108TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
108–243

DEPARTMENTS OF TRANSPORTATION AND TREASURY AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 2004

JULY 30, 2003.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 2989]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Departments of Transportation and Treasury and independent agencies for the fiscal year ending September 30, 2004.

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88–645

SUMMARY AND MAJOR RECOMMENDATIONS OF THE BILL

The accompanying bill would provide $89,593,846,000 in new budget (obligational) authority for the programs of the departments of Transportation and Treasury and independent agencies, $3,542,806,000 (4 percent) more than requested in the budget and $2,756,814,000 (3.2 percent) more than the fiscal year 2003 enacted levels.

Selected major recommendations in the accompanying bill are:

- $45,000,000 for a new headquarters building for the Department of Transportation in southeast Washington, D.C.;
- $14,028,000,000 for the Federal Aviation Administration, an increase of 3.8 percent above the fiscal year 2003 enacted level, including $3,425,000,000 for the Airport Improvement Program;
- $473,753,000 for the Federal Motor Carrier Safety Administration;
- $900,000,000 for grants to the National Railroad Passenger Corporation (Amtrak);
- $7,231,000,000 for the Federal Transit Administration, essentially the same as the fiscal year 2003 enacted level;
- $11,273,088,000 for the Department of the Treasury, including $10,351,981,000 for the Internal Revenue Service;
- $65,521,000 for payments to the Postal Service Fund;
- $776,872,000 for the Executive Office of the President, essentially the same as the fiscal year 2003 enacted level, including $525,140,000 for the Office of National Drug Control Policy;
- $77,279,000 for the National Transportation Safety Board;
- $299,753,000 for the National Archives and Records Administration; and
- $17,505,777,000 for the Office of Personnel Management, the majority of which is to make payments for government-wide employee health benefits and retirement obligation.

THE EFFECT OF GUARANTEED SPENDING

Over the objections of the Appropriations and Budget Committees, in 1998 the Transportation Equity Act for the 21st Century (TEA–21) amended the Budget Enforcement Act to provide two new additional spending categories or “firewalls”, the highway category and the mass transit category. The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR–21) provided a similar treatment for certain aviation programs. Although using different procedures, each of these Acts produced the same results: they significantly raised spending, and they effectively prohibited the Appropriations Committee from reducing those spending levels in the annual appropriations process. As the Committee noted during deliberations on these bills, the Acts essentially created mandatory spending programs within the discretionary caps. This undermines Congressional flexibility to fund other equally important programs not protected by funding guarantees.

In past years, the Committee has done all in its power, considering this environment, to produce a balanced bill providing adequately for all modes of transportation. The reorganization of the Committee in the 108th Congress will pose additional challenges in this regard, because funding guarantees for selected transportation programs will compete in the budget process against funding for non-transportation agencies such as the Office of National Drug Control Policy, the Internal Revenue Service, and the General Services Administration.

The funding guarantees of TEA–21 and AIR–21 expire on September 30, 2003, and the Committee's recommendations were developed with that in mind. However, as these bills are debated during the current session of Congress, the Committee wants to make clear that the continued use of spending guarantees to "wall-off" parts of the discretionary budget for particular constituencies will cause both transportation and non-transportation programs all across the government to be under more severe budget pressure, in order to keep the overall budget in balance. The effect of maintaining these guarantees will leave its mark on non-covered programs and activities in this bill, since they must compete for leftover funding. The Committee continues to believe that funding guarantees skew transportation priorities inappropriately, by providing a banquet of increases to highway, transit, and airport spending while leaving safety-related operations in the FAA and FRA, as well as critical non-transportation programs, to scramble for the remaining crumbs.

TABULAR SUMMARY

A table summarizing the amounts provided for fiscal year 2003 and the amounts recommended in the bill for fiscal year 2004 compared with the budget estimates is included at the end of this report.

COMMITTEE HEARINGS

The Committee has conducted extensive hearings on the programs and projects provided for in the Departments of Transportation and Treasury, and Independent Agencies Appropriations Bill for fiscal year 2004. The Committee received testimony from officials of the executive branch, Members of Congress, officials of the General Accounting Office, and outside experts in areas under the bill's jurisdiction. The bill recommendations for fiscal year 2004 have been developed after careful consideration of all the information available to the Committee.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2004, 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" shall mean any item for which a dollar amount is contained in an appropriations Act (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 capital investment grants, Federal Transit Administration. In addition, the percentage reductions made pursuant to a sequestration order to funds appropriated for facilities and equipment, Federal Aviation Administration shall be applied equally to each "budget item" that is listed under said accounts 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 bill includes a provision (sec. 629) establishing standard reprogramming guidelines for the agencies funded in this Act. Previously, the Treasury and Related Agencies Appropriations Subcommittee had one set of guidelines, whereas the Transportation Subcommittee had a completely different set, due to the history and traditions of those subcommittees. Further, the procedures applying to transportation programs had not been revised for many years, and covered less than half of the funding contained in that bill. Considering the merger of these two subcommittees, the Committee believes it is essential to standardize the reprogramming guidelines and broaden them to all programs and activities covered by this bill. The Committee recommendation specifies that the House and Senate Committees on Appropriations must be notified 15 days in advance of any proposal to reprogram funds that: (1) creates a new program; (2) eliminates a program, project, or activity (PPA); (3) increases funds for any PPA for which funds have been denied or restricted by the Congress; (4) proposes to redirect funds that were directed in such reports for a specific activity to a different purpose; (5) augments an existing PPA in excess of $5,000,000 or 10 percent, whichever is less; or (6) reduces existing PPAs by 10 percent. The determination of a PPA shall be based upon reports accompanying Departments of Transportation and Treasury and Independent Agencies Appropriations Acts, including tables in those reports. The Departments of Transportation and Treasury and the General Services Administration shall submit, not later than sixty days following enactment of this Act, a report to the House and Senate Committees on Appropriations showing the base amounts for each appropriation and PPA against which the programming thresholds would apply. This report should also identify items of special Congressional interest. The guidelines proposed herein are similar to those recently passed by the House in the Department of Homeland Security Appropriations Bill, 2004.

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$87,574,000
Budget request, fiscal year 2004	108,931,000
Recommended in the bill	93,577,000
Bill compared with:	
Appropriation, fiscal year 2003	+6,003,000
Budget request, fiscal year 2004	−15,354,000

COMMITTEE RECOMMENDATION

The bill provides $93,577,000 for the salaries and expenses of the various offices comprising the Office of the Secretary. The following table compares the fiscal year 2003 enacted level to the fiscal year 2004 budget estimate and the Committee's recommendation by office:

	Fiscal year 2003 enacted[1]	Fiscal year 2004 estimate	House recommended
Immediate office of the secretary	$2,196,629		$2,212,000
Office of the deputy secretary	803,742		841,000
Office of the executive secretariat	1,381,959		1,447,000
Immediate office of the secretary and deputy secretary	[4,382,330]	$5,149,000	[4,500,000]
Office of the under secretary of transportation for policy	12,371,062	12,717,000	12,717,000
Board of contract appeals	607,029	730,000	730,000
Official of small and disadvantaged business utilization	1,295,524	1,268,000	1,268,000
Office of the chief information officer	13,101,285	23,369,000	16,565,000
Office of the assistant secretary for governmental affairs	2,437,056	2,518,000	2,518,000
Office of the general counsel	15,555,230	15,992,000	15,560,000
Office of the assistant secretary for budget and programs	8,320,563	8,630,000	8,630,000
Office of the assistant secretary for administration	28,882,039	34,351,000	28,882,000
Office of public affairs	1,913,481	1,982,000	1,982,000
Transfer of functions to department of homeland security	−1,291,595		
Office of intelligence and security		2,225,000	225,000
Total	87,574,000	108,931,000	93,577,000

[1] Includes across the board reduction of .65 percent.

Immediate offices of the secretary and deputy secretary and the executive secretariat.—The recommendation provides a 2.7 percent increase for these offices rather than the 17.5 percent proposed. The Committee directs that, within the funding provided, no more than $250,000 may be used for travel. The budget proposed $351,000. The Committee believes the request is excessive, considering that travel for these offices has averaged $228,000 annually over the past three years. The recommendation includes individual funding for these offices, as in past years, rather than consolidating them as the budget proposed.

Office of the chief information officer.—The Committee recommends $16,565,000, which represents a 26.4 percent increase above the fiscal year 2003 enacted level instead of the 78.4 percent increase proposed. A table comparing fiscal year 2003 enacted funding to the fiscal year 2004 budget estimate and the Committee recommendation is as follows:

Activity	Fiscal year 2003 enacted	Fiscal year 2004 estimate	House recommended
Information technology security	$5,730,000	$9,650,000	$8,800,000

Activity	Fiscal year 2003 enacted	Fiscal year 2004 estimate	House recommended
Information system and technology management	8,991,000	8,895,000	6,499,000
Electronic government	1,266,000	4,824,000	1,266,000
Congressional reduction	−2,885,715		
Total	13,101,285	23,369,000	16,565,000

Office of the general counsel.—The recommendation maintains funding for the "accessibility for all America" initiative at the fiscal year 2003 level of $2,101,000 instead of the $2,533,000 proposed, a reduction of $432,000. The budget proposal included $953,000 for outreach efforts, including the translation of publications related to the Air Carrier Access Act into other languages. It also included funding for cell phone contracts and other miscellaneous costs that the Committee believes can be deferred without impact on the overall program.

Office of the assistant secretary for administration.—The recommendation holds these costs at the fiscal year 2003 enacted level. The Committee believes the 18.9 percent increase requested for administrative costs is excessive. If this proposal were approved, funding for the office of administration would have nearly doubled in two years, despite the fact that approximately one-half of the department's staffing has been transferred to the Department of Homeland Security (DHS) in that timeframe. Given the smaller size of the Department of Transportation, the Committee believes these costs should not be increasing. The Committee recommendation includes denial of the 5 new staff years proposed.

Office of intelligence and security.—The fiscal year 2004 budget request included $2,250,000 to reconstitute this office, which was transferred to the Department of Homeland Security. Consistent with Congressional action in fiscal year 2003, the Committee does not object to the Secretary of Transportation making arrangements to have staff detailed from DHS, the Intelligence Community, or other federal entities to remain informed on intelligence and security issues pertaining to transportation. However, the Committee does not believe a permanent office of 15 staff is required, given the fact that office responsibilities have been transferred to another federal department. The recommendation of $225,000 is sufficient to allow the reimbursable detail of 2 staff from other agencies.

Report on labor agreements for highway projects.—Particularly in light of the declining estimates for highway trust fund revenues, it is critical to ensure that federal highway and transit dollars are being used to their maximum effective purpose. One important ingredient in controlling construction costs is to obtain as much competition as possible in contract bids. Since labor rates are major cost drivers in these types of contracts, the Committee directs the Office of the Secretary to submit a report to the House and Senate Committees on Appropriations, not later than April 1, 2004, showing the number and types of union only labor agreements on federally-funded transportation projects.

Congressional budget justifications.—The Committee again directs the department to submit all of the department's fiscal year Congressional budget justifications on the first Monday in February, concurrent with official submission of the President's budget to Congress. Also, the department is directed to submit its fiscal year 2005 Congressional justification materials for the salaries and expenses of the office of the secretary at the same level of detail provided in the Congressional justifications presented in fiscal year 2004.

Potential reimbursement for general aviation losses.—The Committee is concerned about the financial impact on general aviation ground support activities at Ronald Reagan Washington National Airport, and airports within fifteen miles of that airport, resulting from federal action after the terrorist attacks of September 11, 2001. To consider potential federal reimbursement for a portion of these unusual financial losses, the Committee directs the Secretary of Transportation to submit, not later than December 31, 2003, a report detailing the documented financial losses by holders of real property leases at each such airport which are losses attributable to federal actions since September 11, 2001. The report shall also describe the likelihood of resuming general aviation activity at Ronald Reagan Washington National Airport, including a projected time for any such resumption, as well as any other plans to expand the scope of general aviation activity at this group of airports. This report should be submitted to the House and Senate Committees on Appropriations.

Bill language.—Language prohibiting funding for the Assistant Secretary for Public Affairs position has been retained from last year. Also, the bill continues language that permits up to $2,500,000 of fees to be credited to the Office of the Secretary for salaries and expenses.

Report on seventh freedom petition.—In December 1944, the Convention on International Civil Aviation (commonly called the "Chicago Convention") established a framework for future bilateral and multilateral international aviation agreements. This framework, including revisions since the original convention, included the recognition of 8 "freedoms" that would govern international negotiations of specific air rights between and among countries. It was made clear that the freedoms were privileges, not rights, and were subject to international negotiations. The seventh freedom allows an airline registered in one country to carry traffic between two foreign countries without ever touching the airline's own country. While neither U.S. nor foreign nations have approved seventh freedom rights for scheduled passenger operations, such freedoms have been liberally authorized by the U.S. Department of Transportation for foreign air carrier charter operations. Despite repeated objections from the U.S. charter air carrier industry, this apparent inconsistency is the subject of an existing rulemaking petition which has been pending for some time before the Office of the Secretary of Transportation. H.R. 2115, as recently passed the House of Representatives, expresses the sense of Congress that, in an effort to modernize its regulations, the Department of Transportation should formally define "fifth freedom" and "seventh freedom" consistently for both scheduled and charter passenger and cargo traffic. The Committee directs OST to submit a report explaining the advantages and disadvantages of its current regulations in this area. Furthermore, the Committee directs OST to submit a timetable for completing the current petition in this matter and for development of the formal definitions for both "fifth freedom" and "seventh freedom." Both the report and the timetable should be submitted, not later than March 1, 2004, to the House and Senate Committees on Appropriations and the appropriate legislative committees of the Congress.

Public-private partnerships.—The Committee includes a new provision (sec. 636) providing a sense of the House that public private partnerships (PPPs) could help eliminate some of the cost drivers behind complex, capital-intensive highway and transit projects. Using qualification-based selection and performance-based contracting, PPPs integrate risk sharing, streamline project development, engineering, and construction, and preserve the integrity of the EPA process, to result in significant schedule and cost advantages over traditional infrastructure development processes. To further demonstrate the effectiveness of PPPs, the provision encourages the Secretary of Transportation to apply available funds to select projects that are in the development phase, eligible under title 23 and title 49, except 23 U.S.C. 133(b)(8), and that employ a PPP strategy. The goal of this effort would be to evaluate how PPPs provide means to achieving cost savings. The Secretary is also directed to work with states and local entities to identify and eliminate existing impediments to successful implementation of PPPs and provide a status report to the House and Senate Committees on Appropriations within 120 days of enactment of this Act.

GENERAL PROVISIONS

Limitation on political and Presidential appointees.—The Committee includes a provision in the bill (sec. 604), similar to provisions in past Department of Transportation and Related Agencies Appropriations Acts, which limits the number of political and Presidential appointees within the Department of Transportation. The ceiling for fiscal year 2004 is 110 personnel, which is the same as requested and 3 more than approved in fiscal year 2003. Also, language is retained prohibiting any political or Presidential appointee from being detailed outside the Department of Transportation.

Assessments.—The bill retains a general provision (sec. 614) prohibiting the obligation of funds for the OST approval of new assessments or reimbursable agreements pertaining to funds appropriated to the modal administrations in this Act unless such proposals have completed the normal reprogramming process for Congressional notification. This is necessary because the department has not always followed Congressional guidelines against the use of these funds for policy initiatives. The Committee understands that assessments and reimbursable agreements are useful ways for the department to pool funds for common administrative services of the department. However, if the office of the secretary requires additional funding for policy or programmatic initiatives, such funds should be proposed in the budget requests for OST. The Committee is not opposed *per se* to such initiatives, but believes they should be funded directly and not by taxing the budgets of the modal administrations after the appropriations process is completed.

OFFICE OF CIVIL RIGHTS

Appropriation, fiscal year 2003	$8,643,000
Budget request, fiscal year 2004	8,569,000
Recommended in the bill	8,569,000
Bill compared with:	
Appropriation, fiscal year 2003	−74,000
Budget request, fiscal year 2004	....

The Office of Civil Rights is responsible for advising the Secretary on civil rights and equal opportunity matters and ensuring full implementation of civil rights opportunity precepts in all of the department's official actions and programs. This office is responsible for enforcing laws and regulations that prohibit discrimination in federally operated and federally assisted transportation programs. This office also handles all civil rights cases related to Department of Transportation employees. The recommendation provides $8,569,000 for the office of civil rights, the same as the budget estimate and a decrease of $74,000 below the fiscal year 2003 enacted level.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

Appropriation, fiscal year 2003	$20,864,000
Budget request, fiscal year 2004	10,836,000
Recommended in the bill	8,336,000
Bill compared with:	
Appropriation, fiscal year 2003	−12,528,000
Budget request, fiscal year 2004	−2,500,000

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

The Committee recommends an appropriation of $8,336,000 for transportation planning, research and development, a reduction of $2,500,000 below the budget estimate. The recommendation would allow $1,500,000 for aviation and international policy studies instead of $4,000,000. Funding of $500,000 was provided for these studies in fiscal year 2003. These planned studies include the following: modernization of the aviation data system; aviation economic modeling enhancements; the impact of changing industry structure on airline regulation; airport financing and design; and the impact of changes in labor work rules and compensation on productivity and airline industry financial performance. The Committee believes studies such as these are of low priority and can proceed at a slower pace.

WORKING CAPITAL FUND

Limitation, fiscal year 2003[1]	($131,766,000)
Budget request, fiscal year 2004[2]	....
Recommended in the bill	(116,715,000)
Bill compared with:	
Limitation, fiscal year 2003	(−15,051,000)
Budget request, fiscal year 2004	(+116,715,000)

[1] Titled "Transportation Administrative Service Center" through fiscal year 2003. Program name was changed in the fiscal year 2004 budget request.
[2] Proposed without limitation.

The working capital fund (WCF) was created many years ago to provide common administrative services to the various modes and outside entities that desire those services for economy and efficiency. The fund is financed through negotiated agreements with the Department's operating administrations and other governmental elements requiring the center's capabilities. The program was renamed "transportation administrative service center" (TASC) in fiscal year 1997, but the name and scope of activities were changed back to WCF during fiscal year 2003.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $116,715,000 on the working capital fund. This is the amount assumed in the fiscal year 2004 budget estimate for charges to DOT agencies.

Modal usage of WCF.—Consistent with past practice, the Committee directs the department, in its fiscal year 2005 Congressional justifications for each of the modal administrations, to account for increases or decreases in WCF billings based on planned usage requested or anticipated by the modes rather than anticipated by WCF managers.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

	Appropriation	*Limitation on guaranteed loans*
Appropriation, fiscal year 2003	$894,000	($18,367,000)
Budget request, fiscal year 2004	900,000	(18,367,000)
Recommended in the bill	900,000	(18,367,000)
Bill compared to:		
Appropriation, fiscal year 2003	+6,000	(..........)
Budget request, fiscal year 2004	....	(..........)

The minority business resource center of the office of small and disadvantaged business utilization provides assistance in obtaining short-term working capital and bonding for disadvantaged, minority, and women-owned businesses. The program enables qualified businesses to obtain loans at prime interest rates for transportation-related projects.

Prior to fiscal year 1993, loans under this program were funded by the office of small and disadvantaged business utilization without a limitation. Reflecting the changes made by the Credit Reform Act of 1990, beginning in fiscal year 1993, a separate appropriation was proposed in the President's budget only for the subsidy inherently assumed in those loans and the cost to administer the loan program. In fiscal year 2001, the short-term lending program was converted from a direct loan program to a guaranteed loan program.

The recommendation fully funds the budget request of $500,000 to cover the subsidy costs for the loans, not to exceed $18,367,000, and $400,000 for administrative expenses to carry out the guaranteed loan program.

Minority Business Outreach

Appropriation, fiscal year 2003	$2,981,000
Budget request, fiscal year 2004	3,000,000
Recommended in the bill	3,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+19,000
Budget request, fiscal year 2004	....

This appropriation provides contractual support to assist minority business firms, entrepreneurs, and venture groups in securing contracts and subcontracts arising out of projects that involve federal spending. It also provides grants and contract assistance that serves DOT-wide goals. The Committee has provided $3,000,000, which is $19,000 above the level provided in fiscal year 2003 and the same level as requested in the budget.

New Headquarters Building

Appropriation, fiscal year 2003	....
Budget request, fiscal year 2004	$45,000,000
Recommended in the bill	45,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+45,000,000
Budget request, fiscal year 2004	....

This appropriation finances fiscal year 2004 costs for the new Department of Transportation headquarters building, which would consolidate all of the department's headquarters operating administration functions (except the Federal Aviation Administration) from various locations around the Washington, D. C. metropolitan area into a leased building within the central employment area of the District of Columbia.

The Committee is concerned that, according to GSA, the cost of leasing the new headquarters ($1,247,62,493 over 15 years) is much greater than the estimated cost to buy the building outright ($733,717,047). The Committee is also concerned that, as a privately-owned office building, the new facility is subject to zoning and permitting requirements of the District of Columbia. Therefore, DOT tenants requirements, such as building security, are subject to review and approval by the District of Columbia. Although DOT has clearly stated its security requirements to city officials, at the present time, the required approvals have not been received. The Committee encourages DOT and GSA to work diligently with city officials to ensure that critical security requirements in the building design are not compromised. Fiscal year 2004 funding will be used for completion of design; environmental remediation of the site in southeast Washington, D.C.; excavation and site preparation for initial foundation work; the initial phase of furniture acquisition; and information technology long lead equipment procurement.

