity, the location of ground infrastructure and research needs; and consultation with the National Aeronautics and Space Administration and the Department of Defense.

Alternative Fuels Center of Excellence.—The Committee recommendation includes $14,600,000 for Environment and Energy, and another $21,400,000 for NextGen Environmental Research Aircraft Technologies Fuels and Metrics, for a total funding level of $36,000,000 for activities related to environmental sustainability. This funding level is $2,479,000 above the budget request. Consistent with the budget request, the total Committee recommendation for environmental sustainability activities includes not less than $5,000,000 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. The Committee is aware that the FAA has closed a solicitation to establish the new Center of Excellence and directs it to act expeditiously to designate a Center of Excellence for alternative jet fuel research.

In accordance with the FAA Modernization and Reform Act, the Committee notes that the primary purpose of the Center of Excellence will be the development and analysis of alternative jet fuels. As envisioned by FAA's solicitation, the new Center of Excellence will also identify solutions for existing and anticipated problems facing aviation in terms of environment and energy by conducting testing, modeling, and analysis related to aviation impacts.

The Committee encourages the FAA to select an educational and research institution that can lead this effort in collaboration with substantial private sector support and in partnership with other educational and research institutions. The Center should have strong capacity in both alternative fuels research and development, and in environmental impacts modeling and analysis. As specified in the FAA Modernization and Reform Act, the Center should leverage facilities and experience across the alternative fuel 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 fuels. In consideration of the purpose of section 911 of the FAA Modernization and Reform Act, the Committee continues to encourage the FAA to establish a Center of Excellence that will build on the body of work performed by a consortium examining the development of alternative aviation fuels.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(AIRPORT AND AIRWAY TRUST FUND)

	Fiscal year—		Committee recommendation
	2013 enacted	2014 estimate	
Resources from the Airport and Airway Trust Fund:			
Limitation on obligations [1]	$3,343,000,000	2,900,000,000	3,350,000,000
Liquidation of contract authorization	3,435,000,000	3,200,000,000	3,200,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25. Obligation limitations (and the related contract authority) and liquidating authority for grants-in-aid to airports are not subject to the sequester.

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 2014. The recommended limitation on obligations is $6,700,000 more than the enacted level for fiscal year 2013, and $450,000,000 more than the budget estimate. Under the administration's request, large commercial airports no longer receive formula grants from the program, but they would be allowed to raise their passenger facility charges 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. 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 $3,200,000,000 for grants-in-aid to airports. The recommended level is equal to the budget estimate and $235,000,000 less than the fiscal year 2013 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.

Protecting AIP Funding for Airport Infrastructure Development.—In fiscal year 2013, as part of the Reducing Flight Delays Act, Congress provided the one-time transfer of up to $253,000,000 in carryover balances from grants-in-aid to airports to the FAA's Operations account. Congress authorized this transfer in order to prevent the reduction of agency operations and staffing necessary for the FAA to live within its limited resources following the sequester of funds under Public Law 112–25.

The Committee views this use of limited airport resources in fiscal year 2013 as a one-time occurrence aimed at averting serious national impacts. The Committee does not anticipate further diversion of AIP funds to FAA operations or any other activity beyond those specified in this legislation. The use of AIP funds for purposes other than airport infrastructure development could have a serious impact on the ability of the Nation's airports to meet current and future FAA standards; replace or rehabilitate critical airport facilities; increase airfield capacity; enhance competition among airlines; modify, replace, or construct facilities to accommodate additional passengers and aircraft; or meet other important safety, security, and environmental requirements. The Committee also believes that any future legislation to address the impact of sequestration cuts to the FAA's budget should be part of a larger package that replaces sequestration with a more responsible approach to deficit reduction.

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. 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. In addition, the Committee directs the Government Accountability Office [GAO] to evaluate the benefits, costs, and trade-offs of airport public-private partnerships; how public officials have identified and acted to protect the public interest in these arrangements; and the Federal role in such public-private partnerships and potential changes in this role. The Committee further directs GAO to issue a report on its findings not later than 1 year following enactment.

Administrative Expenses.—The Committee recommends $106,600,000 to cover administrative expenses. This funding level is equal to the budget request, and $5,802,000 more than the fiscal year 2013 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 $30,000 more than the fiscal year 2013 enacted level.

Airport Technology.—The Committee recommends $29,500,000 for airport technology research. This funding level is equal to the budget request, and $309,000 more than the fiscal year 2013 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 $12,000 more than the fiscal year 2013 enacted level. The administration requested no funds for this program for fiscal year 2014.

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 2014.

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 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 eight 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.

Section 119D requires the FAA to take certain measures to address helicopter noise in Los Angeles County.

Section 119E prohibits the FAA from issuing regulations on the integration of unmanned aerial systems until the Secretary submits a report on the privacy implications of such systems.

Federal Highway Administration

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 $41,495,000,000 would be provided for the activities of the Federal Highway Administration in fiscal year 2014. The recommendation is $500,000,000 more than the budget request. The total program level under the Committee recommendations is $885,000,000 less than the fiscal year 2013 enacted level; however, the total for fiscal year 2013 also included $2,022,000,000 in emergency spending that would not be repeated for fiscal year 2014 under the Committee recommendation. Excluding emergency relief, the funding reflected in the bill is $1,136,398,000 above last year's level. The following table summarizes the Committee's recommendations:

	Fiscal year—		Committee recommendation
	2013 enacted	2014 estimate	
Federal-aid highway program obligation limitation [1]	$39,619,602,000	$40,256,000,000	$40,256,000,000
Bridges in critical corridors			500,000,000
Contract authority exempt from the obligation limitation [1]	739,000,000	739,000,000	739,000,000
Emergency relief (emergency spending) [1]	2,022,000,000		
Total	42,380,602,000	40,995,000,000	41,495,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25. Obligation limitations for the Federal-aid highway program (and the related contract authority) are not subject to the sequester, but contract authority that is exempt from the obligation limitation is subject to the sequester.

LIMITATION ON ADMINISTRATIVE EXPENSES

(HIGHWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

Limitation, 2013 [1]	$416,126,000
Budget estimate, 2014	429,855,000
Committee recommendation	429,855,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25. Obligation limitations for the Federal-aid highway program is not subject to the sequester.

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 $429,855,000 for administrative expenses of the agency. This limitation is equal to the budget request and $13,729,000 more than the fiscal year 2013 enacted level.

In addition, $3,248,000 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.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, 2013 [1]	$39,619,602,000
Budget estimate, 2014	40,256,000,000
Committee recommendation	40,256,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25. Obligation limitations for the Federal-aid highway program are not subject to the sequester.

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 2014 Federal-aid highways obligations to $40,256,000,000, which is equal to the budget request and $636,398,000 more than the fiscal year 2013 enacted level for the Federal-aid highway program. This funding level is consistent with the most recent authorization law, the Moving Ahead for Progress in the 21st Century Act [MAP–21].

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.

MAP–21 Implementation.—The Committee is aware of the many programmatic, regulatory, and reporting requirements and deadlines established in MAP–21. Though MAP–21 is a 2-year authorization bill, many of its policies and provisions are expected to take several years beyond fiscal year 2014 to be completed and implemented. As FHWA works to implement MAP–21, it needs to provide regular updates to Congress on whether it faces any challenges in meeting its statutory deadlines. Therefore, the Committee directs FHWA to provide to the House and Senate Committees on Appropriations not later than 180 days after enactment of this act, and biennially thereafter, a report that lists all deadlines, requirements, and mandates in MAP–21, the current status of each activity, and an explanation of any delays.

The Committee has fully funded the administration's request for administrative resources to ensure that the agency is able to implement MAP–21, and directs FHWA to provide an explanation in its fiscal year 2015 budget justifications of how the agency is making any changes to the composition of its workforce as a result of MAP–21.

Justification Reports.—FHWA issued its most recent guidance on interstate access points in 2009. The guidance requires that, before approving a new access point to the interstate system, FHWA must determine, among other things, that the need being addressed by the new access point would not be satisfied by existing interchanges and that the new access point would not have a significant adverse impact on safety. The guidance also specifically recognizes the critical role that surface transportation plays in shaping the economic health of regions and States. In recognition of that policy, the Committee notes that, so long as proposed new interchanges meet requirements in FHWA guidance, the agency's current guidance provides room for FHWA to approve access points designed to encourage economic growth.

Section 1505 of MAP–21 amended section 111 of title 23 to allow the Secretary to permit a State department of transportation to approve justification reports for a project that would add a point of access to, or exit from, the interstate system. The Committee notes that FHWA has not yet provided any new guidance on how the agency will implement section 1505. The Committee encourages FHWA to issue such guidance immediately, building upon existing policy on interstate access points.

Alternative Fuels Infrastructure.—Recent years have seen meaningful growth in the alternative fuel vehicle sector. By helping to decrease fuel consumption, this sector plays an important role in our Nation's energy security. As automobile manufacturers design new vehicles to meet stronger fuel economy standards in coming years, alternative fuel vehicles are expected to comprise a larger share of the vehicle fleet in the United States. At this time, efforts to encourage the deployment of refueling and recharging infrastructure to support alternative fuel vehicles have relied primarily on State and Federal incentives, grants and matching programs. As the industry looks to the future, however, the development of new, innovative funding mechanisms will be important to continued market growth.

The Committee recognizes FHWA's ongoing efforts to evaluate the prospects for deployment of electric vehicles and to analyze the potential impact of this deployment on its mission, including the financial implications for available highway revenues. The Committee directs FHWA to provide the House and Senate Committees on Appropriations, not later than 1 year after enactment of this Act, a report on options for financing alternative fueling stations, including public-access electric vehicle charging stations. The Committee expects the report to address a variety of financing mechanisms, including, but not limited to, Federal grants and credit assistance, public-private partnerships and membership-based cooperatives. The Committee further directs that, in developing its report, FHWA consult with interested stakeholders, including the Department of Energy, relevant industry members, and State departments of transportation actively participating in alternative and electric vehicle infrastructure deployment.

Construction of Ferry Boats and Ferry Terminal Facilities.—An important principle of our Federal transportation programs has long been that taxpayer dollars support projects for the public benefit. For this reason, the Federal-aid Highway program provides grants to public entities such as State and local governments. The ferry program follows this same principle, allowing Federal grants to support only ferry systems that are operated by a public entity or by a private firm operating the system on behalf of a public entity.

The enactment of MAP–21 changed the ferry program from a discretionary program that distributed funds through a competitive process to a formula program that distributes funds based on the number of passengers, vehicles and route miles in each ferry system. The Committee notes, however, that MAP–21 does not change the eligibility requirements of the program. In its published materials on the ferry program, FHWA explains that "[ferry boat program] eligibilities continue unchanged" and that eligible ferry systems must operate on a route that has been classified as a public road; it must be either publicly owned or operated, or majority publicly owned; and the operating authority and the amount of fares charged for passage on the ferry shall be under the control of the State or other public entity.

In order to distribute ferry grants provided by the short-term continuing resolution, FHWA used data from the Bureau of Transportation Statistic's 2010 Census of Ferry Boat Operators, which is the best available data. FHWA understood, however, that this data was not sufficient to make final eligibility decisions because it took into account all ferry operators in the United States, including some that might be considered private operators. The agency required its division offices to confirm the eligibility of each operator before making funds available for obligation. Since FHWA's initial distribution of funds, division offices have worked closely with State and local agencies, identifying a number of operators that are not eligible for the program. FHWA is currently preparing to distribute ferry grants with the full-year of funding, and this notice will incorporate the corrections found by the division offices.

The Committee recognizes that FHWA worked hard to distribute the funding in a timely manner, but notes that the process has been confusing for ferry operators and the public, leading to uncertainty regarding the amount of funding available to eligible entities. Going forward, the Committee urges FHWA to proactively determine the eligibility of ferry operators to provide certainty regarding available funds for those entities that are eligible recipients.

Safe Routes to Schools.—The Safe Routes to Schools program was created in 2005 to help children walk or bicycle to school by making their routes safer and more appealing. The program supported changes to the local transportation system that improve safety and that reduce traffic, fuel consumption, and air pollution in the school's surrounding area.

The Safe Routes to Schools program originally provided 100 percent of a project's costs. MAP–21, however, combined the Safe Routes to Schools program with other Federal-aid Highway programs. As a result, projects that had been eligible for the program now require a local match of funds. This match requirement poses a significant challenge for low-income areas that want to create a safe environment around their schools.

The Committee believes that the underlying authorization law needs to strike the correct balance between recognizing the needs of low-income neighborhoods with requiring local stakeholders to contribute to their transportation improvements. The Committee also recognizes that significant unobligated balances remain from the funding originally dedicated to the Safe Routes to Schools program. Those balances retain the 100 percent Federal share. The Committee directs FHWA to work with States on a way to target those funds to projects that benefit low-income neighborhoods.

Technology Transfer of Paving Materials.—The Committee encourages the Department to use discretionary funds authorized under subsection 503(b)(3)(C)(xix) of title 23, United States Code, for technology transfer and adoption of permeable, pervious, or porous paving materials, practices, and systems that are designed to minimize environmental impacts, stormwater runoff, and flooding, and to treat or remove pollutants by allowing stormwater to infiltrate through the pavement in a manner similar to predevelopment hydrologic conditions. Such activities may include testing of high-traffic permeable pavements using infiltration concrete or asphalt bases; validation of hydrologic/hydraulic/pollutant removal performance data and modeling; data collection and reporting on permeable pavements, installation, maintenance and life cycle costs. If the Department uses its discretionary funds in this manner, then the Committee directs the Department to issue reports on its findings to State and municipal transportation agencies to overcome technical barriers to adoption of permeable infiltration pavements in the transportation infrastructure.

Private Activity Bonds.—Section 1143 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users authorized private activity bonds for qualified highway and surface freight transfer facility projects. These bonds play a large role in incentivizing private investment in public projects. While the $15,000,000,000 statutory cap has not yet been reached, the Committee directs the Secretary to analyze the existing program and report back to the House and Senate Committees within 120 days of enactment regarding projected future utilization and the current project pipeline, as well as any recommendations to increase or eliminate the authorization cap.

Buy America.—The Committee is aware of concerns being raised by local transportation districts regarding changes made in MAP–21 to the applicability of the Buy America law to federally funded highway projects and the effect of those changes on utility relocation projects. Specifically, utilities have stated that while they intend to be Buy America compliant in the future, they are currently unable to comply due to existing stockpiles of utility-specific materials and the long lead time required to replace them. These issues could result in delays to hundreds of projects and cost thousands of jobs. The Committee urges the Department to work with local stakeholders to find a solution that implements the intent of the Buy America provisions but allows critical projects to move forward.

State Apportionments.—The following table shows the expected obligation limitation provided to each State under the Committee's recommended funding level:

FEDERAL-AID HIGHWAY PROGRAM OBLIGATION LIMITATION

	Fiscal year—		Committee recommendation
	2013 enacted	2014 estimate	
Formula Programs			
ALABAMA	$688,831,859	$696,248,501	$696,248,501
ALASKA	435,370,860	440,059,377	440,059,377
ARIZONA	650,616,469	657,617,792	657,617,792
ARKANSAS	459,330,022	464,277,115	464,277,115
CALIFORNIA	3,272,641,156	3,307,822,975	3,307,822,975
COLORADO	486,155,977	491,384,692	491,384,692
CONNECTICUT	446,993,251	451,801,921	451,801,921
DELAWARE	150,424,643	152,043,358	152,043,358
DISTRICT OF COLUMBIA	141,856,122	143,382,759	143,382,759
FLORIDA	1,720,188,250	1,738,709,837	1,738,709,837
GEORGIA	1,173,217,863	1,185,842,059	1,185,842,059
HAWAII	146,982,130	148,564,656	148,564,656
IDAHO	254,016,617	256,751,384	256,751,384
ILLINOIS	1,292,591,900	1,306,493,924	1,306,493,924
INDIANA	827,077,797	835,985,313	835,985,313
IOWA	426,894,869	431,492,636	431,492,636
KANSAS	343,178,928	346,873,280	346,873,280
KENTUCKY	603,319,173	609,814,555	609,814,555
LOUISIANA	607,795,550	614,345,130	614,345,130
MAINE	164,049,729	165,815,463	165,815,463
MARYLAND	521,862,034	527,477,962	527,477,962
MASSACHUSETTS	552,487,736	558,427,064	558,427,064
MICHIGAN	957,059,672	967,354,488	967,354,488
MINNESOTA	579,268,659	585,504,512	585,504,512
MISSISSIPPI	429,071,692	433,692,924	433,692,924
MISSOURI	839,999,333	849,045,845	849,045,845
MONTANA	364,225,269	368,147,186	368,147,186
NEBRASKA	256,594,101	259,357,034	259,357,034
NEVADA	323,181,926	326,658,572	326,658,572
NEW HAMPSHIRE	150,165,032	151,780,515	151,780,515
NEW JERSEY	908,231,611	917,995,611	917,995,611
NEW MEXICO	318,311,999	321,741,336	321,741,336
NEW YORK	1,527,079,966	1,543,495,078	1,543,495,078
NORTH CAROLINA	903,591,363	913,322,956	913,322,956
NORTH DAKOTA	225,540,143	227,967,389	227,967,389
OHIO	1,192,003,625	1,204,830,604	1,204,830,604
OKLAHOMA	562,545,112	568,604,309	568,604,309
OREGON	443,811,370	448,589,838	448,589,838
PENNSYLVANIA	1,491,186,466	1,507,228,860	1,507,228,860
RHODE ISLAND	194,275,207	196,366,599	196,366,599
SOUTH CAROLINA	570,076,439	576,213,948	576,213,948
SOUTH DAKOTA	244,696,001	247,331,581	247,331,581
TENNESSEE	750,444,186	758,523,665	758,523,665
TEXAS	2,867,152,600	2,898,005,952	2,898,005,952
UTAH	286,071,694	289,151,776	289,151,776
VERMONT	180,390,588	182,332,111	182,332,111
VIRGINIA	904,189,531	913,922,375	913,922,375
WASHINGTON	602,452,369	608,936,859	608,936,859
WEST VIRGINIA	387,876,267	392,053,125	392,053,125
WISCONSIN	683,461,819	690,817,948	690,817,948
WYOMING	222,239,560	224,633,385	224,633,385

FEDERAL-AID HIGHWAY PROGRAM OBLIGATION LIMITATION—Continued

	Fiscal year—		Committee recommendation
	2013 enacted	2014 estimate	
SUBTOTAL	34,731,076,535	35,104,838,134	35,104,838,134
Allocated programs	4,367,010,516	4,624,181,656	4,624,181,656
Sections 154 and 164 penalties	521,514,949	526,980,210	526,980,210
Total	39,619,602,000	40,256,000,000	40,256,000,000

Program Descriptions.—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.

MAP–21, the highway, highway safety, and transit authorization through fiscal year 2014, made Federal-aid highways funds available in the following categories of spending:

—*National Highway Performance Program [NHPP].*—This program provides support for the condition and performance of the national highway system [NHS], and for the construction of new facilities on the NHS. Projects funded through the NHPP must support progress toward the achievement of national performance goals for improving infrastructure condition, safety, mobility, or freight movement on the national highway system. Such projects must also support progress toward the achievement of performance targets established in a State's asset management plan, and must be consistent with requirements for metropolitan and statewide planning. Funding for this program also supports the Transportation Alternatives program, and State planning and research.

—*Surface Transportation Program.*—The Surface Transportation Program provides flexible funding that may be used by States and localities for projects that preserve and improve the conditions and performance on any Federal-aid highway; bridge and tunnel projects on any public road; pedestrian and bicycle infrastructure; and transit capital projects, including intercity bus terminals. Funding for this program also supports the Transportation Alternatives program, and State planning and research. A portion of the program's funding is set aside for improvements to off-system bridges.

—*Highway Safety Improvement Program.*—This program is designed to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including roads on tribal lands and other public roads that are not owned by a State government. An eligible highway safety improvement project is any strategy, activity or project on a public road that corrects or improves a hazardous road location or feature, or addresses a highway safety problem. Such projects must be consistent with the State's strategic highway safety plan, which must be based on analysis of crash data. Funding for this program also supports the Transportation Alternatives program, and State planning and research. In addition, a set-aside from the STP program funds the Railway-Highway Crossings Program, which supports safety improvements to reduce the number of fatalities, injuries, and crashes at public grade crossings.

—*Congestion Mitigation and Air Quality Improvement Program [CMAQ].*—The CMAQ program provides a flexible funding source to State and local governments for transportation projects and programs that help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the national ambient air quality standards for ozone, carbon monoxide, or particulate matter. Funding for this program also supports the Transportation Alternatives program, and State planning and research.

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

—*Transportation Infrastructure Finance and Innovation Act Program [TIFIA].*—This program provides Federal credit assistance to eligible surface transportation projects, including highway, transit, intercity passenger rail, some types of freight rail, and intermodal freight transfer facilities. TIFIA is designed to fill market gaps and leverage substantial private co-investment by providing projects with supplemental or subordinate debt. The program may provide credit to States, localities, or other public authorities, as well as private entities undertaking projects sponsored by public authorities. TIFIA offers direct loans, loan guarantees and lines of credit.

—*Construction of Ferry Boats and Ferry Terminal Facilities*.—The ferry program provides funding for the construction of ferry boats and ferry terminal facilities. Funds are distributed according to statutory formula.

—*Tribal Transportation Program*.—The Tribal Transportation Program is designed to provide access to basic community services and to enhance the quality of life in Indian country. Funding is distributed among tribes based on a statutory formula.

—*Federal Lands Transportation Program*.—This program funds projects that improve access within federally owned lands, including national forests, national parks, national wildlife refuges, and national recreation areas. Each year, funds are provided to the National Park Service and the U.S. Fish and Wildlife Service, and funds are distributed on a competitive basis to the U.S. Forest Service, the Bureau of Land Management, and the U.S. Corps of Engineers.

—*Federal Lands Access Program*.—This program provides funds for projects on transportation facilities that are located on or adjacent to federally owned lands, or that provide access to those areas. Funds are distributed by formula among States that have Federal lands managed by the National Park Service, the U.S. Forest Service, the U.S. Fish and Wildlife Service, the Bureau of Land Management, and the U.S. Army Corps of Engineers.

—*State Planning and Research*.—This program provides funding for States to conduct planning and research activities. The funds are used to establish a cooperative, continuous, and comprehensive framework for making transportation investment decisions, and to carry out transportation research activities through each of the States. The program is funded with resources from the National Highway Performance Program, the Surface Transportation Program, and the Highway Safety Improvement Program, and the Congestion Mitigation and Air Quality Program.

—*Transportation Alternatives*.—This program provides funding for a variety of alternative transportation projects, including trails for pedestrians and bicyclists; transportation systems that provide safe routes for non-drivers, including children, older adults, and people with disabilities; and environmental mitigation projects.

—*Territorial and Puerto Rico Highway Program*.—This program supports a highway program in the Commonwealth of Puerto Rico, and it provides funding to assist the governments of the U.S. territories with highway investments and necessary inter-island connectors.

—*Emergency Relief*.—The Emergency Relief program provides funds for emergency repairs and permanent repairs on Federal-aid highways and roads on Federal lands that the Secretary finds have suffered serious damage as a result of natural disasters or catastrophic failure from an external cause. This program receives an appropriation of $100,000,000 in contract authority each year from the Highway Trust Fund, and this funding is exempt from the obligation limitation imposed on the Federal-aid Highway Program. In addition to this contract authority, the program receives such sums as may be necessary from the general fund of the Treasury to meet emergency needs.

—*Research, Technology and Education*.—The Federal Highway Administration manages the following programs that support research, technology development, and education activities:

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

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

  —The Training and Education Program supports FHWA's efforts to train the current and future transportation workforce, share knowledge with transportation professionals, and provide training that addresses the full lifecycle of the highway transportation system.

In addition to these programs, funding provided under the Federal-aid Highways Program supports the Intelligent Transportation Systems Program, University Transportation Centers and the Bureau of Transportation Statistics. These programs have been administered by the Research and Innovative Technology Administration. The Committee recommendation would elevate RITA's responsibilities to the Office of the Secretary, as requested by the Administration.

BRIDGES IN CRITICAL CORRIDORS

Appropriations, 2013	....
Budget estimate, 2014	....
Committee recommendation	$500,000,000

PROGRAM DESCRIPTION

This appropriation will support additional investments under the Surface Transportation Program, which is one of the core formula grant programs that represent the majority of funding under the Federal-aid Highways Program. The funding is targeted to bridge projects that are located on the national highway system, or that are expected to provide significant safety or economic benefits.

COMMITTEE RECOMMENDATION

The Committee recommendation includes $500,000,000 for the repair, replacement, and construction of bridges that are located in critical corridors on our Nation's highway system. This funding will support bridge projects across the country that are designed to protect the safety and reliability of our transportation network, or which would result in significant economic benefits.

The collapse of the I–5 bridge over the Skagit River in May caused immeasurable disruption to the region and its economy, and the incident serves as a reminder of what happens to our communities when they lose an essential part of their transportation infrastructure. Without the use of the Skagit River bridge, commuters have been trapped in their cars for an additional hour every day. Local shops have experienced a dramatic loss of business. Larger companies that move goods throughout the region have been forced to divert shipments, draining their productivity.

On June 13, the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies held a hearing to examine the need to invest in our Nation's roads and bridges. Witnesses from the Administration and the Government Accountability Office [GAO] testified to the importance of investments in our transportation infrastructure. Mr. Phillip Herr, Managing Director of Physical Infrastructure at GAO, attested to the fact that bridge conditions have improved slightly in the past decade, but a substantial number of bridges remain in poor condition. His data show that of the more than 600,000 bridges in the United States, 25 percent are classified as deficient. The testimony of Under Secretary Polly Trottenberg made the case that current programs cannot meet the demand for bridge projects across the country. The Department has received hundreds of applications to support bridge projects through funding provided as National Infrastructure Investments, commonly referred to as the "TIGER" program. Additionally, several sponsors of nationally significant bridge projects expressed interest in receiving credit assistance from the Department. However, according to the Under Secretary, "there is far more demand for investments than we have funds available."

Funding Distribution.—The bill language requires the Secretary to distribute these funds through a competitive process. The Committee instructs the Secretary to take such measures so as to ensure an equitable geographic distribution of funds, and an appropriate balance in addressing the needs of urban and rural areas. The Committee recognizes the need for these bridge repairs far exceeds available funding; therefore, the Committee encourages the Secretary to consider projects which leverage nongovernmental support in addition to other criteria.

GAO Survey on Oversize Load Permitting.—The National Transportation Safety Board continues to investigate the root cause of the Skagit River bridge collapse, but it has been clear that a critical part of this incident is the fact that the bridge was struck by a truck carrying an oversized load. Each State administers its own system for issuing permits to carry such loads, but an incident like the collapse of the Skagit River bridge raises important questions about how the Federal and State governments can better protect our infrastructure. The Committee directs GAO to conduct a survey of the State departments of transportation on their treatment of oversize loads, including their permitting process and oversight regime. The Committee further directs GAO to issue a report on its findings to the House and Senate Committees on Appropriations not later than 18 months after enactment of this act. The Committee expects this report to detail the GAO's survey findings, offer recommendations and best practices, and address the appropriate role of the Federal and State governments.