FEDERAL AVIATION ADMINISTRATION

The Federal Aviation Administration (FAA) is responsible for the safety and development 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 Secretary of Commerce to foster air commerce; designate and establish airways; establish, operate, and maintain aids to navigation; arrange for research and development to improve such aids; issue airworthiness certificates for aircraft and major aircraft components; and investigate civil aviation accidents. In the Civil Aeronautics Act of 1938, these activities were subsumed into a new, independent agency named the Civil Aeronautics Authority. After further administrative reorganizations, Congress streamlined regulatory oversight in 1957 with the creation of two separate agencies, the Federal Aviation Agency and the Civil Aeronautics Board. When the Department of Transportation began its operations on April 1, 1967, the Federal Aviation Agency was renamed the Federal Aviation Administration (FAA) and became one of several modal administrations within the department. The Civil Aeronautics Board was later phased out with enactment of the Airline Deregulation Act of 1978, and ceased to exist at the end of 1984. FAA's mission expanded in 1995 with the transfer of the Office of Commercial Space Transportation from the Office of the Secretary, and decreased in December 2001 with the transfer of civil aviation security activities to the new Transportation Security Administration.

OPERATIONS

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2003	$7,023,070,000
Budget request, fiscal year 2004	7,590,648,000
Recommended in the bill	7,532,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+508,930,000
Budget request, fiscal year 2004	−58,648,000

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

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

COMMITTEE RECOMMENDATION

The Committee recommends $7,532,000,000 for FAA operations, an increase of $508,930,000 (7.3 percent) above the level provided for fiscal year 2003 and $58,648,000 below the President's budget request. The Committee notes that the proposed rate of increase for this appropriation is far above the government-wide average of 4 percent.

A breakdown of the fiscal year 2003 enacted level, the fiscal year 2004 budget estimate, and the Committee recommendation by budget activity is as follows:

Budget activity	Fiscal year—		
	2003 enacted [1]	2004 estimate	2004 recommended
Air traffic services	$5,678,891,700	$6,096,800,000	$6,076,724,000
Aviation regulation & certification	830,572,950	873,374,000	870,505,000
Research and acquisition	206,250,600	218,481,000	218,481,000
Commercial space transportation	12,244,887	12,601,000	11,776,000
Financial services	48,464,917	49,783,000	49,783,000
Human resources	68,856,504	82,029,000	75,367,000
Regional coordination	82,849,952	84,749,000	87,749,000
Staff offices	82,434,669	143,150,000	140,429,000
Office of information services	29,457,275	29,681,000	29,681,000
Account-wide adjustments	−16,953,454	....	−28,495,000
Total	7,023,070,000	7,590,648,000	7,532,000,000

[1] Includes across the board reduction of .65 percent.

USER FEES

The bill assumes the collection of no additional user fees in fiscal year 2004 that were not Congressionally authorized for collection during fiscal year 2003. The President's budget assumed that $37,000,000 in overflight user fees would be collected during fiscal year 2004. However, these funds would not be available to augment the FAA's budget, since under current law, the receipts must be transferred to the Office of the Secretary for the Essential Air Service and Rural Airports program. In addition, the collection of these fees was invalidated by a federal court earlier this year, so it is highly unlikely that any such fees will be collected.

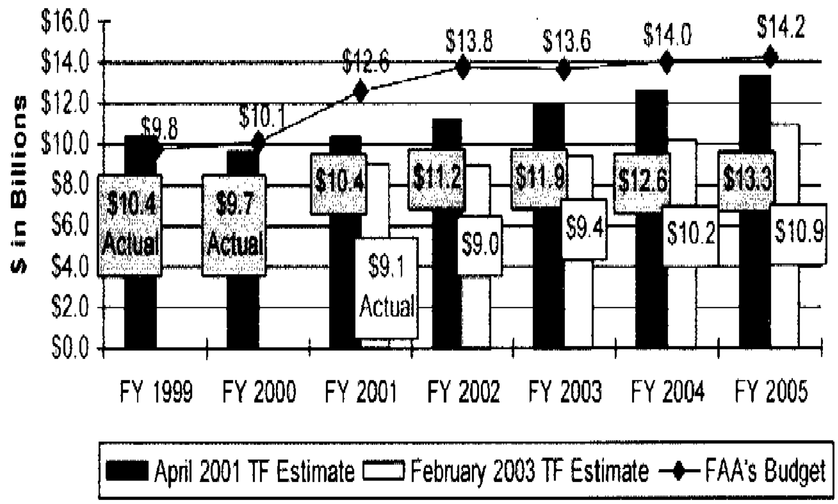
TRUST FUND SHARE OF FAA BUDGET

The bill derives $6,000,000,000 of the total appropriation from the airport and airway trust fund. This is the same as the budget estimate. The balance of the appropriation ($1,532,000,000) will be drawn from the general fund of the Treasury. Under these provisions, 80 percent of the FAA's operating costs will be borne by air travelers and industries using those services. The remaining 20 percent will be borne by the general taxpayer, regardless of whether they directly utilize FAA services.

STATUS OF THE AIRPORT AND AIRWAY TRUST FUND

The Committee is concerned that recent changes in air travel demand combined with the deleterious effects of the terrorist attacks of September 11, 2001 have had a serious effect on the solvency of the airport and airway trust fund. Over the next four years, aviation trust fund revenues are now expected to be approximately $10 billion less than the projections made two years ago. In fiscal year 2004 alone, the drop in anticipated revenue is approximately $2.4 billion. The following chart, developed by the DOT OIG using FAA data, compares revenue estimates of April 2001 and February 2003 to the FAA's budget estimates:

FAA: Decline in Estimated Trust Fund Revenues Compared to FAA's Budget



Under the administration's budget proposal for fiscal year 2004, $1.7 billion more would be disbursed from the airport and airway trust fund than estimated receipts, drawing down the uncommitted balance to $3 billion. The uncommitted balance will have dropped by 37 percent in only two years, from $4.7 billion to $3 billion. Clearly, this spending trend is unsustainable, given current trust fund revenue projections.

CONTROLLING FAA'S OPERATING COSTS

According to the DOT Inspector General, the FAA will be faced with increasing difficulty in coming years, as it seeks to fuel a rapidly-growing operations budget with declining aviation trust fund revenues. The Committee notes that the recently-passed Flight 100 Century of Aviation Reauthorization Bill (H.R. 2115) authorized meager percentage increases for FAA's operating account in the coming years, as shown below. This is a clear signal from the House that the agency must do more—and quickly—to rein in its costs:

Fiscal year	Maximum authorized	Maximum % authorized increase
2004	$7,591,000,000	8.1
2005	7,732,000,000	1.9
2006	7,889,000,000	2.0
2007	8,064,000,000	2.2

Some specific indications of FAA's budget problem are as follows:

- The agency's average staff year cost in fiscal year 2004 is estimated at $125,920, an increase of 26.7 percent in the past four years. This high salary structure accounts for DOT's number one status among all cabinet agencies in per capita payroll cost;

- Special pays will cost the agency $374,857,000 in fiscal year 2004, an increase of 11.7 percent over the previous year;
- FAA's health care cost increases under the Federal Employees Health Benefits Program have averaged 9.7 percent over the past five years, a rate far greater than the agency's operating budget is likely to rise;
- Sick leave consumed by air traffic controllers is almost 40 percent above the government-wide average, raising the agency's staffing costs;
- The current salary structure is such that 1,044 air traffic controllers are paid more than the FAA Administrator, and 10,044 were paid more than $100,000 during calendar year 2002. The highest paid controller received $212,403, although this included significant special pays such as overtime.
- Only about 8,500 of the agency's employees—approximately 17 percent—are covered by the pay for performance system known as core compensation. The balance have their pay negotiated in labor agreements.

The Committee believes it is imperative that the FAA take significant and immediate action to lower its operating cost growth. This could include broader coverage of employees by core compensation, productivity improvements, process re-engineering, or firm review of the agency's organizational structure and administrative activities.

MEMORANDA OF UNDERSTANDING

Last year the Committee requested the DOT Inspector General to review the number and scope of memoranda of understanding (MOUs) between the FAA and its labor unions. Preliminary findings from that work, which focused on the National Air Traffic Controllers Union, found approximately 1,150 MOUs, of which 63 percent were signed at the regional or local levels. The IG concluded that FAA would incur at least $26,800,000 in additional annual costs and $15,900,000 in one-time costs as a result of these agreements. The agreements include provisions for cash awards, time-off awards, and reassignment pay. The IG found that: (1) the agency had issued no standard guidance for negotiating, implementing, or signing MOUs; (2) no requirement had been issued specifying that a labor relations specialist participate in the negotiations on behalf of management; (3) there was no system for tracking the number and scope of signed MOUs; and (4) the agency had established no process for evaluating the cost implications of MOUs during the negotiation process. The Committee believes that this many MOUs undermines management's ability to provide executive direction for the agency in a way consistent and fair to all employee groups. In effect, they represent a set of "shadow regulations" which make a mockery of personnel reform and management flexibility. The Committee is encouraged by the FAA Administrator's recent actions to better manage the MOU process. In order to ensure that the agency follows through on its commitment to develop a comprehensive database of MOUs, the bill includes a prohibition on funding to execute or continue to implement any MOU, or revision to any MOU, that is not referenced in an automated, searchable database of national MOUs. The Committee intends to monitor this situation over the coming year to ensure that funds are not provided under an MOU that are excessive or wasteful.

EXECUTIVE COMPENSATION SYSTEM

In April 2000, the FAA implemented a new pay system for its senior executives. The concept behind this change was to eliminate automatic pay raises and more effectively tie pay increases to documented performance. The agency estimated that 15 percent of executives would receive the new superior contribution increase (SCI). However, the agency has not taken the difficult steps to implement this system. For example, the agency awarded an organization success increase (OSI) equal to the government-wide raise for the senior executive service, to all of its executives in fiscal years 2000, 2001, and 2002. In addition to the OSI raise, the agency granted SCIs not to 15 percent of its executives, but to 65 percent of them. The Committee will continue to monitor these payments, and will not hesitate to reduce funding for them if the agency continues to award across-the-board increases not based upon individual performance.

The Committee's specific recommendations by budget activity are discussed below.

AIR TRAFFIC SERVICES

The bill provides $6,076,724,000 for air traffic services. Recommended adjustments to the budget estimate are listed and described below:

Adjustments to the budget estimate	*Amount*
Delete additional controller staffing	−$14,095,000
Controller in charge payments	−1,250,000
First line supervisory staffing	+4,000,000
Contract tower cost-sharing	7,500,000
NAS handoff—reduce growth	−16,231,000

Controller staffing.—The Committee recommendation deletes the proposed $14,095,000 to hire 328 additional air traffic controllers. The budget requested funding to hire 302 controllers for FAA facilities assuming a surge (or "bubble") in retirements beginning in fiscal year 2007, and 26 "liaison officers" to serve Department of Defense facilities at the request of the North American Aerospace Defense Command (NORAD). The Committee is not convinced the additional FAA controllers are needed at the present time for the following reasons:

• FAA's baseline staffing does not reflect the most recent air traffic trends and forecasts. According to the Administrator, due to the drop in air traffic, FAA's staffing standard calculates that the agency needs 694 fewer controllers than are currently budgeted. Clearly if staffing is rebaselined to the most current traffic forecast, released in March 2003, there is flexibility to address any retirements without new hires. The Committee also notes that, according to hearing data, 75% of the FAA's en route centers—the largest air traffic facilities—are currently overstaffed.

• Attrition in the controller workforce has been very low for the past five years—between 1.77% and 2.27% annually. The number of retirees has ranged from 190 to 334, although the number has been rising over the past 2 years. This trend does not provide compelling evidence of an impending surge in retirements.

• Hiring today is not necessary to address retirements occurring three years from now. FAA's statement that it takes three years to create a certified professional controller (CPC) fails to acknowledge that many controllers working traffic today are not CPCs. FAA data indicates that new controllers are sent to an operational facility within four months of initial qualification training, not three years. FAA's staffing estimates do not take into consideration the thousands of operational hours performed by controllers certified to handle traffic, but not at the CPC level.

• FAA estimates that mandatory retirement, as currently structured, would account for a significant proportion of the surge in retirements (875 retirements over the next 5 years). The Committee notes that existing law authorizes the Secretary of Transportation to issue regulations allowing waivers of mandatory retirement on a case-by-case basis, but, thirty years after enactment of the provisions, the regulations still have not been issued. The Committee believes that, as a hedge against the possible retirement surge in future years, these regulations must be issued without further delay. For this reason, the bill includes language directing the Secretary of Transportation to issue such regulations no later than March 1, 2004. Implementation of this provision—authorized by the Congress for three decades—would reduce the need for an estimated 110 new controllers over fiscal years 2007 and 2008 if twenty percent of those affected by mandatory retirement were authorized to remain in the workforce.

Regarding the need for controllers at defense facilities, the Committee would note that these new liaison positions were requested by NORAD as a temporary measure immediately following the terrorist attacks of September 11, 2001. Although FAA states this has now "evolved into a permanent requirement", the agency does not state why. Further, even if the need were justified, such positions should be reimbursed by either the Department of Defense or the Department of Homeland Security, as the positions appear to relate more to national defense or homeland security than to FAA's day-to-day mission of controlling air traffic. The Committee would not oppose these being established as reimbursable positions.

First line operational supervisors.—In 1998, FAA began a policy of replacing first line operational supervisors with air traffic controllers by significantly expanding a program known as "controller in charge". The agency reduced its supervisory workforce, and air traffic controllers received differential pay for those shifts they worked as a "CIC". The Committee approved this initiative reluctantly, and only after assurances from the FAA and the Office of Inspector General that adequate quality controls were in place so that aviation safety would not be affected. However, when the IG discovered weak quality controls in this program, and operational errors began to rise, the Committee froze the CIC program, restored funding for supervisory positions, and directed FAA to hire back up to the level of supervisors on board at the end of fiscal year 2001, which was 1,726. The Committee is disappointed that FAA has not followed this direction, and that stronger measures have become necessary. FAA data indicate that at the end of fiscal year 2002, the agency had 1,609 supervisors, and the actual on board number as of March 21, 2003 was 1,606. Although FAA claims there is insufficient funding to honor the Committee's direction, this ignores the fact that funds were restored to the base budget for this purpose, and that the agency's costs to pay air traffic controllers to perform this function under the CIC program continue to rise. The Committee insists that FAA honor the previous direction—and funding—to build the supervisory level back up to 1,726. To ensure that this direction is implemented, the bill provides an additional $4,000,000 solely for the purpose of increasing the level of operational supervisors to the level of 1,726. This increase is partially offset by assuming a reduction in CIC payments of $1,250,000. This recommendation would freeze those costs at the estimated fiscal year 2003 level rather than provide an increase exceeding 11 percent. With the additional supervisors on board, fewer CIC hours will be required.

The Committee believes this will enhance aviation safety as well. As shown below, recent analysis of the DOT Inspector General indicates that the number of operational errors when a CIC was on duty increased by 45.7 percent in calendar year 2001, which was far greater than the 13.6 percent increase in total CIC hours. The IG concluded "in our opinion, the statistics are an indicator that the CIC program may be adversely impacting operational errors, and these statistics warrant a more detailed review".

	CY 2000	CY 2001	Change	% increase
Number of CIC hours	2,044,222	2,321,485	+277,263	+13.6
Number of errors when CIC is on duty	138	201	+63	+45.7
Percentage of total errors	12%	17%	+5%	N/A

Air traffic controller proficiency and development training.—The Committee continues to note the importance of controller training conducted under the existing air traffic instructional services (ATIS) contract. The FAA's budget request for 2004 included $21,087,000 for these services. In past years, the agency has reprogrammed funds for this account, to the detriment of controller training. Within the funds approved for controller training, the Committee directs FAA to utilize the planned amount of $21,087,000 under the ATIS contract. This is designated as an item of special Congressional interest. Any proposed adjustments from the amount recommended shall be subject to the Congressional reprogramming process.

Air traffic controller training.—While the Committee does not oppose continuation of the Air Traffic Control Collegiate Training Initiative, the Committee does not believe it should be expanded, and directs the FAA not to expand these programs. Further, the Committee directs the FAA Administrator to submit a report to the House and Senate Committees on Appropriations, not later than December 31, 2003, describing the scope, locations, numbers, and size of the current Collegiate Training Initiative program.

Contract tower program.—The bill includes $80,313,000, as requested, to continue the contract tower base program, and, in addition, $7,500,000 to continue the contract tower cost-sharing program. The Committee continues to believe this is a valuable program that provides safety benefits to small communities. Currently there are 30 towers in this program. The federal investment leverages approximately $3,200,000 in local funding. Communities in this program during fiscal year 2003, as well as federal and local funding, are shown below:

Location	Federal share	Local share
Westmoreland County Airport, Latrobe, PA	$164,223	$185,187
Oneida County, Utica, NY	298,327	104,817
Lebanon, NH	273,014	59,930
Williamsport, PA	160,045	173,383
Kinston Regional Jetport, Kinston, NC	270,472	44,030
Grand Strand, Myrtle Beach, SC	299,337	22,530
Macon Airport, Macon, GA	255,295	16,295
McKeller-Sipes Regional Airport, Jackson, TN	146,206	59,717
Hickory Regional Airport, Hickory, NC	289,228	32,136
Springdale Municipal, Springdale, AR	241,837	84,970
Shreveport Downtown, Shreveport, LA	295,309	36,498
Concord Regional, Concord, NC	358,271	48,855
Stillwater, OK	251,981	93,198
Merrill C. Meigs, Chicago, IL [1]	91,935	65,064
Central Nebraska Regional, Grand Island, NE	137,388	70,775
Bolton Field, Bolton, OH	138,499	81,340
Manhattan Regional, Manhattan, KS	104,764	122,983
Muncie Airport, Muncie, IN	122,515	100,240
New Century Aircenter, New Century, KS	183,721	98,926
Garden City, KS	247,464	47,136
Monroe County Airport, Bloomington, IN	112,807	117,412
Jefferson City Memorial, MO	280,826	17,925
Columbus, IN	136,784	99,051
Walla Walla Regional, Walla Walla, WA	228,089	43,445
Elko Municipal, Elko, NV	251,992	21,912
Laughlin International, Bullhead City, AZ	231,258	17,406
Henderson Field, Las Vegas, NV	307,219	19,609
Lake Tahoe, South Lake Tahoe, CA	166,629	111,086
Southern CA Logistics Airport, Victorville, CA	189,833	977,992
King Salmon, AK	190,602	252,659
Total	6,425,884	3,226,521

[1] This airport was closed during the year.

National airspace system handoff.—The Committee recommendation provides $111,374,000, a reduction of $16,231,000 below the budget estimate due to budget constraints.

Controllers on work groups.—According to the FAA, the agency has an estimated 400 work groups established by memoranda of understanding with the National Air Traffic Controllers Association. In addition, there are approximately 400 controllers on detail, representing 55 staff years, providing support to modernization and routine operating activities. While the work of these groups and details may be important, it is not clear that all of them are worthwhile when there is a stated need to put more resources to the task of controlling air traffic. This year, the FAA stated "it is possible that we can achieve this very important part of the procurement process with fewer individual employees involved". The Committee encourages the agency in this regard, and directs FAA to submit a report, not later than December 31, 2003, on the number and type of work groups, the number and estimated staff years of controllers on detail, and its estimates of how those resources can be minimized without harming critical modernization activities.

National airspace redesign.—The Committee directs that, of the funds provided for national airspace redesign, not less than $6,500,000 shall be allocated to airspace redesign activities in the New York/New Jersey metropolitan area. The Committee also directs FAA to submit, not later than April 1, 2004 a report to the

House and Senate Committees on Appropriations on the New York/New Jersey airspace redesign effort. This report should include details on all planned components and elements of the redesign project, including details on aircraft noise reduction and any ocean routing modeling that has been conducted.

AVIATION REGULATION AND CERTIFICATION

The Committee recommends $870,505,000 for aviation regulation and certification (AVR), a reduction of $2,869,000 below the budget estimate. Recommended adjustments to the budget estimate are listed and described below:

	Amount
Alien species action plan	−$3,000,000
Medallion program	−1,500,000
Transfer of staffing from Office of Policy	+1,321,000
Transfer from F&E CFMSS and ASIS	+1,120,000
Drug and alcohol compliance testing	−810,000

Alien species action plan and medallion program.—The Committee defers these funds due to lack of justification.

Transfer of staffing from Office of Policy.—The FAA currently has a Regulatory Analysis Division within the Office of Policy. This office currently has 17 positions, of which 15 are designated as economists. The mission and title of this office suggest that it is more appropriately aligned with the agency's regulatory mission rather than general policy oversight. Hence the Committee recommendation transfers the requested funding of $1,321,000 to AVR.

Transfer of funding from "Facilities and equipment".—The Committee believes that the Central Flight Monitoring and Scheduling System (CFMSS) and the Aviation Standards Information System (ASIS) projects are more appropriately funded in the agency's operating budget than under "Facilities and equipment" due to the nature of the work being performed, and funding is therefore transferred here, at the requested level, from that appropriation.

Supplemental oxygen.—The Committee is concerned that air travelers who require supplemental oxygen during flight face significant barriers to accessing air travel. This situation is at odds with the goals of the Air Carrier Access Act, which prohibit discrimination on the basis of disability in air travel and require accommodations that will make air travel accessible for passengers with disabilities. The Committee is aware the Federal Aviation Administration (FAA), the Transportation Security Administration (TSA) and the Research and Special Projects Administration (RSPA) have entered into discussions with the National Council on Disabilities (NCD) to review, and where appropriate, revise policy to improve access to air travel for patrons requiring supplemental oxygen. The Committee encourages NCD, FAA, TSA and RSPA to work swiftly to review, and where appropriate, approve new technologies and procedures that will improve the ability of patients needing supplemental oxygen to use during air travel.