Bridge Height Signs.—The collapse of the Skagit River bridge raised questions about the height of the truck that struck the bridge, and what the truck driver knew about the height of the bridge. These questions underscore the importance of clear and appropriate signage on our public roads. The Committee directs the Federal Highway Administration to reevaluate Federal and State requirements for marking bridge height, including standards related to the position and design of such signs and the enforcement of such standards. The Committee further directs FHWA to report its findings and recommendations to the House and Senate Committees on Appropriations not later than 1 year following enactment. In conducting its evaluation, the Committee expects FHWA to consult with the American Association of State Highway and Transportation Officials, the American Society of Civil Engineers, and other relevant organizations.

LIQUIDATION OF CONTRACT AUTHORIZATION

(HIGHWAY TRUST FUND)

Appropriations, 2013 [1]	$39,882,583,000
Budget estimate, 2014	40,995,000,000
Committee recommendation	40,995,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25. Liquidating authority is not subject to sequester.

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 $40,995,000,000. The recommended level is equal to the budget request and $1,112,417,000 more than the fiscal year 2013 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 makes contract authority available for FHWA's administrative expenses.

Section 125 requires congressional notification before the Department provides credit assistance under the TIFIA program.

Section 126 clarifies language in MAP–21 that allows States to use CMAQ on transit or rail operating assstance with no time limitation.

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.

MCSIA, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users [SAFETEA–LU], and the Moving Ahead for Progress in the 21st Century Act [MAP–21] provide funding authorization for FMCSA's Motor Carrier Safety Operations and Programs and Motor Carrier Safety Grants.

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.

COMMITTEE RECOMMENDATION

The Committee recommends a total level of $595,000,000 for obligations and liquidations from the Highway Trust Fund. This level is $23,000,000 more than the request and $35,122,000 more than the fiscal year 2013 enacted level.

MOTOR CARRIER SAFETY OPERATIONS AND PROGRAMS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, 2013[1]	$250,498,000
Budget estimate, 2014 (limitation)	259,000,000
Committee recommendation	259,000,000

[1] Does not reflect the March 1, 2013, sequester of funds. Obligation limitations for Motor Carrier Safety Operations and Programs (and the related contract authority) are not subject to the sequester.

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 FMCSA 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 $259,000,000 for FMCSA's Operations and Programs. The recommendation is $8,502,000 more than the fiscal year 2013 enacted level and equal to the budget request. Of the total limitation on obligations, $9,000,000 is for research and technology, $1,000,000 is for commercial motor vehicle operator grants, and $34,545,000 is for information management. The request for $5,000,000 to develop an Integrated Highway Safety Program Office is denied.

Over the last 3 years, FMCSA has improved its responsiveness to recommendations of the National Transportation Safety Board [NTSB], the Department of Transportation's Office of Inspector General, and the Government Accountability Office [GAO]. However, many serious safety issues remain unresolved, such as: preventing operators from providing services if they have serious safety violations for either mechanical failures or unqualified drivers; the collection and maintenance of data on hours of service; the mandatory use of electronic logging devices; and the identification of chameleon carriers. The Committee believes that FMCSA could further reduce large truck and bus fatalities and injuries this year by addressing these outstanding recommendations, and encourages the agency to seize this opportunity.

Compliance, Safety and Accountability Program [CSA].—In 1999, NTSB concluded that FMCSA's oversight of motor carrier operators was ineffective because its safety fitness rating methodology was insufficient. Furthermore, the agency relied on a labor-intensive, comprehensive audit process that was only capable of reaching 3 percent of the industry annually. The NTSB recommended that FMCSA develop a more efficient 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 at the riskiest carriers. The goal of CSA is to use performance data to target interventions and help carriers to come 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.

According to a Committee-directed February 2011 GAO audit of the program, after 8 years and $36,000,000 in Federal investment, key components of the CSA program are significantly delayed. These delays limit 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 January, 2014. 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 a 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 January, 2014.

Last year, the Committee raised concerns with FMCSA's failure to develop a method for determining crash accountability. The Committee believes this is an important factor when evaluating a carrier's crash rate for the SMS. The Committee directed FMCSA to work with the Department of Transportation's Volpe Center to develop a tool to fairly establish crash accountability and how it should affect a carrier's SMS score. This partnership is part of FMCSA's Crash Weighting Research Plan, which should be completed by the end of fiscal year 2013. The Committee directs FMCSA to report on the results of the research plan within 60 days of the date of enactment of this act and to seek public input on the new crash weighting methodology.

Pursuant to the Committee's direction, GAO is currently evaluating: the effectiveness of the CSA program in identifying carriers that pose the highest safety risk; how interventions used under CSA improve motor carrier safety; and FMCSA's progress and challenges in managing the CSA program. The Committee requires that GAO complete this audit no later than December 1, 2014.

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.

Electronic Logging Devices.—In 1977, NTSB issued its first recommendation on the use of on-board data recording devices, or electronic logging devices [ELDs], to provide an efficient and reliable means of tracking the number of hours a commercial motor vehicle operator drives. In 2008, this recommendation was added to NTSB's Most Wanted List. This recommendation remains "open unacceptable". MAP–21 mandates that FMCSA issue a rule by October 2013 requiring all interstate motor carriers to be equipped with ELDs to improve compliance and enforcement with existing hours of service regulations. The agency is unlikely to meet this deadline due to complications with legal challenges to a prior regulatory activity on the limited use of ELDs for operators with persistent hours of service violations. The Committee supports the expanded usage of ELDs and encourages FMCSA to work aggressively to implement the ELD mandate.

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 insufficient to discourage chameleon practices. GAO recommended that FMCSA develop a risk-based process to target the new entrant applications with chameleon characteristics. This would allow FMCSA to expand vetting 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 systems. The Committee directs FMCSA to report to the Committee by March 31, 2014, 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.

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, compliance with this requirement has improved significantly, from completing compliance reviews of 69 percent of high-risk carriers in fiscal year 2008 to 90 percent in the 2012 calendar year.

In December 2010, FMCSA deployed the new Carrier Safety Measurement System [CSMS] as part of its 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 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 1 year.

With the implementation of the new CSMS system, the related statutory mandate to inspect high-risk carriers is out of date and does not reflect current programmatic terminology. Therefore, the Committee has included a technical correction to reflect the modernization of the program in section 132 of the Administrative Provisions for FMCSA. The Committee expects FMCSA to continue to prioritize these carriers for inspection and directs the agency to provide the House and Senate Committees on Appropriations with an updated report on its ability to meet its requirements to evaluate mandatory carriers by April 2014 for the preceding fiscal year.

ADA Compliance.—For several years, this Committee has prodded 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. The Committee is pleased to find that FMCSA has developed guidelines and set conditions to suspend or revoke operating authority based on ADA non-compliance. These requirements have been integrated into the new entrant safety audit process and enforcement software. Since 2009, 185 ADA reviews have been conducted, resulting in two companies receiving civil penalties for serious violations. The Committee directs FMCSA to report to the Committee by May 2014 on enforcement actions the agency has taken in the preceding fiscal year, including the number of denials or revocations due to noncompliance.

NATIONAL MOTOR CARRIER SAFETY

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION OF OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, 2013	....
Budget estimate, 2014	....
Committee recommendation	$19,000,000

PROGRAM DESCRIPTION

The National Motor Carrier Safety program was established to promote motor carrier safety and help States develop motor carrier data systems.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations and authority to liquidate an equal amount of contract authorizations from existing unobligated balances of $19,000,000 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)

	Liquidation of contract authorization	Limitation on obligations
Appropriations, 2013[1]	$310,000,000	$309,380,000
Budget estimate, 2014	313,000,000	313,000,000
Committee recommendation	317,000,000	317,000,000

[1] Does not reflect the March 1, 2013, sequester of funds. Obligation limitations for Motor Carrier Safety Grants (and the related contract authority) are not subject to the sequester.

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 and authority to liquidate an equal amount of contract authorization of $317,000,000 for motor carrier safety grants. The recommended limitation is $7,620,000 more than the fiscal year 2013 enacted level and $4,000,000 more 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 listed below for the Motor Carrier Safety Assistance Program [MCSAP] includes $15,000,000 for High Priority grants and $36,000,000 for New Entrant grants.

	Amount
Motor Carrier Safety Assistance Program [MCSAP]	$222,000,000
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 ADMNINSTRATION

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 extends the authority for the Motor Safety Advisory Committee to the period of authorization of MAP–21.

Section 132 makes technical changes to the mandate for high-risk carrier safety inspections to reflect the current programmatic terminology of the CSMS system.

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; (5) the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users [SAFETEA–LU]; and (6) Moving Ahead for Progress in the 21st Century Act [MAP–21].

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

The most recent surface reauthorization, MAP–21, consolidated NHTSA's grant programs into a new National Priority Safety Program and set target spending rates for grants to States for occupant protection, State traffic safety information systems, impaired driving countermeasures, distracted driving, motorcycle safety, State graduated driver licensing, and in-vehicle alcohol detection device research. The bill also mandates State performance-based highway safety plans, and creates a new teenage traffic safety program and Council for Vehicle Electronics, Software, and Engineering Expertise.

COMMITTEE RECOMMENDATION

In 2011, the number of overall traffic fatalities was reduced to 32,367, the lowest level since 1949. While the trend in reduced highway fatalities is significant and encouraging, the number remains disturbingly high. The agency and its State partners must remain diligent to sustain these improvements as the economy recovers and discretionary travel increases. The Committee recommends $848,343,000 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 $20,000,000 above the President's request and $39,817,000 more than the fiscal year 2013 enacted level.

The following table summarizes Committee recommendations:

Program	Fiscal year— 2013 enacted [1]	Fiscal year— 2014 estimate	Committee recommendation
Operations and Research	$255,135,000	$266,843,000	$286,843,000
Highway Traffic Safety Grants	553,391,000	561,500,000	561,500,000
Total	808,526,000	828,343,000	848,343,000

[1] Does not reflect March 1, 2013, sequester of funds under Public Law 112–25.

OPERATIONS AND RESEARCH

	General Fund	Highway Trust Fund	Total
Appropriation, fiscal year 2013 [1]	$139,866,000	$115,269,000	$255,135,000
Budget estimate, 2014	148,343,000	118,500,000	266,843,000
Committee recommendation	148,343,000	138,500,000	286,843,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $286,843,000 for Operations and Research, which includes funding for the National Driver Register. This level of funding is $20,000,000 above the President's budget request and $31,708,000 more than the fiscal year 2013 enacted level. Of the total amount recommended for Operations and Research, $148,343,000 is derived from the General Fund and $138,500,000 is derived from the Highway Trust Fund, of which $5,000,000 is for the National Driver Register.

The increase above the budget request should be used to address NTSB safety recommendations for the prevention of drugged driving, the nationwide deployment of the National Emergency Medical Services Information System [NEMSIS], and to increase the number of detailed crash investigations for the National Automotive Sampling System [NASS] Crashworthiness Data System [CDS].

Drug Impaired Driving.—The elimination of substance impaired driving is one of NTSB's Most Wanted top 10 safety priorities. Substance impaired driving includes drunk and drugged driving. In 2009, NHTSA published the first roadside survey of drug and alcohol use. The survey found that 16 percent of drivers tested positive for drugs that could impair driving. Also in 2009, the National Survey on Drug Use and Health found that roughly 10.5 million people admitted to driving while impaired by illicit drugs. As a result of this information, the Office of National Drug Control Policy [ONDCP] focused on the prevention of drug impaired driving in the 2011 National Drug Control Strategy. The strategy advocated making the prevention of drugged driving a national priority on par with the prevention of drunk driving. ONDCP recommended that NHTSA build upon the existing foundation of alcohol impaired driving initiatives to expand public education, data collection and the development of improved testing procedures. In addition, the NTSB recommended that NHTSA: (1) establish standards for post-accident drug testing and reporting, and (2) develop and disseminate a set of standard practices for drug toxicology testing to States. NHTSA is collaborating with ONDCP and the Department of Health and Human Services to develop standards for drug testing. The Committee expects NHTSA to work with other Federal agencies to address the NTSB recommendations to provide a reliable benchmark to measure the effectiveness of laws, enforcement efforts, education, and other countermeasures to address drugged driving.

Furthermore, while progress has been made in the fight against drunk driving over the past three decades, the Federal Government, States, and local law enforcement face different challenges in their ability to detect drugged driving and measure impairment. The Committee directs GAO to conduct a study on the strategies that NHTSA, ONDCP, and States have taken to address drug impairment and assess the challenges they face in detecting and reducing drug impaired driving.

National Emergency Medical Service Information System [NEMSIS].—NEMSIS provides uniform information for Emergency Medical Services [EMS] directors and administrators to improve the provision of emergency medical services. While every State and territory has signed a memorandum of understanding acknowledging their support for NEMSIS, the program is only able to serve 40 States with its current level of funding. The Committee recommendation includes a $3,000,000 increase to expand the program to all 50 States and to make one-time information technology improvements to the NEMSIS Technical Assistance Center [TAC].

National Automotive Sampling System [NASS].—Since NHTSA's regulatory activities are data driven, the agency and its partners rely on real-world crash data to identify potential problems. The NASS program provides crash data on a nationally representative sample of police-reported motor vehicle crashes and related injuries. The Crashworthiness Data System [CDS], the National Motor Vehicle Crash Causation Survey [NMVCCS], and Special Crash Investigations [SCI] are components of NASS that use trained crash investigators to perform detailed crash investigations. Crash investigators document scene evidence, vehicle damage, and code all crash-related injuries from medical records for each CDS case. The statistics-based sample of crash investigations is then weighted to represent the over 6 million crashes on U.S. roads annually that require a vehicle to be towed from the scene. The information collected is used to evaluate motor vehicle safety standards, inform highway safety research to reduce crash consequences, and investigate emerging vehicle safety issues.

When NASS was created in the 1970s, it was designed by experts in data collection and statistical analysis to cover 75 census sites with a total of 200 trained investigators operating in teams of two to four examining two crashes per week each year. Over time, the program has been reduced from 50 to 24 sites and the number of crashes investigations has dropped from a high of 6,319 in 1990 to 4,278 in 2011. The Committee is concerned that the most recent year of data from 2011 had the fewest number of investigations ever. Safety researchers and automobile manufactures argue that the current sample size of 24 census sites and average of 4,500 crash investigation cases annually is not large enough to identify trends or problems at the vehicle make/model level in a timely manner. The Committee recognizes that in a constrained fiscal climate there is a balance between increasing the number of crash investigations, having an adequate sample that is representative of vehicular crashes across the country, and maintaining the level of in-depth data elements that are collected from each crash. The Committee directs GAO to evaluate these factors and report to the House and Senate Committee on Appropriations on what the optimal range of crash investigations should be to ensure the reliability of the NASS program. The Committee expects NHTSA to increase the sample size of crash investigations from the 2011 all-time low. NASS CDS data serves as the foundation for informed highway safety decisionmaking at the Federal, State, and local levels of government and should be more robust. The Committee recommendation also includes $2,000,000 for the one-time purchase of technical equipment to enhance and expedite data collection.

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 [EISA] and the Clean Air Act.

The Committee recommends $7,900,000 for fiscal year 2014 for the CAFE program, as requested. Funding will be used to support rulemakings for medium- and heavy-duty commercial vehicles and to propose fuel economy standards for heavy-duty truck trailers. With these funds, NHTSA also intends to begin work on a new consumer information program on vehicle fuel efficiency for medium-duty vehicles as directed in Senate Report 112–83. The Committee commends NHTSA for its commitment to this requirement and reiterates its support for completing this work in fiscal year 2014. Funds will also be used to initiate a retrospective analysis of fuel efficiency rulemakings to assess the accuracy of projections as recommended by GAO, and to conduct technical and economic studies to assess the potential to improve vehicle fuel economy for model years 2022 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 60 days of enactment of this act 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 recent, current, and future expenditures, starting with fiscal year 2010, until all final actions are concluded for the regulation of medium and heavy duty trucks for model years 2019–2022.

Child Hyperthermia Prevention.—The Committee commends NHTSA for 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 in 2014, along the lines of the successful efforts more than a decade ago that convinced 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 justified as there have been more than 500 of these deaths in vehicles since 1998, an average of 38 per year and rising.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriations, 2013 [1]	$553,391,000	$554,500,000
Budget estimate, 2014	561,500,000	561,500,000
Committee recommendation	561,500,000	561,500,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25. Obligation limitations for Highway Traffic Safety Grants (and the related contract authority) are not subject to the sequester.

PROGRAM DESCRIPTION

The most recent surface authorization, MAP–21, reauthorized occupant protection grants, State traffic safety information grants, impaired driving countermeasures grants, motorcycle safety grants, and consolidated them under a new National Priority Safety Program (23 U.S.C. 405). The bill also created three new grant programs within the National Priority Safety Program: State graduated driver license grants, distracted driving grants, and in-vehicle alcohol detection devise research.

HIGHWAY TRAFFIC SAFETY GRANTS

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations and authority to liquidate an equal amount of contract authorization of $561,500,000 for the highway traffic safety grant programs funded under this heading. The recommended limitation is equal to the budget estimate and $8,109,000 more than the fiscal year 2013 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 authorized funding for administrative expenses and for each grant program is as follows:

	Amount
Highway Safety Programs (section 402)	$235,000,000
Occupant Protection Grants (section 405)	43,520,000
Distracted Driver Incentive Grants (section 405)	23,120,000
State Traffic Safety Information System Improvement Grants (section 405)	39,440,000
Impaired Driving Countermeasures Grants (section 405)	142,800,000
Motorcyclist Safety Grants (section 405)	4,080,000
State Graduated Driver Licensing Laws (section 405)	13,600,000
In-Vehicle Alcohol Detection Device Research (section 403h)	5,440,000
High Visibility Enforcement (section 2009)	29,000,000
Administrative Expenses	25,500,000
Total	561,500,000

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—a total of 9,878 people in 2011. Numerous national, State, and local efforts are in place to prevent these fatalities, including successful high-visibility law enforcement campaigns, incentive grants to promote further State adoption of ignition interlock laws and advanced technology research. 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 technology to prevent alcohol-impaired driving that is publicly acceptable, unobtrusive for drivers below the legal limit of .08 BAC, reliable, and relatively inexpensive. The goal is to make such technologies available for voluntary installation in production vehicles within 5 to 8 years. To date, NHTSA and ACTS have made significant progress towards achieving this goal by demonstrating the technical viability of driver alcohol sensing systems. They have completed preliminary device performance specifications, conducted a 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 2014. The Committee strongly supports this promising research partnership, which has the potential to prevent thousands of drunk driving deaths annually. The Committee recommends a total of $5,440,000 for ACTS to continue this research, which is consistent with the authorized level under MAP–21 and the budget request. This level of funding is $140,000 more than the fiscal year 2013 enacted level.

High-Visibility Enforcement Campaigns.—Ongoing national high-visibility enforcement campaigns for increasing seat belt use (Click It or Ticket) and reducing drunk driving (Drive Sober or Get Pulled Over) are successful highway safety initiatives. The Committee supports NHTSA's commitment to also develop a campaign to help enforce state distracted driving prevention laws; however, it should not do so at the expense of current levels of investment in the national seat belt use and drunk driving prevention efforts.

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. 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 the use of funds to implement 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, 2013[1]	$178,239,000
Budget estimate, 2014	184,500,000
Committee recommendation	184,500,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $184,500,000 for Safety and Operations for fiscal year 2014, which is equal to the funding included for these activities in the budget request and $6,261,000 more than the fiscal year 2013 enacted level. The bill specifies that $12,400,000 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, 2013[1]	$34,930,000
Budget estimate, 2014	35,250,000
Committee recommendation	35,250,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $35,250,000 for railroad research and development, which is equal to the budget request and $320,000 more than the fiscal year 2013 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, and railroads. Credit assistance under the program may be used for rehabilitating or developing rail equipment and facilities. No Federal appropriation is required to implement the program, because a non-Federal partner may contribute the subsidy amount required by the Credit Reform Act of 1990 in the form of a credit risk premium. The Committee maintains bill language specifying that no new direct loans or loan guarantee commitments may be made using Federal funds for the payment of any credit premium amount during fiscal year 2014.

The Committee directs FRA to provide a summary of loan activity for the preceding fiscal years in its fiscal year 2015 budget justification. At a minimum, FRA should detail the number of loans pending and issued, and the processing time for these loans. The Committee is concerned that the average time for processing RRIF loans is 695 days. The Committee also directs the Government Accountability Office [GAO] to analyze the RRIF program and report its findings to the House and Senate Committees on Appropriations no later than 1 year following the enactment of this act. The GAO's analysis should include an assessment of FRA's processes to review and approve loan requests; an evaluation of the impediments to the agency's ability to meet the statutory requirement to make a final determination of loan requests within 90 days (45 U.S.C. 822(i)); and recommendations for ways to improve the program.

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 to their tracks for incremental cost.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Appropriations, 2013[1 2]	$1,533,164,000
Budget estimate, 2014[3]	....
Committee recommendation	1,452,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] Includes emergency funding of $118,000,000 in the Disaster Relief Appropriations Act, 2013 (division A of Public Law 113–2).
[3] The President's budget would establish three new trust fund accounts for Current Passenger Rail Service, the Rail Service Improvement Program, and Railroad Research, Development and Technology totaling $6,414,750,000, of which $2,700,000,000 would be available to Amtrak under the new Current Passenger Rail Service Account for both capital and operating expenses.

The Committee recommends $1,452,000,000 for the FRA to make grants to Amtrak. This amount is $81,164,000 less than the fiscal year 2013 enacted level. However, $181,000,000 in emergency funding was provided in fiscal year 2013 for recovery from Hurricane Sandy and other disasters. The Committee recommendation is $1,452,000,000 more than the request. The Administration's budget request would shift funding for Amtrak into a new $2,700,000,000 Current Passenger Rail Service program that would be supported by a new dedicated Rail Account of the Transportation Trust Fund.

Of the total amount recommended by the Committee, up to $390,000,000 may be used for operating grants, up to $199,000,000 may be used for debt service payments, and not less than $75,000,000 shall be used to bring stations into compliance with the Americans with Disabilities Act. Of the amounts available for capital, not less than $15,000,000 shall be used for the Gateway Program. Furthermore, up to one-half of 1 percent of the total funding level is available for FRA to conduct oversight of Amtrak's operating and capital expenditures, and up to one-half of 1 percent of the total funding level is available for the Northeast Corridor Infrastructure and Operations Advisory Commission.

For operating grants, the Committee directs FRA to make a timely disbursement of funds no more frequently than once per quarter to maximize the Corporation's ability to efficiently manage its cash flow. For capital grants, the Committee recommends the continuation of an initial allocation of $200,000,000 for a working capital fund, with the remaining amounts to be made available on a reimbursable basis.

The Committee maintains requirements for Amtrak to submit a business plan and 5-year Financial Plan for fiscal year 2014. The Corporation shall continue to submit a budget request for fiscal year 2015 to the House and Senate Committees on Appropriations in similar format and substance to those submitted by executive agencies of the Federal Government.

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. 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 boarding 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. Amtrak had to reevaluate and revise all plans, design specifications, engineering requirements, and construction estimates and submit a new ADA compliance plan.

Amtrak reports that the Corporation has some degree of ADA responsibility at 390 stations. Amtrak will provide mobile lifts at the 110 stations that have less than 7,500 riders annually. The remaining 280 stations that have more than 7,500 passengers annually will need some type of level boarding solution. Many of the platforms in these stations are owned by freight railroads and reconciling the requirements of existing freight traffic with the needs of passengers is a complex challenge. 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.

With the level of funding recommended by the Committee, Amtrak intends to advance construction at 45 stations and to finalize planning and design requirements for another 75 stations. By the end of the fiscal year 2013, Amtrak expects to complete work in a total of 17 stations.

CAPITAL ASSISTANCE FOR NATIONAL HIGH PERFORMANCE PASSENGER RAIL SERVICE

Appropriations, 2013	....
Budget estimate, 2014 [1]	....
Committee recommendation	$100,000,000

[1] The budget request includes $3,660,000,000 for a new Rail Service Improvement Program to perform 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 (PRIIA), 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. No funds were provided for this program in fiscal year 2013. The budget request proposed $3,660,000,000 for similar activities in the new Rail Service Improvement Program. The funds provided are limited to supporting the improvement of existing passenger rail service and up to $20,000,000 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.

Transition Assistance for State-Supported Services.—Section 209 of PRIIA requires Amtrak, in consultation with the Secretary and State Governors, to develop and implement a single nationwide standard methodology for allocating the operating and capital costs among States and Amtrak along State-supported corridors. This requires that States now bear the predominant financial responsibility for these services beginning in fiscal year 2014. Many States are challenged to find the necessary resources to keep passenger rail services running during this transition period due to the timing of State budgets and ongoing negotiations with Amtrak. The Committee notes that the capital costs for State-supported corridor services are an eligible expense under for capital investment grants as authorized by section 24402 of title 49.

NEXT GENERATION HIGH SPEED RAIL

(RESCISSION)

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

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

(RESCISSION)

The Committee recommends the permanent rescission of $4,419,000 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 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 quarterly of the reason for such waiver.

Section 153 continues the conditions under which the Secretary may approve operating grants to Amtrak.

Section 154 clarifies that the grant conditions under Public Law 113–2 for the National Railroad Passenger Corporation apply to the scope of the Act rather than any other act.

FEDERAL TRANSIT ADMINISTRATION

PROGRAM DESCRIPTION

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 [FTA] are: to help develop improved mass transportation systems and practices; to support the inclusion of public transportation in community and regional planning to support economic development; to provide mobility for Americans who depend on transit for transportation 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 agencies in financing such services and systems.

A growing number of Americans depend on public transit to get to work, school, medical appointments, and elsewhere. In 2012, they took 10.5 billion trips on public transportation, more than a billion rides more than they took in 2004, and just slightly below the ridership peak in 2008. While the recession led to a decline in transit use in 2009 and 2010, ridership has since recovered with an improving economy. Growth is also driven by investments communities and the Federal Government made to expand transit options. This is especially true of rail transit, where ridership grew by more than a third in the last decade as new rail lines opened in almost two dozen cities, including San Diego, Phoenix, Dallas and Salt Lake City.

The most recent authorization for transit programs was contained in the Moving Ahead for Progress in the 21st Century [MAP–21], which will expire on September 30, 2014. MAP–21 expanded FTA's responsibilities for ensuring the safety of public transit; providing financial support to transit systems during emergencies, including natural disasters such as floods and hurricanes; and supporting core capacity improvements in existing fixed guideway systems.

COMMITTEE RECOMMENDATION

Under the Committee recommendations, a total gross program level of $11,057,681,041 is provided, an increase of $349,427,041 above the fiscal year 2013 level. This level is consistent with the request. The recommendation includes offsets of $285,710,898 that lower the net cost of FTA programs to $10,765,670,102 in fiscal year 2014. This level of offsets is $134,372,889 above the $151,388,009 in offsets accompanying the request. These additional offsets were included in the Committee's fiscal year 2013 recommendations, and because FTA is operating under a continuing resolution this year, remain available for use.

ADMINISTRATIVE EXPENSES

Appropriations, 2013 [1]	$102,507,574
Budget estimate, 2014	109,888,000
Committee recommendation	109,888,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

Administrative expenses fund personnel, contract resources, information technology, space management, travel, training, and other administrative expenses necessary to carry out FTA's mission to support, improve, and help ensure the safety of public transportation systems.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $109,888,000 for the agency's salaries and administrative expenses. The recommended level of funding is $7,380,426 above the fiscal year 2013 enacted level to support new responsibilities assigned to FTA in the most recent authorization act, MAP–21, as well as to cover the costs of salaries and inflation.

The Committee has recognized for several years now that FTA's staffing has not kept up with its increasing responsibilities. Previous reviews—the most recent in 2008—concluded that FTA required additional staff to support its growing workload and improve its ability to perform project oversight, contract administration, and technical assistance. The Committee recognizes MAP–21 adds significant new burdens. FTA is in the process of standing up a new safety office, and will need to prepare almost three dozen new or updated regulations and circulars to implement the wide-ranging changes reflected in the latest reauthorization.

With its new safety responsibilities, FTA will need to create regulations, training programs, and reporting requirements for the nation's rail transit systems. While public transit remains a remarkably safe mode of transportation, accidents do still happen, such as the collision between an automobile and Houston Metro light rail vehicle last September that injured 11. Two months later, in November, two Chicago Transit Authority trains collided, sending two to the hospital. Using its new authority, FTA may now work with a local State Safety Oversight Agency to conduct investigations for accidents like these. The Committee recommendation includes funding for 27 additional FTE to support this work.

The recommendation also provides an additional 10 FTE to help rebalance FTA's workforce with its workload. These staff will allow the agency to address Office of Inspector General concerns about Disadvantaged Business Enterprise compliance; support the new asset management requirements in section 5326 of MAP–21; and to conduct regulatory impact analysis and cost benefit analysis required by Executive Orders 12866 and 13422.

The Committee notes FTA provided limited information in its Congressional Justification for Administrative Expenses on the number and location of positions it is requesting in fiscal year 2014. While this information has been provided to the Committee upon request, greater information on the composition of staff increases should be provided as part of the justification.

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 were either in marginal or poor condition, and that significant reinvestment is necessary to address the backlog of capital needs. 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, determine the condition of those assets, use objective and quantitative analysis to estimate reinvestment needs over the long term, and prioritize their capital investments using the information and analysis.

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. One transit system, the Utah Transit Authority, has already completed its project and the other pilot projects should be completed by the end of calendar year 2013. The Committee understands FTA will review the final reports of each project as they are completed, and share the information with Congress and the industry. FTA also recently completed a detailed Transit Asset Management Guidebook to help grantees develop asset management best practices.

MAP–21 strengthens FTA's role in this area by requiring it to implement a new National Transit Asset Management System and issue a rule to establish performance measures to assess the condition of FTA grantees' assets, including equipment, rolling stock, infrastructure, and facilities. FTA will release the Advanced Notice of Proposed Rulemaking for public comment later this summer. The Committee recommendation includes not less than $1,000,000 to support these efforts, consistent with the request.

Standard Vehicles.—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 will expedite transit vehicle procurement, while providing the maximum benefit from taxpayers' investment in transit systems. With FTA's assistance, APTA and the transit industry have developed and adopted voluntary, consensus standards for transit buses and rail cars. The hope is that transit agencies will use these vehicle design and on-board equipment specifications when purchasing new vehicles, resulting in better pricing and the eventual introduction of standardized transit vehicles and vehicle sub-components. The Committee supports these efforts and directs FTA to provide a report to the House and Senate Committees on Appropriations by February 3, 2014, on its progress to date, the degree to which public transit systems have been receptive to the new standards, and other areas where the development of common standards would benefit the industry.

Streetcar Manufacturing Study.—As of 2009, there were 54 transit agencies operating at least one rail transit line, and the number of such systems is increasing beyond the large metropolitan areas which dominate the current market for heavy and light rail streetcars. However, foreign-based companies have produced almost all of the 8,000 new rail cars purchased by transit agencies, including streetcars. The Committee directs the Secretary of Transportation to evaluate the feasibility of strengthening domestic manufacturing of certain specialized rail cars, particularly heritage street cars produced by transit authorities, by allowing them to compete, bid, or offer contract proposals to public and private transportation service providers. The report shall include an assessment of the anticipated impact on existing domestic manufacturers, a projection of the market demand, and recommendations on how to grow domestic manufacturing capabilities in this industry. The Committee directs the Secretary to provide this report to the Senate Committee on Banking, Housing, and Urban Affairs, the House Committee on Transportation and Infrastructure, and the House and Senate Committees on Appropriations by March 28, 2014.

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].—MAP–21 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, 30 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 2018; (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 starts 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 GRANTS

(LIQUIDATION OF CONTRACT AUTHORITY)

(LIMITATION ON OBLIGATIONS)

	Obligation limitation (trust fund)
Appropriations, 2013 [1]	$8,461,044,000
Budget estimate, 2014	8,595,000,000
Committee recommendation	8,595,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

Communities use Formula Grants funds for bus and railcar purchases, facility repair and construction, maintenance, and where eligible, planning and operating expenses. The Formula Grants account includes funding for the following programs: transit-oriented development; planning programs; urbanized area formula grants; enhanced mobility for seniors and individuals with disabilities; formula grants for rural areas; a bus testing facility; a national transit institute; the national transit database; state of good repairs grants; bus and bus facilities formulas grants; and growing States and high-density States formula grants. Set-asides from formula funds are directed to a grant program for each State with rail systems not regulated by the Federal Railroad Administration to meet the requirements for a State Safety Oversight program. The account also provides funding to support passenger ferry services and public transportation on Indian reservations.

COMMITTEE RECOMMENDATION

The Committee recommends limiting obligations in the transit formula and bus grants account in fiscal year 2014 to $8,595,000,000. The recommendation is consistent with the authorized level in MAP–21, and is an increase of $133,956,000 above the fiscal year 2013 enacted level.

The Committee recommends $9,500,000,000 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 grants:

DISTRIBUTION OF OBLIGATION LIMITATION AMONG MAJOR CATEGORIES OF FORMULA GRANTS

Formula grants (obligation limitation)	Section number	Fiscal year—	
		2013	2014
Transit Oriented Development	20005(b)	$9,980,000	$10,000,000
Planning Programs	5305	126,646,200	128,800,000
Urbanized Area Formula Grants	5307	4,389,154,100	4,458,650,000
Enhanced Mobility of Seniors and Individuals with Disabilities	5310	254,290,400	258,300,000
Formula Grants for Rural Areas	5311	598,301,000	607,800,000
Bus Testing Facility	5318	2,994,000	3,000,000
National Transit Institute	5322(d)	4,990,000	5,000,000
National Transit Database	5335	3,842,300	3,850,000
State of Good Repair Grants	5337	2,132,027,400	2,165,900,000
Bus and Bus Facilities Formula Grants	5339	421,156,000	427,800,000
Growing States and High Density States Formula Grants	5340	517,662,600	525,900,000
Total	....	8,461,044,000	8,595,000,000

The following table displays the State-by-State distribution of funds for several of the major program categories in the formula grants account:

FEDERAL TRANSIT ADMINISTRATION MAP–21—FISCAL YEAR 2014 PRESIDENT'S BUDGET

State	Section 5303 Metropolitan planning	Section 5304 Statewide planning	Section 5307 and 5340 Urbanized areas formula	Section 5310 Enhanced mobility of seniors and individuals with disabilities	Section 5311 and 5340 Formula grants for rural areas	Section 5311(b)(3) RTAP	Section 5311(c)(2) Appalachian Dev. Public Trans. Assist. Program	Section 5311(c)(1) Indian reserv. formula	Section 5337 State of good repair	Section 5339 Bus and bus facilities formula	Fiscal year 2014 President's budget State total
Alabama	$845,029	$220,656	$23,432,869	$4,180,123	$15,465,881	$257,122	$5,000,000	$7,072		$3,667,525	$53,076,277
Alaska	424,042	110,727	15,187,590	413,243	8,075,713	95,139		413,844	$18,565,930	1,899,705	45,185,933
American Samoa				14,005	307,682	14,230				506,872	842,789
Arizona	2,434,325	485,642	70,788,122	5,096,238	11,515,087	164,318		1,784,374	2,376,022	8,669,757	103,313,885
Arkansas	425,323	109,396	12,380,892	2,478,576	11,995,711	202,758			236,235	2,537,432	30,366,323
California	15,901,099	3,172,063	758,944,431	28,620,059	27,287,154	364,996		593,379	334,351,611	65,350,442	1,234,585,234
Colorado	1,780,573	366,807	71,677,731	3,599,127	10,773,136	155,628			8,820,414	8,188,415	105,361,831
Connecticut	1,101,856	287,714	80,239,114	3,327,601	2,995,615	106,748			49,343,597	5,470,714	142,872,958
Delaware	424,042	110,727	14,802,756	767,308	1,690,033	86,212				2,333,058	20,214,134
District of Columbia	424,042	110,727	89,070,044	368,180					125,052,562	4,827,034	219,852,589
Florida	7,639,679	1,560,037	234,997,790	19,520,107	15,514,774	249,805			38,668,444	25,071,585	343,222,221
Georgia	3,016,708	601,079	89,161,818	6,301,622	20,860,192	327,811	592,000		49,482,799	8,893,125	179,237,154
Guam				53,015	795,410	22,395				506,872	1,377,693
Hawaii	424,042	110,727	32,892,281	1,178,661	2,613,201	94,647			1,063,473	5,151,606	43,528,637
Idaho	424,042	110,727	10,147,352	1,352,968	7,625,668	125,119		1,550,654		2,363,870	23,700,400
Illinois	5,057,190	973,667	270,055,941	9,798,538	16,306,844	266,208			204,402,084	17,473,535	524,334,008
Indiana	1,724,643	364,065	49,653,930	5,396,153	16,034,889	272,282			14,435,733	5,388,250	93,269,945
Iowa	461,149	120,416	19,325,721	2,468,915	12,246,558	203,884				3,199,365	38,026,008
Kansas	625,221	135,832	15,752,769	2,206,804	11,095,543	175,914		127,895		2,883,249	33,003,227
Kentucky	698,260	168,770	24,847,233	3,489,347	16,635,304	265,490	1,764,000			3,979,371	51,847,775
Louisiana	1,010,415	263,842	33,752,325	3,950,254	11,379,561	201,963			3,884,985	4,670,038	59,113,383
Maine	424,042	110,727	12,108,427	1,155,373	7,102,451	141,199		426,908	3,823,959	1,707,690	27,000,776
Maryland	2,386,103	457,657	126,355,197	4,412,369	5,710,453	138,876	636,000		52,150,917	8,369,955	200,617,527
Massachusetts	2,837,001	561,075	205,030,550	6,077,073	3,657,252	114,046			124,263,232	9,443,977	351,984,206
Michigan	2,975,112	622,514	87,271,147	9,222,281	21,037,985	325,459			1,043,303	10,592,489	133,090,291
Minnesota	1,537,443	291,895	58,298,392	3,632,107	15,453,651	239,309		1,134,408	11,766,763	6,559,996	98,913,965
Mississippi	424,042	110,727	7,815,235	2,140,395	14,056,059	233,009	254,000	939,836		2,029,970	28,003,272
Missouri	1,648,889	321,693	51,448,450	4,951,095	17,571,744	268,480			13,542,097	5,920,139	95,672,588
Montana	424,042	110,727	4,403,474	897,186	9,953,954	121,308		2,554,430		1,683,863	20,148,985
N. Mariana Islands				11,060	295,476	14,101				506,872	827,510
Nebraska	424,042	110,727	11,557,011	1,260,901	7,653,571	130,498		256,997		2,528,378	23,922,125
Nevada	1,147,555	221,692	35,569,089	1,823,328	6,373,426	92,768		11,487	724,007	5,175,459	51,138,811

FEDERAL TRANSIT ADMINISTRATION MAP–21—FISCAL YEAR 2014 PRESIDENT'S BUDGET—Continued

State	Section 5303 Metropolitan planning	Section 5304 Statewide planning	Section 5307 and 5340 Urbanized areas formula	Section 5310 Enhanced mobility of seniors and individuals with disabilities	Section 5311 and 5340 Formula grants for rural areas	Section 5311(b)(3) RTAP	Section 5311(c)(2) Appalachian Dev. Public Trans. Assist. Program	Section 5311(c)(1) Indian reserv. formula	Section 5337 State of good repair	Section 5339 Bus and bus facilities formula	Fiscal year 2014 President's budget State total
New Hampshire	424,042	110,727	6,631,756	1,069,110	3,953,924	118,637				1,968,985	14,277,181
New Jersey	4,104,422	769,575	338,953,652	7,501,002	4,060,050	117,747			170,997,635	19,019,266	545,523,348
New Mexico	424,042	110,727	23,489,199	1,712,306	10,281,226	139,015		251,989		2,892,879	39,301,383
New York	7,751,050	1,520,012	752,987,937	16,359,050	20,248,306	328,328	200,000		606,806,474	35,061,710	1,441,262,868
North Carolina	2,088,501	496,557	64,980,271	6,617,360	26,132,002	402,460	1,450,000	776,104	893,094	8,150,712	111,987,060
North Dakota	424,042	110,727	4,908,031	593,118	5,068,472	95,851		864,346		1,735,161	13,799,748
Ohio	3,440,254	714,990	99,963,274	10,395,027	23,096,739	378,801	964,000		22,122,796	10,929,389	172,005,270
Oklahoma	624,175	162,986	17,416,743	2,952,731	14,661,005	224,045		6,556,851		3,056,440	45,654,975
Oregon	1,105,695	227,116	54,301,443	3,294,644	11,983,259	177,171		886,738	17,647,006	5,992,211	95,615,283
Pennsylvania	4,132,234	851,906	191,527,763	12,305,967	21,775,891	357,021	4,788,000		135,188,002	14,705,555	385,632,339
Puerto Rico	1,568,389	320,736	52,482,201	5,471,323	1,911,048	91,311			6,261,601	5,396,997	73,503,607
Rhode Island	508,178	110,727	21,242,810	1,039,439	568,853	72,020			109,986	2,656,044	26,308,056
South Carolina	948,519	244,829	24,671,286	3,664,949	12,537,258	224,952	200,000	86,194		3,858,322	46,436,310
South Dakota	424,042	110,727	3,877,088	657,729	6,317,678	108,988		2,194,670		1,673,386	15,364,307
Tennessee	1,395,132	327,450	49,312,154	5,254,507	18,436,951	291,797	1,110,000		1,311,219	5,415,332	82,854,542
Texas	8,973,291	1,798,031	276,426,257	16,887,477	40,565,990	551,466			30,582,749	28,668,912	404,454,174
Utah	976,944	212,887	44,627,901	1,601,702	6,246,959	105,044		34,116	7,550,707	4,722,598	66,078,857
Vermont	424,042	110,727	2,391,665	504,238	3,486,351	104,774				1,427,992	8,449,789
Virgin Islands			1,093,756	175,317						624,166	1,893,239
Virginia	2,611,116	529,887	78,429,076	5,622,024	14,722,750	254,178	1,150,000		36,998,121	8,678,457	148,995,609
Washington	2,373,326	478,401	136,863,050	5,760,932	12,363,206	196,467		1,780,182	53,912,230	13,691,263	227,419,057
West Virginia	424,042	110,727	9,578,344	2,236,471	7,804,338	161,449	1,892,000		974,548	2,106,647	25,288,566
Wisconsin	1,371,166	301,132	48,018,139	4,707,234	15,708,648	261,775		1,767,526	764,374	6,326,364	79,226,358
Wyoming	424,043	110,727	2,029,266	460,832	6,242,252	97,578				1,490,601	10,855,299
Unallocated			5,303								
Subtotal	106,010,643	22,145,357	4,823,170,742	257,008,500	618,253,133	10,332,600	20,000,000	25,000,000	2,150,118,711	427,800,000	8,459,839,687
Oversight	532,717	111,283	33,437,875	1,291,500	3,039,000				15,781,289		54,193,664
Subtotal	106,543,360	22,256,640	4,856,608,617	258,300,000	621,292,133	10,332,600	20,000,000	25,000,000	2,165,900,000	427,800,000	8,514,033,350

Ferry Discretionary Program	....	....	30,000,000	....	....	....	....	....	....	....	30,000,000
State Safety Oversight Program	....	....	22,293,250	....	....	....	....	....	....	....	22,293,250
Tribal discretionary Program	....	....	....	....	....	....	....	5,000,000	....	....	5,000,000
National RTAP	....	....	....	....	....	1,823,400	....	....	....	....	1,823,400
Total	106,543,360	22,256,640	4,908,901,867	258,300,000	621,292,133	12,156,000	20,000,000	30,000,000	2,165,900,000	427,800,000	8,573,150,000

TRANSIT RESEARCH PROGRAMS

	General fund
Appropriations, 2013[1]	$43,912,000
Budget estimate, 2014	49,000,000
Committee recommendation	55,300,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

This appropriation provides assistance to 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 innovative technologies and successful strategies to increase ridership, improve personal mobility and access, increase efficiency and safety, and demonstrate new technologies that promote clean energy and improve air quality.

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 them be better equipped to improve services and meet local transportation needs at the lowest reasonable cost. FTA helps transit agencies employ new service methods and technologies that improve their operations and capital efficiencies, as well as improve transit safety and emergency preparedness.

The current authorization, MAP–21, continues these activities, while increasing the importance of FTA's role in promoting the development and deployment of successful low or no emission buses, technology the agency played an important role in helping to develop and promote in recent years.

COMMITTEE RECOMMENDATION

The Committee recommends $55,300,000 for the transit research programs. The recommendation is $11,388,000 above the fiscal year 2013 enacted level, and is 6,300,000 above the request. Of the total, $43,300,000 is for activities authorized under section 5312 of MAP–21. The Committee recommendation allocates the balance of funds for activities authorized by 49 U.S.C. 5313, 5314, and 5322(a), (b), and (e).

FTA's research efforts have 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 helped lead efforts to develop the first practical fuel cell buses in the world. However, the Committee has observed that the creativity and energy that characterized FTA's research agenda in recent years has been absent during the past year. Perhaps this is understandable as the agency focused its attention on preparing to assume significant new responsibilities for transit safety. However, the Committee expects the FTA to resume and expand its leadership role in transit research, particularly as it relates to fostering innovation. To that end, the FTA must quickly place a permanent leader in charge of the research programs, someone who can work with the agency's partners and industry to develop and implement an agenda that takes full advantage of new and emerging technologies, some of which FTA had a role in developing. The Committee expects this position to be filled before the end of fiscal year 2013.

There is a compelling case that the need for Federal support to help develop, test, and promote new transit-focused technologies remains as great as ever. These efforts can potentially help transit agencies reduce costs, and communities in their efforts to improve air quality. They also support U.S. economic competitiveness. To support these goals, the Committee directs the Office of the Inspector General to provide a report to the House and Senate Committees on Appropriations by February 3, 2014, recommending next steps the FTA could take to promote the development and deployment of cost-effective low- and zero-emission buses. The report should also identify other promising technologies that could benefit the industry by significantly reducing costs, curbing emissions, or improving safety.

Improving Rural Transit Access.—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.

CAPITAL INVESTMENT GRANTS

Appropriations, 2013[1]	$1,951,090,000
Budget estimate, 2014	1,981,472,000
Committee recommendation	1,942,938,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

Under the Capital Investment Grants program, FTA provides grants to fund the building of new fixed guideway systems or extensions and improvements to existing fixed guideway systems. Eligible services include light rail, rapid rail (heavy rail), commuter rail, and bus rapid transit. The program has long included funding for two categories of eligible projects authorized under section 5309 of title 49 of the United States Code: New Starts and Small Starts. New Starts are projects with a Federal share of at least $75,000,000 and a total capital cost of $250,000,000 or more. By comparison, Small Starts are projects with a Federal match and total capital cost below these thresholds. The most recent reauthorization, MAP–21, added a third category of eligible projects: Core Capacity. The latter are defined as projects that will increase capacity in an existing fixed guideway corridor by at least 10 percent.

COMMITTEE RECOMMENDATION

The Committee recommends a level of $1,942,938,000 for capital investment grants. This level fully funds the Department's request of $1,981,472,000 due to the availability of $38,534,000 in additional prior year balances. The Committee directs these additional balances be used to help fully fund the projects included in the Department's budget justification.

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.

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.

The Committee notes the request did not include funding for two projects it now expects to sign FFGAs in fiscal year 2014. The Committee believes the request should include sufficient funding for all projects the Department expects to commit to in the coming fiscal year so that they are not delayed. For an agency so adept at planning, this is a surprising omission, and the Committee directs FTA to avoid a repeat of this practice in its fiscal year 2015 budget request.

COLUMBIA RIVER CROSSING

The Columbia River Crossing is a project to replace the aging Interstate 5 between Portland, Oregon, and Vancouver, Washington, with a new bridge, better interchanges, and improved transit connections. The States of Washington and Oregon, along with Federal Highway Administration and the Federal Transit Administration, have worked closely with the Coast Guard and other agencies for more than a decade to gather extensive public comment and to balance the needs of businesses and residents.

The existing bridges accommodate river traffic with a lift span, requiring traffic on I–5—the primary north/south highway connecting California to Canada—to come to a complete stop for at least 20 minutes and continue at a crawl for hours every time a ship wants to pass. This accommodation comes at the expense of local and national businesses, contributing to the slowing of both commercial and personal vehicle traffic for an unacceptable total of 6 hours each day.

The Committee commends the sponsors of the project for modifying the proposed height of the new structure from 95 feet to 116 feet, dramatically reducing the number of companies impacted from 57 to three. The project's sponsors recently signed agreements with two of the remaining firms to mitigate the impacts to their operations that would be caused by the new I–5 bridge. Discussions with the third impacted metal company remain ongoing.

The Columbia River Crossing project will have a significant positive effect on the economy in both States, adding an estimated $231,000,000 in economic activity, increasing jobs by 4,200, saving

$435,000,000 in costs associated with reduced travel time, and increasing the property values of adjacent homes and businesses.

The recommendation reflected in the bill fully funds the request for this critical project. The Committee directs the Department to continue to support local efforts to complete the FFGA during fiscal year 2014 so that the citizens and businesses of the region can enjoy the benefits of eased traffic congestion, increased safety, and faster commerce for both vehicle and river traffic.

PUBLIC TRANSPORTATION EMERGENCY RELIEF PROGRAM

Appropriations, 2013 [1] [2]	$10,900,000,000
Budget estimate, 2014	25,000,000
Committee recommendation	15,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] Includes emergency funding of $10,900,000,000 in the Disaster Relief Appropriations Act, 2013 (division A of Public Law 113–2).

PROGRAM DESCRIPTION

The Public Transportation Emergency Relief Program is a new program established in MAP–21 to help States and public transit systems cover the costs of protecting, repairing, and replacing equipment and facilities that may suffer or have suffered serious damage as a result of an emergency.

COMMITTEE RECOMMENDATION

The Committee recommendation includes $15,000,000 for the emergency relief program, $10,000,000 below the request. This level is $10,885,000,000 less than the fiscal year 2013 level. However, the $10,900,000,000 in fiscal year 2013 emergency funding was provided to aid recovery from Hurricane Sandy and other disasters. The amount recommended by the Committee represents the first time emergency funding is provided through the regular annual appropriations process. These funds will make it possible for FTA to respond immediately in the event of a disaster in fiscal year 2014.

GRANTS TO THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Appropriations, 2013 [1]	$149,700,000
Budget estimate, 2014	150,000,000
Committee recommendation	150,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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, including pressing safety-related investments. These grants are in addition to the funding local jurisdictions have committed to providing to WMATA. The Committee remains committed to supporting the refurbishment and modernization of WMATA's infrastructure, and is encouraged by the initial investment to replace many of the older, 1000-series rail cars with domestically built 7000-series cars, with delivery starting in 2015. The Committee also notes increased efforts to make the system safer, including: fixing the track signal system and communications equipment, installing guarded turnouts, buying equipment for wayside worker protection, and installing rollback protection on cars not already outfitted with this feature.

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, 2018, 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, 2013 that remain available for expenditure to be transferred to the most recent appropriation heading.

Section 163 provides an exemption from the charter bus regulations for portions of the State of Washington.

Section 164 permits the Secretary to consider significant private contributions when calculating the non-Federal share of capital costs for New Starts projects.

Section 165 allows FTA to use unobligated and recovered fiscal year 2010 through 2012 alternatives analysis funding to carry out eligible fixed guideway projects.

Section 166 makes $93,269,369 in prior year bus and bus facilities funds available for bus rapid transit projects proposed in the Capital Investment Grants program.

Section 167 rescinds $96,156,190 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, 2013 [1]	$32,194,000
Budget estimate, 2014	32,855,000
Committee recommendation	33,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $33,000,000 for the operations, maintenance, and asset renewal of the Saint Lawrence Seaway. This amount is $145,000 more than the budget request and $806,000 more than the fiscal year 2013 enacted level. The recommended level includes $16,000,000 to continue the agency's Asset Renewal Program [ARP].

The Seaway is entering its 55th 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.

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, 2013 [1]	$173,944,000
Budget estimate, 2014	208,000,000
Committee recommendation	186,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $186,000,000 for the MSP. This amount is $22,000,000 less than the budget request and $12,056,000 more than the fiscal year 2013 enacted level. The recommended appropriation provides sufficient funds to satisfy the fully authorized payment level for fiscal year 2014.

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 Government 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 2015 budget request.

OPERATIONS AND TRAINING

Appropriations, 2013[1]	$155,945,000
Budget estimate, 2014	152,168,000
Committee recommendation	153,803,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $153,803,000 for Operations and Training at MARAD for fiscal year 2014. This amount is $2,142,000 less than the fiscal year 2013 enacted level and $1,635,000 more than the budget request.

MARITIME ADMINISTRATION

	Fiscal year 2014 Senate
U.S. Merchant Marine Academy	$81,500,000
Academy Operations	63,500,000
Salaries and Benefits	34,000,000
Operating Expenses	29,500,000
Capital Asset Management	18,000,000
Capital Improvements	14,000,000
Facilities Maintenance, Repairs, and Equipment	4,000,000
State Maritime Academies	17,100,000
MARAD Operations	55,203,000
Environment and Compliance	4,000,000
Port Infrastructure Development	2,000,000
Total, Operations and Training	153,803,000

National Sealift Strategy.—The Departments of Defense, Homeland Security, and Transportation rely on the U.S. Merchant Marine to provide privately owned, commercial U.S.-flag ships and intermodal logistics capability to meet military and emergency response requirements and to provide U.S. mariners for the crewing of government reserve ships. The Committee directs the Administrator to submit a report to the Appropriations Committee within 90 days of the date of enactment of this act detailing the current and future impacts of reductions in government impelled cargo on the U.S. Merchant Marine as a result of changes to cargo preference requirements included in MAP–21, the historical reductions in the Public Law 480 Food for Peace program, and the winding down of the wars in Iraq and Afghanistan. The Committee also directs the Administrator and the Secretary of Transportation to work closely with the Department of Defense to further develop a national sealift strategy that ensures the long-term viability of the U.S. Merchant Marine.