Development of procedures at specified airports.—The Committee supports and encourages FAA to expeditiously develop procedures for: (1) land and hold short operations (LAHSO) and standard intersecting runway operations (SIRO) at Chicago O'Hare International Airport, runway 14R/27L; (2) standard offset instrument approaches (SOIA) at San Francisco International Airport; and (3) idle descent approaches at Denver International Airport and Chicago O'Hare International. The Committee believes each of the mentioned procedures at these airports will provide efficiency and capacity gains. Regarding SOIA procedures at San Francisco International, the Committee encourages FAA to set a deadline of December 2003 for full implementation if at all possible.

Cabin air quality.—To the extent permitted by available funds and other priorities, the FAA is urged to undertake the projects and studies outlined in the FAA reauthorization bill regarding cabin air quality. The projects would include: analysis of samples of residue from aircraft ventilation ducts and filters after air quality incidents to identify contaminants; analysis and study of cabin air pressure and altitude; and establishment of an air quality incident reporting system.

COMMERCIAL SPACE TRANSPORTATION

The Committee recommends $11,776,000 for the Office of Commercial Space Transportation, a reduction of $825,000 below the budget estimate. The Committee recommendation reflects the 59 actual staff on board at the end of fiscal year 2002 compared to the budget assumption of 69; past recruitment and hiring problems which have led to obligation delays in past years; and a decline in commercial launches.

RESEARCH AND ACQUISITION

The Committee recommends $218,481,000, the same as the budget estimate.

FINANCIAL SERVICES

The Committee recommends $49,783,000, the same as the budget estimate.

Cost accounting system.—The Committee notes that, after providing appropriations totaling $52,465,000, the promise of an effective cost accounting system (CAS) for the FAA remains unfulfilled. The administration has requested, and the bill includes, an additional $8,000,000 for this project in fiscal year 2004. The Committee expects that, over the coming year, the FAA will formalize the internal processes specifying how the cost accounting system is to be used by managers and senior executives within the agency, including the frequency and types of routine reports that are to be generated and analyzed. In addition, the Committee is disappointed that FAA has not resolved the issue of labor distribution reporting using Cru-X software. The Committee directs FAA to submit a report to the House and Senate Committees on Appropriations, not later than December 31, 2003, detailing the timeline for development of procedural requirements and use of CAS throughout the agency and explaining how the agency intends to resolve the Cru-X issue.

HUMAN RESOURCES

The Committee recommends $75,367,000, a reduction of $6,662,000 below the budget estimate. The reduction reflects the elimination of five organizational development specialist positions during fiscal year 2003 that is not reflected in the fiscal year 2004 budget estimate and an additional reduction to provide a total increase of 10 percent instead of the 19.1 percent proposed.

Worker's compensation.—The Committee continues to be concerned over FAA's high payments under the worker's compensation program. The fiscal year 2004 budget includes $87,842,000 for these costs. Currently, the agency has 3,731 former workers on the worker's compensation rolls, and many of these are long-term claimants. Most of these workers are air traffic controllers, who have an average annual payment of $46,163. This is well above the government-wide average payment of $28,864, and helps account for the agency's significant annual costs under the program. The Committee encourages FAA, working with the Department of Transportation and the Department of Labor, to find ways to reduce the costs in this program.

The Committee is especially concerned over the findings of a January 17, 2003 OIG audit of traumatic injury claims. Traumatic injury cases involve claimants who experience a physical or stress-induced injury as a result of a traumatic event while working. Claimants may receive up to 45 days off with continuation of pay to recover from their injuries. The IG audit found that these costs had risen 39 percent over the past 4 years, and there were indications of fraud and abuse. For example, one employee filed a stress-related claim in January, then sent a letter to his workplace asking that his mail be redirected to Florida during his time off. A second employee claimed to be traumatized when he observed a supervisor make an offensive gesture at another employee, and received three days off with pay. Another individual was found to have filed seven claims for stress-related injuries in just over six years, receiving 119 days off with pay. The OIG also found that many claimants were repeatedly diagnosed by the same doctors, some of whom distributed their business cards to employees at the facility. These findings raise serious doubts about the integrity of the program as currently managed. The Committee strongly encourages FAA to include more effective monitoring of traumatic injury claims as part of the agency's overall reform of its worker's compensation program.

REGIONAL COORDINATION

The Committee recommends $87,749,000 for regional coordination activities, an increase of $3,000,000 above the budget estimate. The recommendation restores a base reduction which was originally made in fiscal year 2003, but reprogrammed to other activities by the agency and not restored in the fiscal year 2004 budget.

National park overflight air tour management plans.—The Committee notes that, since issuance of the final rule on January 28, 2003, the FAA has received over 100 applications, which is more than double the amount assumed in the budget estimate. The Committee encourages the FAA to work with the Department of the Interior toward a cost-sharing arrangement for this work, to prevent unnecessary delay in approval of the plans. The Committee notes that most of the benefit from approval of the plans will accrue to park system users and not to aviation generally. The Committee is unlikely to approve higher funding for this item in future years without some progress on the cost-sharing issue.

STAFF OFFICES

The Committee recommends $140,429,000 for staff offices, a reduction of $2,721,000 below the budget estimate. Recommended adjustments to the budget estimate are listed and described below:

Adjustments to the budget estimate	*Amount*
International office—staffing reduction	−$1,000,000
Transfer of Policy staff to AVR	−1,321,000
Public affairs office—staffing reduction	−200,000
Civil rights office—staffing reduction	−200,000

International office, staffing reduction.—The comprehensive report on international aviation safety, directed by the Committee in fiscal year 2000, is now over three years late. The Committee's reduction in this office last year was, unfortunately, not significant enough to compel issuance of this important report. The Committee recommendation for fiscal year 2004 is intended to correct this problem.

Transfer of policy staff to AVR.—This is previously described under "Aviation regulation and certification".

Public affairs office, staffing reduction.—The recommendation allows 34 full-time positions in this office, a reduction of 3 below the budget estimate. The Committee notes that actual on board staffing at the end of fiscal year 2002 was only 32. The President's budget assumed growth to a level of 37 during fiscal year 2004. This results in a reduction of $200,000 below the budget estimate.

Civil rights office, staffing reduction.—The recommendation allows 85 full-time positions in this office, a reduction of 3 below the budget estimate. The Committee notes that actual on board staffing at the end of fiscal year 2002 was only 77. The President's budget assumed growth to a level of 88 during fiscal year 2004. This results in a reduction of $200,000 below the budget estimate.

ACCOUNTWIDE ADJUSTMENTS

The Committee recommends $28,495,000 in account-wide adjustments, as listed and described below:

	Amount
Official time productivity savings	−$6,500,000
Janitorial and guard services	−2,504,000
WCF costs	−6,275,000
Cash awards	−3,228,000
Civil aviation security positions	−500,000
Improved management of government credit cards	−500,000
Travel	−8,988,000

Official time productivity savings.—Official time is defined by the Office of Personnel Management (OPM) as authorized, paid time off from assigned government duties to represent a union or its bargaining unit employees. Under 5 U.S.C. 71, Congress has authorized official time in two broad categories: (1) time to negotiate collective bargaining agreements and participate in impasse proceedings; and (2) time in connection with other labor-management activities, provided such time is deemed reasonable, necessary, and in the public interest. Although time in this second category is somewhat subjective, it is restricted by the reasonableness standard established by law. A recent government-wide survey by OPM revealed that the Department of Transportation paid for 612,397 hours of official time in fiscal year 2002 on behalf of 44,190 bargaining unit employees. Approximately 98 percent of these hours are attributable to the FAA, which has 38,934 employees in 46 separate bargaining units. The OPM analysis showed that DOT allows 13.86 hours of official time per union employee—a figure three times higher than the government-wide average of 4.21 hours. By comparison, the Department of Defense has ten times as many bargaining unit employees, but allows only twice as many total hours of official time, resulting in a ratio of 2.72 hours per union employee. Equally disturbing is the fact that, at DOT, the official time per union employee has risen from 5.72 hours in 1998 (when the last OPM survey was conducted) to 13.86 in 2002—an increase of 142 percent. This compares to a government-wide increase of 5.5 percent over the same time period. FAA currently reports 1,424 employees using official time, including 90 employees on 100 percent official time. In transmitting the results of her report, the OPM Director stated "I believe these are significant increases demanding new measures to ensure the level of accountability that the Administration and Congress insist upon and the American people expect when it comes to taxpayer dollars". The Committee believes FAA can achieve savings through a review of its official time practices. The recommendation includes a reduction of $6,500,000, which represents 15 percent of the estimated cost of official time at the FAA.

Janitorial and guard services.—The Committee recommendation holds these costs to 2 percent growth instead of the 6.3 percent proposed. Given the current estimates of inflation, the Committee believes this will be sufficient. The recommendation allows $58,906,000 versus $61,410,000 proposed, a reduction of $2,504,000 below the budget estimate.

Working capital fund costs.—The budget for working capital fund (WCF) costs does not appear to reflect the substantial transfer of FAA employees to the Department of Homeland Security, as WCF administrative costs continue to rise. In fiscal year 2002, those costs were $32,658,000. In fiscal year 2003, they rose to $35,476,000 even though 1,000 FAA employees transferred to the Transportation Security Administration of the Department of Homeland Security. In fiscal year 2004, the budget proposes $36,736,000. The Committee recommendation allows $30,461,000, 14 percent below the level provided in fiscal year 2002.

Cash awards.—Given the budget constraints facing Congress and the nation, the Committee cannot support a large increase in cash awards. The Committee recommendation freezes these awards at the fiscal year 2003 level, a reduction of $3,228,000 below the budget estimate.

Civil aviation security positions on detail.—The fiscal year 2004 budget includes funding for 4 SES-equivalent positions whose missions have been transferred to the Department of Homeland Security. These include the director and deputy director, office of civil aviation security operations; senior advisor to the deputy administrator for security; and program director, aviation security research and development division. These positions should either be transferred to the Department of Homeland Security or financed through reimbursable agreement. This results in a reduction of $500,000 below the budget estimate.

Improved management of government credit cards.—The Committee was disturbed to note the recent findings of the General Accounting Office concerning the misuse and abuse of government credit cards by FAA employees. This report discovered cases where improper and wasteful purchases were made totaling $5,400,000. For example, the IG identified 25 purchases for 123 personal digital assistants (PDAs) costing as much as $558 each, complete with assessories such as high-cost leather PDA cases. They found instances where government credit cards were used to purchase internet services for FAA employees, even though the agency provides internet access for all its staff, and cases where store gift cards and gift certificates where purchased with little or no justification and no audit trail. They found almost 1,000 purchases that were deliberately split into two or more segments to avoid triggering single-purchase reporting requirements. Although FAA has responded to these findings in a positive way, according to hearing data this year no employee has yet been compelled to repay the government for improper charges. The Committee believes that more effective management will lead to base budget savings, and the recommended bill assumes savings of $500,000 in this regard. This reduction could also be mitigated through more aggressive collection of improper charges, which the Committee hopes the agency will pursue. The bill includes a limitation prohibiting funds in this Act from being used to purchase store gift cards or gift certificates. Although the FAA has made such a change in its internal policy documents, the Committee believes that, based upon the GAO's findings, such actions should be prohibited by law.

Travel.—The recommendation allows $121,641,000 for travel, a reduction of $8,988,000 below the budget estimate and an increase of $12,313,000 (12.3 percent) over the fiscal year 2003 estimated level.

BILL LANGUAGE

Manned auxiliary flight service stations.—The Committee bill includes the limitation requested in the President's budget prohibiting funds from being used to operate a manned auxiliary flight service station in the contiguous United States. The FAA budget includes no funding to operate such stations during fiscal year 2004.

Second career training program.—Once again this year, the Committee bill includes a prohibition on the use of funds for the second career training program. This prohibition has been in annual appropriations Acts for many years, and is included in the President's budget request.

Sunday premium pay.—The bill retains a provision begun in fiscal year 1995 which prohibits the FAA from paying Sunday premium pay except in those cases where the individual actually worked on a Sunday. The statute governing Sunday premium pay (5 U.S.C. 5546(a)) is very clear: "An employee who performs work during a regularly scheduled 8-hour period of service which is not overtime work as defined by section 5542(a) of this title a part of which is performed on Sunday is entitled to * * * premium pay at a rate equal to 25 percent of his rate of basic pay." Disregarding the plain meaning of the statute and previous Comptroller General decisions, however, in Armitage v. United States, the Federal Circuit Court held in 1993 that employees need not actually perform work on a Sunday to receive premium pay. The FAA was required immediately to provide back pay totaling $37,000,000 for time scheduled but not actually worked between November 1986 and July 1993. Without this provision, the FAA would be liable for significant unfunded liabilities, to be financed by the agency's annual operating budget. This provision is identical to that in effect for fiscal years 1995 through 2003.

Aeronautical charting and cartography.—The bill maintains the provision which prohibits funds in this Act from being used to conduct aeronautical charting and cartography (AC&C) activities through the working capital fund (WCF). Public Law 106–181 authorize the transfer of these activities from the Department of Commerce to the FAA, a move which the Committee supported. The Committee believes this work should be conducted by the FAA, and not administratively delegated to the WCF.

GENERAL PROVISION—FEDERAL AVIATION ADMINISTRATION

The bill (sections 101–105) continues general provisions enacted in fiscal year 2003 which: (1) provide the authority for airports to transfer certain instrument landing systems to the FAA; (2) limit technical staff years at the Center for Advanced Aviation Systems Development to no more than 350 in fiscal year 2004; (3) prohibit funds for engineering work related to an additional runway at Louis Armstrong New Orleans International Airport; (4) prohibit funds to require airport sponsors to provide space to the FAA without cost, subject to certain conditions; and (5) authorizes the FAA to accept funds from an airport for FAA to hire staff or consultants for the purpose of facilitating the timely processing, review, and completion of environmental activities associated with the project.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2003 [1]	$51,761,000
Budget request, fiscal year 2004 [2]	....
Recommended in the bill [1]	63,000,000
Bill compared with:	
Appropriation, fiscal year 2003	−11,239,000
Budget request, fiscal year 2004	+63,000,000

[1] Excludes $50,000,000 permanently appropriated in The Federal Aviation Reauthorization Act of 1996 from resources available to the Federal Aviation Administration.

[2] The budget assumes $50,000,000 for the essential air service program: the collection of $37,000,000 in overflight fees and the balance of $13,000,000 to be paid from other resources available to the FAA.

The payments to air carriers, or essential air service (EAS), program was originally created by the Airline Deregulation Act of 1978 as a temporary measure to continue air service to communities that had received federally mandated air service prior to deregulation. The program currently provides subsidies to air carriers serving small communities that meet certain criteria.

The Federal Aviation Administration Reauthorization Act of 1996 (Public Law 104–264) authorized the collection of user fees for services provided by the Federal Aviation Administration to aircraft that neither take off from, nor land in the United States, commonly known as overflight fees. In addition, the Act permanently appropriated these fees for authorized expenses of the FAA and stipulated that the first $50,000,000 of annual fee collections must be used to finance the EAS program. In the event of a shortfall in fees, the law requires FAA to make up the difference from other funds available to the agency.

COMMITTEE RECOMMENDATION

The Committee recommends $63,000,000 for the EAS program. The President's budget requested no funding for this program, but assumed the transfer of $50,000,000 from resources available to the Federal Aviation Administration.

According to the General Accounting Office, there are 404 nonhub airports in the United States that generally serve small and rural communities. Collectively, these airports carry approximately 3 percent of all airline passengers in the United States. The EAS program provides air service subsidies to a small number of these communities. Between 1995 and 2002, the average federal subsidy per community rose from $424,000 to $838,000, and the average subsidy per passenger rose from $79 to $229—an increase of 190 percent in just seven years. At the same time that program costs have grown, the level of service has declined. Over the same time period discussed above, the number of subsidized communities has dropped from 75 to 68, and the median number of daily passengers enplaned in each community dropped from 11 to 8. For example, one community in fiscal year 2003 will receive $850,000 in federal funding to transport an average of 2 passengers per day to the nearest airport 200 miles away. This represents a subsidy of almost $3 per passenger per mile, or $494 per passenger. Another community is paid $1,200,000 each year—$263 per passenger—when the nearest airport is only 69 miles away. Clearly, the Department of Transportation is paying more for this program, and getting less, due largely to changing circumstances in the aviation industry.

The Committee acknowledges that air service under this program is considered essential by many communities, and also acknowledges concerns with the subsidy levels. To improve understanding of all issues, the Committee directs the Secretary of Transportation to require each community participating in the EAS program to submit, not later than March 1, 2004, a statement explaining how federal, state, and local efforts could cooperate to improve how essential transportation needs can be met, including flexible options of how funds might best be obtained and applied to meet those needs. This information shall be compiled and submitted to the House and Senate Committees on Appropriations, along with the Secretary's recommendations, not later than April 15, 2004.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2003	$2,961,645,000
Budget request, fiscal year 2004	2,916,000,000
Recommended in the bill	2,900,000,000
Bill compared with:	
Appropriation, fiscal year 2003	−61,645,000
Budget request, fiscal year 2004	−16,000,000

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $2,900,000,000 for this program, a decrease of $61,645,000 (2 percent) below the level provided for fiscal year 2003 and $16,000,000 below the budget estimate. The bill provides that of the total amount recommended, $2,479,158,800 is available for obligation until September 30, 2006, and $420,841,200 (the amount for personnel and related expenses) is available until September 30, 2004. These obligation availabilities are consistent with past appropriations Acts and the same as the budget request.

The following table shows the fiscal year 2003 enacted level, the fiscal year 2004 budget estimate and the Committee recommendation for each of the projects funded by this appropriation:

FACILITIES AND EQUIPMENT—FISCAL YEAR 2004

	Fiscal year 2003 enacted	Fiscal year 2004 estimate	Committee recommended
Category 1: Improve Aviation Safety	$468,623,000	$273,900,000	$274,180,000
Terminal Business Unit	151,183,000	137,600,000	135,600,000
Aviation Weather Services Improvements	23,440,000	13,200,000	13,200,000
Low Level Windshear Alert System (LLWAS)—Upgrade	1,600,000	3,900,000	3,900,000
Aviation Safety Analysis System (ASAS)	15,000,000	13,900,000	12,100,000
Integrated Flight Quality Assurance (IFQA)	500,000	2,100,000	
Safety Performance Analysis Subsystem (SPAS)	2,100,000		
Performance Enhancement Systems (PENS)	2,600,000		
Safe Flight 21	40,000,0000	30,300,000	30,300,000
Advanced Technology Development and Prototyping	57,200,000	42,800,000	52,600,000
Aircraft Related Equipment Program	16,000,000	13,700,000	12,580,000
National Aviation Safety Data Analysis Center (NASDAC)	2,000,000	1,900,000	1,900,000
Louisville, KY technology demonstration	10,000,000		8,000,000
Explosive Detection Technology	144,000,000		
Volcano Monitoring	3,000,000		
System Approach for Safety Oversight		12,000,000	3,000,000
Aviation Safety Knowledge Management Environment		2,500,000	1,000,000
Category 2: Improve Efficiency of the Air Traffic Control System	816,780,300	934,128,300	926,773,300
Terminal Business Unit	490,030,300	458,128,300	
Standard Terminal Automation System Replacement			119,800,000
ARTS/DBRITE Sustainment			30,000,000
Terminal Interim Remote Tower Displays			2,500,000
Tower Datalink Services (TDLS)			2,500,000
ATCBI-6			20,000,000
ATC En Route Radar Facilities Improvements			2,700,000
Terminal ATC Facilities Replacement			151,245,000
ATC/TRACON Facilities Improvement			38,478,300
Terminal Digital Radar (ASR-11)			80,000,000
ASR-9 SLEP			21,950,000
Terminal Applied Engineering			3,400,000
Precision Runway Monitors			8,000,000
Houston Area Air Traffic System			20,000,000
PCS Moves			200,000
New York Integrated Control Complex			2,000,000
Aeronautical Data Link (ADL)	29,700,000	23,150,000	6,550,000
Free Flight Phase 2	70,000,000	113,100,000	100,000,000
Air Traffic Management (ATM)	13,000,000	13,000,000	13,000,000
Free Flight Phase 1	36,600,000	37,400,000	27,000,000
Automated Surface Observing System (ASOS)	12,100,000	11,800,000	11,800,000
Next Generation VHF Air/Ground Communications System (NEXCOM)	66,100,000	85,850,000	85,850,000
En Route Automation Program	71,050,000	173,900,000	165,000,000