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 maritime industry. The Committee is committed to ensuring the Academy's midshipmen receive the highest quality education to prepare them 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 management practices that compromised the integrity of the institution. Senior leadership at MARAD and the Department of Transportation did not exercise sufficient oversight of Academy operations and failed to effectively manage the physical infrastructure projects in the Academy's Capital Improvement Program [CIP]. The culmination of these failures caused significant turmoil in all aspects of the Academy's operations and resulted in a crisis of leadership. 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, this effort remains a work in progress.

The Committee once again directs the Administrator to provide an annual report by March 31, 2014, on the current status of the CIP. The report should include a list of all projects that have received funding and all proposed projects that the Academy intends to initiate within the next 5 years; 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.

The Committee recognizes the reforms needed to restore the Academy will take time to fully implement. Therefore, the Committee has again included language requiring that all funding for the Academy be allocated directly to the Secretary, with 50 percent of the funding withheld 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 financial 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 2014 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, 2013[1]	$5,489,000
Budget estimate, 2014[2]	2,000,000
Committee Recommendation	4,800,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] The budget proposed shifting $2,800,000 for the *NS Savannah* to the Operations and Training account.

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]. Currently there is a backlog of 35 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 $4,800,000 for MARAD's Ship Disposal program. This level of funding is $689,000 less than the fiscal year 2013 enacted level and $2,800,000 more 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, 2013 [1]	$9,960,000
Budget estimate, 2014	
Committee recommendation	10,000,000

[1] Does not include the March 1, 2013, sequester of funds under Public Law 112–25.

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 recommends an appropriation of $10,000,000 for assistance to small shipyards. This level of funding is $40,000 more than the fiscal year 2013 enacted level. The President did not request funding for this program in fiscal year 2014.

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 113 qualified applicants submitted requests totaling $96,000,000 in fiscal year 2013, 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, 2013[1]	$3,733,000
Budget estimate, 2014	2,655,000
Committee recommendation	38,500,000

[1] Does not include the March 1, 2013, sequester of funds under Public Law 112–25.

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 $38,500,000 for the loan guarantee program, of which $3,500,000 shall be used for administrative expenses. This level of funding is $35,845,000 more than the President's budget request and $34,767,000 more than the fiscal year 2013 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, 2013 [1]	$21,317,000
Budget estimate, 2014	21,654,000
Committee recommendation	21,654,000

[1] Does not reflect the March 1, 2013, sequester of funds.

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 $21,654,000 for this account, of which $639,000 is to be derived from the Pipeline Safety Fund, and of which $1,500,000 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 $337,000 more than the fiscal year 2013 enacted level.

HAZARDOUS MATERIALS SAFETY

Appropriations, 2013 [1]	$42,253,000
Budget estimate, 2014 [2]	45,801,000
Committee recommendation	45,000,000

[1] Does not reflect the March 1, 2013, sequester of funds.
[2] The budget request included a new user fee as offsetting collections in the amount of $12,000,000, bringing the total request to $51,801,000. CBO's re-estimate of the fee was $6 million, bringing the request level down to $45,801,000.

PROGRAM DESCRIPTION

PHMSA oversees the safety of more than 800,000 daily shipments of hazardous materials in the United States, using risk management principles and security threat assessments to fully assess and reduce the risks inherent in hazardous materials transportation.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $45,000,000 for hazardous materials safety, of which $1,716,000 shall remain available until September 30, 2015. The amount provided is $801,000 less than the budget request and $2,747,000 more than the fiscal year 2013 enacted level. The increase in funding is provided to accommodate base program adjustments and information technology modernization.

In the fiscal year 2013 and 2014 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, the Committee believes that such a fee should be established through the regulatory process or should be addressed through the authorization process.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

(PIPELINE SAFETY DESIGN REVIEW FUND)

Appropriations, 2013 [1]	$109,033,000
Budget estimate, 2014	153,573,000
Committee recommendation	151,427,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

The Office of Pipeline Safety [OPS] is designed to promote the safe, reliable, and sound transportation of natural gas and hazardous liquids through the Nation's 2.6 million miles of privately owned and operated pipelines.

COMMITTEE RECOMMENDATION

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 invest in promising safety technologies, increase civil penalties, and educate communities about the potential risks of pipelines have resulted in a reduction in serious pipeline incidents. It is essential that the agency continue to make strides in protecting communities from pipeline failures and incidents. To that end, the Committee recommends an appropriation of $151,427,000 for the Office of Pipeline Safety. The amount is $42,394,000 more than the fiscal year 2013 enacted level and $2,146,000 less than the budget request. Of the funding provided, $18,573,000 shall be derived from the Oil Spill Liability Trust Fund, $131,493,000 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 pipelines safety inspectors as authorized by the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011, Public Law 112–90). The recommendation includes increases of $18,839,000 for the State Pipeline Safety Grant Program and $5,448,000 for research and development activities, consistent with the budget request. Of the funds recommended for research and development, a minimum of $1,500,000 shall be used to continue efforts to develop inline inspection devices, known as smart pigs, that are capable of inspecting older pipelines that currently cannot be pigged. Further, in performing the study on the transportation of diluted bitumen required under section 16 of Public Law 112–90, the Administrator shall determine whether the spill properties differ sufficiently from those of other liquid petroleum products to warrant modifications of spill response plans, spill preparedness, or clean up regulations.

Maximum Allowable Operating Pressure.—Section 23 of Public Law 112–90 requires each pipeline owner or operator to submit to the Secretary a list of pipeline segments whose records are insufficient to confirm the established maximum allowable operating pressure. The Secretary must then issue regulations for conducting tests to confirm the material strength of untested natural gas transmission pipelines, as well as timeframes for the completion of such testing. The Committee encourages the Secretary to meet the statutory deadlines required to protect the public from accidents that can result from operating pipelines at unsafe pressures.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

Appropriations, 2013 [1]	$28,130,000
Budget estimate, 2014	28,318,000
Committee recommendation	28,318,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2013 [1]	$79,465,000
Budget estimate, 2014	85,605,000
Committee recommendation	86,605,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $86,605,000 for activities of the Office of the Inspector General, which is $1,000,000 more than the President's budget request and $7,140,000 more than the fiscal year 2013 enacted level.

OIG criminal investigations and program audits are invaluable contributions to the Department of Transportation. Furthermore, the Committee relies on the Inspector General and his staff to provide objective analysis of the Department's programs. In recent years, the office has had to take aggressive measures to live within its budgetary resources, and the Committee recognizes that these constraints are beginning to restrict the ability of the OIG to respond to developments at the Department. For example, to complete work mandated by Congress, the OIG has not initiated audits where its staff sees an opportunity to improve the Department's performance. For this reason, the Committee recommendation includes $1,000,000 in addition to the OIG's budget request. These funds are intended to ensure that the OIG has adequate resources to maintain its workforce and fulfill all of its responsibilities.

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, 2013 [1]	$29,254,000	$1,250,000
Budget estimate, 2014 [2]	30,775,000	1,250,000
Committee recommendation	32,250,000	1,250,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] STB submitted a budget request independently proposing a total appropriation of $34,284,000.

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 $32,250,000. This funding level is $1,475,000 more than the President's request and $2,996,000 more than the fiscal year 2013 enacted level. Included in the recommendation is $1,250,000 in fees, which will offset the appropriated funding.

The Committee recommendation includes additional funding to hire up to four additional staff to manage the increasing workload for passenger rail matters and for oversight responsibilities of railroad financial, employment, and operational data that the STB is required to analyze and use to ensure compliance with the agency's core statute. Funds are also provided to make long overdue improvements to the agency's information technology systems. The request for additional funding for travel expenses is denied.

GENERAL PROVISIONS—DEPARTMENT OF TRANSPORTATION

Section 180 allows funds for maintenance and operation of aircraft; motor vehicles; liability insurance; uniforms; or allowances, as authorized by law.

Section 181 limits appropriations for services authorized by 5 U.S.C. 3109 not to exceed the rate for an Executive Level IV.

Section 182 prohibits funds in this act for salaries and expenses of more than 110 political and Presidential appointees in the Department of Transportation.

Section 183 prohibits recipients of funds made available in the act from releasing personal information, including Social Security numbers, medical and disability information, and photographs, from a driver's license or motor vehicle record without the express consent of the person to whom such information pertains; and prohibits the Secretary of Transportation from withholding funds provided in this act from any grantee in noncompliance with this provision.

Section 184 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 185 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 186 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 187 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 188 establishes requirements for reprogramming actions by the House and Senate Committees on Appropriations.

Section 189 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.

Section 190 prohibits funds appropriated in this act to the modal administrations from being obligated for the Office of the Secretary for costs related to assessments or reimbursable agreements unless the obligations are for services that provide a direct benefit to the applicable modal administration.

Section 191 authorizes the Secretary to carry out a program that establishes uniform standards for developing and supporting agency transit pass and transit benefits authorized under section 7905 of title 5, United States Code.

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. The Committee also directs HUD to include a separate delineation of any reprogramming of funds requiring approval be included in the operating plan required by section 405 of this act. 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, 2013[1]	$536,713,000
Budget estimate, 2014[2]	519,853,000
Committee recommendation	521,375,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] Requested under two new accounts $14,540,000 for "Executive Offices" and $505,313,000 under "Administrative Support Offices".

PROGRAM DESCRIPTION

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, the Office of Adjudicatory Services, 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 Strategic Planning and Management, the Office of the Chief Human Capital Officer, the Office of Administration, the Office of the Chief Information Officer, and the Center for Faith-Based and Neighborhood Partnerships.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $521,375,000 for this account, which is $15,338,422 less than the fiscal year 2013 enacted level. The President's budget proposed to fund these offices in two separate accounts totaling $519,853,000, $1,522,000 less than the amount recommended.

The President's fiscal year 2014 budget proposed to create two new personnel accounts for the Department, one for executive support offices and another for administrative support offices, and to eliminate budget line items for each office. The Committee created the existing funding structure to increase the transparency of HUD's personnel funding. Over the years, the Committee has modified the structure to make it more effective. For example, in fiscal year 2012, the Committee consolidated funding provided separately for personnel and non-personnel funding into one allocation for each office. Moreover, the Committee has worked with HUD to respond to reprogramming requests necessary to address funding challenges that have arisen during the fiscal year. Therefore, the Committee recommendation rejects this latest proposal to modify the structure. The Committee expects HUD to manage its resources as provided and will continue to work with it to address challenges that come up during the year.

Funds are made available as follows:

	Amount
Immediate Office of the Secretary	$3,810,000

	Amount
Immediate Office of the Deputy Secretary	1,290,000
Office of Adjudicatory Services	1,760,000
Office of Small and Disadvantaged Business Utilization	745,000
Office of the Chief Financial Officer	48,300,000
Office of the General Counsel	94,510,000
Office of Congressional and Intergovernmental Relations	2,410,000
Office of Public Affairs	3,530,000
Office of the Chief Human Capital Officer	51,810,000
Office of Administration	193,600,000
Office of Field Policy and Management	52,700,000
Office of the Chief Procurement Officer	17,360,000
Office of Departmental Equal Employment Opportunity	3,150,000
Center for Faith-Based and Neighborhood Partnerships	1,400,000
Office of Strategic Planning and Management	5,000,000
Office of the Chief Information Officer	40,000,000

Office of the Chief Information Officer.—The Committee recommendation includes an increase of $2,602,000 above the request for the OCIO. The President's budget proposed to reduce resources available to OCIO for project management and budgeting staff. Based on GAO's reviews of HUD's implementation of its IT modernization projects, these are two areas where OCIO needs to increase its capacity. Therefore, the recommended funding increase is directed to address those areas of weakness. To accommodate this increase, the recommendation has decreased HUD's Information Technology Fund, so that HUD can strengthen its internal capacity instead of relying on outside contractors.

Office of the Chief Financial Officer.—The recommendation for the OCFO includes sufficient funding to meet HUD's request to staff the Office of Budget at 49 FTE in 2014. The Committee directs HUD to meet this staffing level before hiring in other OCFO functional areas, except in order to address mission critical positions that become vacant or to fill the Chief Financial Officer position.

The Committee commends the work of the Appropriations Law Division in the OCFO and encourages the Department to maximize its use of this valuable resource. The Committee reminds the Department of its intent that all appropriations law issues be referred to and addressed by such division.

Travel.—The Committee has recommended targeted increases in travel to enhance oversight of grantees. In order to ensure that this funding is dedicated to mission compliance and oversight, the Committee directs HUD to track the amount of travel dedicated to oversight and report such information in its fiscal year 2015 congressional justification, as well as upon Committee request.

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. In recent years, CPO has undergone changes aimed at improving its performance. To monitor the impact of these efforts, the Committee directs HUD to continue to provide semi-annual updates to the Committees on Appropriations on how these changes have impacted its ability to execute contracts. This should include quantifiable measures of progress, such as the time it takes to execute a contract or reduced overtime, in comparison to previous fiscal years and government standards.

PROGRAM OFFICES SALARIES AND EXPENSES

PUBLIC AND INDIAN HOUSING

Appropriations, 2013 [1]	$119,600,000
Budget estimate, 2014	220,299,000
Committee recommendation	212,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

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 its 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 $212,000,000 for this account, which is $8,299,000 less than the budget request and $12,400,000 more than the fiscal year 2013 enacted level. The Committee recommendation supports additional FTEs for the public housing operations monitoring, Native American and Native Hawaiian homeownership, and strategic planning and risk management functions, as requested. However, the recommendation only provides an increase of eight FTEs for Innovation and Program Demonstrations, reflecting the decrease in Choice Neighborhoods funding, and directs that additional FTEs instead be added to the Tenant-based Rental Assistance [TBRA] Operations and Monitoring function.

PIH's responsibilities include the oversight of public housing agencies [PHAs] across the country that manage public housing and participate in the section 8 TBRA 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 recommendation targets at least $5,000,000 to inspection efforts. This includes efforts to move to a consistent inspection standard across housing assistance programs, as well as oversight of section 8 units. The Committee directs HUD to submit a report to the House and Senate Committees on Appropriations within 30 days of enactment of this act detailing what HUD has learned to date from the inspection pilot it is currently conducting and how the inspection funding provided here will be used to improve standards and ensure compliance with housing quality standards. This report should included detailed information on the amount of funding directed to each activity and timeframes for implementation and completion of work.

COMMUNITY PLANNING AND DEVELOPMENT

Appropriations, 2013[1]	$99,800,000
Budget estimate, 2014	109,740,000
Committee recommendation	107,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

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 $107,000,000 for the staffing within this office, which is $2,740,000 less than the budget request and $7,200,000 more than the fiscal year 2013 enacted level. The additional FTEs will be used to conduct oversight of grantees. The recommendation also includes funding for the Office of Economic Resilience. The Committee is achieving this increase by shifting administrative dollars to program offices to focus on program oversight.

HOUSING

Appropriations, 2013[1]	$390,717,000
Budget estimate, 2014	383,375,000
Committee recommendation	390,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

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 programs 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 $390,000,000 for staffing in the Office of Housing, which is $6,625,000 more than the budget request and $717,000 less than the fiscal year 2013 enacted level. The Committee has also directed that at least $8,000,000 be dedicated to the Office of Risk and Regulatory Affairs.

At the end of April, HUD announced a major reorganization of its Multifamily Housing operations. The changes are expected to reduce operating costs significantly, and affect 900 employees. The Committee applauds HUD's efforts to look for ways to increase efficiencies and save taxpayer dollars. However, the Committee needs sufficient time to understand the impact of this restructuring and the effect it will have on HUD's ability to process loans in a timely manner and conduct appropriate oversight. The Committee has not reduced the budget to reflect the proposed staffing reductions as it awaits additional information from the Department on the reorganization. However, the Committee will continue to evaluate the proposal and may make adjustments to the funding level going forward, if warranted.

POLICY DEVELOPMENT AND RESEARCH

Appropriations, 2013 [1]	$22,167,000
Budget estimate, 2014	21,687,000
Committee recommendation	23,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

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 $23,000,000 for this account, which is $1,313,000 more than the budget request and $833,000 more than the fiscal year 2013 enacted level.

PD&R collects and distributes data on HUD programs, the people HUD serves, and housing needs across the country. The information it makes available and the analysis it provides to the Department is essential to moving HUD to outcomes based performance measures. The Committee also relies on the data and research provided by PD&R to inform its work. The recommended increase will ensure that PD&R can continue to play this important role.

FAIR HOUSING AND EQUAL OPPORTUNITY

Appropriations, 2013 [1]	$72,455,000
Budget estimate, 2014	76,504,000
Committee recommendation	75,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

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 $75,000,000, which is $1,504,000 less than the budget request and $2,545,000 more than the fiscal year 2013 enacted level.

OFFICE OF HEALTHY HOMES AND LEAD HAZARD CONTROL

Appropriations, 2013 [1]	$7,385,000
Budget estimate, 2014	7,642,000
Committee recommendation	7,642,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

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 $7,642,000 for this account, which is equal to the budget request and $257,000 more than the fiscal year 2013 enacted level.

PUBLIC AND INDIAN HOUSING

RENTAL ASSISTANCE DEMONSTRATION

Appropriations, 2013	....
Budget estimate, 2014	$10,000,000
Committee recommendation	10,000,000

PROGRAM DESCRIPTION

The Rental Assistance Demonstration [RAD] is testing a potentially promising model to preserve public housing. Participation in the program by public housing agencies is voluntary and involves the conversion of existing public housing units 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 includes $10,000,000 for the Rental Assistance Demonstration, equal to the President's budget request. No funding was provided for RAD in fiscal year 2013. In fiscal year 2012, the Committee began a demonstration to test the success of converting public housing and other assisted housing to section 8 vouchers or project-based section 8 contracts as a means of recapitalizing and preserving the long-term viability of affordable housing.

To date, over 68 public housing authorities have received RAD awards covering more than 12,000 units of public housing. The Committee is pleased that small, medium and large size housing authorities have all received awards. As intended, these initial awardees are expected to leverage significant resources to finance their capital improvements, including low-income tax credits and private sector loans, multiplying the impact of the Federal investment.

The recommended funding level will allow HUD to convert 3,000 units of public housing in high-poverty neighborhoods that would be unable to address their capital needs without an increased subsidy. The Committee has included this funding because it is committed to preserving desperately needed affordable housing and believes RAD is a critical part of accomplishing that goal. The Committee has also increased the number of units that can be part of the demonstration. It will continue to monitor the pipeline of projects, determine if a higher level is warranted, and adjust the number if necessary to meet demand.

In addition to the conversion of public housing, the Committee recommendation also includes language that will allow single room occupancy [SRO], rent supplemental and rental housing assistance payment projects to convert to section 8. While no new projects are funded through these rental assistance programs, HUD continues to administer existing projects, all of which have different rules and requirements. The Committee hopes that the gradual consolidation of these projects into HUD's existing mainstream rental assistance programs will create efficiencies and address GAO's concerns about the number of rental assistance programs. In addition, the Committee expects that by putting these projects on a more modern and familiar housing platform, it will secure their long-term affordability.

TENANT-BASED RENTAL ASSISTANCE

Appropriations, 2013 [1 2]	$18,909,409,000
Budget estimate, 2014 [3]	19,989,216,000
Committee recommendation [3]	19,592,216,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] Includes an advance appropriation of $3,992,000,000.
[3] Includes 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, assisting approximately 2.2 million families. The program also funds incremental vouchers for tenants who live in properties where the owner 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, and Housing and Urban Development Veterans Supportive Housing [HUD–VASH] programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $19,592,216,000 for fiscal year 2014, including $4,000,000,000 as an advance appropriation to be made available on October 1, 2014. This amount is $397,000,000 less than the budget request and $682,726,000 more than the fiscal year 2013 enacted level.

The Committee recommends $17,568,278,000 for the renewal costs of section 8 vouchers, which is $400,000,000 less than the budget request and $360,412,000 more than the fiscal year 2013 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 recommendation includes sufficient resources to support existing section 8 programs to ensure that no current voucher holders are put at risk of losing their housing. It also supports the first-time renewal of incremental vouchers that were funded in prior years, including HUD–VASH vouchers.

The Committee recommendation includes several reform proposals requested in the budget. These reforms, which include serving more working poor, modifying utility allowances, streamlining inspections, and encouraging public housing authorities [PHAs] to form consortia, will result in direct savings or create efficiencies that will improve PHA productivity. The Committee notes that a regulation will be needed to implement the changes to inspection protocols, and directs HUD to include requirements for PHAs to obtain and retain photographs of units inspected as part of this regulation.

While the Committee has included these reforms to ensure better use of the resources provided in the bill, the Committee hopes that a broader section 8 reform bill will be enacted. A full reform bill is expected to modernize other aspects of the program and expand the Moving to Work [MTW] program, while increasing reporting by MTW agencies.

In the absence of a reform bill, the Committee expects HUD to be working to update regulations that don't require congressional action. In recent years, PHAs have faced serious funding constraints and it is imperative that HUD work to ensure scarce administrative dollars are directed toward requirements that will ensure housing safety standards, protect residents, and save taxpayer dollars. It is clear that some existing regulations are creating burdens for PHAs with little benefit to the oversight of the program. At the same time, HUD should be requiring different information that would provide better insight into its programs and improve its oversight. To that end, the Committee directs HUD to submit a report to the House and Senate Committees on Appropriations within 180 days of enactment of this act on existing regulations that need to be updated. This report should include the intended purpose of the regulation and if it needs to be eliminated or replaced with a different requirement. The report also may include other regulatory requirements HUD would like to promulgate. Finally, the report should include timeframes for updating regulations.

Finance and Governance.—PHAs are local entities managed by housing boards and commissioners that provide oversight at the local level. In examining the circumstances that result in public housing authorities becoming troubled, problems with finance and governance are often the root cause. The Committee notes that PIH launched the PHA Recovery and Sustainability [PHARS] model to focus resources and attention on improving troubled or near-troubled PHAs, and specifically governance and financial management. While the vast majority of housing authorities operate their programs effectively, the Committee believes that HUD should be providing this type of information and training to all PHAs, not just those that are troubled or near troubled.

The Committee directs HUD to work with its OIG to determine the critical skills that PHA boards should have to effectively oversee PHA operations, as well as the actions HUD will take to ensure that PHAs possess them. The Committee notes that in considering approaches to providing education and training to PHAs and their boards, HUD should work with industry to see if there are existing training programs that can support this effort. HUD must also be mindful of the cost associated with such requirements and consider providing information online or supporting costs of in-person training so that this is not a financial burden for PHAs. The Committee directs HUD to submit a report to the House and Senate Committees on Appropriations within 180 days of enactment of this act describing its findings and how it will meet this requirement.

Set-Asides for Special Circumstances.—The Committee has provided a set-aside of $50,000,000 to allow the Secretary to adjust allocations to PHAs under certain circumstances. Qualifying factors include: (1) 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) 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; (3) adjustments or costs associated with HUD–VASH vouchers; and (4) possible termination of families as a result of insufficient funding. 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 of vouchers.

Pilot for Homeless Native Americans.—Since 2008, the Committee has been providing funding for the joint HUD–Veterans Affairs Supportive Housing Program [HUD–VASH] aimed at ending veteran homelessness. The success of this effort can be seen in the results of HUD's most recent Point-in-Time count in 2012, which showed that homelessness among veterans has been reduced by over 17 percent since 2009.

However, as a result of program rules, these vouchers are not available to serve Native American veterans living on tribal lands that are homeless or at-risk of homelessness. While limited data has made assessing need difficult, in fiscal year 2012, the VA conducted an analysis on the number of at-risk veterans living in Indian Country. Its limited analysis found that at least 2,047 veterans served by VA homeless programs were likely living in these areas, which demonstrates the need for supportive housing assistance. Moreover, tribes are seeking access to HUD–VASH vouchers to assist their veterans. While differences in programs and the limited availability of housing in Indian Country makes adoption of the existing HUD–VASH model challenging, the Committee wants to understand how to effectively meet this need.

The Committee has set-aside $3,000,000 from the $78,000,000 recommended for HUD–VASH for a pilot designed to provide housing and supportive services to veterans who are homeless or at-risk of homelessness living on tribal reservations or in Indian areas. The rental assistance and administrative costs associated with this pilot will be run through the Indian Housing Block Grant program to ensure funding is provided to appropriate housing providers and that there is consistency in the implementation of rental assistance and program rules for selected providers. The Office of Native

American Programs [ONAP] should work with PIH's Voucher Office on effective ways to apply the HUD–VASH model on tribal lands. The Voucher Office and ONAP should work together with the Department of Veterans Affairs on referrals to the program and to ensure services are appropriately provided to participating veterans. Given the unique housing challenges on reservations that will require modifications to the existing HUD–VASH model, HUD should consider using vouchers to facilitate the creation of new housing. The Committee has also included funding to provide culturally appropriate technical assistance to tribes administering the housing-plus services model.

HUD–VASH Move-in Costs.—The Committee notes that move-in costs can present a problem for homeless veterans trying to secure housing as part of the HUD–VASH program. The Committee recognizes this challenge and urges HUD to work with the VA, as well as local and national organizations to identify resources that can be used to assist homeless veterans with these expenses.

Administrative Fees.—The Committee recommends $1,685,374,000 for administrative fees, which is equal to the budget request and $313,124,000 more than the fiscal year 2013 enacted level. Cuts to the funding provided to PHAs to help them operate their programs are beginning to adversely affect their ability to serve tenants. As HUD noted in its Congressional justification and in testimony before the Committee, several PHAs have transferred their programs to other agencies, while others have 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.

In fiscal year 2008, the Committee provided HUD with funding to begin a study on the amount of administrative fees necessary for PHAs to effectively manage their section 8 programs. While such a study involves a significant amount of time and requires the voluntary participation of housing authorities, the study should be complete by now. The Committee directs HUD to provide at least preliminary information from the study to the House and Senate Committees on Appropriations within 30 days of the enactment of this act, as well as the date when final report will be issued.

Tenant Protection Vouchers.—The Committee recommendation includes $150,000,000 for tenant protection vouchers. These vouchers are provided to public housing residents whose buildings have health or safety issues, or whose projects are being demolished. However, the largest share of these vouchers is provided to tenants living in properties with expiring HUD assistance that may face rent increases if their owners opt out of HUD programs. In these instances, the vouchers ensure continued affordability of tenants' housing. The Committee notes that due to the timing of the original contracts, HUD is now experiencing a surge in contract expirations, driving up demand for these vouchers. The Committee expects that fiscal year 2014 will be the peak in demand, which is expected to decrease in future fiscal years.

Mainstream Vouchers.—A total of $110,564,000 is included under this heading to support the renewal of vouchers previously funded under the heading "Housing for Persons with Disabilities". 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

(INCLUDES RESCISSIONS)

PROGRAM DESCRIPTION

Until fiscal year 2005, the Housing Certificate Fund 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 2014, 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, 2013 [1]	$1,871,250,000
Budget estimate, 2014	2,000,000,000
Committee recommendation	2,000,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

This account provides funding for modernization and capital needs of public housing authorities (except Indian housing authorities), including management improvements, resident relocation, and homeownership activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $2,000,000,000 for the Public Housing Capital Fund, which is equal to the budget request and $128,750,000 more than the fiscal year 2013 enacted level.

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 can increase the cost of maintenance and result in lost units. A HUD study estimated the backlog of public housing capital improvements to require approximately $26,000,000,000 to eliminate, 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 helped, the backlog remains significant. While the level provided is not sufficient to meet the capital needs of public housing, the increase reflects the Committee's commitment to this valuable asset.

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. The Committee also recommends up to $8,000,000 to support the ongoing financial and physical assessment activities performed by the Real Estate Assessment Center [REAC]. The Committee has not included any funding for the cost of administrative and judicial receiverships, as requested, since carryover balances from prior years are sufficient to cover these activities in fiscal year 2014.

The Committee notes that HUD provided limited information in its Congressional justification on how funding previously provided for both REAC and receiverships has been utilized. Similarly, the justification for funding requested in fiscal year 2014 for REAC is insufficient for the Committee to make informed decisions on appropriate funding levels. While this information has been provided to the Committee upon request, the information should be provided as part of its justification. Therefore, the Committee directs HUD to provided detailed information on these accounts in its fiscal year 2015 congressional justification. This should include how funding provided in previous years was utilized and the amount requested by activity. Receivership activities should also be broken down by housing authority. Moreover, since REAC supports activities of PIH and the Office of Housing, the Committee expects HUD to detail how its activities are being coordinated with other offices.

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 PHAs facing safety and security issues that rely on these funds to protect their tenants. The Committee believes that the level of funding recommended will support both repairs from disasters and safety and security improvements. Therefore the Committee directs the Department to fund eligible safety and security projects with a portion of these funds as quickly as possible.

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 existing ROSS program. The Committee believes that applying the lessons learned from the Jobs-Plus demonstration to ROSS employment and training programs will strengthen them. The Committee has provided sufficient funding to support Jobs-Plus related services while continuing other resident services supported through the ROSS program, including services for the elderly and disabled. In addition, the Committee has provided funding for incentives and community outreach that are an important to the success of the Jobs-Plus model.

In addition to the service funding provided through ROSS, the Committee also hopes that public housing authorities 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.

Services for Public Housing Residents.—The Committee understands the importance of tenant services in increasing the housing stability, health outcomes, and self-sufficiency of public housing residents. While there are a variety of services that PHAs offer their residents, the Committee is unaware of the metrics HUD uses to evaluate the effectiveness of those services, especially as provided through the ROSS program. The Committee wants to better understand how PHAs deploy ROSS funding and how those services affect public housing residents. Therefore, the Committee has set-aside funding under the Transformation Initiative to conduct an assessment of the ROSS program. This assessment should look at various ways PHAs use ROSS funds, identify best practices, and recommend approaches that may increase the effectiveness of the program. It should also provide information on how HUD measures program outcomes.

The Committee is also aware of the challenges that some PHAs face in creating long-term sustainable plans for providing and funding services for their residents. Some of these challenges arise from a reliance on short-term funding sources. The Committee believes that PHAs would benefit from assistance in developing better funding plans, and specifically, ways to leverage other sources of funding. Therefore, the Committee has also set-aside funding under the Transformation Initiative to provide technical assistance to housing authorities and resident groups and boards to improve service delivery, maximize leveraging of other resources, and ensure effective services for public housing residents.

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.

PUBLIC HOUSING OPERATING FUND

Appropriations, 2013 [1]	$4,253,486,000
Budget estimate, 2014	4,600,000,000
Committee recommendation	4,600,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $4,600,000,000 for the public housing operating fund, which is equal to the budget request and $346,514,000 more than the fiscal year 2013 enacted level. The Committee notes that in fiscal year 2012, Congress instituted an offset of public housing authority reserves, reducing the new funding provided to support the operation of public housing, forcing PHAs to utilize reserves to fund regular operations. While the Committee had intended to restore funding in fiscal year 2013, only part of the funding was restored in that year due to the continuing resolution. As a result, while the increase over the 2013 enacted level is significant, it is $26,000,000 below the fiscal year 2011 enacted level.

CHOICE NEIGHBORHOODS

Appropriations, 2013 [1]	$119,760,000
Budget estimate, 2014	400,000,000
Committee recommendation	250,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 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 include public housing authorities, tribes, 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 undertake comprehensive local planning with input from residents and the community. A strong emphasis is placed on local community planning for school and educational improvements, including early childhood initiatives.

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $250,000,000 for the Choice Neighborhoods Initiative. This amount is $130,240,000 more than the fiscal year 2013 enacted level and $150,000,000 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. 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 $165,000,000 of the funding provided shall be awarded to projects where public housing authorities are the lead applicant.

Choice Neighborhoods is part of a broader Administration initiative, Promise Zones, which is focused on investing in designated high poverty neighborhoods. Under the proposal, HUD investments will be coordinated with resources from other agencies, such as the Departments of Education and Justice, and targeted to select neighborhoods to increase their impact. The Committee supports this initiative and its focus on distressed neighborhoods. At the same time, the goal of Choice Neighborhoods is to replace distressed housing as a way to improve communities and the lives of residents. Therefore, HUD should not limit applicants to a narrowly defined set of neighborhoods since it may prevent the replacement of eligible and worthy public or assisted housing projects that are outside such designated neighborhoods from competing for funding.

Inherent in the Choice Neighborhoods Initiative is the understanding 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. Since 2010, Choice Neighborhood implementation grant recipients have used the combined $231,160,000 they were awarded to leverage over $2,000,000,000 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.

Dr. Susan Popkin from the Urban Institute has conducted research on HOPE VI projects and the effect of redevelopment on residents. She has determined 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.

While the Committee has been encouraged by the number and diversity of service partners participating in Choice projects and the services proposed for residents, the ultimate success of grantees in improving residents' lives depends on implementation of these plans. Therefore, the Committee wants to ensure that the services promised to public housing and other residents in Choice Neighborhoods are delivered. As the implementation grants move forward and HUD considers future applications, the Committee expects HUD to ensure that these service commitments are met. It should also work to make sure that grantees utilize best practices in designing and implementing service models.

FAMILY SELF-SUFFICIENCY

Appropriations, 2013 [1]	....
Budget estimate, 2014	$75,000,000
Committee recommendation	75,000,000

[1] $59,880,000 was provided under the Tenant-Based Rental Assistance Account for this activity, which does not reflect the March 1, 2013, sequester under Public Law 112–25. An additional $15,000,000 was provided for this activity under the Public Housing Capital Fund.

PROGRAM DESCRIPTION

The Family Self-Sufficiency [FSS] program provides funding to help Housing Choice Voucher and Public Housing residents achieve self-sufficiency and economic independence. The FSS program is designed to provide service coordination through community partnerships that link residents with employment assistance, job training, child care, transportation, financial literacy, and other supportive services. The funding will be allocated through one competition to eligible Public Housing Authorities [PHAs] to support service coordinators who will serve both public housing and vouchers residents.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $75,000,000 for the Family Self-Sufficiency program in fiscal year 2014, an amount equal to the President's request. While no funding was provided under this heading in fiscal year 2013, $59,880,000 was provided under the Tenant-Based Rental Assistance account for FSS coordinators serving voucher holders and $15,000,000 was provided out of the Resident Opportunity and Self Sufficient set-aside in the Public Housing Capital Fund for coordinators assisting public housing residents. The two programs have been consolidated to increase efficiency since many PHAs serve both section 8 and public housing residents.

NATIVE AMERICAN HOUSING BLOCK GRANT

Appropriations, 2013 [1]	$648,700,000
Budget estimate, 2014	650,000,000
Committee recommendation	675,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

This account funds the Native American Housing Block Grant 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 to help address the housing needs within their communities. Under this block grant, Indian tribes 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 $675,000,000 for the Native American Housing Block Grant Program, of which $2,000,000 is set aside for a credit subsidy to support a loan level not to exceed $16,530,000 for the Title VI Loan Guarantee Program. The recommended level of funding is $26,300,000 more than the amount provided in fiscal year 2013, and $25,000,000 above the budget request.

The Native American Housing Block Grant Program is a vital resource for tribal governments to address the dire housing conditions in Indian Country. Access to affordable housing has reached a critical state for many tribes across the country. Native Americans are twice as likely to live in poverty compared to the rest of the Nation. As a result, the housing challenges on tribal lands are daunting. According to the U.S. Census American Community Survey for 2006–2010, 8.5 percent of homes on American Indian reservations and off-reservation trust land are overcrowded, compared to 3.4 percent of households nationwide. The number of households on reservation lands that spend more than 50 percent of their income on housing has risen 47 percent over the past decade.

To better understand housing conditions in Indian Country, in 2010, the Committee directed HUD to conduct a tribal housing needs assessment. The most recent data is from 1996, and clearly the housing conditions in Indian Country have only gotten worse. The Committee directs HUD to complete work on the new assessment by September 30, 2014. The Committee believes this will provide Congress with valuable information of the full scope of the tribal housing crisis.

The subcommittee staff conducted site visits to several tribes over the course of the past year to better understand the challenges to developing and maintaining affordable housing in Indian country. The conditions found there were disturbing and the magnitude of the need overwhelming. Many Tribally Designated Housing Entities [TDHE] lack access to financing and credit to develop new housing due to the difficulty of financing when trust lands are involved. Most development projects take 3 years or longer to complete due to issues related to Bureau of Indian Affairs [BIA] land approvals, permitting approvals by both the Federal Government and tribal government, and the lack of infrastructure in many of these sparse, remote locations. In 2012, the Committee directed GAO to conduct an analysis of these and other challenges associated with the development of affordable housing in Indian Country. The Committee believes this evaluation should highlight best practices to assist TDHEs with addressing the significant housing needs they face, and provide recommendations on ways to streamline conveyance and permitting requirements.

Technical Assistance.—The Committee recommends $4,000,000 for technical assistance through a national organization representing Native American housing interests as authorized under NAHASDA (25 U.S.C. 4212), and $2,000,000 for inspections of Indian housing units, contract expertise, training, technical assistance, oversight, and management.

The Committee has noted GAO's assessment 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, 2013[1]	$12,974,000
Budget estimate, 2014	13,000,000
Committee recommendation	13,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $26,000 more than the fiscal year 2013 enacted level and equal to 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 Hawaii-based HUD employees.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

	Program account	Limitation on guaranteed loans
Appropriations, 2013 [1]	$12,176,000	$976,000,000
Budget estimate, 2014	6,000,000	1,818,000,000
Committee recommendation	6,000,000	1,818,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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. HUD continues to be the largest single source of financing for housing in tribal communities. This program makes it possible to promote sustainable reservation communities by providing access to financing for higher income Native Americans to achieve homeownership in Native communities. 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 $1,818,000,000. This subsidy amount is $6,176,000 less than the fiscal year 2013 enacted subsidy level and equal to the budget request.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on guaranteed loans
Appropriations, 2013 [1]	$385,000	$41,504,000
Budget estimate, 2014	....	....
Committee recommendation	385,000	41,504,000

[1] Does not reflect the March 1, 2013, sequester of funds.

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 $385,000 in program subsidies to support a loan level of $41,504,000, which is equal to the subsidy and loan levels provided in fiscal year 2013.

Community Planning and Development

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS [HOPWA]

Appropriations, 2013 [1]	$331,336,000
Budget estimate, 2014	332,000,000
Committee recommendation	332,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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.

Since 1990, 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 $332,000,000 for the Housing Opportunities for Persons with AIDS [HOPWA] program. This level of funding is equal to the President's budget request and is $664,000 more than the fiscal year 2013 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 HIV/AIDS.

The HOPWA program currently provides short-term and permanent housing assistance and stabilizing supportive services to more than 56,000 households in 134 eligible areas nationwide. Of the households receiving assistance, 94 percent have extremely low or very low incomes. According to grantee annual reports from 2012, 15 percent of new clients, representing 4,632 households, were homeless at program entry. Of these, 1,147 were identified as veterans.

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.

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 two-fifths of the identified eligible housing need at program's current funding level.

Legislative Reauthorization Proposal.—The Committee recognizes that the HOPWA statute requires an update to the formula funding to target limited resources to communities most impacted by HIV. The proposal to expand short-term homeless prevention services could provide valuable flexibility to grantees to stabilize vulnerable, extremely low-income households. The Committee encourages HUD to engage with stakeholders on the benefits of a new reauthorization proposal that updates the program. HUD should work with the respective House and Senate authorization committees to enact these and other much needed reforms to the program.

COMMUNITY DEVELOPMENT FUND

Appropriations, 2013 [1] [2]	$19,301,494,000
Budget estimate, 2014	3,143,100,000
Committee recommendation	3,295,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] Includes emergency funding of $16,000,000,000 in the Disaster Relief Appropriations Act, 2013 (division A of Public Law 113–2).

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 Integrated Planning and Investment Grants program, 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 $3,295,000,000 for the Community Development Fund in fiscal year 2014. This level is $151,900,000 more than the budget request and $16,006,474,000 less than the fiscal year 2013 enacted level. However, $16,000,000,000 in emergency funding was provided in fiscal year 2013 for recovery from Hurricane Sandy and other disasters. When disaster funding is excluded, the amount recommended by the Committee is $6,474,000 less than the 2013 level.

The Committee has provided $3,150,000,000 for Community Development Block Grants. The recommended amount is $351,900,000 more than the budget request and $91,594,000 less than the fiscal year 2013 enacted level. The Committee recommendation does not include funding for the Administration's proposed Neighborhood Stabilization Initiative and has directed additional funding to the CDBG formula instead. CDBG 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.

The flexibility associated with CDBG enables State and local governments to tailor solutions to effectively meet the unique needs of their communities. The investments made through CDBG help support infrastructure, small businesses, housing and services important to strong communities. The impact of these investments reverberates through communities, leveraging additional sources of funding and creating thousands of jobs.

While the Committee remains committed to the CDBG program, it also wants to make sure that funding is used effectively. Therefore, the Committee has included a provision in bill language that prohibits any community from selling its CDBG award to another community. In addition, the Committee has added a requirement that any funding provided to a for-profit entity for an economic development project funded under this bill undergo appropriate underwriting. The Committee has included these provisions to address concerns raised about how program dollars have been used and mitigate risks associated with it.

The Committee acknowledges the steps the Administration has taken to improve the oversight and transparency in the program. In May 2012, HUD announced the overhaul of its consolidated planning process, which is a requirement of receiving funding. HUD moved from an intensive paper-based planning process to an online system. The new tools created by HUD include an expanded planning system, a mapping tool and an electronic template for submitting the consolidated plans. Through these tools, communities will have increased access to information from such sources as the U.S. Census Bureau and the American Community Survey on the housing needs of their residents, the characteristics of their housing stock and the extent of homelessness in their communities. In addition, information on HUD investments such as the location of public and multifamily housing will be easily accessible to communities. This information should help communities make more informed decisions about how to allocate their resources. It will also provide the public with additional transparency on how funds are being allocated in their community.

The Committee understands that HUD is also beginning a process to evaluate the program to determine if additional changes in statute or regulation would make the CDBG program more effective. The Committee applauds this effort and expects to see additional recommendations on how to strengthen the program in the fiscal year 2015 budget.

The Committee has not included language establishing a minimum grant amount necessary to become or remain an entitlement community. While there is some merit to the proposal, the Committee is concerned about the impact of this change on smaller communities. Under the proposal, communities that would otherwise have directly received funding would have to compete with other communities for a portion of the funding allocated to their state. However, the amount they would have otherwise received would not be added to their State allocation, leaving more communities to compete for the same amount of funding. The Committee notes that communities that have voluntarily joined an urban county for purposes of CDBG allocations have achieved efficiencies similar to those envisioned under HUD's proposal. The Committee encourages HUD to educate communities that receive small awards about the potential program benefits of joining an urban community.

The Committee includes $70,000,000 for grants to Indian tribes for essential economic and community development activities which is equal to the budget request and $10,120,000 more than the fiscal year 2013 enacted level.

Mold Remediation and Prevention.—The Committee is concerned about the prevalence of mold in Native American housing; a study conducted by HUD in 2003 found that 15 percent of the housing sampled was infected with mold. Since that study, additional tribes in places such as Montana and South Dakota have reported even greater incidence of mold in their housing. In 2004, the Institute of Medicine linked mold exposure to upper respiratory symptoms and asthma. To help address this issue, the Committee includes $10,000,000 to fund grants for mold remediation and prevention in Native American housing. The funding will be awarded to grantees through a single national competition to ensure that grants are awarded to tribes with greatest need.

In administering this funding and working to address mold in Native American housing, the Committee expects the Office of Native American Programs to work with the Office of Healthy Homes and Lead Hazard Reduction to ensure Native American communities have the information and assistance they need to effectively address this serious issue.

Integrated Planning and Investment Grants.—The Committee has recommended $75,000,000 for Integrated Planning and Investment Grants. The funding provided will support the work of the Partnership for Sustainable Communities, 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 by developing a common set of performance measures.

The Committee has supported HUD's investments in regional and community planning because successful planning efforts help communities make smarter investments to improve access to housing, transportation and jobs. It also enables communities to leverage other funding resources and maximize the impact of Federal investments. Under the redesigned Integrated Planning and Investments Grants, HUD is proposing changes to the former Sustainable Communities initiative to better reflect the goal of helping communities make smarter investments that will increase their economic stability and competitiveness. To support this effort, 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.

Part of the program redesign includes placing greater emphasis on identifying the funding sources that grantees will use to support the implementation of their plans. Such a requirement will help to ensure the plans grantees develop are utilized to guide decisions and investments. In addition, 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, 2013 [1]	$5,940,000	$240,000,000
Budget estimate, 2014	....	500,000,000
Committee recommendation	....	500,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 fee-based structure recommended by the Committee will support a loan level guarantee of $500,000,000 for the section 108 loan guarantees account for fiscal year 2014. This guaranteed loan level is $260,000,000 more than the fiscal year 2013 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.

The Committee notes that changing to a fee-based system requires HUD to establish clear rules and guidance on how the program will operate. The Committee expects HUD to be ready to implement this new system upon enactment to ensure there is no delay for grantees that wish to utilize the program under its new structure.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriations, 2013 [1]	$998,000,000
Budget estimate, 2014	950,000,000
Committee recommendation	1,000,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $2,000,000 more than the fiscal year 2013 enacted level and $50,000,000 more than the budget request.

The Committee has retained bill language from fiscal year 2012 designed to reform and strengthen the HOME program. These reforms will 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. The Committee is disappointed that the final rule hasn't been released yet, requiring the Committee to retain its reform provisions. The Committee expects the Administration to move quickly to issue a final rule that will make these and other reforms permanent.

The Committee notes that HUD has taken important steps to address the recommendations of the Inspector General by improving its ability to monitor HOME grantees. In fiscal year 2012, HUD conducted 339 HOME monitoring visits compared to 137 the previous year. Moreover, by enhancing the Integrated Disbursement and Information System [IDIS], which it uses to track projects, HUD has improved its ability to identify risky projects. For example, IDIS prevents grantees from starting new activities if they have received their final disbursement for another project, but haven't completed their activity or entered accomplishment data for it within 120 days. As a result, the number of projects exceeding the 120-day requirement has been reduced by 96 percent since 2011. HUD also has taken steps to address the number of stalled projects; the number of HOME activities with infrequent draws has been reduced by 65 percent and the number of projects open for more than 4 years has decreased by 58 percent. The Committee encourages HUD to continue its efforts to improve program oversight and strengthen the program.

SELF-HELP AND ASSISTED HOMEOWNERSHIP OPPORTUNITY PROGRAM

Appropriations, 2013[1]	$53,393,000
Budget estimate, 2014[2]	....
Committee recommendation	53,500,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] The budget request shifts $10,000,000 for SHOP activities to the HOME program and creates a new $20,000,000 Capacity Building program for the section 4 activities.

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 organizations to carry out community development and affordable housing projects.

COMMITTEE RECOMMENDATION

The Committee recommends $53,500,000 for the Self-Help and Assisted Homeownership Program, which is $107,000 more than the fiscal year 2013 enacted level. The budget request would shift a portion of the funding for this program to the HOME program, and transition the section 4 program into a new Capacity Building program. This amount includes $13,500,000 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. The Committee notes that funding for technical assistance is being provided under the Transformation Initiative and directs funds available for section 4 to be used solely for capacity building activities.

HOMELESS ASSISTANCE GRANTS

Appropriations, 2013[1]	$2,028,934,000
Budget estimate, 2014	2,381,000,000
Committee recommendation	2,261,190,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 or those at risk of homelessness. The emergency solutions grant program 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 $2,261,190,000 for Homeless Assistance Grants in fiscal year 2014. This amount is $119,810,000 less than the President's request, and $232,256,000 more than the fiscal year 2013 enacted level.

As part of the Committee recommendation, at least $1,910,000,000 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 $336,000,000 for the emergency solutions grants program [ESG], of which $50,000,000 is set aside for rapid re-housing in high-need communities.

Rapid re-housing offers lower cost interventions for those experiencing homelessness. Eligible activities 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.

The Committee has been encouraged by communities' success with rapid re-housing interventions. Indications of their success are evident in the results of the Homelessness Prevention and Rapid Re-housing program [HPRP], funded through the American Recovery and Reinvestment Act. According to data on the second year of HPRP, the vast majority of families with children were able to find permanent housing after receiving rapid re-housing assistance. Nearly 84 percent of families who received assistance for less than 90 days exited to permanent housing, and nearly 86 percent of those that received longer-term assistance found housing. While rapid re-housing is not appropriate for every person experiencing or at-risk of homelessness, it is a valuable tool for communities to have to assist families. Implementing solutions for homeless families with children is particularly important as more families have experienced homelessness in recent years. According to the most recent Annual Homeless Assessment Report [AHAR], released by HUD in December 2012, while the number of sheltered people in families decreased by 5.3 percent between in 2010 and 2011, the number has increased by 13.5 percent since 2007.

The Committee also notes the continued importance of assisting the chronically homeless. According to the most recent AHAR, the point-in-time count showed that chronic homelessness decreased by 13.5 percent between 2007 and 2011. The Committee supports continued efforts to find and create permanent housing for the chronically homeless to achieve the goal of ending chronic homelessness by 2015.

Annual Homeless Assessment Report.—AHAR 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]. AHAR 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 AHAR, the Committee has included $7,000,000 for data analysis and technical assistance.

The Committee requests that HUD submit the AHAR report by June 20, 2014. 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 2015 budget justification. This should include estimated costs of renewing permanent supportive housing.

Housing Programs

PROJECT-BASED RENTAL ASSISTANCE

Appropriations, 2013 [1 2]	$9,321,793,000
Budget estimate, 2014 [1]	10,270,000,000
Committee recommendation [1]	10,772,000,000

[1] Includes an advance appropriation.
[2] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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. This program preserves affordable housing for many of the Nation's most vulnerable at a time when the affordable housing stock is diminishing. Sixty-four percent of the tenants in PBRA housing units are elderly or disabled. Without PRBA, many affordable housing projects would convert to market rates, with large rent increases that current tenants would be unable to afford.

The Committee recommends a total appropriation of $10,772,000,000 for the annual renewal of project-based contracts, of which up to $265,000,000 is for the cost of contract administrators. The recommended level of funding is $1,451,007,000 more than the amount provided for in fiscal year 2013. The Committee has provided $500,000,000 more than the budget request to partially address the shortfall, but even at this level, a funding gap of $700,000,000 will remain in fiscal year 2014. The resources provided will require HUD to partially fund an estimated 390,000 units in fiscal year 2014.

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.

Short-Funding.—For many years, PBRA 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. Unfortunately, the continuing resolution for fiscal year 2013 did not make adjustments to the budget necessary to fully fund existing contracts. Consequently, under the request, PBRA faces a $725,000,000 shortfall before factoring in sequestration. When combined with the impact of sequestration, the proposed program faces a $1,200,000,000 shortfall. While the Office of Multifamily Housing is implementing cost savings measures to help minimize disruptions to owners and tenants alike, the revenue that such steps are expected to generate in the next fiscal year are minimal compared to the magnitude of the overall shortfall problem.

As noted earlier, the Committee has partially addressed the shortfall by recommending an additional $500,000,000 for the program above the request. The Committee has had to make difficult choices in allocating resources across programs and recognizes that funding shortfalls can increase the perceived risk to future funding and lead to unintended costs to owners, lenders, and investors. Despite the funding shortfall in 2014, the Committee reaffirms its commitment to the project-based rental assistance model as evidenced by funding for section 8, multifamily housing, and public housing programs. The Committee encourages the Department to manage the funding provided to ensure an uninterrupted flow of funds to support this critical housing resource.

Performance-Based Contract Administrators.—Performance-based contract administrators [PBCAs], which are typically public housing authorities or State housing finance agencies, are responsible for conducting on-site management reviews of assisted properties; adjusting contract rents; and reviewing, processing, and paying monthly vouchers submitted by owners. The Committee notes that PBCAs are integral to the Department's efforts to be more effective and efficient in the oversight and monitoring of this program. The Committee is also aware of ongoing litigation that will affect the future of these entities and will continue to monitor developments.

Oversight of Property Owners.—The Committee places a priority on providing access to affordable housing to those most in need. 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 responsible 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 notes that HUD has recently taken important steps to increase its oversight of multifamily properties. It launched the Sustaining Our Investments Initiative, which is designed to ensure consistent guidance to all project owners and to provide clarity on how non-compliance will be addressed. An important part of this initiative is assessing and providing a risk rating to the PBRA portfolio, which will be completed by the beginning of the 2014 fiscal year.

To ensure continued attention to this issue, 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 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 semi-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 taken to address safety concerns, including the frequency with which 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, 2013[1]	$373,878,000
Budget estimate, 2014	400,000,000
Committee recommendation	400,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

This account funds housing for the elderly under section 202 of the Housing Act of 1959. 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. Tenants living in section 202 supportive housing units can access a variety of community-based services to keep living independently in the community and age in place.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $400,000,000 for the section 202 program. This level is equal to the budget request and $26,122,000 above the fiscal year 2013 enacted level. The Committee recommends $70,000,000 for service coordinators and the continuation of existing congregate service grants, and $20,000,000 for an Elderly Project Rental Assistance demonstration.

The section 202 program provides over 410,000 federally assisted, privately owned affordable apartments for the elderly. An additional 6,399 housing units are currently in the construction pipeline, using funding appropriated in prior years. Assuming the current average per-unit rental assistance rate, the 202 program will need an additional $35,777,000 in rental assistance annually, as new housing units under construction become available for occupancy.

While this is a sizeable Federal investment, 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 Americans with incomes at or below 150 percent of poverty.

Elderly Project Rental Assistance Demonstration.—The Committee recommendation includes an appropriation of $20,000,000 for HUD's proposed demonstration for elderly housing. The Committee also provides the authority to recapture residual receipts, collections, and other unobligated balances in this account, which HUD projects will provide an additional $26,000,000 in resources to contribute towards the demonstration.

For many years, HUD and the Department of Health and Human Services [HHS] have asserted that elderly housing investments can achieve cost savings to Federal and State healthcare systems. According to HUD's Office of Policy Development and Research, 38 percent of existing section 202 tenants are frail or near-frail, requiring assistance with basic activities of daily living, and thus at-risk for placement in a nursing home. The average annual housing assistance cost of a section 202 unit with Medicaid supportive services is $20,256, whereas the national annual average cost per resident for an assisted living unit for a Medicaid beneficiary is $37,980 per year. Therefore, one could project that by providing section 202 housing assistance rather than Medicaid assisted living, the savings to the Federal Government would exceed $17,500 per person annually. While there is a simple understanding of the macroeconomic data, HUD has offered no empirical evidence to determine which senior populations might be appropriately served under the section 202 program as compared to the more expensive assisted living or nursing home care scenarios.