FACILITIES AND EQUIPMENT—FISCAL YEAR 2004—Continued

	Fiscal year 2003 enacted	Fiscal year 2004 estimate	Committee recommended
Weather and Radar Processor (WARP)	13,600,000	8,500,000	8,500,000
Long Range Radar Sustainment	7,500,000		
ATOMS Local Area/Wide Area Network	1,100,000	1,100,000	1,100,000
NAS Management Automation Program (NASMAP)	1,000,000	1,200,000	1,200,000
New York Integrated Control Complex	5,000,000		
IDS—Flight Service Stations		2,000,000	2,000,000
IDS—Terminal Facilities		5,000,000	2,000,000
Category 3: Increase Capacity of the NAS	432,975,000	328,500,000	369,623,800
Navigation and Landing Aids	329,275,000	222,700,000	
Local Area Augmentation System			28,100,000
Wide Area Augmentation System			117,923,800
VOR/DME			8,600,000
Approach Lighting System Improvement Program (ALSIP)			19,200,000
Instrument Landing System (ILS) Establishment			36,000,000
Runway Visual Range			7,000,000
DME Sustainment			4,000,000
NDB Sustainment			1,100,000
Visual Navaids (PAPI/REIL)			5,000,000
VASI Replace With PAPI			5,900,000
Navigation and Landing Aids Service Life Extension Program			
Loran-C			25,000,000
Transponder Landing System (TLS)			6,000,000
Oceanic Automation System	87,400,000	69,000,000	69,000,000
Gulf of Mexico Offshore Program	2,300,000		
Voice Switching and Control System (VSCS)	14,000,000	32,800,000	32,800,000
Instrument Approach Procedures Automation		4,000,000	4,000,000
Category 4: Improve Reliability of the NAS	434,310,000	472,710,000	456,240,000
Guam Center Radar Approach Control (CERAP)—Relocate	5,000,000	2,600,000	2,600,000
Terminal Voice Switch Replacement/Enhanced TVS	14,200,000	12,000,000	14,200,000
Airport Cable Loop Systems—Sustained Support	5,500,000	5,000,000	5,000,000
En Route Automation Program	150,000,000	173,800,000	163,800,000
ARTCC Building Improvements/Plant Improvements	35,000,000	34,200,000	34,200,000
Air Traffic Management (ATM)	24,500,000	29,000,000	22,000,000
Critical Telecommunication Support	1,000,000	1,500,000	1,500,000
FAA Telecommunications Infrastructure (FTI)	42,000,000	51,200,000	51,200,000
Air/Ground Communications Infrastructure	22,800,000	24,100,000	24,100,000
Voice Recorder Replacement Program (VRRP)	5,000,000	3,300,000	3,300,000
NAS Infrastructure Management System (NIMS)	16,000,000	22,100,000	22,100,000
Flight Service Station (FSS) Modernization	5,700,000	5,800,000	5,800,000
FSAS Operational and Supportability Implementation System (OASIS)	19,710,000	19,710,000	19,710,000
Weather Message Switching Center Replacement	2,000,000	1,500,000	1,500,000
Flight Service Station Switch Modernization	13,200,000	5,400,000	5,400,000
Alaskan NAS Interfacility Communications System (ANICS)	4,000,000	900,000	900,000
Electrical Power Systems—Sustain/Support	45,000,000	51,000,000	51,000,000
NAS Recovery Communications (RCOM)	9,400,000	12,000,000	12,000,000
Aeronautical Center Infrastructure Modernization	11,700,000	13,000,000	13,000,000
Frequency and Spectrum Engineering	2,600,000	3,600,000	1,930,000
NAS Interference, Detection, Location and Mitigation		1,000,000	1,000,000
Category 5: Improve the Efficiency of Mission Support	413,678,510	458,221,700	452,341,700
NAS Improvement of System Support Laboratory	2,700,000	2,700,000	2,700,000
Technical Center Facilities	12,000,000	14,000,000	11,000,000
Technical Center Building and Plant Support	3,000,000	3,500,000	3,500,000
En Route Communications and Control Facilities Improvements	1,307,950	1,203,390	1,203,390
DOD/FAA Facilities Transfer	3,200,000	1,200,000	1,200,000
Terminal Communications—Improve	1,249,300	1,012,000	1,012,000
Flight Service Facilities Improvement	1,223,240	1,276,890	1,276,890
Navigation and Landing Aids—Improve	5,034,020	5,929,420	5,929,420
FAA Buildings and Equipment	11,000,000	11,200,000	11,200,000

FACILITIES AND EQUIPMENT—FISCAL YEAR 2004—Continued

	Fiscal year 2003 enacted	Fiscal year 2004 estimate	Committee recommended
Air Navigational Aids and ATC Facilities (Local Projects)	2,100,000	2,200,000	2,200,000
Computer Aided Eng and Graphics (CAEG) Modernization	2,800,000	2,000,000	2,000,000
Information Technology Integration	1,600,000	1,600,000	....
Operational Data Management System (ODMS)	3,000,000	....	....
NAS Aeronautical Info Management Enterprise System	....	10,300,000	10,300,000
Logistics Support Systems and Facilities (LSSF)	5,000,000	5,000,000	5,000,000
Test Equipment—Maintenance Support for Replacement	1,700,000	4,000,000	4,000,000
Facility Security Risk Management	25,000,000	41,600,000	30,000,000
Information Security	8,000,000	11,500,000	8,000,000
Distance Learning	1,300,000	1,400,000	1,400,000
National Airspace System (NAS) Training Facilities	2,300,000	4,200,000	4,200,000
System Engineering and Development Support	23,800,000	28,300,000	28,300,000
Program Support Leases	36,400,000	41,100,000	41,100,000
Logistics Support Services (LSS)	7,500,000	7,900,000	7,900,000
Mike Monroney Aeronautical Center—Leases	14,600,000	14,600,000	14,600,000
In-Plant NAS Contract Support Services	2,900,000	2,800,000	9,800,000
Transition engineering Support	35,000,000	39,800,000	39,800,000
FAA Corporate Systems Architecture	1,000,000	1,000,000	1,000,000
Technical Support Services Contract (TSSC)	41,700,000	47,600,000	47,600,000
Resource Tracking Program (RTP)	2,500,000	3,600,000	3,600,000
Center for Advanced Aviation System Development	81,364,000	90,800,000	84,620,000
Operational Evolution Plan	1,000,000	2,000,000	....
NAS Facilities OSHA and Environmental Standards Compliance	28,400,000	28,300,000	28,300,000
Fuel Storage Tank Replacement and Monitoring	8,500,000	5,600,000	5,600,000
Hazardous Materials Management	20,500,000	19,000,000	19,000,000
Research Aircraft Replacement	15,000,000	....	15,000,000
Category 6: PCB&T Only	404,655,240	448,540,000	420,841,200
Personnel and related Expenses	404,655,240	448,540,000	420,841,200
Category 7: Accountwide Adjustments	10,000,000	....	....
NAS Handoff—Transfer to Operating Expenses	10,000,000	....	....
Totals	2,981,022,050	2,916,000,000	2,900,000,000

IMPROVE AVIATION SAFETY

The bill includes $274,180,000 for programs to improve aviation safety.

Terminal business unit.—The Committee recommendation reduces the medium-intensity airport weather system (MIAWS) from $4,000,000 to $2,000,000 due to excessive concurrency. A table comparing the fiscal year 2003 enacted level to the fiscal year 2004 budget estimate and the Committee recommendation by project is as follows:

	Fiscal year 2003 enacted	Fiscal year 2004 estimate	House recommended
NEXRAD upgrade	$9,100,000	$10,600,000	$8,600,000
Terminal doppler weather radar	5,700,000	7,200,000	7,200,000
ASDE	10,000,000	5,000,000	5,000,000
AMASS	14,583,000	0	0
Weather systems processor	2,200,000	0	0
ASDE–X	109,600,000	114,800,000	114,800,000
Total	151,183,000	137,600,000	135,600,000

Aviation safety analysis system.—The Committee recommendation deletes funding for several small projects due to low priority and lack of justification, including the covered position decision support subsystem (−$375,000), the clinic health awareness program system (−$175,000), the parts reporting system (−$50,000), and the FAA ID media system (−$900,000). In addition, the Committee reduces funding for infrastructure support by $300,000.

Integrated flight quality assurance.—The bill defers funding for this project due to weak justification, a reduction of $2,100,000 below the budget estimate.

Safe flight 21.—The Committee recommends $30,300,000, as requested, of which $6,900,000 is for the Ohio River project and $21,400,000 is for Project Capstone in Alaska.

Advanced technology development and prototyping.—The Committee recommends $52,600,000, an increase of $9,800,000 above the budget estimate. Most of the increase is attributable to retaining airport-related research in this budget line, as in past years. The budget proposed, once again this year, to transfer that activity to "Grants in aid for airports". This research is not authorized under the grants-in-aid program, and the Committee concurs that it would be an inappropriate use of funding provided to that program. A table comparing the fiscal year 2003 enacted level to the fiscal year 2004 budget estimate and the Committee recommendation by project is as follows:

	Fiscal year 2003 enacted	Fiscal year 2004 estimate	Committee recommended
Runway incursion	$6,700,000	$8,200,000	$8,200,000
Aviation system capacity improvement	5,150,000	6,500,000	6,500,000
Separation standards	2,200,000	2,500,000	2,500,000
Airspace management laboratory	4,600,000	7,000,000	7,000,000
GA/vertical flight technology	1,000,000	1,400,000	1,400,000
Operational concept validation	1,250,000	2,700,000	2,700,000
Software engineering	1,000,000	1,500,000	1,500,000
NAS requirements development	- - -	3,000,000	3,000,000
WAAS	3,100,000	- - -	- - -
LAAS	2,800,000	- - -	- - -
Domestic RVSM	4,200,000	1,900,000	1,900,000
Development system assurance	2,700,000	- - -	- - -
Safer skies	2,000,000	3,400,000	3,400,000
Lithium technologies to mitigate ASR	1,000,000	- - -	1,000,000
ROWS—Gulfport-Biloxi Airport, MS	500,000	- - -	- - -
Airfield improvement program	2,000,000	- - -	- - -
Wind/weather research, Juneau, AK	5,500,000	- - -	- - -
Phased array radar technology	2,000,000	- - -	3,000,000
Airport research	7,500,000	- - -	7,500,000
Fogeye	2,000,000	- - -	- - -
Required navigation performance (RNP)	- - -	2,000,000	2,000,000
NAS safety assessment	- - -	1,000,000	1,000,000
Cyber security for NAS development	- - -	1,700,000	- - -
Total	57,200,000	42,800,000	52,600,000

Phased array radar technology.—The bill includes $3,000,000 to continue the collaborative effort between FAA and NOAA's National Severe Storms Laboratory to continue research and testing of phased array radar technology and to incorporate airport/aircraft tracking and weather information. This is $1,000,000 above the level enacted for fiscal year 2003.

Aircraft related equipment.—The reduction of $1,120,000 in this program reflects the transfer of the CFMSS and ASIS projects to FAA "Operations", as previously discussed.

Technology demonstration, Louisville International Airport, KY.—The Committee recommends $8,000,000 to continue this important initiative at the Louisville International Airport in Kentucky.

System approach for safety oversight.—The Committee recommends $3,000,000 for this new program, a reduction of $9,000,000 below the budget estimate. FAA's description and justification of this program are both vague and overly general. Until the agency can more clearly explain the benefits of the program, the Committee believes a lower amount is justified.

Aviation safety knowledge management environment.—The Committee recommends $1,000,000 for this new program, a reduction of $1,500,000 below the budget estimate. FAA's description and justification of this program are both vague and overly general. Until the agency can more clearly explain the benefits of the program, the Committee believes a lower amount is justified.

IMPROVE EFFICIENCY OF THE AIR TRAFFIC CONTROL SYSTEM

The Committee recommends $926,773,200 for programs and activities designed to improve the efficiency of the air traffic control system.

Terminal business unit.—The Committee is concerned that the consolidation of projects into this large, half-billion-dollar program is reducing Congressional oversight into funding for the important projects contained within. Under the existing reprogramming guidelines, the agency could shift $73,500,000 of fiscal year 2003 funds in this program to other activities without even advising the Congress. Given the importance of these programs and the need for strong monitoring and oversight, the Committee recommends funding in individual budget lines, a practice maintained until a few years ago, when funds were consolidated.

Standard termination automation replacement system (STARS).—The Committee recommends $119,800,000 for this program. The recommendation includes a transfer of $11,700,000 budgeted under "ATC/Tracon facilities improvement" for facility modifications to accommodate the STARS system and a general reduction of $10,000,000. Although the STARS program has made some progress over the past year, the Committee sees no evidence that the program is ready for accelerated implementation. In fact, the FAA's past history would make one wary of moving too quickly in the deployment of new software and hardware technologies. The House-passed version of the aviation reauthorization bill (H. R. 2115) authorizes the Administrator to sign a contract, with a term of up to 20 years, for accelerated field deployment of terminal automation systems including STARS. If the Administrator makes such a decision, the bill requires the use of $200,000,000 in this appropriation during fiscal year 2004 for the program, notwithstanding the fact that no funding has been budgeted for this purpose. The Committee will not allow its funding decisions and priorities to be rearranged after the appropriations Act is signed, particularly for an effort where no compelling justification has been submitted. Therefore, the bill includes a limitation prohibiting funds in this Act from implementing section 106 of H.R. 2115, as passed the House of Representatives on June 12, 2003. The Committee also directs the FAA not to obligate more than fifty percent of funds appropriated in this Act for STARS until the program has been completely baselined, including the estimate of all facility modification and implementation costs, and that baseline information has been submitted to the House and Senate Committees on Appropriations.

STARS implementation in Oklahoma City, OK.—The Committee understands that FAA intends to implement the STARS system in Oklahoma City air traffic control facilities no later than June 2004. The Committee expects FAA to meet this schedule, and incur no further slippage in the schedule at this facility.

ARTS/DBRITE sustainment.—The Committee recommends $29,000,000 for sustainment of the ARTS and DBRITE systems, an increase of $12,000,000 above the budget estimate. The Committee believes the current budget is insufficient to address software support and other critical needs of this program in fiscal year 2004. The Committee intends that these additional funds be used to fund replacements for aging DBRITE displays, to support safety function and ADS–B testing for demonstration activities at Louisville International Airport, to replace critical data recording devices, and for software upgrades. The Committee directs FAA not to reprogram any of the base or additional funding provided for this project except through the Congressional reprogramming process.

Terminal air traffic control facilities replacement.—The Committee recommends $151,245,000 for the replacement of aged air traffic control towers. Funds shall be distributed as follows:

Location	*Amount*
Atlanta, GA	$4,159,909
Cleveland, OH	2,000,000
Morristown, NJ	1,300,000
Dayton, OH	4,000,000
Wilkes Barre, PA	920,000
Oshkosh, WI	385,000
Toledo, OH	975,000
Abilene, TX	1,760,000
Cahokia, IL	625,000
Memphis, TN	5,000,000
Baltimore, MD	600,000
Deer Valley, AZ	5,658,300
Oakland, CA	21,636,600
Manchester, NH	8,300,000
St. Louis, MO (Tracon)	1,195,500
Addison Field, Dallas, TX	2,005,000
Reno, NV	2,000,000
Seattle, WA	2,000,000
Seattle, WA (Tracon)	5,280,000
Fort Wayne, IN	1,220,000
Newark, NJ	500,000
Port Columbus, OH	700,000
Billings, MT	3,000,000
Savannah, GA	1,000,000
Newburgh, NY	1,500,000
Richmond, VA	1,000,000
Vero Beach, FL	750,000
Everett, WA	2,000,000
Roanoke, VA	1,500,000
Merrimack, NH (Tracon)	3,217,700
Phoenix, AZ	3,027,000
Warrenton, VA	4,110,000
Dulles International, Chantilly, VA	4,500,000
Topeka, KS	1,500,000
Newport News, VA	2,000,000
Battle Creek, MI	1,000,000
Mathis, CA	4,300,000
Huntsville International, AL	8,000,000
Front Range Airport, CO	2,920,000

Location	Amount
McCarran International, NV	4,000,000
Cherry Capital, MI	4,000,000
Spokane International, WA	10,000,000
Boise Airport, ID	6,000,000
Phoenix Sky Harbor, AZ (parking structure)	2,000,000
Tulsa International, OK	2,500,000
Kalamazoo/Battle Creek International, MI	4,000,000
Palm Beach International, FL	1,200,000
Total	151,245,000

Terminal digital radar (ASR–11).—The Committee recommends $80,000,000, a reduction of $20,000,000 below the budget estimate.

ASR–9 service life extension program.—The Committee recommends $25,950,000 for the ASR–9 service life extension program (SLEP). The Committee continues to believe that this is a valuable program.

Houston area air traffic system.—The Committee recommends $20,000,000, an increase of $14,000,000 above the budget estimate. The Committee notes that FAA has been reprogramming funds out of this important project, which has caused delays in the program. In order to prevent future diversion of funding, the bill includes a provision specifying that $20,000,000 is solely for this program. The Committee encourages FAA to convey the importance of this program to its terminal business unit, and expects the agency to include sufficient funds in future budgets to complete the project without further delay.

New York integrated control complex.—The Committee recommends $2,000,000, a reduction of $3,000,000 below the budget estimate. The Committee notes that the Houston area air traffic system was initiated before this similar project, and believes the first priority should be given to ensuring the Houston project remains on schedule. Further, the Committee has not seen a firm cost estimate for this very expensive project. The FAA is directed to provide a report to the House and Senate Committees on Appropriations, not later than December 31, 2003, on the projected cost, schedule, and benefits of the New York integrated control complex, including the degree to which airspace will be redesigned.

Aeronautical datalink applications.—The recommended reduction of $16,600,000 would reduce funds for controller-pilot datalink communications (CPDLC) build 1A from $20,600,000 to $4,000,000. On April 15, 2003, FAA's Joint Resources Council terminated this project due to slow anticipated equipage rates by the commercial airlines; projected difficulty in certifying the system; and changes in the en route automation technology program which lowered system benefits. Although the agency requested that $8,000,000 of this funding be retained for future planning and system sustainment, the Committee believes this is excessive and instead recommends $4,000,000 for the effort.

Free flight phase one.—The Committee recommends $27,000,000, a reduction of $10,400,000 below the budget estimate. The Committee notes that prior year funding for this program has been excessive, and has been reprogrammed to other projects, indicating that lower rates of funding are required. In addition, the Committee believes it is time for many sustainment activities to transition to the operations budget.

En route automation program.—The recommended reduction of $8,900,000 reflects the agency's tendency over the past few years to reprogram a large amount of the appropriation for this project to other activities.

Information display system, terminal facilities.—The Committee believes that this effort is premature at the scale proposed in the budget, and recommends $2,000,000, a reduction of $3,000,000. This program is to design an integrated display to replace the various separate displays currently in air traffic control facilities. Funds would be used to procure and install ACE–IDS systems at a number of air traffic control facilities to initiate the program. The Committee believes that some computer-human interface and requirements development work will be needed before procurement begins. In addition, the Committee has not seen an overall plan for this effort, including the total estimated cost and the number of facilities to receive the system. While the Committee supports the general need for such a system, it is not clear that the project is ready to enter the procurement phase.

Advanced surface observing system.—Of the funds provided for advanced surface observing system, the Committee directs the following allocations: Posey Field Airport, AL (install AWSS), $800,000; Newport Municipal Airport, AR (install AWSS), $520,000; and Wautoma Airport, WI (install ASOS), $250,000.

INCREASE CAPACITY OF THE NATIONAL AIRSPACE SYSTEM

The Committee recommends $369,623,800 for programs to increase the capacity of the national airspace system.

Navigation and landing aids.—The Committee is concerned that the consolidation of projects into this large program is reducing Congressional oversight of funding for the important projects contained within. Under the existing reprogramming guidelines, the agency could shift $49,391,000 of fiscal year 2003 funds in this program to other activities without even advising the Congress. Given the importance of these programs and the need for strong monitoring and oversight, the Committee recommends funding in individual budget lines.

Local area augmentation system.—The recommendation includes $28,100,000, a reduction of $6,300,000 below the budget estimate. The recommendation would reduce studies for category II/III capabilities by $5,000,000 and program management by $1,300,000. The local area augmentation system (LAAS) is a new precision landing system with the potential to provide great gains in landing system efficiency and safety. The program has enjoyed considerable support over the years from this Committee as well as industry. However, the DOT Inspector General recently reported that expectations for LAAS need to be reset with respect to how much the system will cost, when it will be delivered, and what benefits are realistic. LAAS was expected to be operational in 2004 but is now planned for late 2006, and system costs and benefits are now under review. FAA needs to take steps now to prevent a recurrence of the problems that plagued the wide area augmentation system, including huge cost overruns and performance problems. The Committee is disappointed that, despite improved management and planning tools, the FAA has not learned from past mistakes, and could repeat them. The Committee believes that this new landing system has potential for enhancing the capacity of the national airspace system. However, a much more disciplined approach is needed and is a prerequisite for future funding. The Committee directs FAA not to provide funds for production of category I LAAS systems beyond the limited number planned, or to exercise options for additional systems, until: (1) at least one system has been certified as safe for pilots to use; and (2) revised cost, schedule, and benefit baselines have been approved by the FAA Administrator and submitted to the House and Senate Committees on Appropriations for review. In addition, in future budget requests FAA must clearly distinguish between funds for LAAS category I performance and the more demanding category II/III performance, which is now clearly a research and development effort.

Wide area augmentation system.—The recommendation includes $120,300,000 for further development, implementation, and sustainment of the wide area augmentation system, the same as the budget estimate.

VOR/DME.—Of the funds provided for VOR/DME, the Committee directs the following allocations: Sarasota/Bradenton International Airport, FL (relocate VORTAC, including land acquisition), $4,500,000; John F. Kennedy Memorial Airport, WI (install VOR and DME), $400,000; and Rice Lake Regional Airport, WI (install VOR and DME), $400,000.

Instrument landing system establishment.—The recommendation includes $36,000,000 for establishment of instrument landing systems (ILSs) nationwide. Funding is to be distributed as follows:

		Amount
Items in the budget estimate	Various nationwide	$19,560,000
Gadsden Airport, AL	Purchase and install ILS	2,000,000
McCook Municipal, NE	Purchase and install ILS	910,000
Leesburg Executive, VA	Purchase and install ILS/Glideslope	1,000,000
Baxter County Regional, AR	Purchase and install ILS	1,000,000
Logan Airport, UT	Purchase and install ILS with MALSR	1,500,000
Lee Gilmer Memorial, GA	Purchase and install ILS	1,000,000
Eugene Airport, OR	Install category I ILS with ALS, PAPI, REILs	750,000
Harnett County Airport, NC	Purchase and install ILS	700,000
Eagle River Union Airport, WI	Install localizer, ALS, and DME	625,000
Anson County Airport, NC	ILS and AWOS	1,500,000
Freeman Municipal Airport, IN	Glideslope and AWOS	355,000
Bishop Airport, CA	Purchase and install ILS	800,000
Stevens Point Municipal, WI	Install ILS, DME, glideslope, localizer, MALSR, and outer marker.	1,500,000
Cleveland Hopkins International, OH	Purchase and install ILS on runway 10; 2 PAPIs	1,500,000
Big Sandy Airport, KY	Purchase and install ILS	300,000
Williamsburg/Whitley County, KY	Purchase and install ILS	1,000,000

Visual navaids.—The bill includes $10,000,000 for visual navaids such as the precision approach path indicator (PAPI) and runway end identification lights (REIL). The increase of $5,000,000 above the budget estimate is for acquisition of additional PAPI systems.

Navigation and landing aid service life extension program.—The Committee recommends no funding for this program, as it appears to duplicate the $5,929,400 provided under "Navigation and landing aids—improve" for the upgrading and improvement of various navigational aids such as localizers, approach lighting and runway end lighting, distance measuring equipment, and non-directional beacons. Also, the Committee recommendation includes additional funding for the acquisition of new systems, which will allow retirement of older systems rather than service life extension. The Committee recommendation results in a reduction of $6,800,000 to the budget estimate.

Approach lighting system improvement program.—The Committee recommends $19,200,000 for the approach lighting system improvement program (ALSIP). Funds shall be distributed as follows:

		Amount
Items in the budget estimate	Various nationwide	$8,600,000
Max Westheimer Airport, OK	Install MALSR with REIL and ILS	800,000
Gary/Chicago Airport, IN	Replace navaids; upgrade RVR	1,200,000
Baton Rouge Metro, LA	Category II runway lighting	1,000,000
North Las Vegas and Henderson Executive, NV	REILs	500,000
Lambert St. Louis Intl, MO	Navaids; ALSF–2 relocate	2,000,000
Hartsfield International, GA	Install ALSF–2 on runway 26R and 27L	2,000,000
Cincinnati International, OH	Navaids for new north-south runway, 17/35	2,000,000
Wichita Mid-Continent Airport, KS	Instrument approach lighting, runway 19L	500,000
Colonel James Jabara Airport, KS	Instrument approach lighting	600,000

Loran-C.—The Committee recommendation includes $25,000,000 for continued modernization of the Loran-C navigation system, the same amount as enacted for fiscal year 2003. The Committee directs that none of these funds be reprogrammed except through the Congressional reprogramming process.

Transponder landing system.—The recommendation includes $6,000,000 for the transponder landing system (TLS).

The recommendation includes $2,100,000 to install TLS systems at each of the following locations: Glasgow Airport, KY, and Palm Springs International, CA.

IMPROVE RELIABILITY OF THE NATIONAL AIRSPACE SYSTEM

The Committee recommends $456,240,000 for programs to increase the reliability of the national airspace system.

Terminal voice switch replacement.—The recommendation of $14,200,000 provides the same level of funding as enacted for fiscal year 2003. This results in an increase of $2,200,000 above the budget estimate.

En route automation program.—The Committee recommends $163,800,000, a reduction of $10,000,000 below the budget estimate. The recommendation defers $10,000,000 of the $16,000,000 budgeted for en route system enhancements due to lack of justification. Within the total amount provided for this program, $2,100,000 is continued funding for the initial academy training system at the FAA Academy.

Air traffic management.—The recommendation reduces the departure spacing program (DSP) from $11,000,000 to $4,000,000 due to budget constraints and lack of justification.

Frequency and spectrum engineering.—The Committee believes that some of these studies are more appropriately performed under the operations appropriation. The recommendation of $1,930,000 represents a reduction of $1,670,000 below the budget estimate.

IMPROVE THE EFFICIENCY OF MISSION SUPPORT

The Committee recommends $452,341,700 for programs to improve mission support activities of the FAA.

Technical center facilities.—The recommendation of $11,000,000 is $1,000,000 below the amount enacted for fiscal year 2003 and $3,000,000 below the budget estimate. This program provides operations and maintenance funding for FAA facilities at the William J. Hughes Technical Center in Pomona, New Jersey. The Committee believes these costs should be declining since a significant portion of the facilities was used to support civil aviation security activities that have now been transferred to the Department of Homeland Security.

Information technology integration.—The Committee deletes funding for this low priority program, a reduction of $1,600,000 below the budget estimate. This project would finance four items that study potential improvements to FAA's regulatory, information technology, performance management, and acquisition processes. Such management analyses are an important function of any large organization's activities, but they are inappropriate for capital funding through "Facilities and equipment". At the small levels proposed (between $200,000 and $550,000), these studies should be absorbed within existing funding levels for those operating activities. The Committee recommendation results in savings of $1,600,000 below the budget estimate.

Facility security risk management.—The recommendation of $30,000,000 provides a 20 percent increase above the level enacted for fiscal year 2003 instead of the proposed increase of 66 percent. Within the funds provided, $6,500,000 is for a security command center at the FAA Aeronautical Center.

Information security.—The recommendation of $8,000,000 provides the same level as enacted for fiscal year 2003 instead of the proposed increase of 43.7 percent.

In-plant NAS contract support services.—The recommendation includes an additional $7,000,000 for contract audit services to be provided through the Defense Contract Audit Agency (DCAA). Despite the Committee's encouragement in past years, the agency has not followed through in obtaining DCAA's independent review of contractor proposals and payment requests. In testimony this year, the DOT Inspector General said "we have consistently found a lack of basic contract administration at every stage of contract management from contract award to contract closeout. For example, we found that government cost estimates were: prepared by FAA engineers, then ignored; prepared using unreliable resource and cost data; or, worst of all, prepared by the contractor (a conflict of interest). FAA is in the process of following through on its commitments to address this issue". The Committee questions the pace of FAA's follow through, as some of these problems were noted in Committee reports many years ago. The Committee believes that an essential element of contracting oversight is to obtain expert, independent reviews by DCAA. To ensure these funds are utilized as Congress intends, the bill includes a provision making such funds available only for this purpose.

Center for advanced aviation system development.—The recommendation of $84,620,000 provides an increase of 4 percent above the level enacted for fiscal year 2003 instead of the proposed increase of 11.6 percent. The Committee believes it appropriate for this work to proceed at the same overall growth rate as discretionary programs across the Federal Government.

Operational evolution plan.—The Committee does not believe this is a valid expense for "Facilities and equipment" and should be absorbed within existing resources for "Operations". For example, items in the budget estimate include: web page development and maintenance; briefings, testimony, and marketing; operational evolution plan development; seminars, conferences, and industry forums; performance measurement; monitoring of regional implementation; and contractor support to assess program risk and develop program schedules. The recommendation results in a reduction of $2,000,000 below the budget estimate.

Research aircraft replacement.—The Committee recommends $15,000,000 to continue the program initiated in fiscal year 2003 to acquire a replacement for the agency's current B–727 research aircraft. The Committee anticipates that this funding is sufficient to complete the acquisition.

PERSONNEL COMPENSATION AND BENEFITS

The Committee recommends $420,841,200, an increase of 4 percent above the level provided for fiscal year 2003. This recommended level represents a reduction of $27,698,800 below the budget estimate, which included an increase of 10.8 percent.

BILL LANGUAGE

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

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2003	$147,485,000
Budget request, fiscal year 2004	100,000,000
Recommended in the bill	108,000,000
Bill compared with:	
Appropriation, fiscal year 2003	−39,485,000
Budget request, fiscal year 2004	+8,000,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $108,000,000, a decrease of $39,485,000 below the fiscal year 2003 enacted level and $8,000,000 above the President's budget request.

A table showing the fiscal year 2003 enacted level, the fiscal year 2004 budget estimate, and the Committee recommendation follows:

RESEARCH, ENGINEERING AND DEVELOPMENT—FISCAL YEAR 2004

Program	Fiscal year 2003 enacted	Fiscal year 2004 estimate	House recommended
Improve Aviation Safety:			
Reduce commercial aviation fatalities:			
Fire research and safety	$6,429,000	$7,725,000	$8,458,000
Propulsion and fuel systems	5,998,000	802,000	802,000
Advanced materials/structural safety	1,374,000	1,244,000	1,244,000
Flight safety/atmospheric hazards	5,000,000	3,217,000	3,217,000
Aging aircraft	20,974,000	14,336,000	18,336,000
Aircraft catastrophic failure prevention	1,920,000	762,000	762,000
Flightdeck safety/systems integration	8,411,000	6,782,000	6,782,000
Reduce general aviation fatalities:			
Propulsion and fuel systems	1,713,000	344,000	344,000
Advanced materials/structural safety	1,679,000	1,522,000	1,522,000
Flight safety/atmospheric hazards	1,329,000	1,378,000	1,378,000
Aging aircraft	9,243,000	3,584,000	3,584,000
Flightdeck safety/systems integration	2,000,000	1,612,000	1,612,000
Aviation System Safety:			
Aviation safety risk analysis	6,926,000	7,898,000	6,926,000
ATC/AF human factors	8,035,000	8,899,000	8,899,000
Aeromedical research	6,603,000	6,382,000	6,382,000
Weather research	21,906,000	20,852,000	20,852,000
Improve Efficiency of the ATC System: Weather research efficiency	12,099,000	....	5,000,000
Reduce Environmental Impacts: Environment and energy	22,100,000	7,975,000	7,975,000
Improve Mission Efficiency:			
System planning and resource mgmt	1,000,000	1,261,000	500,000
Technical laboratory facilities	6,455,000	3,425,000	3,425,000
Accountwide Adjustments: CSRS/FEHBP accruals	−2,744,000	....	....
Total	148,450,000	100,000,000	108,000,000

Aeromedical research.—The Committee is aware of attempts to channel certain categories of aeromedical and aviation safety research through academic institutions. The Committee is concerned that this could duplicate existing capabilities at the FAA Civil Aeromedical Institute. The FAA is directed to report to the House and Senate Committees on Appropriations, prior to the obligation of funds under a solicitation for cabin air quality instrument sensor suite development and implementation, or for any other aeromedical research, explaining why in-house skills and capabilities cannot be utilized for such work.

Advanced cargo monitoring.—The funding for “fire research and safety” includes $1,000,000 to develop an advanced cargo monitoring system, which would employ an intelligent network of miniature, low-cost, lightweight chemical/fire detector sensors, wirelessly linking them to an alarm and notification system, to provide chemical security and safety coverage for passengers, transportation personnel, and equipment.

Aging aircraft.—The Committee recommendation includes $4,000,000 for new flight safety research equipment at the National Institute for Aviation Research.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2003 [1]	$3,100,000,000	($3,377,900,000)
Budget request, fiscal year 2004	3,400,000,000	(3,400,000,000)
Recommended in the bill	3,500,000,000	(3,425,000,000)
Bill compared with:		
Appropriation, fiscal year 2003	+400,000,000	(+47,100,000)
Budget request, fiscal year 2004	+100,000,000	(+25,000,000)

[1] Excludes $325,000,000 in emergency supplemental appropriations and a $301,720,000 rescission of contract authority.

The bill includes a liquidating cash appropriation of $3,500,000,000 for grants-in-aid for airports, authorized by the Airport and Airway Improvement Act of 1982, as amended. This funding provides for liquidation of obligations incurred pursuant to contract authority and annual limitations on obligations for grants-in-aid for airport planning and development, noise compatibility and planning, the military airport program, reliever airports, airport program administration, and other authorized activities. This is $100,000,000 above the amount requested in the President's budget and $400,000,000 above the level enacted for fiscal year 2003.

LIMITATION ON OBLIGATIONS

The bill includes a limitation on obligations of $3,425,000,000 for fiscal year 2004. This is $25,000,000 above the President's budget request and $47,100,000 above the fiscal year 2003 level.

A table showing the distribution of these funds compared to the fiscal year 2003 levels and the President's budget request is shown below. The table assumes the formulas and provisions of current law, given the pending reauthorization of this program.

	Fiscal year 2003 enacted	Fiscal year 2004 estimate	Fiscal year 2004 recommended
Obligation Limitation	$3,400,000,000	$3,400,000,000	$3,500,000,000
Across the board reduction (.65 percent)	−22,100,000	0	0
Administrative & Related Expenses	−63,207,000	−69,737,000	−64,904,000
Airport Technology Research	0	−17,417,000	0
Essential Air Service	0	0	0
Small Community Air Service	0	0	−20,000,000
Grants-in-Aid for Airports	3,314,693,000	3,312,846,000	3,415,096,000
Formula Grants:			
Primary Airports	961,721,388	770,413,521	961,721,388
Cargo Service Airports	99,385,380	99,385,380	102,385,380
Alaska Supplemental (Sec. 4714(e))	21,345,114	21,345,114	21,345,114
States (General Aviation):			
Non-Primary Entitlement	341,036,416	341,121,749	341,036,416
State Apportionment by Formula	321,532,784	321,447,451	341,532,784
Subtotal	662,569,200	662,569,200	682,569,200
Carryover Entitlement	354,986,941	354,986,941	354,986,941
Subtotal Formula Grants	2,100,008,023	1,908,700,156	2,123,008,023
Small Airport Fund:			
Non Hub Airports	220,122,611	0	220,122,611

	Fiscal year 2003 enacted	Fiscal year 2004 estimate	Fiscal year 2004 recommended
Non Commercial Service	110,061,305	0	110,061,305
Small Hub	55,030,653	0	55,030,653
Subtotal Small Airport Fund	385,214,569	0	385,214,569
Fund for Small Airports	0	410,292,044	0
Subtotal Non Discretionary	2,485,222,592	2,318,992,200	2,508,222,592
Discretionary Grants:			
Discretionary Set-Aside: Noise	281,391,959	278,156,140	307,571,949
Discretionary Set-Aside: Environmental Research, Engineering and Development (from Noise)	0	20,000,000	0
Discretionary Set-Aside: Reliever	5,462,314	0	5,970,514
Discretionary Set-Aside: Military Airport Program	33,104,936	0	36,184,936
Subtotal Discretionary Set-asides	319,959,210	298,156,140	349,727,410
C/S/S/N	380,748,149	0	416,171,999
Remaining Discretionary	126,916,050	33,128,460	138,724,000
National Significant Projects	0	662,569,200	0
Subtotal Other Discretionary	507,664,198	695,697,660	554,895,998
Subtotal Discretionary	827,623,408	993,853,800	904,623,408

DISCRETIONARY GRANTS

Within the overall obligation limitation in this bill, $904,623,408 is available for discretionary grants to airports. Within this obligation limitation, the Committee directs that priority be given to grant applications involving further development of the following airports:

State	Project name	Project description
AK	Anchorage International	Various improvements.
AK	Chandalar Maintenance Station	Funds to replace temporary tent.
AK	Fairbanks International	Terminal facility assessment and master plan to address facility deficiencies including seismic and security issues.
AK	Seward Airport	Various improvements.
AL	Atmore Airport	Upgrade safety zones, acquire land for approaches; acquire additional apron space for aircraft parking.
AL	Fort Deposit Municipal	Repair slope failure along access road and runway embankment; install roadside drainage system.
AL	Sonny Callahan Airport, Fairhope	Continue runway improvements.
AL	Montgomery Regional (Dannelly Field)	Terminal renovation.
AL	Huntsville International	Connecting taxiway and ramp.
AR	Arkansas Aeroplex	Runway, taxiway and ramp renovation.
AR	Batesville Municipal Airport	Land acquisition for 32 acres for runway protection zone.
AR	Baxter County Regional	New primary cross wind runway.
AR	Northwest Arkansas Regional	Construction of cargo apron and taxiway.
AR	West Helena Municipal	Install lighting, REIL, and ramps along runway and construct new hanger.
AR	Jonesboro Municipal	Airport rescue and firefighting truck and building to comply with part 139 requirements.
AR	Newport Municipal	Automated weather observation system.
AR	Paragould Municipal	Airport master plan; construction of parallel taxiway; land acquisition for future extension of runway 8–26.
AR	Walnut Ridge Regional	Add taxiway lights to taxiways AA, D and F to light main runway to new terminal.
AR	West Memphis Municipal	Purchase vacuum sweeper; rehabilitate taxiway and runway shoulders; sealcoat and mark taxiways and north ramp.
AZ	Phoenix Sky Harbor International	Community noise reduction program; residential sound assistance; voluntary land acquisition.
AZ	Williams Gateway Airport	Construct safety area shoulders along entire lenghth of runway 12C/30C and reconstruct/repair taxiways A and P, including shoulders, from runway 12C/30C to taxiway N.

State	Project name	Project description
CA	Crows Landing Airport	Improve runway and auxiliary devices.
CA	San Diego International Airport	Air Transportation Action Program (ATAP).
CA	Lampson Airport	Construct low pressure watewaster collection system and central pump station.
CA	Meadows Field Airport	Improvements to existing apron and taxiway; signal and road improvements to ease access to site for future development; runway extension.
CA	Round Valley Airport	Land acquisition.
CA	San Bernardino International	Infrastructure improvements, including ongoing hangar repair and electrical supply delivery.
CA	San Luis Obispo Airport	Extend Runway 11/29 by 700 feet; extend parallel Taxiway ''A''; realign Santa Fe Road; underpass of runway safety area.
CA	Southern California Logistics Airport	''Engine run-up'' runway infrastructure improvements.
CA	Stockton Airport Air Cargo Center	Infrastructure construction; upgrade of ILS.
DE	New Castle County Airport	Taxiway M restoration; runway 1–19 rehabilitation.
FL	Pensacola Regional	Runway 17/35 Reconstruction.
FL	Kay Larkin Municipal	Extension of runway 9–27 from 5,500 feet to 7,500 feet.
FL	Orlando Sanford International	Extend runway 9R/27L.
FL	Sarasota Bradenton International	Various improvements.
FL	St. Petersburg/Cleanwater International Airport.	Runway extension.
GA	Brunswick Golden Isles Airport	Terminal renovation, to include demolition, renovation and expansion of existing space and entrance roadway improvements.
GA	Cherokee County Airport	Runway extension.
GA	Richard B. Russell Airport, Floyd County	Extension of Runway 1/19 from 6,000 feet to 8,500 feet.
GA	Greene County Airport	Runway and approach lighting systems (MALSR) improvement.
GA	Paulding County Airport	Runway construction.
GA	Wright Army Airfield	Rehabilitation of runway 624.
IA	Fort Dodge Airport	Extension of runway 12/30.
IA	Mason City Airport	Runway rehabilitation.
IL	Aurora Municipal	Construct taxiway A (west section); rehabilitate terminal apron (west section); improve runway 9/27 safety area; and install PAPI.
IL	Chicago/Romeoville/LOT, Lewis University Airport	Continued construction of primary runway, including ILS installation and associated land acquisition.
IL	DeKalb Taylor Municipal	Complete construction and upgrades to several projects, including a MALSR, easements north of Barber Greene Road, slideslope, and land purchases.
IL	Lawrenceville-Vincennes International	Reconstruction of terminal and hanger.
IL	Palwaukee Municipal	Phase III of taxiway K project.
IL	Waukegan Regional	Replacement of concrete apron.
IN	Goshen Municipal	Runway extension.
IN	Gary/Chicago Airport	Centerline lights, replacements of navigational aids, and RVR upgrade.
KS	Kansas State University Airport	Apron repair and hangar door repair/replacement.
KS	Lawrence Municipal	Construct two parallel taxiways, install lighting and precision approach path indicator, and rehabilitate runway.
KS	Forbes Field	Taxiway rehabilitation.
KS	Wichita Airport	Airfield safety improvements/taxiway improvements.
KY	Stuart Powell Field, Boyle County	Runway and taxiway overlay and fencing.
KY	Big Sandy Airport	Runway Extension.
KY	Capitol City Airport	Runway and taxiway overlay and apron rehabilitation.
KY	Louisville International	Remote-control CCTV cameras to police public areas of the terminal and adjacent grounds; emergency operations center construction; improvements to east and west security perimeter roads; runway safety area upgrades; west runway extension; noise mitigation program including residential housing relocation.
KY	Madison Richmond Airport	Runway safety area and runway extension.
KY	Marshall Field, Scott County Airport	Extend runway and taxiway, apron overlay.
KY	Monticello Airport	Parallel taxiway extension.
KY	Rowan County Airport	Runway extension to 5500 feet with 100 feet of safety zone.
KY	Somerset Airport	Design and build passenger terminal building; construct maintenance hanger.
KY	Williamsburg/Whitley County Airport	Land acquisition and clearing.
LA	Bastrop-Morehouse Memorial Aviation Park.	Extend the airport runway to 5,000 feet; purchase and install instrument landing system, medium-intensity approach lighting system, runway indicator lights and navigational aids; acquire additional acreage needed for runway expansion; and erect aircraft hanger facilities.