To that end, HUD, HHS, and the State of Vermont have recently undertaken several new research projects intended to provide new information on: the healthcare use of seniors that reside in HUD-assisted housing; how coordinated health and supportive services in affordable housing for seniors could achieve saving in healthcare costs; and, how the elements of housing with supportive services could enhance aging in place for seniors. The Committee believes it is important for the new demonstration HUD is planning to make significant headway in addressing whether rental assistance combined with supportive services can delay the need for more costly assisted living or nursing home care. Based on the justification provided by HUD, the demonstration will help develop a tool for State housing and health agencies to coordinate services for elderly populations that would most benefit from housing assistance with supportive services and who are most likely to otherwise require nursing home care. This is valuable research, but the Committee directs HUD to use the resources provided for this demonstration to begin answering the fundamental question of what kinds of services make it possible to defer or avoid more costly alternatives. The Committee directs the Office of Policy Development and Research to work jointly with the Office of Housing to develop the criteria, performance measures, and other requirements related to the demonstration. The Committee directs HUD to provide written reports prepared by both offices semi-annually to the House and Senate Committees on Appropriations on the progress of the demonstration and other aforementioned research projects for as long as they continue. HUD should provide the first of these written reports within 30 days of the date of enactment of this act.

HOUSING FOR PERSONS WITH DISABILITIES

Appropriations, 2013[1]	$164,670,000
Budget estimate, 2014	126,000,000
Committee recommendation	126,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

This account provides funding for housing for the persons with disabilities under section 811 of the Cranston-Gonzales National Affordable Housing Act of 1990. Traditionally, the section 811 program provided capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing for persons with disabilities, as well as rental assistance to support operational costs. Since fiscal year 2012, HUD has transitioned to expanding capacity by providing project rental assistance to State housing financing agencies or other appropriate entities that act in partnership with State health and human service agencies to provide supportive services as authorized by the Frank Melville Supportive Housing Investment Act of 2010 (Public Law 111–374).

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $126,000,000 for the section 811 program. This level is equal to the budget request and is $38,670,000 below the fiscal year 2013 enacted level. This level of funding supports all PRAC renewals and amendments, and allows the Secretary to continue to provide project rental assistance to State housing finance agencies. The Committee also allows HUD to collect residual receipts and recaptures in fiscal year 2014. HUD estimates this authority will generate an additional $12,000,000 in available resources, increasing the total amount of funds available for project rental assistance to $32,000,000 for new projects.

HOUSING COUNSELING ASSISTANCE

Appropriations, 2013[1]	$44,915,000
Budget estimate, 2014	55,000,000
Committee recommendation	55,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 post-purchase 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 $10,085,000 more than the fiscal year 2013 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 counseling 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.

The Committee recommendation includes increased funding to cover activities required under The Dodd-Frank Wall Street Reform and Consumer Protection Act, such as testing and certification of counselors and ensuring accountability for grant recipients, as well as counselor training. The recommendation also includes increased funding, as requested, for grants to housing counseling agencies.

HECM Counseling.—Borrowers who are interested in obtaining a HECM loan are required to undergo counseling to ensure they understand the product. In testimony before the Committee, the HUD Inspector General voiced his concern about the effectiveness of housing counselors in informing potential borrowers about the HECM product. Inspector General Montoya stated:

> "We don't believe that counselors are doing as good a job as they should be in just really identifying for these seniors the loan they are getting into . . . they are not really instructed on how much and how expensive it would be . . . not instructed on the taxes and insurance, homeowners fees that will need to be paid . . . There's a lot of other things that we think we can work with FHA to do to tighten up the knowledge that these seniors need before they take this product."

While the Committee understands that HUD has made improvements to HECM counseling, there is more that can be done. The Committee directs the Office of Housing Counseling to work with HUD's OIG on improvements to HECM counseling, with a particular focus on ensuring that spouses understand the details of a HECM loan and the financial obligations associated with the product. The Committee also expects that of the funds provided for training, a portion will be directed to improving the skills and knowledge of HECM counselors.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

Appropriations, 2013[1]	$1,297,000
Budget estimate, 2014	21,000,000
Committee recommendation	21,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $21,000,000 for HUD-assisted, State-aided, noninsured rental housing projects, consistent with the budget request. In fiscal year 2013, $1,297,000 was provided for this purpose. The Committee notes that language is included in the bill that will allow the conversion of these projects to section 8, at no additional cost. The Committee hopes that the conversion of these projects, through the Rental Assistance Demonstration, will lead to the eventual elimination of these outdated programs.

RENT SUPPLEMENT

(INCLUDES A RESCISSION)

Appropriations, 2013	....
Budget estimate, 2014	−$3,500,000
Committee recommendation	−3,500,000

The Committee recommends a rescission of $3,500,000 of balances from section 236 payments to State-aided, noninsured projects, which is consistent with the budget request. The Committee did not rescind balances from this account in fiscal year 2013.

MANUFACTURED HOUSING FEES TRUST FUND

Appropriations, 2013[1]	$6,487,000
Budget estimate, 2014	7,530,000
Committee recommendation	7,530,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $7,530,000 to support the manufactured housing standards programs, of which up to $6,530,000 is expected to be derived from fees collected and deposited in the Manufactured Housing Fees Trust Fund account and not more than $1,000,000 shall be available from the General Fund of the Treasury. The total amount recommended is equal to the budget request and $1,043,000 more than the fiscal year 2013 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 continues to decline 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, 2013	$50,000,000	$400,000,000,000	[1] $206,586,000
Budget estimate, 2014	50,000,000	400,000,000,000	127,000,000
Committee recommendation	50,000,000	400,000,000,000	198,500,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

	Limitation on direct loans	Limitation on guaranteed loans
Appropriations, 2013 [1]	$20,000,000	$25,000,000,000
Budget estimate, 2014 [1]	20,000,000	30,000,000,000
Committee recommendation [1]	20,000,000	30,000,000,000

[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 $20,000,000; and $198,500,000 for administrative contract expenses, of which up to $71,500,000 may be transferred to the Information Technology Fund to be used for the maintenance of FHA information technology systems.

For the GI/SRI account, the Committee recommends $30,000,000,000 as a limitation on guaranteed loans and a limitation on direct loans of $20,000,000.

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

When private capital froze during the recent housing crisis, FHA's presence in the housing market expanded dramatically. FHA 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. Yet, this increased role comes with its own risks, as FHA's Mutual Mortgage Insurance [MMI] Fund has sustained significant losses in recent years. Given the conditions in the housing market, the losses to the fund are not surprising, but they are a serious concern since the losses are draining FHA's reserves.

Beginning in 2010, the capital reserve account fell below the 2 percent ratio mandated by Congress. Moreover, the most recent actuarial report estimates the capital reserve account will be depleted. The poor condition of the Fund was reinforced by the President's budget, which estimates that $943,000,000 may be needed from Treasury in 2013 to ensure sufficient resources are available to cover expected losses to the MMI Fund. This would represent the first time the Fund would require an infusion of funds from Treasury, although the need for such a transfer will not come until the end of fiscal year 2013.

In examining the condition of the Fund, it is clear that Home Equity Conversion Mortgages [HECM] are a driving force behind FHA's financial condition, representing a disproportionate share of FHA's losses. The Administration has proposed changes to HECM that the OIG agrees will address many of the problems with the current product. In order to expedite these changes, HUD has also asked for authority to make changes via a mortgagee letter. The Committee understands the urgency of making these changes, as well as the amount of time it takes to do a rulemaking. At the same time, the Committee is concerned that FHA has not moved with sufficient speed to change the program using its current authority, even as it pursued legislative changes.

Despite the concerns with the pace of reform to HECM, the Committee acknowledges that HUD has implemented significant reforms to FHA over the last few years that have increased the solvency of the Fund. These steps include raising premiums five times, tightening lending standards, and increasing down payment requirements for riskier mortgages. These important changes have helped put FHA on a stronger footing, and enabled FHA to avoid an expected draw on Treasury funds in fiscal year 2012.

FHA has also proposed additional reforms to strengthen enforcement that require Congressional action. Many of these reforms were discussed in a hearing before the Committee, and have the support of HUD's IG, who also suggested other improvements to the program. The Committee encourages FHA to continue to work with the OIG to further strengthen oversight of its portfolio and with Congress to enact important reforms.

The Committee is aware of several local governments exploring the idea of partnering with private investors and using eminent domain authority to take title to certain mortgages—not the underlying real property—and pay the mortgage holders "fair market value." The government and investors would then write down the loan principal so that distressed homeowners could lower their monthly payments and begin to rebuild equity in their homes. With the principal reduced the borrower would likely then be able to refinance into an FHA loan, which could then be securitized by Government National Mortgage Association. Although this concept is still in its infancy and no jurisdiction has yet implemented such a proposal, the Committee will continue to monitor developments in this area, and expects FHA to keep the Committee informed of any policies it will propose if such a program is implemented.

Multifamily Housing.—The Committee recommendation includes a $5,000,000,000 increase in the General and Special Risk Insurance Fund's commitment authority, which insures multifamily and healthcare facilities. The Committee notes that the increase in volume has been driven largely by an increase in refinancing activities, and that many of the properties are already insured by FHA. As a result of refinancing at a lower interest rate, properties are in a better financial position, helping to minimize FHA's risk. The Committee recognizes the important role that FHA is playing to support these projects, which provide resources for needed apartment buildings and healthcare facilities, while also creating jobs in the private market.

While FHA's increased role does raise the potential for risk, the Committee notes that FHA has increased premiums for its multifamily programs. It also recently completed an assessment of its entire portfolio to assess areas of greatest risk. As a result, FHA can target its oversight to properties that represent the greatest risk to the Fund.

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, 2013	$500,000,000,000	[1] $19,461,000
Budget estimate, 2014	500,000,000,000	21,200,000
Committee recommendation	500,000,000,000	21,200,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 2013 enacted level. The bill allows Ginnie Mae to use $21,200,000 for salaries and expenses. This is $1,739,000 more than the fiscal year 2013 enacted level and equal to 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; from just 5 percent in 2007 to over 23 percent at the end of fiscal year 2013. 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 these concerns, including undertaking a multiyear staffing initiative designed to increase its capacity to monitor risk. The Committee recommendation supports the Administration's request to continue implementation of this plan to enhance Ginnie Mae's oversight capacity. In particular, the request and the Committee recommendation, support additional personnel to increase on and offsite monitoring of the increasing number of Ginnie Mae issuers, as well as increased personnel for the Office of Enterprise Risk and the Office of the Chief Financial Officer. The Committee supports Ginnie Mae's efforts to address concerns raised by both GAO and the Office of the Inspector General [OIG] by targeting areas of need within the organization. The Committee expects Ginnie Mae to work closely with the OIG to continue to implement measures that will strengthen risk management practices.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Appropriations, 2013[1]	$45,908,000
Budget estimate, 2014	50,000,000
Committee recommendation	48,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $48,000,000 for research, technology, and community development activities in fiscal year 2014. This level is $2,092,000 more than the fiscal year 2013 enacted level and $2,000,000 less than the budget request. The recommendation does not include funding for the Doctoral Dissertation Research Program.

The Committee recommendation includes additional funding to support the market surveys that are integral to HUD's ability to understand its own programs and also help public and private entities understand housing conditions in the U.S.

The Committee also continues language that allows HUD to enter into cooperative agreements, which allows the Office of Policy Development and Research to undertake research in cooperation with other groups. The six cooperative agreements that have been signed under this authority have leveraged $2 for every dollar of Federal investment. The Committee encourages HUD to continue to maximize this authority.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

Appropriations, 2013[1]	$70,705,000
Budget estimate, 2014	71,000,000
Committee recommendation	70,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $70,000,000 for the Office of Fair Housing and Equal Opportunity. This amount is $1,000,000 less than the budget request and $705,000 less than the 2013 enacted level. Of the amounts provided, $24,000,000 is for FHAP; $1,600,000 is for the National Fair Housing Training Academy; and $44,100,000 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.

The Committee notes that through the support of a FHIP grant, the National Fair Housing Alliance and its affiliates conducted research on the management and marketing of Real Estate Owned [REO] properties in various neighborhoods. The report resulting from this work included evidence that banks' maintenance and marketing of REO properties in minority neighborhoods was inferior to such activities in predominantly white neighborhoods. As a result of this work, and additional work of HUD's Office of Fair Housing and Equal Opportunity, Wells Fargo recently agreed to invest $39,000,000 in 45 affected neighborhoods. This agreement underscores the important work fair housing organizations play in ensuring fair and equal treatment of all persons.

OFFICE OF HEALTHY HOMES AND LEAD HAZARD CONTROL

Appropriations, 2013[1]	$119,760,000
Budget estimate, 2014	120,000,000
Committee recommendation	120,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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. The Healthy Homes Program, authorized under sections 501 and 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z–1 and 1701z–2), provides grants to remediate housing hazards that have been scientifically shown to negatively impact occupant health and safety.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $120,000,000 for lead-based paint hazard reduction and abatement activities for fiscal year 2014, of which $25,000,000 is for the Healthy Homes Initiative. This amount is equal to the President's budget request and $240,000 more than the amount available in fiscal year 2013. Of this amount, the Committee recommends an appropriation of $45,000,000 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.

Lead Level of Concern Adjustment for Children.—Exposure to lead-based paint can have serious health effects for both children and adults, but children are the most susceptible to permanent cognitive damage. Based upon extensive research, the Centers for Disease Control [CDC] recently redefined the level at which children are considered to have too much lead in their bodies from 10 micrograms to 5 micrograms of lead per deciliter of blood in a child under the age of 6. This has increased the number of children considered to have excessive lead content from less than 100,000 to 500,000. Seventy percent of lead poisonings are due to dust exposure from lead paint in the home and are preventable. According to the 2009 American Housing Survey, 23 million housing units have lead-based paint hazards, of which 1.1 million are low-income households with one or more children. Low-income households are more likely to lack the resources for preventative maintenance and remediation of lead-based paint hazards. Therefore, this is the population that the program is designed to target. The funding level recommended by the Committee will remediate 9,000 housing units in fiscal year 2014.

Healthy Homes Strategic Plan.—The Office of Healthy Homes and Lead Hazard Control issued a long-awaited strategic plan for healthy homes, "Advancing Healthy Housing: A Strategy for Action," in 2013. The plan represents a collaborative effort between HUD, CDC, the Department of Health and Human Service, the Environmental Protection Agency, the Department of Energy, the Department of Labor, and the National Institute of Standards and Technology to leverage resources to remedy unsafe and unsanitary housing conditions that are injurious to the health and safety of low-income households. Significant health concerns identified by the working group include mold, radon, pests, and unintentional injury. According to the strategic plan, mold and radon appear to be the most significant health hazards. Indoor allergens such as mold are a trigger for the development of asthma in children. Asthma is one of the leading chronic childhood diseases in the United States. It is estimated that 39 percent of doctor-diagnosed asthma in children less than 6 years of age could be prevented with the elimination of residential hazards. Further, radon is believed to be the leading cause of lung cancer among nonsmokers, causing 21,000 deaths annually. Approximately 6.8 million homes have significant radon exposure above the EPA action level. While the Committee supports the remediation of health hazards in homes, it is important to target the limited resources available to those health issues where the greatest benefit to at-risk populations can be achieved. The Committee directs HUD to provide an implementation plan addressing costs, benefits, and performance measures associated to addressing these health hazards to the House and Senate Committee on Appropriations by September 30, 2014.

INFORMATION TECHNOLOGY FUND

Appropriations, 2013 [1] [2]	$198,637,000
Budget estimate, 2014	285,100,000
Committee recommendation	210,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] This account was previously called "Working Capital Fund".

PROGRAM DESCRIPTION

The Information Technology Fund finances the information technology [IT] systems that support departmental programs and operations, including FHA Mortgage Insurance, housing assistance and grant programs, as well as core financial and general operations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $210,000,000 for the Information Technology Fund for fiscal year 2014, which is $75,000,000 less than the budget request. This amount is $11,363,000 more than the amount provided for similar activities in fiscal year 2013 under the "Working Capital Fund". This fund is also supported by a transfer of $71,500,000 from FHA's Mutual Mortgage Insurance Fund. The Committee directs HUD to include the amount of funding it is requesting by project and activity in its fiscal year 2015 congressional justification.

The age of HUD's technology hampers its ability to effectively manage its programs. In testimony before the Committee, HUD's inspector general echoed this concern when he discussed FHA's aging information technology [IT] infrastructure. He noted that

FHA's outdated systems, which are 15–30 years old, are susceptible to losing data and can be vulnerable to manipulation. To address this weakness, the Committee recommendation includes at least $45,050,000 for development, modernization and enhancement projects, which will allow HUD to continue to move from its antiquated systems to modern technology.

GAO Oversight.—Since 2010, the Committee has required HUD to submit an expenditure plan outlining its IT modernization projects before it could spend a portion of its IT funding. The plans were reviewed by GAO to determine if they satisfied the statutory requirements. Based on reports and briefings from GAO over the past few years, the Committee recognizes the progress HUD has made in its IT modernization planning efforts, and the focus must now be on its implementation of the plans and execution of the projects. Therefore, the Committee recommendation modifies the contents of the plan HUD is required to submit to the Committee and GAO to provide: (1) details regarding HUD's portfolio of IT investments; and (2) the status of the Department's efforts in applying IT management controls. This plan may also include additional information regarding the extent to which IT management controls have been applied to the projects associated with each IT investment in the Department's portfolio. The Committee emphasizes the importance of pursuing a strategic approach as HUD continues to improve its IT management. To this end, in order to monitor the Department's progress, the Committee instructed GAO in 2012 to conduct several reviews. In 2013, GAO completed a review of the department's IT project management practices. The Committee affirms its direction to GAO to also evaluate HUD's institutionalization of governance and cost estimating practices. In particular, the Committee remains interested in any cost savings or operational efficiencies that have resulted (or may result) from the Department's improvement efforts.

CORE Financial Systems.—The Committee notes that following challenges with HUD's Integrated Financial Management Improvement Project [HIFMIP], HUD has undertaken an initiative to enter into a shared services contract with the Bureau of Public Debt for its financial systems. The Committee is closely following this project because it is focused on ensuring that HUD has a sound financial system. The Department has been providing the Committees on Appropriations with regular updates on this project, which the Committee expects to continue in fiscal year 2014. The Committee also urges HUD to continue to consult with the OIG as it continues this project.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2013 [1]	$123,752,000
Budget estimate, 2014	127,672,000
Committee recommendation	127,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $127,000,000 for the Office of Inspector General [OIG]. The amount of funding is $3,248,000 more than the fiscal year 2013 enacted level and $672,000 less than the President's request.

The Committee recommendation supports the OIG's request to increases resources dedicated to creating a more robust Inspections and Evaluation [I&E] Unit, expanding its data mining and predictive analytics, enhancing its civil fraud capacity, and improving its procurement and contract management oversight effort.

The Committee is particularly interested in the OIG's effort to expand the work of the I&E unit, which is expected to provide more real-time evaluations and recommendations. The Committee notes that the OIG often relies upon its older work, which doesn't always reflect recent actions or program changes. To assist in better understanding the status of recommendations, the Committee directs the OIG to provide a status of recommendations on its Web site, so that it is clear what actions have been taken to address the issues identified.

The Committee hopes to work with the OIG on ways to improve HUD policies and programs. This year, the HUD IG testified before the Committee at its hearing on the Federal Housing Administration, and was able to speak to policy changes that could strengthen HUD's oversight of its portfolio. While this type of work may not have a monetary amount associated with it, on which the OIG frequently evaluates its own performance, this type of work informs and benefits the Committee's work. The Committee expects the OIG to place more emphasis on this kind of systemic evaluation of HUD programs, based on audits and investigations, that result in specific recommendations on how programs can be improved. To help the Committee better understand HUD's challenges, the Committee directs the OIG to submit a report to the House and Senate Committee on Appropriations with a list of management challenges facing the Department, including actions the administration and Congress can take to improve HUD's performance concurrent with its budget submission.

TRANSFORMATION INITIATIVE

Appropriations, 2013[1]	$49,900,000
Budget estimate, 2014[2]	80,000,000
Committee recommendation[2]	60,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.
[2] This 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 other HUD programs.

COMMITTEE RECOMMENDATION

The Committee includes up to $60,000,000 for the Transformation Initiative [TI], which will be funded through transfers of up to 0.5 percent from HUD programs, as requested. In fiscal year 2013, $49,900,000 was provided as a direct appropriation.

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 be adequately funded: Impact of REO Properties on Neighborhoods; Improving HUD Measures of Housing Cost Inflation; Assessing Housing Quality in the HCV program; Understanding Rapid Re-housing Models and Outcomes for the Homeless; Effect of Housing Assistance Over Time; Advancing Utility Allowance Modeling for HUD Housing Programs; Project-based Rental Assistance Transfer Authority Demonstration; Seniors and Supportive Services Demonstration; and Section 811 Project Rental Assistance Demonstration Evaluation.

The recommendation does not include funding for the Natural Experiments Grant Program or Demonstration and Related Small Grants.

In addition to the projects proposed in the budget, the Committee recommends $500,000 for an evaluation of the ROSS program, and at least $1,000,000 for an evaluation of the pilot for homeless or at risk veterans living on tribal reservations or in Indian areas modeled after HUD–VASH.

The Committee also continues to support technical assistance targeted at improving outcomes. Of the amount provided, the Committee recommends at least $2,000,000 for technical assistance for public housing authorities and residents to help develop sustainable service funding models and improve service delivery. In addition, at least $3,000,000 must be provided to support training for public housing authorities on finance and governance. Finally, at least $1,000,000 is for culturally appropriate technical assistance to support implementation of the housing plus services model on reservations and in Indian areas as part of the HUD–VASH pilot.

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 extends sections 203 and 209 of the Fiscal Year 2012 Appropriations Act that clarifies the allocation of HOPWA funding for fiscal year 2006 and beyond.

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 changes the definition of a PHA that operates public housing to include a consortion of PHAs.

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 2014. 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 exempts GNMA from certain requirements of the Federal Credit Reform Act of 1990.

SEC. 214. This section reforms certain section 8 rent calculations as related to athletic scholarships.

SEC. 215. This section provides allocation requirements for Native Alaskans under the Native American Indian Housing Block Grant program.

SEC. 216. This section eliminates a cap on Home Equity Conversion Mortgages for fiscal year 2014.

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

SEC. 218. 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. 219. 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. 220. This section clarifies the use of the 108 loan guaranteed program for nonentitlement communities.

SEC. 221. This section allows public housing authorities with less than 400 units to be exempt from management requirements in the operating fund rule.

SEC. 222. 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. 223. This section requires allotment holders to meet certain criteria of the CFO.

SEC. 224. This section limits attorney fees.

SEC. 225. The section modifies the NOFA process to include the Internet.

SEC. 226. This section establishes reprogramming and reallocation requirements within HUD's salaries and expenses accounts.

SEC. 227. This section requires HUD to take certain actions against owners receiving rental subsidies that do not maintain safe properties.

SEC. 228. This section allows the Disaster Housing Assistance Programs to be considered HUD programs for the purpose of income verification and matching.

SEC. 229. This section places limits on PHA compensation.

SEC. 230. This section continues to allow critical access hospitals to be insured under section 242 of the National Housing Act.

SEC. 231. This section requires the Secretary to report quarterly on the status of all project-based section 8 housing.

SEC. 232. This section makes changes to the HOME Investment Partnership program.

SEC. 233. This section extends the HOPE VI program until September 30, 2014.

SEC. 234. This section allows the Secretary to transfer funding from salaries and expenses accounts to the "Information Technology Fund" to support technology improvements.

SEC. 235. This section changes the frequency of submitting reports to the Committees on Appropriations on actions related to disaster supplementals from quarterly to annually.

SEC. 236. This section eliminates an unnecessary transfer from the Rental Housing Assistance Fund to the Flexible Subsidy Fund.

SEC. 237. This section modifies the requirements for low-income targeting to better target rental assistance to the working poor.

SEC. 238. This section modifies the Rental Assistance Demonstration included in the fiscal year 2012 bill.

SEC. 239. This section requires the Secretary to provide the Committee with advance notification before discretionary awards are made.

SEC. 240. This section expands the authority to facilitate section 202 operating assistance-only contracts to fund supportive housing units for the elderly that is aligned with State healthcare priorities.

SEC. 241. This section modifies administrative oversight of the SHOP program.

SEC. 242. This section modifies utility allowances to be consistent with the size of the unit for which a family qualifies, not the size of the unit leased.

SEC. 243. This section allows the Secretary to publish Fair Market Rents on the Internet without having to publish them in the Federal Register.

TITLE III

INDEPENDENT AGENCIES

ACCESS BOARD

SALARIES AND EXPENSES

Appropriations, 2013 [1]	$7,385,000
Budget estimate, 2014	7,448,000
Committee recommendation	7,448,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $7,448,000 for the operations of the Access Board. This level of funding is $63,000 more than the 2013 enacted level and equal to the President's fiscal year 2014 request.

Federal Maritime Commission

SALARIES AND EXPENSES

Appropriations, 2013 [1]	$24,052,000
Budget estimate, 2014	25,000,000
Committee recommendation	24,669,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 of 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 $24,669,000 for the salaries and expenses of the FMC for fiscal year 2014. This amount is $331,000 less than the budget request and $617,000 more than the fiscal year 2013 enacted level. The request for additional funding for travel and consulting is denied.

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, 2013 [1]	$20,459,000
Budget estimate, 2014	25,300,000
Committee recommendation	21,000,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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; recommend policies designed to promote economy, efficiency, and effectiveness in Amtrak, and prevent and detect fraud and abuse; and to provide a means for keeping the Amtrak leadership and the Congress fully informed about problems in Amtrak operations and the corporation's progress in making corrective action.

COMMITTEE RECOMMENDATION

The Committee recommends $21,000,000 for the Amtrak Office of Inspector General [OIG]. This funding level is $4,300,000 less than the budget request and $541,000 more than the fiscal year 2013 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 implement 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, 2013 [1]	$102,195,000
Budget estimate, 2014	103,027,000
Committee recommendation	103,027,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 $103,027,000 for the National Transportation Safety Board, which is equal to the budget request and $832,000 more than the fiscal year 2013 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, 2013 [1]	$214,869,000
Budget estimate, 2014	204,100,000
Committee recommendation	215,300,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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 or NeighborWorks, for fiscal year 2014. This amount is $11,200,000 more than the budget request and $431,000 more than the fiscal year 2013 enacted level. The Committee has included $138,300,000 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 NeighborWorks to provide a status report on this initiative in its fiscal year 2015 budget justification.

Housing Counseling Assistance.—The Committee has included $77,000,000 to continue the National Foreclosure Mitigation Counseling Program [NFMC] initiated by Congress in fiscal year 2008.

NFMC is not a permanent program, and while the number of foreclosures have fallen from their peak in recent months, the number remains elevated. According to Lender Processing Services' Mortgage Monitor Report for April 2013, "While delinquencies are resolving, foreclosure inventories are still significantly higher than pre-crisis across all products". Therefore the Committee believes resources are still warranted to assist families facing foreclosure.

According to NeighborWorks' December 2012 Congressional report, NFMC has helped support counseling for over 1,450,000 borrowers. Moreover, the outcomes associated with NFMC demonstrate the impact it is having on people's lives. According to an independent evaluation of the program conducted by the Urban Institute issued in December 2011, NFMC-assisted 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. The Urban Institute also estimated a counseling cost benefit ratio of 2.4.

Equity Sharing.—The Committee notes that equity sharing models have proven to be successful in helping first-time homeowners purchase a home, while preserving the long-term affordability of housing. NeighborWorks organizations across the country have been utilizing various equity sharing models, including programs that try to align the need for seniors to transition to assisted-housing with the needs of those trying to buy their first home. As the housing market begins to recover, equity sharing is a useful tool to help maintain housing affordability. The Committee encourages NeighborWorks to continue to fund these programs and to promote their use by its organizations.

Mortgage Rescue Scams.—Since 2009, NeighborWorks 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. NeighborWorks is 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 Neighborworks' efforts to build capacity in rural areas. The Committee urges the Corporation to continue these efforts.

UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

OPERATING EXPENSES

Appropriations, 2013 [1]	$3,293,000
Budget estimate, 2014	3,595,000
Committee recommendation	3,595,000

[1] Does not reflect the March 1, 2013, sequester of funds under Public Law 112–25.

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, including 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 $3,595,000 for the United States Interagency Council on Homelessness [USICH]. This amount is equal to the budget request and $302,000 more than the fiscal year 2013 enacted level.

USICH supports Federal collaboration and implementation of the Federal strategic plan to prevent and end homelessness. The Council's work on such issues as establishing common definitions of homelessness across programs and consolidating Federal data is helping to breakdown silos and increase Federal collaboration. Its work was recognized by GAO in its February 2012 report on ways to reduce duplication, overlap, and fragmentation in the Federal Government. The Committee recommendation extends USICH's authorization to 2020, consistent with timing of goals contained in its plan.

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 in this act or any prior act for going to the group ACORN or any of its affiliates, subsidiaries, or allied organizations.

Section 416 restricts funds in this act from being used to enter into contracts with corporations that have recently been convicted of a felony criminal violation.

Section 417 restricts funds in this act from being used to enter into contracts with corporations that have outstanding unpaid Federal tax liabilities for which all judicial or administrative remedies have been exhausted.

Section 418 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 419 requires all agencies and departments funded in this act to report their vehicle fleet inventory and associated costs to Congress at the end of fiscal year 2013.

Section 420 requires agencies funded in this act to report to their inspector general on the costs and other details of conferences held during fiscal year 2014.

Section 421 restricts the number of employees agencies funded in this act may send to international conferences.

[Section 422 makes special allowances for technical differences in estimates of discretionary new budget authority.]

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 2014:

TITLE I—DEPARTMENT OF TRANSPORTATION

- Federal Highway Administration:
  - Bridges in Critical Corridors
- Federal Railroad Administration
- National Railroad Passenger Corporation

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- Rental Assistance:
  - Rental Assistance Demonstration
  - 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 American Housing Block Grant
- Native Hawaiian Housing Block Grant
- Indian Housing Loan Guarantee Fund
- Native Hawaiian Housing Loan Guarantee Fund
- Housing Opportunities for Persons with Aids
- Community Development Fund:
  - Community Development Block Grants
  - Integrated Planning and Investment Grants
- HOME Program:
  - HOME Investment Partnership
- Self Help and Assisted Homeownership Opportunity:
  - Capacity Building
  - Self-Help Homeownership Opportunity Program
  - National Housing Development Corporation
- 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
Healthy Homes Program
Salaries and Expenses

TITLE III—RELATED AGENCIES

National Transportation Safety Board
Amtrak Office of Inspector General

COMPLIANCE WITH PARAGRAPH 7(c), RULE XXVI OF THE STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on June 27, 2013, the Committee ordered favorably reported an original bill (S. 1243) making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2014, and for other purposes, provided, that the bill be subject to amendment and that the bill be consistent with its spending allocations, by a recorded vote of 22–8, a quorum being present. The vote was as follows:

Yeas	Nays
Chairwoman Mikulski	Mr. Shelby
Mr. Leahy	Mr. McConnell
Mr. Harkin	Mr. Alexander
Mrs. Murray	Mr. Graham
Mrs. Feinstein	Mr. Coats
Mr. Durbin	Mr. Blunt
Mr. Johnson	Mr. Johanns
Ms. Landrieu	Mr. Boozman
Mr. Reed	
Mr. Pryor	
Mr. Tester	
Mr. Udall	
Mrs. Shaheen	
Mr. Merkley	
Mr. Begich	
Mr. Coons	
Mr. Cochran	
Ms. Collins	
Ms. Murkowski	
Mr. Kirk	
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

§ 1701q. Supportive housing for the elderly

(a) Purpose

* * * * * * *

(f) Initial selection criteria and processing

(1) Selection criteria

* * * * * * *

(2) Delegated processing

(A) **[**In issuing a capital advance under this subsection for any project for which financing for the purposes described in the last two sentences of subsection (b) is provided by a combination of a capital advance under subsection (c)(1) and sources other than this section, within 30 days of award of the capital advance, the Secretary shall delegate review and processing of such projects to a State or local housing agency that—**]** *The Secretary shall establish procedures to delegate the award, review and processing of projects to a State or local housing agency that—;*

(i) is in geographic proximity to the property;

* * * * * * *

(iii) may or may not be providing low-income housing tax credits in combination with the **[**capital advance**]** *funding* under this section**[**,**]***;*[1] and

(iv) agrees to issue a firm commitment within 12 months of delegation.

[1] So in original. The comma probably should be a semicolon.

(B) The Secretary shall retain the authority to process ⟦capital advances⟧ *funding under this section* in cases in which no State or local housing agency has applied to provide delegated processing pursuant to this paragraph or no such agency has entered into an agreement with the Secretary to serve as a delegated processing agency.

(C) ⟦An agency to which review and processing is delegated pursuant to subparagraph (A) may assess a reasonable fee which shall be included in the capital advance amounts and may recommend project rental assistance amounts in excess of those initially awarded by the Secretary.⟧ The Secretary shall develop a schedule for reasonable fees under this subparagraph to be paid to delegated processing agencies, which shall take into consideration any other fees to be paid to the agency for other funding provided to the project by the agency, including bonds, tax credits, and other gap funding.

Assistance under subsection (c)(2) may be provided for projects which identify in the application for assistance a defined health and other supportive services program including sources of financing the services for eligible residents and memoranda of understanding with service provision agencies and organizations to provide such services for eligible residents at their request. Such supportive services plan and memoranda of understating shall—

(i) identify the target populations to be served by the project;

(ii) set forth methods for outreach and referral;

(iii) identify the health and other supportive services to be provided; and

(iv) identify the terms under which such services will be made available to residents of the project.

⟦(D)⟧ *(E)* Under such delegated system, the Secretary shall retain the authority to approve rents and development costs and to execute ⟦a capital advance⟧ *funding under this section* within 60 days of receipt of the commitment from the State or local agency. The Secretary shall provide to such agency and the project sponsor, in writing, the reasons for any reduction in ⟦capital advance amounts or project rental assistance⟧ *funding under this section* and such reductions shall be subject to appeal.

*   *   *   *   *   *   *

§ 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

§ 149. Congestion mitigation and air quality improvement program

(a) ESTABLISHMENT.— * * *

* * * * * * *

(m) OPERATING ASSISTANCE.—A State may obligate funds apportioned under section 104(b)(2) in an area of such State that is otherwise eligible for obligations of such funds for operating costs under chapter 53 of title 49 or on a system [that was previously eligible under this section] *for which CMAQ funding was made available, obligated or expended in fiscal year 2012, and shall have no imposed time limitation.*

TITLE 42—THE PUBLIC HEALTH AND WELFARE

CHAPTER 8—LOW-INCOME HOUSING

SUBCHAPTER I—GENERAL PROGRAM OF ASSISTED HOUSING

§ 1437. Declaration of policy and public housing agency organization

(a) Declaration of policy

* * * * * * *

(b) Public housing agency organization

(1) Required membership

* * * * * * *

(3) Nondiscrimination

No person shall be prohibited from serving on the board of directors or similar governing body of a public housing agency because of the residence of that person in a public housing project or status as assisted under section 1437f of this title.

(4) SALARY.—

(A) GENERAL.—This paragraph establishes the maximum salary that a public housing agency may provide to its employees and the maximum annual contract amounts that may be paid to its contract personnel using funds provided under this Act. A public housing agency shall use the same salary structure as described in this paragraph and follow the requirements of uniform administrative rules for Federal grants and cooperative agreements and principles and standards for determining costs for Federal awards for all payments that it makes to its employees and for personnel hired as contractors when funds provided under this Act are used for such payments.

(B) SALARY STRUCTURE.—

(i) The base salary of public housing agency employees and the contract amount paid to contracted personnel from funds provided under this Act shall be

based on the Federal General Schedule (GS) basic rate of pay, including locality adjustment, established under sections 5303 and 5304 of title 5, United States Code as follows:

(I) For public housing agencies with fewer than 250 total units (public housing and section 8 housing vouchers), the base salary of a public housing agency employee or total annual payment to each contracted personnel shall not exceed the basic rate of pay, including a locality adjustment, for GS–11, step 10;

(II) For public housing agencies with 250 to 1249 total units (public housing and section 8 housing vouchers), the base salary of a public housing employee or total annual payment to each contracted personnel shall not exceed the basic rate of pay, including locality adjustment, for GS–13, step 10;

(III) For public housing agencies with 1250 or more total units (public housing and section 8 housing vouchers), the base salary of a public housing agency employee or total annual payment to each contracted personnel shall not exceed the basic rate of pay, including locality adjustment, 9 for GS–15, step 10.

(ii) Any amount of salary paid to an employee or of total annual payment to each contracted personnel that exceeds the amount provided under the structure of this paragraph must be from non-Act sources.

(iii) The salary structure provided in subparagraph (B)(i) shall be subject to any requirements that may be established for the General Schedule by an appropriations Act or by Presidential executive order for any Federal fiscal year.

(iv) A public housing agency must certify that it has established detailed performance measures that describe how public housing agency employees or personnel hired as contractors may receive a salary or contract increase within the limits of subparagraph (B)(i). The certification shall be transmitted to the Secretary in a format as determined by the Secretary.

(C) DEFINITIONS.—For purposes of this section—

(i) Employee includes any member of a public housing agency organization whose salary is paid in whole or in part from funds provided under this Act, and regardless of whether such employee is full-time or part-time, temporary or permanent.

(ii) Contracted personnel includes any member of a public housing agency organization whose position is procured under uniform administrative rules for Federal grants and cooperative agreements and who is paid in whole or in part from funds provided under this Act, and regardless of whether such individual is full-time or part-time, hourly, temporary or permanent.

No such position shall be for a period beyond 5 years without re-procurement.

(iii) Salary includes the annual basic rate of pay, including a locality adjustment, as provided in subparagraph (B) and any additional adjustments, such as may be provided for overtime or shift differentials, bonuses, or contract payments including bonuses. Salary does not include fringe benefits as defined in principles and standards for determining costs for Federal awards.

(D) DISCLOSURE OF RECORDS.—Each public housing agency shall make available to the Secretary upon request such financial and other records as the Secretary deems necessary for purpose of review and monitoring compliance with this section.

* * * * * * *

§ 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.— * * *

(B) ALLOWABLE RENT STRUCTURES.—

(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—*

(I) be based on the rental value of the unit, as determined by the public housing agency; and

(II) be designed in accordance with subparagraph (D) so that the rent structures do not create a disincentive for continued residency in public housing by families who are attempting to become economically self-sufficient through employment or who have attained a level of self-sufficiency through their own efforts.

[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 June 1, 2014, with the requirement of this clause, except that if a new flat rental amount for a dwelling unit will in-*

crease 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

* * * * * * *

(c) Contents and purposes of contracts for assistance payments; amount and scope of monthly assistance payments

(1) *(A)* An assistance contract entered into pursuant to this section shall establish the maximum monthly rent (including utilities and all maintenance and management charges) which the owner is entitled to receive for each dwelling unit with respect to which such assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically but not less than annually for existing or newly constructed rental dwelling units of various sizes and types in the market area suitable for occupancy by persons assisted under this section, except that the maximum monthly rent may exceed the fair market rental (A) by more than 10 but not more than 20 per centum where the Secretary determines that special circumstances warrant such higher maximum rent or that such higher rent is necessary to the implementation of a housing strategy as defined in section 12705 of this title, or (B) by such higher amount as may be requested by a tenant and ap-

proved by the public housing agency in accordance with paragraph (3)(B). In the case of newly constructed and substantially rehabilitated units, the exception in the preceding sentence shall not apply to more than 20 per centum of the total amount of authority to enter into annual contributions contracts for such units which is allocated to an area and obligated with respect to any fiscal year beginning on or after October 1, 1980. ⟦Proposed fair market rentals for an area shall be published in the Federal Register with reasonable time for public comment, and shall become effective upon the date of publication in final form in the Federal Register.⟧ Each fair market rental in effect under this subsection shall be adjusted to be effective on October 1 of each year to reflect changes, based on the most recent available data trended so the rentals will be current for the year to which they apply, of rents for existing or newly constructed rental dwelling units, as the case may be, of various sizes and types in the market area suitable for occupancy by persons assisted under this section. Notwithstanding any other provision of this section, after October 12, 1977, the Secretary shall prohibit high-rise elevator projects for families with children unless there is no practical alternative. ⟦The Secretary shall establish separate fair market rentals under this paragraph for Westchester County in the State of New York. The Secretary shall also establish separate fair market rentals under this paragraph for Monroe County in the Commonwealth of Pennsylvania. In establishing fair market rentals for the remaining portion of the market area in which Monroe County is located, the Secretary shall establish the fair market rentals as if such portion included Monroe County.⟧ If units assisted under this section are exempt from local rent control while they are so assisted or otherwise, the maximum monthly rent for such units shall be reasonable in comparison with other units in the market area that are exempt from local rent control.

(B) PUBLICATION OF FAIR MARKET RENTALS.—Not less than annually:

(i) The Secretary shall publish a notice in the Federal Register that proposed fair market rentals for an area have been published on the site of the Department on the Internet and in any other manner specified by the Secretary. Such notice shall describe proposed material changes in the methodology for estimating fair market rentals and shall provide reasonable time for public comment.

(ii) The Secretary shall publish a notice in the Federal Register that final fair market rentals have been published on the site of the Department on the Internet and in any other manner specified by the Secretary. Such notice shall include the final decisions regarding proposed substantial methodological changes for estimating fair market rentals and responses to public comments.

* * * * * * *

(o) Voucher program

* * * * * * *

(1) Authority

* * * * * * *

(2) Amount of monthly assistance payment

* * * * * * *

(A) Tenant-based assistance; rent not exceeding payment standard

* * * * * * *

(C) Families receiving project-based assistance

For a family receiving project-based assistance, the rent that the family is required to pay shall be determined in accordance with section 1437a(a)(1) of this title, and the amount of the housing assistance payment shall be determined in accordance with subsection (c)(3) of this section.

(D) UTILITY ALLOWANCE.—

(i) GENERAL.—In determining the monthly assistance payment for a family under subparagraphs (A) and (B), the amount allowed for tenant-paid utilities shall not exceed the appropriate utility allowance for the family unit size as determined by the public housing agency regardless of the size of the dwelling unit leased by the family.

(ii) EXCEPTION FOR FAMILIES IN INCLUDING PERSONS WITH DISABILITIES.—Notwithstanding subparagraph (A), upon request by a family that includes a person with disabilities, the public housing agency shall approve a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability.

* * * * * * *

(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, as determined by the Secretary, 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 5(h).

(iv) MIXED-FINANCE PROPERTIES.—The Secretary may adjust the frequency of inspections for mixed-finance properties assisted with vouchers under paragraph (13) to facilitate the use of the alternative inspections in subparagraph (E).

(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, unless waived by the Secretary in extraordinary circumstances; and

(ii) in the case of any condition that is not life-threatening, within a reasonable time frame as determined by the Secretary.".

(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) [1] TARGETING.—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

[1] So in original. No subpar. (B) has been enacted.

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*.

* * * * * * *

§ 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 2014.*

* * * * * * *

(o) Sunset

No assistance may be provided under this section after [September 30, 2010.] *September 30, 2014*.

* * * * * * *

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.⟧

* * * * * * *

CHAPTER 119—HOMELESS ASSISTANCE

SUBCHAPTER II—UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

§ 11314. Director and staff

(a) Director

The Council shall appoint an Executive Director, who shall be compensated at a rate not to exceed the rate of basic pay payable for [level V] *level IV* of the Executive Schedule under section 5316 of title 5. The Council shall appoint an Executive Director at the first meeting of the Council held under section 11312(c) of this title.

* * * * * * *

§ 11319. Termination

The Council shall cease to exist, and the requirements of this subchapter shall terminate, on [October 1, 2015 [1]] *October 1, 2020*

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.*

HOUSING OPPORTUNITY PROGRAM EXTENSION ACT, 1996, PUBLIC LAW 104–120

PART D—SPECIFIED MODEL PROGRAMS

ASSISTANCE FOR SELF-HELP HOUSING PROVIDERS

(a) GRANT AUTHORITY.— * * *
(b) GOALS AND ACCOUNTABILITY.— * * *

(1) assistance provided under this section is used to facilitate and encourage innovative homeownership opportunities through the provision of self-help housing, under which the homeowner contributes a significant amount of sweat equity toward the constructionof the new dwellings *or the rehabilitation of existing dwellings*;

[1] So in original. Probably should be followed by a period.

(2) assistance provided under this section for land acquisition and infrastructure development results in the development of not less than 4,000 new *or rehabilitated* dwellings;

*   *   *   *   *   *   *

(d) USE.—

(1) PURPOSE.—Amounts from grants made under this section, including any recaptured amounts, shall be used only for eligible expenses in connection with developing new decent, safe, and sanitary nonluxury dwellings *or rehabilitating existing dwellings to make them decent, safe and sanitary* in the United States for families and persons who otherwise would be unable to afford to purchase a dwelling.

(2) ELIGIBLE EXPENSES.— * * *

(A) LAND ACQUISITION.— * * *

(B) INFRASTRUCTURE IMPROVEMENT.—Installing, extending, constructing, rehabilitating, or otherwise improving utilities and other infrastructure.

Such term does not include any costs for the rehabilitation,improvement, or construction of dwellings.

(C) PLANNING, ADMINISTRATION, AND MANAGEMENT.—Planning, administration, and management of grant programs and activities, provided that such expenses do not exceed 20 percent of any grant made under this section.

*   *   *   *   *   *   *

(i) GRANT AGREEMENT.—A grant under this section shall be made only pursuant to a grant agreement entered into by the Secretary and the organization or consortia receiving the grant, which shall—

(1) require such organization or consortia to use grant amounts only as provided in this section;

*   *   *   *   *   *   *

(5) provide that the Secretary shall recapture any grant amounts provided to the organization or consortia that are not used within ⟦24⟧ *36* months after such amounts are first disbursed to the organization or consortia, ⟦except that such period shall be 36 months in the case of grant amounts from amounts made available for fiscal year 1996 to carry out this section, and in the case of a [sic] grant amounts provided to a local affiliate of the organization or consortia that is developing five or more dwellings in connection with such grant amounts⟧; and

*   *   *   *   *   *   *

(j) FULFILLMENT OF GRANT AGREEMENT.—

(1) REDISTRIBUTION OF FUNDS.—If the Secretary determines that an organization or consortia awarded a grant under this section has not, within ⟦24⟧ *36* months after grant amounts are first made available to the organization or consortia ⟦(or, in the case of grant amounts from amounts made available for fiscal year 1996 to carry out this section and grant amounts provided to a local affiliate of the organization or consortia that is developing five or more dwellings in connection with such grant amounts, within 36 months)⟧, substan-

tially fulfilled the obligations under the grant agreement, including development of the appropriate number of dwellings under the agreement, the Secretary shall use any such undisbursed amounts remaining from such grant for other grants in accordance with this section.

(2) DEADLINE FOR COMPLETION AND CONVEYANCE.—The Secretary shall establish a deadline (which may be extended for good cause as determined by the Secretary) by which time all units that have been assisted with grant funds under this section must be completed and conveyed.

SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT TRANSPORTATION EQUITY ACT: A LEGACY FOR USERS, 2005, PUBLIC LAW 109–59

TITLE IV—MOTOR CARRIER SAFETY

Subtitle A—Commercial Motor Vehicle Safety

SEC. 4138. HIGH RISK CARRIER COMPLIANCE REVIEWS.

From the funds authorized by section 31104(i) of title 49, United States Code, the Secretary shall ensure that compliance reviews are completed on motor carriers that have demonstrated through performance data that they pose the highest safety risk. At a minimum, a compliance review shall be conducted whenever a motor carrier is rated as ❲category A or B❳ *high-risk* for 2 consecutive months.

* * * * * * *

SEC. 4144. MOTOR CARRIER SAFETY ADVISORY COMMITTEE.

(a) ESTABLISHMENT AND DUTIES.— * * *

* * * * * * *

(d) TERMINATION DATE.—Notwithstanding the Federal Advisory Committee Act (5 U.S.C. App.), the advisory committee shall terminate on ❲September 30, 2010❳ *September 30, 2014*.

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 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 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.

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.]

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 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 related 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 *in excess of amounts made available under this heading* 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⟧ *120,000* 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: *Provided further*, That tenants of such properties with assistance converted from assistance under section 9 shall, at a minimum, maintain the same rights under such conversion as those provided under sections 6 and 9 of the Act: *Provided further*, That the Secretary shall select properties from applications for conversion as part of this demonstration through a competitive process: *Provided further*, That in establishing criteria for such competition, the Secretary shall seek to demonstrate the feasibility of this conversion model to recapitalize and operate public housing properties (1) in different markets and geographic areas, (2) within portfolios managed by public housing agencies of varying sizes, and (3) by leveraging other sources of funding to recapitalize properties: *Provided fur-*

ther, That the Secretary shall provide an opportunity for public comment on draft eligibility and selection criteria and procedures that will apply to the selection of properties that will participate in the demonstration: *Provided further*, That the Secretary shall provide an opportunity for comment from residents of properties to be proposed for participation in the demonstration to the owners or public housing agencies responsible for such properties: *Provided further*, That the Secretary may waive or specify alternative requirements for (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) any provision of section 8(o)(13) or any provision that governs the use of assistance from which a property is converted under the demonstration or funds made available under the headings of "Public Housing Capital Fund", "Public Housing Operating Fund", and "Project-Based Rental Assistance", under this Act or any prior Act or any Act enacted during the period of conversion of assistance under the demonstration for properties with assistance converted under the demonstration, upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective conversion of assistance under the demonstration: *Provided further*, That the Secretary shall publish by notice in the Federal Register any waivers or alternative requirements pursuant to the previous proviso no later than 10 days before the effective date of such notice: *Provided further*, That the demonstration may proceed after the Secretary publishes notice of its terms in the Federal Register: *Provided further*, That notwithstanding sections 3 and 16 of the Act, the conversion of assistance under the demonstration shall not be the basis for re-screening or termination of assistance or eviction of any tenant family in a property participating in the demonstration, and such a family shall not be considered a new admission for any purpose, including compliance with income targeting requirements: *Provided further*, That in the case of a property with assistance converted under the demonstration from assistance under section 9 of the Act, section 18 of the Act shall not apply to a property converting assistance under the demonstration for all or substantially all of its units, the Secretary shall require ownership or control of assisted units by a public or nonprofit entity except as determined by the Secretary to be necessary pursuant to foreclosure, bankruptcy, or termination and transfer of assistance for material violations or substantial default, in which case the priority for ownership or control shall be provided to a capable public entity, then a capable entity, as determined by the Secretary, shall require long-term renewable use and affordability restrictions for assisted units, and may allow ownership to be transferred to a for-profit entity to facilitate the use of tax credits only if the public housing agency preserves its interest in the property in a manner approved by the Secretary, and upon expiration of the initial contract and each renewal contract, the Secretary shall offer and the owner of the property shall accept renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year of such renewal: *Provided further*, That the Secretary may permit transfer of assistance at or after conversion under the demonstration to replacement units subject to the requirements in the previous proviso: *Provided further*, That the Secretary may establish the requirements for converted assistance under the demonstration through contracts, use agreements, regulations, or other means: *Provided further*, That the Secretary shall assess and publish findings regarding the impact of the conversion of assistance under the demonstration on the preservation and improvement of public housing, the amount of private sector leveraging as a result of such conversion, and the effect of such conversion on tenants: *Provided further*, That for fiscal years 2012 【and 2013】 *through 2015*, owners of properties assisted under section 101 of the Housing and Urban Development Act of 1965, section 236(f)(2) of the National Housing Act, or section 8(e)(2) 【(except for funds allocated under such section for single room occupancy dwellings as authorized by title IV of the McKinney-Vento Homeless Assistance Act)】 of the United States Housing Act of 1937, for which an event after October 1, 2006 has caused or results in the termination of rental assistance or affordability restrictions and the issuance of tenant protection vouchers under section 8(o) of the Act, shall be eligible, subject to requirements established by the Secretary, including but not limited to tenant consultation procedures 【and agreement of the administering public housing agency,】 *either* for conversion of assistance available for such vouchers*, subject to the agreement of the administering public housing agency,* to assistance under section 8(o)(13) of the Act, to which the limitation under subsection (B) of section 8(o)(13) of the Act shall not apply and for which the Secretary of Housing and Urban Development may waive or alter the provisions of subparagraphs (C) and (D) of section 8(o)(13) of the Act *or for conversion of assistance available for such tenant protection vouchers to assistance under a project-based subsidy contract under section 8 of the Act, which shall have a term of no less than 20 years, with rent adjustments limited to an operating cost factor established by the Secretary, and shall be subject to the availability of appropriations for each year of such term, and which shall be eligible for renewal under section 524 of the Multifamily Assisted Housing Reform and Affordability of 1997 (42 U.S.C. 1437f note): Provided further, That amounts made available under the headings "Project-Based Rental Assistance" and "Other Assisted Housing Programs, Rental Housing Assistance" during the period of conversion under the previous proviso, which may extend beyond fiscal year 2015 as necessary to allow processing of all timely applications, shall be available for project-based subsidy contracts entered into pursuant to the previous proviso: Provided further, That amounts, including contract authority, recaptured from contracts following a conversion under the previous two provisos are hereby rescinded and an amount of additional new budget authority, equivalent to the amount rescinded is hereby appropriated, to remain available until expended for such conversions: Provided further, That with respect to applications submitted the Secretary may transfer amounts under the heading "Other Assisted Housing Programs, Rental Housing Assistance", amounts made available for tenant protection vouchers under the heading "Tenant-Based Rental Assistance", and amounts made available under the previous proviso as needed to the account under the "Project-Based Rental Assistance" heading to facilitate conversion under the three previous provisos and any in-*

crease in cost for "Project-Based Rental Assistance" associated with such conversion shall be equal to amounts so transferred: *Provided further*, That with respect to the previous [proviso] *four provisos*, the Comptroller General of the United States shall conduct a study of the long-term impact of the previous [proviso] *four provisos* on the ratio of tenant-based vouchers to project-based vouchers.