State	Project name	Project description
LA	Baton Rouge Metropolitan	Address environmental and safety concerns for the air carrier apron; extend runway 4L/22R; address runway safety area deficiencies; enclose canals at end of runway 4L.
LA	Greater St. Tammany Airport	Runway extension and various other improvements.
LA	Houma-Terrebonne Airport	Upgrade runways and other improvements.
LA	Lafayette Regional	Taxiway bravo rehabilitation, widening and strengthening; runway 4R/22L safety zone improvements; extension of Runway 4R–22L.
LA	Monroe Regional	Renovate/expand terminal building.
MI	Alpena County Regional	Extension of service road and utility extension.
MI	Chippewa County International	Completion of new airport terminal.
MI	Detroit Metropolitan Wayne County Airport.	Construction of new parking aprons at North and McNamara terminals; reconstruction of runway 3R/21L and ramp at Berry terminal; part 150 study update; evaluation of airfield pavement; extension of runway 3L/21R; grading of runway safety areas at runway ends 22L and 3L; reconstruct taxiways, F, H, V, W, Y–8, and K–16; construct new taxiway G in the vicinity of the end of concourse C at Smith terminal.
MI	Manistee County Blacker Airport	Terminal expansion.
MI	Mt. Pleasant Municipal Airport	Refurbish crack sealing pavement; terminal building expansion; parking lot expansion; snow removal blower; future planning for security fencing, sewer, and water projects.
MI	Oakland County International	Relocate, lengthen and widen north-south (crosswind) runway; upgrade lighting; complete acquisition of homes in accordance with noise program.
MI	Pellston Regional Airport	New terminal.
MN	Minneapolis/St. Paul International	De-icing pad; pavement rehabilitation between taxiway Q and courses D and E.
MN	Willmar Municipal Airport	Runway paving, electrical; fencing; and runway lighting.
MO	Kennett Airport	Construct new runway.
MO	Springfield/Branson Regional	Midfield terminal design; ramps and access taxiways to the new midfield terminal.
MS	Tunica Airport	Airfield construction and expansion.
MS	Gulfport-Biloxi International	General aviation apron, lighting, taxiway, utilities and building pad construction; expansion of main terminal apron; land acquisition for future parallel runway; phase 3 of perimeter road.
MS	Jackson International	Replace existing 40-year old apron and connecting taxiways.
MS	Greenwood-Leflore County Airport	Restore runway 5/23.
MT	Helena Regional	Terminal remodeling and expansion project.
NC	Ashe County Airport	Removal of obstruction on runway 10 and associated improvements to provide required clearance; environmental assessment for runway extension.
NC	Brunswick County Airport	Repair and strengthen existing runway and taxiways.
NC	Burlington-Alamance Airport	Runway extension, including paving and lighting the extension and strengthening adjoining surfaces.
NC	Statesville Municipal	Land acquisition, relocation of roads for runway extension.
NC	Clinton-Sampson Airfield	Airfield pavement rehabilitation.
NC	Columbus County Airport	Runway rehabilitation.
NC	Concord Regional	Runway extension and related construction.
NC	Curritiuck County	Rehabilitate, overlay, and extend existing runway.
NC	Duplin County Airport	Extend runway and build parallel taxiway.
NC	Elizabethtown Airport	Construct parallel taxiway.
NC	Halifax-Northampton Regional	Complete construction of new airport.
NC	Harnett County Airport	Phase 2 of runway and taxiway extension project.
NC	Hickory Regional	Apron pavement overlay; runway lighting rehabilitation; and extension of runway safety area for runway 6.
NC	Johnston County Airport	Construction of runway safety area and wetlands mitigation on airport property.
NC	Lumberton Municipal	Rehabilitate primary runway.
NC	Morganton-Lenoir Airport	Reconstruct pavements 3–21; connector taxiways; existing apron.
NC	Richmond County Airport	Runway extension; ILS installation; expand and improve ramp and taxiway.
NC	Stanly County Airport	Runway extension; land acquisition; installation of perimeter fencing; and associated construction.
NC	Statesville Municipal	Extension of runway 10/28 and installation of ILS.
NC	The Andrews-Murphy Airport	Various improvements.
NC	Wilmington International	Repair existing runway and improve drainage system.
ND	Grand Forks Airport	Construction of new general aviation runway and parallel taxiway.
NE	McCook Municipal	Purchase ILS.

State	Project name	Project description
NE	Central Nebraska Regional	Rehabilitate runway 17–35 and connecting taxiway; purchase new crash and rescue vehicle.
NJ	Cape May Airport	Drainage system rehabilitation and reconstruction and safety-related obstruction removal.
NJ	Hammonton Airport, Atlantic County	Security fencing; construction of a new aircraft parking apron and safety related obstruction removal.
NJ	Millville Airport, Cumberland County	Land acquisition in the runway subzone; snow removal equipment and safety related obstruction removal.
NJ	Teterboro Airport	Noise mitigation and soundproofing of schools.
NJ	Solberg-Hunterdon Airport	Acquisition of airport.
NM	Santa Teresa Airport	Extension of eastern runway and taxiway.
NY	Niagara Falls International	Access road improvements; expansion of general aviation west ramp apron area and taxiway realignment.
NY	Albany International	Runway 1–19 extension, phase II.
NY	Buffalo Niagara International	Rehabilitation of primary runway 5/23 and taxiway.
NY	Hancock International	Various improvements, including the purchase of two jetways.
NY	Long Island Islip MacArthur Airport	Perimeter fencing; stronger access control systems; improved surveillance.
NY	Plattsburgh International	Continued construction of airport terminal and other facilities.
NY	Albany International	Runway extension to primary runway 19.
OH	Cincinnati Lunken Airport	Design of four maintenance improvements: airport road improvements, which include drainage and resurfacing of the roadway from Wilmer Avenue east to the Lunken Airport terminus; Wilmer Avenue roadway improvements, which includes design of roadway widening, drainage system with airport pump upgrade, sidewalk installation, and reconstruction of the bike trail on Wilmer Avenue; terminal parking improvements, which includes design of the terminal parking adjacent to Wilmer Avenue, and the installation of curbs and gutters on Airport Road west; and ramp improvements, which includes design for reconstruction of ramp areas at the terminal and hangers for aircraft and vehicle public parking.
OH	Dayton International	Terminal access road improvements.
OH	Cleveland Hopkins International	Major airport expansion and noise mitigation.
OH	Erie-Ottawa Regional Airport	Taxiway expansion; security improvements; and hanger construction.
OH	Springfield Municipal	Acquisition of 96 acres of land currently extending into the Instrument Lighting Systems (ILS) critical area.
OH	Wayne County Airport	Relocation of terminal building and planning study for runway extension.
OK	Altus/Quartz Mountain Regional Airport.	Repair of main runway; taxiway improvements; additional lengthening of runway; drainage improvements; perimeter fencing; and controlled access improvements.
OK	Chickasha Municipal	Runway extension project.
OK	Max Westheimer—University of Oklahoma Airport.	Secure airport perimeter and establish modular dual identification verification procedures.
OK	Tulsa International	New taxiway; security improvements.
OR	Madras/Jefferson County Airport	Construct new flight services building.
OR	Roberts Field	Design and construction of terminal expansion.
PA	Pittsburgh International	Relocation of maintenance facilities from runway 28R and runway 14 runway protection zone areas to new site.
PA	Arnold Palmer Regional	Extend runway 5–25 by 1225 feet.
PA	Clarion County Airport	Runway extension project.
PA	Erie International—Tom Ridge Field	Runway extension.
PA	Indiana County—Jimmy Stewart Airport.	Complete next phase of construction of new runway 10–28.
PA	Philadelphia International	Develop safety area for runway 9R; design and environmental study to enhance airfield capacity; reconstruct aircraft parking apron between terminal D–E.
SC	Andrews Municipal Airport, Georgetown County.	Airport pavement reconstruction.
SC	Fairfield County Airport	Runway extension.
SC	Spartanburg Downtown Airport	Extend runway 5/23 to 5,500 feet and construct required safety runway area.
SD	Pierre Airport	Rehabilitate runway.
TN	McMinn County Airport	Lengthen and widen runway; extend parallel taxiway to the north; land acquisition for clearances and safety.
TN	Nashville International	Pavement reconstruction and rehabilitation; reconstruct and widen taxiway fillets at L2, K2, intersection of taxiway L and A, and T3 at taxiway L and T3 at taxiway K.

State	Project name	Project description
TN	Chattanooga Metropolitan Airport	Rehabilitate runway 15/33.
TX	A.L. Mangham, Jr. Regional	Improving and widening Runway 18–36; planning for installation of MALSR.
TX	Denton Municipal Airport	Various improvements.
TX	Galveston Scholes International	Reconstruction of taxiways "D" and "A" and associated aprons; rehabilitation of runway 17/35 and overlaying of runway 13/31.
TX	Abilene Regional Airport	General aviation ramp reconstruction; runway and taxiway lighting rehabilitation; terminal renovation; and taxiway "D" extension.
TX	McKinney Municipal Airport	Repair of runway and taxiway.
TX	Killeen/Ft. Hood Joint Use Airport	Safety improvements.
TX	Sugar Land Regional Airport	Construct apron and taxiway.
VA	Breaks Interstate Regional	Land acquisition, design and engineering for new airport to serve Buchanan and Dickenson Counties.
VA	Culpeper Regional Airport	Terminal construction.
VA	Twin County Airport	Design and pavement construction of parallel back taxiway; relocation of access road; rehabilitation of runway and upgrade of lighting.
VA	Virginia Highlands Airport	Construction of west apron, taxiway and access road.
WA	Bremerton National Airport	Strengthen the center part of the runway.
WI	Central Wisconsin Airport	Complete reconstruction of the primary air carrier runway (08/26) and parallel taxiway.
WI	Dane County Regional Airport	Runway 14 safety area construction.
WI	Sawyer County Airport	Security fencing.
WI	Eagle River Union	Pave and extend existing turf crosswind runway to 3400 feet; light runway; reconstruct and expand existing aprons and taxiways; and reimburse for land acquisition for runway extension.
WI	General Mitchell International	Outer taxiway B construction around concourse C; various other improvements including taxiway B pavement
WI	La Crosse Munipal Airport	Reconstruct connecting taxiways.
WI	Waukwsha County Airport	Replace storm sewer underlying runway 18/36 at Crites Field.
WV	Jackson County Airport	Runway extension.
WV	Upshur County Airport	Runway extension and apron construction.

San Diego metropolitan area airport study, CA.—The Committee requests FAA, in concert with the San Diego Airport Authority, to report to the House and Senate Committees on Appropriations, no later than May 15, 2006, reviewing increased airport capacity for the San Diego metropolitan area.

ADMINISTRATION

The bill provides that, within the overall obligation limitation, $64,904,000 is available for administration of the airports program by the FAA. The recommended amount is $1,697,000 (2.7 percent) above the level provided for fiscal year 2003. For the third year in a row, the recommendation does not approve the proposal to transfer airport-related research to this appropriation. This activity remains funded under "Facilities and equipment." A table comparing the fiscal year 2003 enacted obligation limitation to the budget estimate and the Committee recommendation is shown below. As the table indicates, the reductions delete one-time fiscal year 2003 costs that were not reflected in fiscal year 2004 base adjustments, as well as a reduction to inflationary costs.

	Fiscal year 2003 enacted	Fiscal year 2004 estimate	Fiscal year 2004 recommended
Base funding	$57,050,000	$64,620,000	$63,207,000
Inflationary adjustments	2,647,000	4,177,000	2,907,000
Discretionary adjustments:			
Advisory circular contract	1,350,000	0	−1,350,000
Airport financial reporting system	500,000	0	−500,000
PFC program analysis	300,000	0	−300,000

	Fiscal year 2003 enacted	Fiscal year 2004 estimate	Fiscal year 2004 recommended
Environmental streamlining	1,773,000	225,000	225,000
Automated airport data system modification	0	400,000	400,000
Wildlife hazard management at airports	0	315,000	315,000
Across the board reduction (.65%)	−403,000	0	0
Total	$63,207,000	$69,737,000	$64,904,000

Corrected base and inflationary adjustments.—The Committee recommendation corrects the fiscal year 2003 base to reflect the .65 percent across the board reduction, and maintains the same ratio of inflationary adjustments to base funding (4.6 percent) as was experienced in fiscal year 2003.

BILL LANGUAGE

Runway incursion prevention systems and devices.—Consistent with the provisions of Public Law 106–181 and the DOT and Related Agencies Appropriations Act, 2003, the bill allows funds under this limitation to be used for airports to procure and install runway incursion prevention systems and devices. Because of the urgent safety problem related to runway incursions, the FAA is directed to consider such grant requests among the highest priorities for discretionary funding.

Small community air service pilot program.—The bill specifies that $20,000,000 under the obligation limitation for the Small Airports Fund is only to continue the Small Community Air Service Pilot Program authorized by AIR–21. This is the same amount as provided in each of the past two fiscal years.

FEDERAL HIGHWAY ADMINISTRATION

The Federal Highway Administration (FHWA) provides financial assistance to the states to construct and improve roads and highways, and provides technical assistance to other agencies and organizations involved in road building activities. Title 23 and other supporting legislation provide authority for the various activities of the Federal Highway Administration. Funding is provided by contract authority, with program levels established by annual limitations on obligations in Appropriations Acts.

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, fiscal year 2003 [1]	($314,071,181)
Budget request, fiscal year 2004	(338,834,000)
Recommended in the bill	(359,458,000)
Bill compared with:	
Limitation, fiscal year 2003	(+45,386,819)
Budget request, fiscal year 2004	(+20,624,000)

[1] Reflects the 0.65 percent reduction contained in Division N, section 601 of Public Law 108–7.

This limitation controls spending for the salaries and expenses of the Federal Highway Administration required to conduct and administer the federal-aid highways programs and most other federal highway programs.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $359,458,000. This level is sufficient to fund 2,412 FTEs. The recommended level assumes the following adjustments to the budget request:

Deny funding for employee development	−$4,106,000
Increase funding for employee multidisciplinary development program	+4,106,000
Increase funding for environmental streamlining	+7,000,000
Deny FECA administrative costs	−84,000
Deny funding for additional Federal staff	−1,292,000
Increase funding for Pennsylvania Avenue project	+15,000,000

Employee development programs.—The Committee has denied funding for employee workforce development. The Inspector General has testified that FHWA staff is predominately engineers and continues to reflect its historic engineering focus that was vital during construction of the interstate system. The IG states that because of this, staff is overly focused on engineering and contract issues, rather than on oversight, management, and financial processes. Staff must have multidisciplinary skills to meet the needs of today's program and perform higher level functions, such as conducting reviews to ensure effectiveness of the states' processes in areas that are major project drivers, such as financing, project level cost estimates, schedule performance and accountability over funds.

In a hearing before the Committee earlier this year, the FHWA estimated that it will take a full five years to realign its staff. The Committee believes the need is too pressing to wait that long and provides a total of $4,106,000 to advance this effort. Funding shall be available for activities and programs that promote the skill sets necessary to meet FHWA goals as they relate to staff realignment. The Committee directs FHWA to report back on the details of this new program, including the goal of the program, what activities it will support, how many employees are expected to participate, how employees are selected for the program, and how it is different from the employee development program funded in prior years.

Environmental streamlining.—The Committee recommendation includes $7,000,000 in fiscal year 2004 for environmental streamlining initiatives within the limitation on administrative expenses. The Committee directs FHWA to provide the House and Senate Committees on Appropriations a report, not later than March 1, 2004, updating the Committees on FHWA's streamlining efforts. The report should include specific examples of FHWA activities that have helped streamline the environmental process.

Deny FECA administrative costs.—The Committee has reduced funding by $84,000 from the budget request for workers compensation administrative costs. This amount was not charged to FHWA in fiscal year 2003.

Reduce funding for oversight of major projects staff.—The Committee denies funding for 12 full time equivalents (FTE), a reduction of $1,292,000 below the budget estimate. Although the Committee agrees that stronger oversight is necessary, it is not convinced that hiring additional staff is the only way to increase oversight of major projects.

Pennsylvania Avenue, Washington, D.C.—The Committee provides $15,000,000 to continue a project initially funded in the Department of Transportation and Related Agencies Appropriations

Act, 2003. This level was included in the President's budget request under the Department of Interior (DOI) budget, to be transferred to the FHWA. This method provides the funds directly to FHWA, which is managing the project in consultation with DOI, the National Capital Planning Commission, and the Executive Office of the President.

Correspondence mismanagement.—The Committee notes with concern the recent mismanagement and unprofessional conduct of the Federal Highway Administration in the treatment of Congressional hearing preparation instructions and official correspondence. Mischaracterization of Committee instructions and the distribution of such distorted information are simply unacceptable. The Committee relies upon professional and trustworthy relations with the agencies it oversees and expects considerable improvement by the FHWA in this regard.

Intelligent bridge systems.—The Committee is aware of an infrastructure control system, known as the Intelligent Bridge System (IBS), conducted by the Center for Structural Control at the University of Oklahoma and would like an analysis of IBS' potential contribution to the nation's highway network. The Committee was advised that IBS would monitor the structural health of bridges, individually characterize each bridge and the vehicles using the bridge, and provide logistics streamlining for efficient and safe movement of goods along an economic corridor. The Committee directs that the Federal Highway Administration provide the Committee a report on IBS, no later than March 1, 2004 that analyzes and discusses the costs, benefits, and rigorous nature of IBS technology, and its application and viability for contributing to the nation's highway system. Additionally, the report should include cost and benefit comparisons and rankings between IBS and similar technologies, especially in regards to IBS' ability to deliver a competitive product versus that of the other technologies.

LIMITATION ON TRANSPORTATION RESEARCH

Limitation, fiscal year 2003 [1]	(---)
Budget request, fiscal year 2004 [1]	(---)
Recommended in the bill	($462,500,000)
Bill compared with:	
Limitation, fiscal year 2003	(+462,500,000)
Budget request, fiscal year 2004	(+462,500,000)

[1] Resources available in fiscal year 2003 and requested in fiscal year 2004 are assumed within the federal-aid obligation limitation.

This limitation controls spending for the transportation research and technology contract programs of the Federal Highway Administration. It includes a number of contract programs including intelligent transportation systems, surface transportation research, technology deployment, training and education, and university transportation research.

COMMITTEE RECOMMENDATION

The recommendation includes an obligation limitation for transportation research of $462,500,000 for the following transportation research programs.

Program	*Recommended in bill*
Surface transportation research, development and deployment program	$103,000,000

Program	Recommended in bill
Technology deployment program	50,000,000
Training and education	20,000,000
Bureau of transportation statistics	31,000,000
ITS standards, research, operational tests and development	110,000,000
ITS deployment	122,000,000
University transportation research	26,500,000
Total	462,500,000

SURFACE TRANSPORTATION RESEARCH

Within the funds provided for highway research and development under the surface transportation research program, the Committee recommends the following:

	Amount
Environment, planning, and real estate	$17,000,000
Research and technology program support	8,000,000
International research	500,000
Structures	13,500,000
Safety	12,000,000
Operations	12,500,000
Asset management	3,000,000
Pavements research	15,500,000
Policy research	9,000,000
Long-term pavement project	10,000,000
Advanced research	1,000,000
R&T strategic planning/performance measures	1,000,000
Total	103,000,000

Environment, planning, and real estate research.—The environment research and technology program develops improved tools for assessing highway impacts on the environment; techniques for avoidance, detection, and mitigation of those impacts and for the enhancement of the environment; and expertise on environmental concerns within FHWA and state and local transportation agencies. The planning and real estate research and technology program advances cost effective methods to evaluate transportation strategies and investments; develops and disseminates improved planning methods; develops more effective planning and data collection techniques for intermodal passenger and freight planning and programming; improves financial planning tools for use in developing transportation plans and programs; evaluates the characteristics of the national highway system; and develops improved analytical tools to support metropolitan and statewide planning and for information and data sharing with state and local governments. The Committee has provided $17,000,000.

Research and technology program support.—The Committee has provided $8,000,000. Funds provided under this category support a variety of programs, including the Transportation Research Board core program; the small business innovative research program; and marketing, publication and communication activities. Within the funds provided the Committee directs FHWA to provide $750,000 to the University of Illinois Transportation Center.

International research.—The Committee has provided $500,000, the level authorized under TEA–21, for international research activities. FHWA is directed to consult with the Committee before any international agreements are consummated that are likely to require financial support.

Structures.—The structures research and technology program develops technologies, advanced materials and methods to efficiently maintain and renew the aging transportation infrastructure, improve existing infrastructure performance, and enable efficient infrastructure response and quick recovery after major disasters. The committee has provided $13,500,000 for structures research. Funds provided will help FHWA make progress towards its performance goal to reduce deficiencies on NHS bridges from 21.5 percent in 2000 to 21 percent in 2004, as well as reduce deficiencies on all bridges. This funding will ensure continued progress on high performance materials and engineering applications to efficiently design, repair, rehabilitate, and retrofit bridges. Within the funds provided, FHWA shall provide $750,000 for the deployment of lithium technologies to prevent and mitigate alkali-silica reactivity. The Committee notes that funding has been provided to the FHWA for several years, yet little progress has been made in the deployment of these promising technologies. Also within the funds provided, the FHWA shall provide $1,000,000 for the New York City Bridges Corrosion Monitoring Project.

Safety.—The safety research and technology program develops engineering practices, analysis tools, equipment, roadside hardware, and safety promotion and public information that will significantly contribute to the reduction of highway fatalities and injuries. The Committee has provided $12,000,000 for safety research programs.

Operations and asset management.—The Committee has provided $15,500,000 for operations research and asset management. The highway operations research program is designed to develop, deliver, and deploy advanced technologies and administrative methods to provide pavement and bridge durability, and to reduce construction and maintenance-related user delays. Funds provided under this category support a variety of research projects seeking to improve highway operations, including work to improve the manual on uniform traffic control devices, work zone operations, technologies that facilitate operational responses to changes in weather conditions, and freight management operations. Within the funds provided, the Committee directs the FHWA to provide $750,000 for the National Steel Bridge Alliance, $2,000,000 to the Oklahoma Transportation Center, $200,000 for Northwestern University Highways 2008, and $100,000 for Critical Vunerability Assessment and Countermeasure Plan.

The Committee has not included any funds for statistical analysis of the National Quality Initiative under any FHWA research program. Such analysis shall be performed by the Bureau of Transportation Statistics.

Pavements research.—The pavements research and technology program identifies engineering practices, analytic tools, equipment, roadside hardware, and safety promotion and public information that will significantly contribute to the reduction of highway fatalities and injuries. Activities include work on asphalt, Portland cement concrete pavements, and recycled materials. The Committee has provided $15,500,000 for pavements research. Pavements research amounts, along with the $10,000,000 provided for long-term pavement performance, will allow FHWA to undertake research projects to improve the nation's infrastructure. Within the funds provided, the Committee directs FHWA to provide $350,000 to Florida Atlantic University for the material integrity project.

Policy research.—The policy research and technology program supports FHWA policy analysis and development, strategic planning, and technology development through research in data collection, management and dissemination; highway financing, investment analysis, and performance measurement; and enhancement of highway program contributions to economic productivity, efficiency, and other national goals. The Committee has provided $9,000,000 for policy research. Within the funds provided, the Committee directs FHWA to provide $500,000 to the Kentucky Transportation Center, $300,000 to Boston University Infrastructure Investment Research Initiative, and $300,000 to City College of San Francisco Transportation Academy.

ITS STANDARDS, RESEARCH, OPERATIONAL TESTS AND DEVELOPMENT

The Committee recommends the $110,000,000 provided for ITS research be allocated in the following manner:

	Amount
Research and development	$50,000,000
Operational tests	11,000,000
Evaluation	7,000,000
Architecture and standards	18,000,000
Integration	12,000,000
Program support	12,000,000
Total	110,000,000

ITS DEPLOYMENT

It is the intent of the Committee that the following projects contribute to the integration and interoperability of intelligent transportation systems in metropolitan and rural areas as provided under section 5208 of TEA–21 and promote deployment of the commercial vehicle intelligent transportation system infrastructure as provided under section 5209 of TEA–21. These projects shall conform to the requirements set forth in these sections, including the project selection criteria contained in section 5208(b) and the priority areas outlined in section 5209(c), respectively. Projects selected for funding shall use all applicable, published ITS standards. This requirement may be waived if the Secretary determines that the use of a published ITS standard would be counterproductive to achievement of the program objectives. Funding for ITS deployment activities is as follows:

511 Traveler Information Program, North Carolina	$500,000
Alameda Corridor-East Gateway to America Project Phase II, Los Angeles, California	1,250,000
Alexandria ITS Real-Time Transit Enhancement Pilot Project, Virginia	500,000
Altarum Restricted Use Technology Study, Michigan	2,000,000
Altoona, Pennsylvania, ITS	1,000,000
Amber Alert Multi-Regional Strategic Plan, Michigan	400,000
Area Wide Traffic Signal Synchronization System, Phase III, Florida	2,500,000
ATMS, Montgomery County, Maryland	500,000
Bay County Area Wide Traffic Signal System	1,000,000
Cargo*Watch, New York	2,000,000
Carson Passenger Information System, California	300,000
Center for Integrated Transportation & Traffic Systems, University of Arizona	250,000

Chattanooga (CARTA) ITS, Tennessee	2,500,000
City of Asheville Traffic Signal System Upgrades, North Carolina	2,000,000
City of Baltimore, Maryland Traffic Congestion Management	300,000
City of New Rochelle, NY Traffic Signal Replacement Program	1,000,000
City of Santa Rosa: Intelligent Transportation System, California	500,000
Computerization of traffic signals in Ashtabula, OH	14,000
Corona City-wide automated traffic management system, California	1,000,000
DelTrac Statewide Integration, Delaware	1,500,000
Demonstration project to deploy Geospatial Emergency & Response System (GEARS) for transportation, Pennsylvania	300,000
Detroit Metro Airport ITS	700,000
DuPage County Signal Interconnection Project, Illinois	300,000
East Bay Incident & Emergency Management System, California	300,000
Elk Grove Traffic Operations Center, California	1,000,000
Fairfax County Route 1 Traffic Synchronization ITS Pilot Project, Virginia	500,000
FAST Las Vegas (ITS-Phase 2)—Construction	500,000
Germantown Parkway ITS project, Tennessee	3,000,000
GMU ITS Research, Virginia	450,000
Great Lakes ITS, Michigan	5,000,000
Harbor Boulevard Intelligent Transportation, California	1,000,000
Hawthorne Street Public Access Improvements, New Bedford, MA	600,000
Houma, Louisiana	1,650,000
Houston, Texas ITS	1,700,000
I–70 Incident Management Plan Implementation, Colorado	750,000
I–87 Highway Speed E–Z Pass at the Woodbury Toll Barrier, New York	2,000,000
I–87 Smart Corridor, New York	1,000,000
I–90 Phase 2 Connector ITS Testbed—Town of North Greenbush—Rensselaer County, NY	250,000
Illinois Statewide ITS	1,500,000
Implementation of Wisconsin DOT's Fiber Optics Network	1,000,000
Integration and Implementation of DYNASMART–X, RHODES and CLAIRE in Houston, TX	500,000
Intelligent Transportation System (KC metro area)	250,000
Intelligent Transportation Systems Deployment Project, Inglewood, CA	750,000
Intelligent Transportation Systems, City of Wichita Transit Authority, Kansas	750,000
Intelligent Transportation Systems, Statewide and Commerical Vehicle Information Systems Network, Maryland	750,000
Intelligent Transportation Systems, Washington, DC Region	1,000,000
Intersection Signalization Project for the City of Virginia Beach, Virginia	500,000
ITS—City of East Peoria, Illinois	200,000
ITS—I 74 in Peoria, IL	750,000
ITS Baton Rouge, LA	1,750,000
ITS Expansion in Davis and Utah Counties, Utah	1,250,000
ITS Logistics and Systems Management for the Gateway Cities, California	500,000
ITS Technologies, San Antonio, Texas	323,000
ITS—Initial Implementation, Cache Valley, Utah	1,000,000
Jacksonville Transportation Authority, Intelligent Transportation Initiative, Florida	500,000
King County, County-wide Signal Program, Washington	500,000
Laredo Signal Integration Project, Texas	1,750,000
Lincoln, Nebraska StarTran Automatic Vehicle Locator System	1,120,000
Los Angeles MTA Regional Universal Fare System	1,000,000
Macomb County ITS Integration, Michigan	750,000
Maine Statewide ITS	1,000,000
Market Street Signalization Improvements, Mississippi	162,000
MARTA Automated Fare Collection/Smart Card System, Georgia	500,000
Metrolina Transportation Management Center, North Carolina	2,000,000
Minnesota Guidestar	2,000,000
Mobile Data Computer Network—Phase II (MDCN), Wisconsin	2,200,000
Monroe County ATMS ITS Deployment Project, New York	1,000,000
Montachusett Area Regional Transit (MART) AVLS, MA	240,000

Multi Region Advanced Traveler Information System (ATIS) for the IH–20 Corridor—Phase 1 in Texas	1,000,000
Nebraska Statewide Intelligent Transportation System Deployment	1,000,000
New York State Thruway Authority Traffic Operation Package for 1–95 and 1–87	2,700,000
North Bergen, New Jersey Traffic Signalization Replacement	1,000,000
Oklahoma County I–40 ITS	3,266,000
Palm Tran, Palm Beach County, FL—Automated Vehicle Location and Mobile Data Terminals	1,600,000
Pioneer Valley Transit Authority (PVTA) ITS, MA	4,000,000
Port of Rochester Transportation Security/Intelligent Transportation (ITS) Project, New York	1,500,000
Portland State University Intelligent Transportation Research Initiative, Oregon	750,000
Project Hoosier SAFE–T, Indiana	2,000,000
Real Time Transit Passenger Information System for the Prince George's County Dept. of Public Works, Maryland	1,500,000
Regional Intelligent Transportation System, Springfield, MO	2,500,000
Regional ITS Architecture and Deployment Plan for the Eagle Pass Region and Integrate with Laredo, Texas	300,000
Regional Traffic Signal Interconnect Project, Washington	500,000
Roosevelt Boulevard ITS Enhancement Pilot Program, Pennsylvania	1,000,000
Rural Freeway Management System Implementation for the IH–20 Corridor in the Tyler Region—Phase 1, Texas	300,000
Rural Highway Information System, KY	2,000,000
San Diego Joint Transportation Operations Center	500,000
San Francisco Muni Transportation Communications System	1,500,000
Seacoast Intelligent Transportation System Congestion Relief Project, New Hampshire	1,000,000
Shreveport ITS Project, Louisiana	1,000,000
South Carolina DoT Statewide ITS	3,250,000
Spotswood Township, NJ; Expand and improve traffic flow with road improvements	375,000
SR 874 ITS Integration Project, Florida	2,000,000
SR 924 ITS Integration Project, Florida	1,000,000
SR 112 ITS Integration Project, Florida	500,000
State Route 164 Signal Synchronization Muckleshoot, Washington	1,250,000
Swatara Township, Pennsylvania—Traffic Signalization Improvements	100,000
TalTran ITS Smartbus Program, Florida	2,500,000
Texas Medical Center EMS Early Warning System	1,000,000
Town of Cary Computerized Traffic Signal Project, North Carolina	750,000
Traffic Signal Controllers & Cabinets, District of Columbia	750,000
TRANSCOM Regional Architecture & TRANSMIT project, NJ, NY, & CT	750,000
Tucson Fiber Optic Signal Interconnect System, Arizona	400,000
Twin Cities, MN Redundant Communications Pilot	750,000
Tysons Transportation Association—ITS, Virginia	250,000
Ventura County Intelligent Transportation System, California	1,500,000
West Baton Rouge Parish Joint Operations Emergency Communications Center	1,000,000
Wisconsin CVISN Level One Deployment	950,000
Wyoming Statewide ITS Initiative	2,500,000

Joint Program Office.—In the early 1990s, the Appropriations Committees expressed strong support for the formulation of a Joint Program Office (JPO) within the DOT to oversee the federal role in the national Intelligent Transportation System (ITS) effort. This office, which is located within the Federal Highway Administration, now provides overall program direction and budget coordination among the multiple DOT offices conducting ITS activities. The Committee believes the JPO has successfully managed the ITS program. For example, the JPO's close association with FHWA's research, headquarters staff, and regional offices has ensured a unified approach to providing training, implementation and testing of standards, and adherence to a national systems architecture. The Committee maintains that the JPO's positive working relationship with the FMCSA and FTA has facilitated progress in advancement of technologies and the deployment of systems.

The appropriation for ITS provided herein is predicated on the continuation of the JPO conducting the functions identified previously. Maximum efficiencies are most likely to be obtained by retaining the current administrative structure of the JPO within the FHWA with a reporting function to the Deputy Secretary. If there is any change in the administrative structure or responsibilities of the JPO, the Secretary is directed to inform the House and Senate Committees on Appropriations and to justify in detail such changes.

BUREAU OF TRANSPORTATION STATISTICS

Under the FHWA appropriation, the accompanying bill provides $31,000,000 for the Bureau of Transportation Statistics (BTS), the amount authorized in TEA–21. The Committee does not provide additional amounts requested from the airport and airway trust fund. The Committee notes that BTS has undergone significant increases in staffing since 1993, the year BTS was established. In fiscal year 1993, on-board positions totaled 5, in 2001 total staff stood at 101, and BTS was limited to 136 in 2003. Concern about the rate of growth in general, but particularly when staffing exceeded the Administration's request to Congress, led the Committee to limit BTS staff in fiscal year 2003. The Committee continues to limit BTS full time positions to 136 for fiscal year 2004.

FEDERAL-AID HIGHWAYS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	*Limitation on obligations*
Appropriation, fiscal year 2003 [1]	$32,000,000,000	($31,593,300,000)
Budget request, fiscal year 2004	30,000,000,000	(29,293,948,000)
Recommended in the bill	34,000,000,000	(33,385,000,000)
Bill compared with:		
Appropriation, fiscal year 2003	+2,000,000,000	(+1,791,700,000)
Budget request, fiscal year 2004	+4,000,000,000	(+4,091,052,000)

[1] Limitation on obligation reflects the across the board reduction pursuant to Division N section 601 of Public Law 108–7.

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

There are almost four million miles of public roads in the United States and approximately 577,000 bridges. The Federal Government provides grants to states to assist in financing the construction and preservation of about 958,000 miles (24 percent) of these roads, which represents an extensive interstate system plus key feeder and collector routes. Highways eligible for federal aid carry about 85 percent of total U.S. highway traffic.

COMMITTEE RECOMMENDATION

The Committee recommends liquidating cash appropriation of $34,000,000,000. This level is the required amount to pay the outstanding obligations of the various highway programs at levels provided in past Appropriation Acts.

The current authorization, the Transportation Equity Act for the 21st Century (TEA–21) expires on September 30, 2003. Since no reauthorization bill has been passed by Congress, the Committee bill assumes the account structure and funding levels contained in the final year of TEA–21.

TEA–21 aligned highway spending with receipts into the highway account of the highway trust fund. The obligation limitation is $5,091,052,000 over the Office of Management and Budget's estimate of receipt deposits into the highway account of the highway trust fund in fiscal year 2004. Following the TEA–21 model that aligned receipts to obligation limitation, fiscal year 2004 funding level would be $28,293,948,000. However, this does not take into account the downward adjustment of about $4 billion required due to overestimation of receipts in prior years.

The accompanying bill includes language limiting fiscal year 2004 federal-aid highways obligations to $33,385,000,000, an increase of $1,791,700,000 from the fiscal year 2003 enacted level and $4,091,052,000 over the budget request. This obligation limitation level is $5,091,052,000 more than the estimates of receipts into the highway trust fund in fiscal year 2004.

FEDERAL-AID HIGHWAYS ESTIMATED OBLIGATIONS

Although the following table reflects an estimated distribution of obligations by program category, the bill includes a limitation applicable only to the total of certain federal-aid spending. The following table indicates estimated obligations by program within the $33,385,000,000 provided by this Act and additional resources made available by permanent law:

FEDERAL-AID HIGHWAYS ESTIMATED OBLIGATION LIMITATION BY PROGRAMS

[In thousands of dollars]

Programs	FY 2002 limitation	FY 2003 limitation	FY 2004 est. limitation
Subject to limitation:			
Surface Transportation Program	$6,007,633	$6,926,475	$7,698,954
National Highway System	5,113,998	5,919,346	6,579,941
Interstate Maintenance	4,203,960	4,847,211	5,390,114
Bridge Program	3,592,045	4,141,741	4,606,035
Congestion Mitigation and Air Quality Improvement	1,465,679	1,689,817	1,878,109
Minimum Guarantee	2,000,000	2,000,000	2,000,000
Safety Incentive Grants for Use of Seat Belts	101,248	100,145	112,000
ITS Standards, Research and Development	94,920	98,357	110,000
ITS Deployment	108,480	109,086	122,000
Transportation Research	214,116	208,880	230,500
Federal Lands Highways	855,323	772,919	690,115
National Corridor Planning and Coordinated Border Infrastructure	509,419	377,313	140,000
Administration	310,548	[1] 314,071	359,458

FEDERAL-AID HIGHWAYS ESTIMATED OBLIGATION LIMITATION BY PROGRAMS—Continued

[In thousands of dollars]

Programs	FY 2002 limitation	FY 2003 limitation	FY 2004 est. limitation
Other Programs	4,872,239	1,538,748	908,794
High Priority Projects Program	1,607,648	1,821,583	1,947,317
Woodrow Wilson Memorial Bridge (Special)	232,942	230,467	0
Transportation Infrastructure Finance and Innovation	108,480	50,496	130,000
Appalachian Development Highway System	400,427	446,645	481,663
Total Obligation Limitation [2]	31,799,105	31,593,300	33,385,000
Emergency Relief Program	87,198	138,089	100,000
Minimum Allocation/Guarantee	655,276	581,569	616,028
Demonstration Projects	264,359	164,671	115,269
Total Estimated Obligation of Exempt Programs	1,006,833	884,329	831,297
Emergency Relief Supplemental	115,619	285,248	0
Grand Total, Federal-Aid Highways (Direct)	32,921,557	32,762,877	34,216,297

[1] Net of the .65% across-the-board reduction contained in Div. N, Sec. 601 of P.L. 108–7. Does not reflect FHWA's share of the WCF reduction.

[2] Please note that distribution of the obligation limitation for the core programs are estimated.

The following table reflects the estimated distribution of the federal-aid limitation by state:

ESTIMATED FY 2004 OBLIGATION LIMITATION

[In thousands of dollars]

State	Estimated FY 2004 formula limitation	FY 2004 minimum guarantee	Appalachian development highways	Total
Alabama	$474,338	$36,849	$53,034	$564,221
Alaska	248,718	69,955	0	318,673
Arizona	448,905	49,754	0	498,659
Arkansas	338,732	26,519	0	365,251
California	2,535,880	150,109	0	2,685,989
Colorado	358,091	22,145	0	380,236
Connecticut	368,355	48,358	0	416,713
Delaware	121,492	8,515	0	130,007
Dist. of Col.	114,465	315	0	114,780
Florida	1,196,365	168,438	0	1,364,803
Georgia	877,848	104,285	21,195	1,003,328
Hawaii	133,427	10,093	0	143,520
Idaho	184,639	19,536	0	204,175
Illinois	905,230	37,407	0	942,637
Indiana	589,237	61,762	0	650,999
Iowa	330,696	10,461	0	341,157
Kansas	322,376	9,505	0	331,881
Kentucky	425,174	26,846	48,651	500,671
Louisiana	421,743	27,311	0	449,054
Maine	142,152	7,944	0	150,096
Maryland	437,794	25,609	8,293	471,696
Massachusetts	502,534	19,391	0	521,925
Michigan	807,086	65,636	0	872,722
Minnesota	399,074	16,143	0	415,217
Mississippi	325,056	17,654	5,948	348,658
Missouri	627,684	30,960	0	658,644
Montana	250,056	34,525	0	284,581
Nebraska	223,235	6,618	0	229,853
Nevada	188,113	17,730	0	205,843
New Hampshire	131,767	9,207	0	140,974
New Jersey	715,080	37,061	0	752,141
New Mexico	255,492	21,260	0	276,752

ESTIMATED FY 2004 OBLIGATION LIMITATION—Continued

[In thousands of dollars]

State	Estimated FY 2004 formula limitation	FY 2004 minimum guarantee	Appalachian development highways	Total
New York	1,317,440	89,000	11,431	1,417,871
North Carolina	699,677	69,841	31,225	800,743
North Dakota	181,275	10,635	0	191,910
Ohio	888,292	59,245	23,915	971,452
Oklahoma	433,648	13,321	0	446,969
Oregon	319,759	16,430	0	336,189
Pennsylvania	1,166,657	58,323	129,676	1,354,656
Rhode Island	162,477	10,540	0	173,017
South Carolina	431,375	44,852	2,598	478,825
South Dakota	187,631	13,206	0	200,837
Tennessee	536,856	36,656	59,458	632,970
Texas	2,039,743	220,203	0	2,259,946
Utah	212,565	7,410	0	219,975
Vermont	127,630	5,679	0	133,309
Virginia	653,927	55,918	12,497	722,342
Washington	479,459	18,763	0	498,222
West Virginia	219,205	10,163	73,742	303,110
Wisconsin	498,014	53,930	0	551,944
Wyoming	196,690	7,984	0	204,674
Subtotal	26,153,154	2,000,000	481,663	28,634,817
Special Limitation:				
High Priority Projects				1,947,317
Allocation Programs				2,802,866
Total Limitation				33,385,000

The Committee's recommendations are based on current law, under which Federal-aid highways funds are made available through the following major programs:

National highway system.—The ISTEA of 1991 authorized—and the National Highway System Designation Act of 1995 subsequently established—the National Highway System (NHS). This 163,000-mile road system serving major population centers, international border crossings, intermodal transportation facilities and major travel destinations, is the culmination of years of effort by many organizations, both public and private, to identify routes of national significance. It includes all interstate routes, other urban and rural principal arterials, the defense strategic highway network, and major strategic highway connectors, and is estimated to carry up to 76 percent of commercial truck traffic and 44 percent of all vehicular traffic. A state may choose to transfer up to 50 percent of its NHS funds to the surface transportation program category. If the Secretary approves, 100 percent may be transferred. The federal share of the NHS is 80 percent, with an availability period of 4 years.

Interstate maintenance.—The 46,567-mile Dwight D. Eisenhower National System of Interstate and Defense Highways retains a separate identity within the NHS. This program finances projects to rehabilitate, restore, resurface and reconstruct the interstate system. Reconstruction of bridges, interchanges, and over-crossings along existing interstate routes is also an eligible activity if it does not add capacity other than high occupancy vehicle (HOV) and auxiliary lanes.