* * * * * * *

DISASTER RELIEF APPROPRIATIONS, 2013, PUBLIC LAW 113–2

DIVISION A—DISASTER RELIEF APPROPRIATIONS ACT, 2013

TITLE X

ADDITIONAL DISASTER ASSISTANCE

CHAPTER 9

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For an additional amount for "Grants to the National Railroad Passenger Corporation" for the Secretary of Transportation to make capital and debt service grants to the National Railroad Passenger Corporation to advance capital projects that address Northeast Corridor infrastructure recovery and resiliency in the affected areas, $86,000,000, to remain available until expended: *Provided*, That none of the funds may be used to subsidize operating losses of the Corporation: *Provided further*, That as a condition of eligibility for receipt of such funds, the Corporation shall not, after the enactment of this division, use any funds provided for Capital and Debt Service Grants to the National Railroad Passenger Corporation in this division [or any other Act] for operating expenses, which includes temporary transfers of such funds: *Provided further*, That the Administrator of the Federal Railroad Administration may retain up to one-half of 1 percent of the funds provided under this heading to fund the award and oversight by the Administrator of grants made under this heading: *Provided further*, That for an additional amount for the Secretary to make operating subsidy grants to the National Railroad Passenger Corporation for necessary repairs related to the consequences of Hurricane Sandy, $32,000,000, to remain available until expended: *Provided further*, That each amount under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

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 guidance [1]	Amount of bill	Committee guidance	Amount of bill
Comparison of amounts in the bill with Committee guidance to its subcommittees of amounts for 2014: Subcommittee on Transportation and Housing and Urban Development, and Related Agencies				
Mandatory	NA	....	NA	....
Discretionary	54,045	54,045	NA	[2] 117,478
Security	186	186	NA	NA
Nonsecurity	53,859	53,859	NA	NA
Projections of outlays associated with the recommendation:				
2014	....	....	....	[3] 37,144
2015	....	....	....	35,202
2016	....	....	....	14,386
2017	....	....	....	6,207
2018 and future years	....	....	....	7,680
Financial assistance to State and local governments for 2014	NA	32,892	NA	30,628

[1] There is no section 302(a) allocation to the Committee on Appropriations for fiscal year 2014.
[2] Includes outlays from prior-year budget authority.
[3] 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	2013 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2013 appropriation	Budget estimate
TITLE I—DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses	102,276	113,109	109,340	+7,064	−3,769
Immediate Office of the Secretary	(2,613)	(2,652)	(2,652)	(+39)	
Immediate Office of the Deputy Secretary	(982)	(1,000)	(1,000)	(+18)	
Office of the General Counsel	(19,476)	(20,504)	(20,502)	(+1,026)	(−2)
Office of the Under Secretary of Transportation for Policy	(10,087)	(12,804)	(10,271)	(+184)	(−2,533)
Office of the Assistant Secretary for Budget and Programs	(10,517)	(13,326)	(13,026)	(+2,509)	(−300)
Office of the Assistant Secretary for Governmental Affairs	(2,495)	(2,627)	(2,627)	(+132)	
Office of the Assistant Secretary for Administration	(25,418)	(27,468)	(26,686)	(+1,268)	(−782)
Office of Public Affairs	(2,016)	(2,203)	(2,051)	(+35)	(−152)
Office of the Executive Secretariat	(1,592)	(1,714)	(1,714)	(+122)	
Office of Small and Disadvantaged Business Utilization	(1,366)	(1,386)	(1,386)	(+20)	
Office of Intelligence, Security, and Emergency Response	(10,756)	(10,849)	(10,849)	(+93)	
Office of the Chief Information Officer	(14,958)	(16,576)	(16,576)	(+1,618)	
Subtotal	102,276	113,109	109,340	+7,064	−3,769
Research and technology		14,765	14,765	+14,765	
National infrastructure investments	499,000	500,000	550,000	+51,000	+50,000
Aviation consumer call center		7,500			−7,500
Financial management capital	4,980	10,000	10,000	+5,020	
Cyber security initiatives	9,980	6,000	6,000	−3,980	
Office of Civil Rights	9,365	9,551	9,551	+186	
Transportation planning, research, and development	8,982	9,750	9,750	+768	
(Rescission)		−2,750	−2,750	−2,750	
Subtotal	8,982	7,000	7,000	−1,982	
Working capital fund	(172,000)		(178,000)	(+6,000)	(+178,000)
Minority Business Resource Center Program	920	925	925	+5	

(Limitation on guaranteed loans)	(18,367)	(18,367)	(18,367)	....	....
Minority business outreach	3,062	3,088	3,088	+26	....
Payments to air carriers (Airport and Airway Trust Fund)	142,714	146,000	146,000	+3,286	....
Total, Office of the Secretary	781,279	817,938	856,669	+75,390	+38,731
Federal Aviation Administration					
Operations	9,634,089	9,707,000	9,707,000	+72,911	....
Air traffic organization	(7,427,853)	(7,311,790)	(7,311,790)	(−116,063)	....
Aviation safety	(1,250,485)	(1,204,777)	(1,216,777)	(−33,708)	(+12,000)
Commercial space transportation	(16,238)	(16,011)	(17,011)	(+773)	(+1,000)
Finance and management	(580,953)	(807,646)	(802,520)	(+221,567)	(−5,126)
Human resource management	(98,660)	(107,193)	(106,193)	(+7,533)	(−1,000)
Staff offices	(199,885)	(199,801)	(192,780)	(−7,105)	(−7,021)
Next Gen	(60,014)	(59,782)	(59,477)	(−537)	(−305)
Facilities and equipment (Airport and Airway Trust Fund)	2,725,270	2,777,798	2,730,000	+4,730	−47,798
Research, engineering, and development (Airport and Airway Trust Fund	167,221	166,000	160,000	−7,221	−6,000
(Rescission)	....	....	−26,183	−26,183	−26,183
Grants-in-aid for airports (Airport and Airway Trust Fund)(Liquidation of contract authorization)	(3,435,000)	(3,200,000)	(3,200,000)	(−235,000)	....
(Limitation on obligations)	(3,343,300)	(2,900,000)	(3,350,000)	(+6,700)	(+450,000)
Administration	(100,798)	(106,600)	(106,600)	(+5,802)	....
Airport Cooperative Research Program	(14,970)	(15,000)	(15,000)	(+30)	....
Airport technology research	(29,192)	(29,500)	(29,500)	(+308)	....
Small community air service development program	(5,988)	....	(6,000)	(+12)	(+6,000)
(Rescission of contract authority)	....	−450,000	....	....	+450,000
Total, Federal Aviation Administration	12,526,580	12,200,798	12,570,817	+44,237	+370,019
Limitations on obligations	(3,343,300)	(2,900,000)	(3,350,000)	(+6,700)	(+450,000)
Federal Highway Administration					
Limitation on administrative expenses	(416,126)	(429,855)	(429,855)	(+13,729)	....
Federal-aid highways (Highway Trust Fund):					
(Liquidation of contract authorization)	(39,882,583)	(40,955,000)	(40,995,000)	(+1,112,417)	(+40,000)
(Limitation on obligations)	(39,619,602)	(40,256,000)	(40,256,000)	(+636,398)	....
(Exempt contract authority)	(739,000)	(739,000)	(739,000)	....	....
Bridges in critical corridors	....	....	500,000	+500,000	+500,000
Total, Federal Highway Administration	....	....	500,000	+500,000	+500,000

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	2013 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2013 appropriation	Budget estimate
Limitations on obligations	(39,619,602)	(40,256,000)	(40,256,000)	(+636,398)	
Exempt contract authority	(739,000)	(739,000)	(739,000)		
Federal Motor Carrier Safety Administration					
Motor carrier safety operations and programs (Highway Trust Fund)(Liquidation of contract authorization)	(251,000)	(259,000)	(259,000)	(+8,000)	
(Limitation on obligations)	(250,498)	(259,000)	(259,000)	(+8,502)	
Motor carrier safety grants (Highway Trust Fund) (Liquidation of contract authorization)	(310,000)	(313,000)	(317,000)	(+7,000)	(+4,000)
(Limitation on obligations)	(309,380)	(313,000)	(317,000)	(+7,620)	(+4,000)
National Motor Carrier Safety Program (Highway Trust Fund)					
(Limitation on obligations)			(19,000)	(+19,000)	(+19,000)
Total, Federal Motor Carrier Safety Administration					
(Limitations on obligations)	(559,878)	(572,000)	(595,000)	(+35,122)	(+23,000)
National Highway Traffic Safety Administration					
Operations and research (general fund)	139,866	148,343	148,343	+8,477	
Vehicle safety					
Operations and research (Highway Trust Fund) (Liquidation of contract authorization)	(115,500)	(118,500)	(138,500)	(+23,000)	(+20,000)
(Limitation on obligations)	(115,269)	(118,500)	(138,500)	(+23,231)	(+20,000)
Subtotal, Operations and Research	255,135	266,843	286,843	+31,708	+20,000
Subtotal	255,135	266,843	286,843	+31,708	+20,000
Highway traffic safety grants (Highway Trust Fund) (Liquidation of contract authorization)	(554,500)	(561,500)	(561,500)	(+7,000)	
(Limitation on obligations)	(553,391)	(561,500)	(561,500)	(+8,109)	
Highway safety programs (23 USC 402)	(234,530)	(235,000)	(235,000)	(+470)	
National priority safety programs (23 USC 405)	(264,470)	(272,000)	(272,000)	(+7,530)	
High-visibility enforcement	(28,942)	(29,000)	(29,000)	(+58)	

Administration expenses	(25,449)	(25,500)	(25,500)	(+51)	....
Total, National Highway Traffic Safety Administration	139,866	148,343	148,343	+8,477	....
Limitations on obligations	(668,660)	(680,000)	(700,000)	(+31,340)	(+20,000)
Federal Railroad Administration					
Safety and operations	178,239	184,500	184,500	+6,261	....
Offsetting fee collections	....	....	....	....	....
Subtotal	178,239	184,500	184,500	+6,261	....
Railroad research and development	34,930	35,250	35,250	+320	....
Capital assistance for national high-perfomance passenger rail service	....	....	100,000	+100,000	+100,000
Railroad Grants (Legislative proposal):					
(Liquidation of contract authorization)	....	(6,414,750)	....	....	(−6,414,750)
(Limitation on obligations)	....	(6,414,750)	....	....	(−6,414,750)
Current passenger rail service	....	(2,700,000)	....	....	(−2,700,000)
Railroad research, development and technology	....	(54,750)	....	....	(−54,750)
Rail service improvement program	....	(3,660,000)	....	....	(−3,660,000)
Next generation high-speed rail service (rescission)	....	....	−1,973	−1,973	−1,973
Northeast corridor improvement (rescission)	....	....	−4,419	−4,419	−4,419
National Railroad Passenger Corporation:					
Grants to the National Railroad Passenger Corporation	....	....	1,452,000	+1,452,000	+1,452,000
Operating grants to the National Railroad Passenger Corporation	465,068	....	....	−465,068	....
Capital and debt service grants to the National Railroad Passenger Corporation	950,096	....	....	−950,096	....
Subtotal	1,415,164	....	1,452,000	+36,836	+1,452,000
Total, Federal Railroad Administration	1,628,333	219,750	1,765,358	+137,025	+1,545,608
(Limitations on obligations)	....	(6,414,750)	....	....	(−6,414,750)
Federal Transit Administration					
Administrative expenses	102,508	109,888	109,888	+7,380	....
Formula Grants (Hwy Trust Fund, Mass Transit Account (Liquidation of contract authorization)	(9,400,000)	(9,500,000)	(9,500,000)	(+100,000)	....
(Limitation on obligations)	(8,461,044)	(8,595,000)	(8,595,000)	(+133,956)	....
Public transportation emergency relief	....	25,000	15,000	+15,000	−10,000
Research and technical assistance	43,912	49,000	55,300	+11,388	+6,300
Capital investment grants	1,951,090	1,981,742	1,942,938	−8,152	−38,804

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	2013 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2013 appropriation	Budget estimate
Washington Metropolitan Area Transit Authority capital and preventive maintenance	149,700	150,000	150,000	+300	....
Subtotal	149,700	150,000	150,000	+300	....
Administrative Provisions					
Federal Transit Administration (rescission)	....	....	−96,156	−96,156	−96,156
Total, Federal Transit Administration	2,247,210	2,315,630	2,176,970	−70,240	−138,660
Appropriations	(2,247,210)	(2,315,630)	(2,273,126)	(+25,916)	(−42,504)
Rescissions	....	....	(−96,156)	(−96,156)	(−96,156)
Rescissions of contract authority	....	....	....	....	....
Limitations on obligations	(8,461,044)	(8,595,000)	(8,595,000)	(+133,956)	....
Saint Lawrence Seaway Development Corporation					
Operations and maintenance (Harbor Maintenance Trust Fund)	32,194	32,855	33,000	+806	+145
Maritime Administration					
Maritime security program	173,944	208,000	186,000	+12,056	−22,000
Operations and training	155,945	152,168	153,803	−2,142	+1,635
Ship disposal	5,489	2,000	4,800	−689	+2,800
Assistance to small shipyards	9,960	....	10,000	+40	+10,000
Maritime Guaranteed Loan (Title XI) Program Account:					
Administrative expenses	3,733	2,655	3,500	−233	+845
Guaranteed loans subsidy	....	....	35,000	+35,000	+35,000
Subtotal	3,733	2,655	38,500	+34,767	+35,845
Total, Maritime Administration	349,071	364,823	393,103	+44,032	+28,280

Pipeline and Hazardous Materials Safety Administration					
Operational expenses:					
General fund	20,679	21,015	21,015	+336	....
Pipeline Safety Fund	638	639	639	+1	....
Pipeline safety information grants to communities	(998)	(1,500)	(1,500)	(+502)	....
Subtotal	21,317	21,654	21,654	+337	....
Hazardous materials safety	42,253	45,801	45,000	+2,747	−801
Offsetting fee collections	....	−6,000	....	....	+6,000
Subtotal	42,253	39,801	45,000	+2,747	+5,199
Pipeline safety:					
Pipeline Safety Fund	90,498	133,000	130,854	+40,356	−2,146
Oil Spill Liability Trust Fund	18,536	18,573	18,573	+37	....
Pipeline safety design review fee	....	−2,000	−2,000	−2,000	....
Pipeline Safety Design Review Fund	....	2,000	2,000	+2,000	....
Pipeline safety user fees	−91,136	−133,639	−131,493	−40,357	+2,146
Subtotal	17,898	17,934	17,934	+36	....
Emergency preparedness grants:					
Limitation on emergency preparedness fund	(28,130)	(28,130)	(28,130)	....	....
(Emergency preparedness fund)	(188)	(188)	(188)	....	....
Total, Pipeline and Hazardous Materials Safety Administration	81,468	79,389	84,588	+3,120	+5,199
Research and Innovative Technology Administration					
Research and development	15,949	....	....	−15,949	....
Office of Inspector General					
Salaries and expenses	79,465	85,605	86,605	+7,140	+1,000
Surface Transportation Board					
Salaries and expenses	29,254	30,775	32,250	+2,996	+1,475
Offsetting collections	−1,250	−1,250	−1,250	....	....
Total, Surface Transportation Board	28,004	29,525	31,000	+2,996	+1,475
Total, title I, Department of Transportation	17,909,419	16,294,656	18,646,453	+737,034	+2,351,797

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	2013 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2013 appropriation	Budget estimate
Appropriations	(17,909,419)	(16,747,406)	(18,777,934)	(+868,515)	(+2,030,528)
Rescissions	....	(−2,750)	(−131,481)	(−131,481)	(−128,731)
Rescissions of contract authority	....	(−450,000)	....	....	(+450,000)
Limitations on obligations	(52,652,484)	(59,417,750)	(53,496,000)	(+843,516)	(−5,921,750)
TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Management and Administration					
Executive Offices	....	14,540	....	....	−14,540
Administration, operations, and management	536,713	....	521,375	−15,338	+521,375
Administration Support Offices	....	505,313	....	....	−505,313
Program Office Salaries and Expenses:					
Public and Indian Housing	199,600	220,299	212,000	+12,400	−8,299
Community Planning and Development	99,800	109,740	107,000	+7,200	−2,740
Housing	390,717	383,375	390,000	−717	+6,625
Policy Development and Research	22,167	21,687	23,000	+833	+1,313
Fair Housing and Equal Opportunity	72,455	76,504	75,000	+2,545	−1,504
Office of Healthy Homes and Lead Hazard Control	7,385	7,642	7,642	+257	....
Subtotal	792,124	819,247	814,642	+22,518	−4,605
Total, Management and Administration	1,328,837	1,339,100	1,336,017	+7,180	−3,083
Public and Indian Housing					
Tenant-based rental assistance:					
Renewals	17,207,866	17,968,278	17,568,278	+360,412	−400,000
Tenant protection vouchers	74,850	150,000	150,000	+75,150	....
Administrative fees	1,372,250	1,685,374	1,685,374	+313,124	....
Family self-sufficiency coordinators	59,880	....	....	−59,880	....
Veterans affairs supportive housing	74,850	75,000	78,000	+3,150	+3,000

Section 811 mainstream voucher renewals	111,794	110,564	110,564	−1,230	....
Subtotal (available this fiscal year)	18,901,490	19,989,216	19,592,216	+690,726	−397,000
Advance appropriations	4,000,000	4,000,000	4,000,000	....	....
Less appropriations from prior year advances	−3,992,000	−4,000,000	−4,000,000	−8,000	....
Total, Tenant-based rental assistance appropriated in this bill	18,909,490	19,989,216	19,592,216	+682,726	−397,000
Rental assistance demonstration program	....	10,000	10,000	+10,000	....
Public Housing Capital Fund	1,871,250	2,000,000	2,000,000	+128,750	....
Public Housing Operating Fund	4,253,486	4,600,000	4,600,000	+346,514	....
Choice neighborhoods	119,760	400,000	250,000	+130,240	−150,000
Family self-sufficiency	....	75,000	75,000	+75,000	....
Native American housing block grants	648,700	650,000	675,000	+26,300	+25,000
Native Hawaiian housing block grant	12,974	13,000	13,000	+26	....
Indian housing loan guarantee fund program account	12,176	6,000	6,000	−6,176	....
(Limitation on guaranteed loans)	(976,000)	(1,818,000)	(1,818,000)	(+842,000)	....
Native Hawaiian loan guarantee fund program account	385	....	385	....	+385
(Limitation on guaranteed loans)	(41,504)	....	(41,500)	(−4)	(+41,500)
Total, Public and Indian Housing	25,828,221	27,743,216	27,221,601	+1,393,380	−521,615
Community Planning and Development					
Housing opportunities for persons with AIDS	331,336	332,000	332,000	+664	....
Community development fund:					
CDBG formula	3,241,594	2,798,100	3,150,000	−91,594	+351,900
Indian CDBG	59,880	70,000	70,000	+10,120	....
Integrated planning and investment grants	....	75,000	75,000	+75,000	....
Neighborhood stabilization Initiative	....	200,000	....	....	−200,000
Subtotal	3,301,474	3,143,100	3,295,000	−6,474	+151,900
Community development loan guarantees (section 108):					
(Limitation on guaranteed loans)	(240,000)	(500,000)	(500,000)	(+260,000)	....
Credit subsidy	5,940	....	....	−5,940	....
Capacity building	....	20,000	....	....	−20,000
HOME investment partnerships program	998,000	950,000	1,000,000	+2,000	+50,000
Self-help and assisted homeownership opportunity program	53,393	....	53,500	+107	+53,500
Homeless assistance grants	2,028,934	2,381,000	2,261,190	+232,256	−119,810

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	2013 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2013 appropriation	Budget estimate
Total, Community Planning and Development	6,719,077	6,826,100	6,941,690	+222,613	+115,590
Housing Programs					
Project-based rental assistance:					
Renewals	9,032,571	10,007,000	10,507,000	+1,474,429	+500,000
Contract administrators	288,422	265,000	265,000	−23,422	
Subtotal (available this fiscal year)	9,320,993	10,272,000	10,772,000	+1,451,007	+500,000
Advance appropriations	400,000	400,000	400,000		
Less appropriations from prior year advances	−399,200	−400,000	−400,000	−800	
Total, Project-based rental assistance appropriated in this bill	9,321,793	10,272,000	10,772,000	+1,450,207	+500,000
Housing for the elderly	373,878	400,000	400,000	+26,122	
Housing for persons with disabilities	164,670	126,000	126,000	−38,670	
Housing counseling assistance	44,915	55,000	55,000	+10,085	
Rental housing assistance	1,297	21,000	21,000	+19,703	
Rent supplement (rescission)		−3,500	−3,500	−3,500	
Manufactured housing fees trust fund	6,487	7,530	7,530	+1,043	
Offsetting collections	−3,992	−6,530	−6,530	−2,538	
Subtotal	2,495	1,000	1,000	−1,495	
Total, Housing Programs	9,909,048	10,871,500	11,371,500	+1,462,452	+500,000
Appropriations	(9,913,040)	(10,881,530)	(11,381,530)	(+1,468,490)	(+500,000)
Rescissions		(−3,500)	(−3,500)	(−3,500)	
Offsetting collections	(−3,992)	(−6,530)	(−6,530)	(−2,538)	

Federal Housing Administration					
Mutual Mortgage Insurance Program Account:					
(Limitation on guaranteed loans)	(400,000,000)	(400,000,000)	(400,000,000)	....	....
(Limitation on direct loans)	(50,000)	(20,000)	(20,000)	(−30,000)	....
Offsetting receipts	−9,676,000	−10,841,000	−10,841,000	−1,165,000	....
Proposed offsetting receipts [HECM]	−170,000	−57,000	−57,000	+113,000	....
Administrative contract expenses	206,586	127,000	198,500	−8,086	+71,500
General and Special Risk Program Account:					
(Limitation on guaranteed loans)	(25,000,000)	(30,000,000)	(30,000,000)	(+5,000,000)	....
(Limitation on direct loans)	(20,000)	(20,000)	(20,000)	....	....
Offsetting receipts	−588,000	−926,000	−926,000	−338,000	....
Total, Federal Housing Administration	−10,227,414	−11,697,000	−11,625,500	−1,398,086	+71,500
Government National Mortgage Association					
Guarantees of mortgage-backed securities loan guarantee program account:					
(Limitation on guaranteed loans)	(500,000,000)	(500,000,000)	(500,000,000)	....	....
Administrative expenses	19,461	21,200	21,200	+1,739	....
Offsetting collections	−100,000	−100,000	−100,000	....	....
Offsetting receipts	−647,000	−707,000	−707,000	−60,000	....
Proposed offsetting receipts [HECM]	−23,000	−12,000	−12,000	+11,000	....
Additional contract expenses	....	1,000	1,000	+1,000	....
Total, Government National Mortgage Association	−750,539	−796,800	−796,800	−46,261	....
Policy Development and Research					
Research and technology	45,908	50,000	48,000	+2,092	−2,000
Fair Housing and Equal Opportunity					
Fair housing activities	70,705	71,000	70,000	−705	−1,000
Office of Health Homes and Lead Hazard Control					
Lead hazard reduction	119,760	120,000	120,000	+240	....
Management and Administration					
Information Technology Fund	....	285,100	210,000	+210,000	−75,100
Working capital fund	198,637	....	....	−198,637	....
(By transfer)	(71,500)	....	(71,500)	....	(+71,500)

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	2013 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2013 appropriation	Budget estimate
Office of Inspector General	123,752	127,672	127,000	+3,248	−672
Transformation initiative	49,900			−49,900	
(By transfer)		(80,000)	(60,000)	(+60,000)	(−20,000)
Total, Management and Administration	372,289	412,772	337,000	−35,289	−75,772
Total, Management and Administration	(1,701,126)	(1,751,872)	(1,673,017)	(−28,109)	(−78,855)
Total, title II, Department of Housing and Urban Development	33,415,892	34,939,888	35,023,508	+1,607,616	+83,620
Appropriations	(40,223,884)	(43,192,918)	(43,276,538)	(+3,052,654)	(+83,620)
Rescissions		(−3,500)	(−3,500)	(−3,500)	
Advance appropriations	(4,400,000)	(4,400,000)	(4,400,000)		
Offsetting receipts	(−11,204,000)	(−12,643,000)	(−12,643,000)	(−1,439,000)	
Offsetting collections	(−3,992)	(−6,530)	(−6,530)	(−2,538)	
(By transfer)	(71,500)	(80,000)	(131,500)	(+60,000)	(+51,500)
(Limitation on direct loans)	(70,000)	(40,000)	(40,000)	(−30,000)	
(Limitation on guaranteed loans)	(926,257,504)	(932,318,000)	(932,359,500)	(+6,101,996)	(+41,500)
TITLE III—OTHER INDEPENDENT AGENCIES					
Access Board	7,385	7,448	7,448	+63	
Federal Maritime Commission	24,052	25,000	24,669	+617	−331
Amtrak Office of Inspector General	20,459	25,300	21,000	+541	−4,300
National Transportation Safety Board	102,195	103,027	103,027	+832	
Neighborhood Reinvestment Corporation	214,869	204,100	215,300	+431	+11,200
United States Interagency Council on Homelessness	3,293	3,595	3,595	+302	
Total, title III, Other Independent Agencies	372,253	368,470	375,039	+2,786	+6,569

OTHER APPROPRIATIONS					
Disaster Relief Appropriations Act, 2013 (Public Law 113–2)					
Department of Transportation					
Federal Aviation Administration					
Facilities and Equipment (emergency)	30,000			−30,000	
Federal Highway Administration					
Emergency Relief Program (emergency)	2,022,000			−2,022,000	
Federal Railroad Administration					
Operating Grants to the National Railroad Passenger Corporation (emergency) (Public Law 113–2)	118,000			−118,000	
Federal Transit Administration					
Public Transportation Emergency Relief Program (emergency)	10,900,000			−10,900,000	
Total, Department of Transportation	13,070,000			−13,070,000	
Department of Housing and Urban Development					
Community Planning and Development					
Community Development Fund (emergency)	16,000,000			−16,000,000	
Other Appropriations	29,070,000			−29,070,000	
Grand total (net)	80,767,564	51,603,014	54,045,000	−26,722,564	+2,441,986
Appropriations	(58,505,556)	(60,308,794)	(62,429,511)	(+3,923,955)	(+2,120,717)
Rescissions		(−6,250)	(−134,981)	(−134,981)	(−128,731)
Rescissions of contract authority		(−450,000)			(+450,000)
Advance appropriations	(4,400,000)	(4,400,000)	(4,400,000)		
Emergency appropriations	(29,070,000)			(−29,070,000)	
Offsetting receipts	(−11,204,000)	(−12,643,000)	(−12,643,000)	(−1,439,000)	
Offsetting collections	(−3,992)	(−6,530)	(−6,530)	(−2,538)	
(Limitation on obligations)	(52,652,484)	(59,417,750)	(53,496,000)	(+843,516)	(−5,921,750)
(By transfer)	71,500	80,000	131,500	+60,000	+51,500

○