Funds provided for the interstate maintenance discretionary program in fiscal year 2004 shall be available for the following activities in the corresponding amounts:

Business Route I–44 (Chestnut Expressway) and National Avenue Intersection Improvement Missouri	$750,000
Capacity expansion on I–35 in Olathe, KS, from 159th St. to 175th St.	1,200,000
Cawtawba Avenue Interchange (I–77) Improvement, North Carolina	750,000
Central Sarasota Parkway Interchange at I–75, Sarasota, Florida	500,000
City of Wheat Ridge, Colorado, I–70 and State Highway 58 Interchange Reconstruction	1,600,000
Conceptual Development & Preliminary Design improvements to the intersections of Interstate 59, U.S. Highways 15 and 84, Mississippi	265,000
Construct Madison Street Interchange I–29 in Sioux Falls, SD	3,000,000
Coors/Interstate 40 Interchange Reconstruction, New Mexico	1,000,000
Deming, NM I–10 Frontage Road Extension	1,800,000
Double Eagle II Airport (Paseo del Volcan) Interchange and Roadway Rehabilitation, New Mexico	2,000,000
Ellensburg Interchange I–90, Milepost 108.31, Washington	2,000,000
Feasibility study for Routes 495/195 Interchange, Wareham, Massachusetts	500,000
Four interchanges at I–435 and I–35 in Johnson County, Kansas	1,000,000
I–12 Sound Barriers, Slidell, Louisiana	750,000
I–15, Utah/ Salt Lake County Line to SR–92	3,000,000
I–20 Downing Pines Interchange, Louisiana	1,405,000
I–205, Oregon	1,000,000
I–210 and Highway 14 Interchange, Lake Charles, Louisiana	1,000,000
I–25, US 36, I–270 Interchange, Colorado	500,000
I–25/Tramway Interchange, Albuquerque, New Mexico	2,000,000
I–285 Noise Walls, Henderson Mill to Chamblee Tucker Road, Georgia	800,000
I–285 Noise Walls, I–20 to Bouldercrest Road, Georgia	480,000
I–295/Meadowville Interchange, Virginia	2,000,000
I–35 East/I–635 interchange, Texas	800,000
I–40 Crosstown Expressway, Oklahoma	1,000,000
I–44 exit ramp in Luther area, Oklahoma	2,000,000
I–44 Rogers Lane Interchange, Lawton, Oklahoma	1,000,000
I–44 widening and construction Arkansas River east to Yale Avenue in Tulsa, OK	5,000,000
I–476 Reconstruction and Widening Project, Pennsylvania	1,000,000
I–5 Rush Road to Maytown Widening, Lewis County, WA	500,000
I–5 Vancouver Interchange Improvements, Washington	1,000,000
I–5/Ortega Highway Interchange Construction, California	1,000,000
I–66/Route 29 Gainsville Interchange, Virginia	1,750,000
I–676 Martin Luther King Blvd., Camden County, NJ	1,250,000
I–695 Baltimore Beltway N/E Inner Loop, Maryland	1,000,000
I–70 Projects: Frederick, Maryland	750,000
I–75 in Rockcastle County, Kentucky (Milepoint 64.5 to Milepoint 69.0), 4.5 Miles	1,500,000
I–75/Aviation Blvd, Atlanta, Georgia	1,000,000
I–76, Fort Morgan, Colorado to Brush, Colorado	250,000
I–77/Lauby Road exit, Ohio	1,000,000
I–80 Truck Climbing Lane, Keystone to Robb Drive, Nevada	500,000
I–81 Corridor and I–690 Interchange Improvement Project in Syracuse, New York	2,000,000
I–84, Glenns Ferry to King Hill, Idaho	1,000,000
I–84/I–87 Interchange Reconstruction, New York	250,000
I–84/Route 2 East Hartford Connecticut, operational improvements (flyover access)	1,000,000
I–85 Coweta County Noise Barriers, Georgia	750,000
I–90, Spokane to Idaho State Line, Washington	1,000,000
I–96/Latson Road Interchange, Michigan	750,000
IH 30 from FM 989 (Kings Highway) to US 59/71 (Stateline Avenue) in Texarkana, Texas	3,000,000
IH–30 Interchange Improvement Project, Texas	2,000,000
IH35/SH45 interchange at Round Rock, Texas	250,000

Improvements to I–75 in Lee County, FL	1,000,000
Interchange at I–565 and County Line Road, Alabama	1,000,000
Interstate 10 Cypress Avenue Overcrossing, California	1,000,000
Interstate 10/Tippecanoe Interchange, California	2,500,000
Interstate 295/Route 38 Interchange Improvements, New Jersey	750,000
Interstate 430/630: Interchange Modification, Arkansas	1,000,000
Interstate 74 Bridge Corridor Project, Iowa	500,000
Interstate 80-Exits 298–299 Renovation Project, Pennsylvania	1,000,000
Laval Road Interchange Upgrades at I–5, California	1,000,000
Louisville—Southern Indiana Ohio River Bridges project, Indiana	3,250,000
New York State Thruway Authority, Westchester County, Byram Bridge Rehabilitation	1,000,000
Noise Walls on I–20 from Fulton Industrial Boulevard to H. E. Holmes, Fulton County, Georgia	500,000
Northbound I–675 Sound Barrier, Greene County, Ohio	1,000,000
Ohio River Bridges, Kentucky	6,550,000
Pavement and Bridge Rehabilitation on I–85, North Carolina	1,000,000
Pennsylvania Turnpike—Interstate 95 Interchange Project	250,000
Phase II, I–44 Modification (Widen Eastbound I–44 Bridge at Meramec River), Missouri	200,000
Pineda Causeway Interchange at I–95, Florida	1,100,000
Rancho Cucamonga I–15 & Base Line Road Interchange Improvements, California	1,000,000
Reconstruct Exit 60—I–90 in Rapid City, South Dakota.	1,000,000
Reconstruction/Removal of I–40 and I–55 ramps, Memphis, TN	750,000
Right of way Project on IH 35, from FM 2063 in Hewitt to South Loop 340/ State Hwy 6 Interchange, Texas	1,500,000
Scott City, Missouri Access Ramp	250,000
Sierra College Boulevard/I–80 Interchange, California	1,000,000
SR-56/I–5 Northbound Widening, California	1,000,000
Tri-State Tollway (I–294), Plaza 33 Irving Park Road, MP 39.0, Illinois	600,000
Upgrade Interchange at I–15—Design, Cajalco Road, Corona, CA	200,000
Upgrade of the Interstate 95 and SC–327 Interchange in South Carolina	1,750,000
Valley Mall Boulevard Interchange and South Union Gap Interchange, Washington	500,000
Waltham, MA 1–95/Rt 20 Interchange	2,000,000
Widening Interstate 35 East between FM 2181 and Lake Lewisville, Denton County, Texas	250,000

All remaining federal funding to complete the initial construction of the interstate system has been provided through previous highway legislation. TEA–21 provides flexibility to States in fully utilizing remaining unobligated balances of prior interstate construction authorizations. States with no remaining work to complete the interstate system may transfer any surplus interstate construction funds to their interstate maintenance program. States with remaining completion work on interstate gaps or open-to-traffic segments may relinquish interstate construction fund eligibility for the work and transfer the federal share of the cost to their interstate maintenance program.

Surface transportation program.—The surface transportation program (STP) is a flexible program that may be used by the states and localities for any roads (including NHS) that are not functionally classified as local or rural minor collectors. These roads are collectively referred to as Federal-aid highways. Bridge projects paid with STP funds are not restricted to Federal-aid highways but may be on any public road. Transit capital projects are also eligible under this program. The total funding for the STP may be augmented by the transfer of funds from other programs and by minimum guarantee funds under TEA–21, which may be used as if they were STP funds. Once distributed to the states, STP funds must be used according to the following percentages: 10 percent for safety construction; 50 percent divided among areas of over 200,000 population and remaining areas of the State; and, 30 percent for any area of the state. Areas of 5,000 population or less are guaranteed an amount based on previous funding, and 15 percent of the amounts reserved for these areas may be spent on rural minor collectors. The federal share for the STP program is 80 percent with a 4-year availability period.

Bridge replacement and rehabilitation program.—This program provides assistance for bridges on public roads including a discretionary set-aside for high cost bridges and for the seismic retrofit of bridges. Fifty percent of a state's bridge funds may be transferred to the NHS or the STP, but the amount of any such transfer is deducted from national bridge needs used in the program's apportionment formula for the following year.

Funds provided for the bridge discretionary program in fiscal year 2004 shall be available for the following activities in the corresponding amounts:

12th Street Viaduct (Kansas City, Missouri)	$750,000
Boulder Ave Bridge project, Highland, California	1,000,000
Coal Creek Parkway, Washington	1,500,000
Construction of the Cooper River Bridge Replacement Project, South Carolina	2,000,000
CR 309 Georgetown Bridge, Putnam County, Florida	500,000
Ferry Street Bridge, New Haven, CT	1,750,000
First Street Bridge, Roanoke, Virginia	500,000
Gill-Montague Bridge, MA	5,000,000
Gilmerton Bridge, Virginia	4,000,000
Greenspot Bridge, Highland, CA	500,000
Hagatna River, Flood Mitigation Bridge Improvement Project, Guam	750,000
Historic Woodrow Wilson Bridge Restoration Project, Rankin Co., MS	2,500,000
I–195 Washington Bridge (East Bound), Rhode Island	750,000
I–35 Trinity River Bridge, Texas	1,000,000
I–710 Corridor/Gerald Desmond Bridge Gateway Program (Desmond Bridge Replacement)	2,000,000
I–95 New Haven Q-Bridge, Approach Work (Contract C), Connecticut	750,000
Indian River Inlet Bridge Replacement, Delaware	2,000,000
Interstate 74 Bridge Corridor Project, Iowa	1,900,000
Kapahi Bridge, Island of Kauai	500,000
Lake Pontchartrain Causeway Bridge, Louisiana	3,000,000
Leeville Bridge, Lafourche Parish, Louisiana	2,000,000
Longfellow Bridge, Boston and Cambridge, Massachusetts	3,000,000
Martin Luther King Jr. Bridge Aprons, Toledo, Ohio	2,000,000
MD 70 Bridge over Weems Creek, Maryland	500,000
Missouri River Bridge, Rulo	1,250,000
North Avenue Bridge over the North Branch of the Chicago River, Illinois	1,000,000
Red Cliff Arch Bridge, Colorado	1,500,000
Replacement of existing I–75 Brent Spence Bridge over Ohio River between Covington and Cincinnati	2,500,000
Route 17/Essex St. Bridge Replacement, Bergen County, New Jersey	3,000,000
Route 52 Causeway Replacement and Somers Point Circle Elimination, New Jersey	1,750,000
Russell Street Viaduct Replacement, Maryland	650,000
Sauvie Island Bridge Replacement, Oregon	500,000
State Highway 332 at Brazos River, Brazoria County, Texas	6,000,000
Tamiami Bridge Replacement, Florida	2,000,000
U.S. 220—Business Bridge Replacement, Virginia	2,600,000
U.S. 34 Missouri River Bridge in Mills County, Iowa	2,500,000
US–169 viaduct between Kansas Avenue and I–70, Kansas City, Kansas	2,100,000

US–2, Dover Bridge, Bonner County, Idaho	2,000,000
VA Route 28 Widening, Virginia	2,000,000
Vernon Atlantic Boulevard Bridge Expansion Project, California	500,000
Waldo-Hancock Suspension Bridge in Prospect and Verona, Maine	3,000,000

Funds provided for seismic retrofit under the bridge discretionary program in fiscal year 2004 shall be available for the following activities in the corresponding amount:

9th Street Bridge, NE over New York Avenue, District of Columbia	$750,000
Christina River Bridge Seismic Retrofit, Delaware	2,500,000
Golden Gate Bridge Seismic Retrofit, California	5,000,000
Highway 21/Rincon Truck Bypass, Georgia	7,500,000
Sakonnet River Bridge Replacement, Rhode Island	1,750,000
South Capitol Street/Frederick Douglass Bridge, Maryland	2,500,000
SR 520/SR 25 Flyover Bridge, Glynn County, Georgia	5,000,000

Congestion mitigation and air quality improvement program.—This program provides funds to states to improve air quality in non-attainment and maintenance areas. A wide range of transportation activities are eligible, provided DOT, after consultation with EPA, determines they are likely to help meet national ambient air quality standards. TEA–21 provides greater flexibility to engage public-private partnerships, and expands and clarifies eligibilities to include programs to reduce extreme cold starts, maintenance areas, and particulate matter (PM–10) nonattainment and maintenance areas. If a state has no non-attainment or maintenance areas, the funds may be used as if they were STP funds. On-road and off-road demonstration projects may be appropriate candidates for funding under the CMAQ program. Both sectors are critical for satisfying the purposes of the CMAQ program, including reducing regional emissions and verifying new mobile source control techniques.

Federal lands highways.—This program provides funding through four major categories—Indian reservation roads, parkways and park roads, public lands highways (which incorporates the previous forest highways category), and Federally-owned public roads providing access to or within the National Wildlife Refuge System. TEA–21 also established a new program for improving deficient bridges on Indian reservation roads.

Funds provided for the federal lands program in fiscal year 2004 shall be available for the following activities in the corresponding amounts:

Access roads to Beale Air Force Base, CA	$750,000
Adams National Historic Park Transportation and Access, Massachusetts	465,000
Apache County Road, 5020, Arizona	750,000
Apache County South Fork Bridge, Arizona	250,000
Atwater Federal Penitentiary Access Road, California	1,500,000
Badger Creek Crossing, Fall River Lake, Greenwood County, KS	5,000,000
Battlefield Parkway expansion from Kindaid Boulevard to Route 7, Virginia	6,000,000
BIA Route 35 resurfacing: State line to Montezuma Creek, Utah	1,500,000
Big South Fork, Scenic Railway Track Restoration in McCreary County, Kentucky	400,000
Blackstone River Bikeway, Rhode Island	800,000
Blackwater Wildlife Refuge roads and visitor center, Rhode Island	500,000
Boston Harbor Islands National Park Area Universal Access, Massachusetts	2,600,000
Brown's Park, Utah	1,500,000
Calaveras Wagon Trail Expressway Realignment, California	500,000
Calumet Trail, Prairie Duneland Trail and Marquette Trail Link, Indiana	307,000

Choctaw Roads, Band of Choctaw Indians Road Improvements, Mississippi	900,000
City of Henderson Lake Las Vegas/Lake Mead Interchange, Nevada	2,000,000
Cross Base Highway, Washington	1,000,000
East Flagstaff Traffic Interchange, Arizona	500,000
Foothills Parkway, Great Smoky Mountains National Park, Tennessee	1,000,000
Fort Yates Business Loop Street Improvement, North Dakota	550,000
George Washington Memorial Parkway Safety Improvements, Virginia	800,000
Glorieta Battlefield New Mexico 50 realignment	750,000
Hal Rogers Parkway, Kentucky	1,000,000
Hansen Dam Recreation Area Parking Enhancements, Pacoima, California	500,000
Highway 62 Traffic and Pedestrian Safety Improvements, in Yucca Valley, California	500,000
Hoover Dam Bypass Bridge, Arizona	5,000,000
Hoover Dam Bypass-Boulder Extension (US 93/US 95, Wagon Wheel Pass), Nevada	6,000,000
IH20—Dyess AFB Access Project, Texas	2,500,000
Lake Tahoe EIP, Nevada	1,000,000
Lowell Riverwalk Phase II Design, Massachusetts	800,000
Marin Parklands/Muir Woods Visitor Access, California	2,000,000
MD 4 Suitland Parkway Interchange	4,500,000
Military Cutoff Road (SR 1409) Improvements in New Hanover County, North Carolina	887,000
Mill Creek Road (Mendocino County), California	800,000
Navajo Archeological Study, Utah State Route 262 between Montezuma Creek and Aneth	2,000,000
Needles Highway Realignment and Safety Improvements, California	3,000,000
Ohiki Road Bank Stabilization and Engineering, Hanalei, Island of Kauai	100,000
Ohio State Route 2/Ottawa National Wildlife Refuge	1,000,000
Phase 2 South Palm Canyon Realignment and Ancillary Access Improvements, California	300,000
Presidio Trails and Bikeways, Golden Gate National Recreation Area, California	1,500,000
Preston North & South, Nebraska	500,000
Public Lands Highways Project, Cedar Creek bridge construction at Wilson Lake, Russell County, Kansas	304,000
Regional Tourism and Transportation Center, New York	1,250,000
Rehabilitation of the Henry Drive Bridge over the Union Pacific Railroad tracks at Fort Riley, Kansas	808,000
Rossie Coats Road, Kemper County, MS	200,000
Russell Cave National Monument Road, Jackson County, Alabama	496,000
Saginaw Chippewa Transportation Improvement Project, Michigan	1,000,000
Seminoe Dam Road, Wyoming	750,000
Snake Road (BIA Route 1281) Improvement, Florida	1,000,000
SR 196 Widening, Liberty County, Georgia.	1,000,000
Stafford 8th Avenue Bridge, Arizona	1,000,000
State Highway 149, Colorado	500,000
Sturgeon Lake Road Overpass, Minnesota	2,000,000
Summit Valley Road Project, San Bernardino, California	500,000
Tank Destroyer Blvd, Ft. Hood, TX	2,000,000
Timucuan Preserve Bike Trail, Florida	600,000
Turquoise Trail Project (BIA Route 4), Arizona	2,498,000
US 50 Phase I highway and water quality improvement project, California	2,000,000
US 666 Archaeological Studies and Planning Design, New Mexico	880,000
USMC Heritage Center Access, Virginia	750,000
Western Canalway, Suffolk and Moody Street Reach, Massachusetts	500,000
Western Maryland Low Impact Welcome Center at Byron Overlook, Maryland	770,000
Wolf Trap National Park Pedestrian Crossing, Virginia	1,285,000

The Committee directs that the funds allocated above shall be derived from the FHWA's public lands discretionary program, and not from funds allocated to the Fish and Wildlife Service and National Park Service regional offices.

Minimum guarantee.—Under TEA–21, after the computation of funds for major Federal-aid programs, additional funds are distributed to ensure that each state receives an additional amount based on equity considerations. This minimum guarantee provision ensures that each state will have a return of 90.5 percent on its share of contributions to the highway account of the Highway Trust Fund. To achieve the minimum guarantee each fiscal year, $2.8 billion nationally is available to the states as though they are STP funds (except that requirements related to set-asides for transportation enhancements, safety, and sub-state allocations do not apply), and any remaining amounts are distributed among core highway programs.

Emergency relief.—This program provides for the repair and reconstruction of Federal-aid highways and Federally-owned roads which have suffered serious damage as the result of natural disasters or catastrophic failures. TEA–21 restates the program eligibility specifying that emergency relief (ER) funds can be used only for emergency repairs to restore essential highway traffic, to minimize the extent of damage resulting from a natural disaster or catastrophic failure, or to protect the remaining facility and make permanent repairs. If ER funds are exhausted, the Secretary of Transportation may borrow funds from other highway programs.

Appalachian development highway system.—This program makes funds available to construct highways and access roads under section 201 of the Appalachian Regional Development Act of 1965. Under TEA–21, funding is authorized at $450,000,000 for each of fiscal years 1999–2004; is available until expended; and distributed based on the latest available cost-to-complete estimate.

National corridor planning and border infrastructure programs.—TEA–21 established a new national corridor planning and development program that provides funds for the coordinated planning, design, and construction of corridors of national significance, economic growth, and international or interregional trade. Allocations may be made to corridors identified in section 1105(c) of ISTEA and to other corridors using considerations identified in legislation. The coordinated border infrastructure program is established to improve the safe movement of people and goods at or across the U.S./Canadian and U.S./Mexican borders.

Funds provided for the national corridor planning and border infrastructure programs in fiscal year 2004 shall be available for the following activities in the corresponding amounts:

172nd Street/I–5 Interchange and Bridge Expansion, Washington	$2,000,000
60/67 Interchange—Butler County, Missouri	1,500,000
Aiken Road Bridge, Kentucky	100,000
Alameda Corridor-East Gateway to America Project Phase II, Los Angeles, California	2,000,000
Anacostia Crossings and Freeway Study, Maryland	750,000
Annie Glidden Road, DeKalb, Illinois	500,000
Arch-Sperry Road Improvements, California	250,000
Auburn Ravine Bridge—City of Lincoln, California	250,000
Bayfield County bridge projects, Wisconsin	410,000
California State Route 75 (City of Coronado) Tunnel Project Report and Environmental Document, California	500,000

Cameron Street Bridge, Shamokin/Coal Townships, Northumberland County, Pennsylvania	1,000,000
Central Susquehanna Valley Transportation U.S. 15, Pennsylvania	2,000,000
Central Thruway (LA 37/US 190 to Central Thruway Connector), Louisiana	1,000,000
City of Forsyth Frontage Road, Illinois	200,000
City of Madison East Washington Avenue Reconstruction, Wisconsin	2,000,000
City of Seminole, US 377 upgrades and creation of a spur, Oklahoma	2,000,000
City of Wewoka, Oklahoma	250,000
Coalfields Expressway—Virginia	500,000
Columbus, Mississippi Highway 45 Bypass	750,000
Corridor V construction along SR–6, Mississippi	1,000,000
County State Highway 21 Project, Minnesota	750,000
CR 578 Widening from Mariner Boulevard to Suncoast Parkway, Florida	1,000,000
Donna-Rio Bravo International Border Crossing, Texas	750,000
Elk Grove Sheldon 99 Interchange, California	300,000
Extend 4-Lane Highway from Maverick Junction to Nebraska in Fall River County, South Dakota	250,000
FAECO Drive, Luzerne Township, Pennsylvania	3,000,000
Falls to Falls Corridor, Minnesota	1,000,000
Freight Rail Transportation Corridor and Urban Mobility Program—Harris County, Texas	1,000,000
Georgia S.R. 316 Improvements—Gwinnett County, Georgia	100,000
Highway 101 Implementation Plan, California	600,000
Highway 22/Cordon Road interchange- Environmental Impact Study, Oregon	500,000
Highway 29/Highway 51 Wausau, Wisconsin	3,000,000
Highway 412: Baxter County Line to Eastern Sharp County Line	1,500,000
Highway 431 Modification, Alabama	1,200,000
Highway 71: Louisiana State Line, DeQueen, Arkansas	1,000,000
I–40 Crosstown Expressway, Oklahoma	8,000,000
I–5 Interregional Arterials Improvement Project, California	725,000
I–540 and Perry Road Interchange, Rogers, Arkansas	1,050,000
I–65 and County Road 24 Interchange, Limestone County, Alabama	1,000,000
I–66 A westbound widening from Rosslyn Tunnel to Dulles Connector, Virginia	1,000,000
I–675 Corridor Improvements, Ohio	500,000
I–69 Indianapolis to Evansville, Indiana Segment	1,000,000
I–75, Enterprise South Connector Road, Chattanooga, Tennessee	1,000,000
I–75/Austin Road Interchange, Ohio	650,000
I–87 Exit 11A New Interchange, New York	750,000
I–96 at Beck Rd. and Wixom Rd. interchange reconstruction, Michigan	2,000,000
Interchange/overpass at highway K–7 and 55th St. and Johnson Dr. in Shawnee, Kansas	1,000,000
Intercounty Connector (ICC), Maryland	500,000
Interstate 15 Managed Lanes, California	1,000,000
Interstate 5 Riverfront Reconnection, California	500,000
Jasper Airport Road, Jasper, Alabama	1,000,000
Jim Thorpe Bridge Renovation Project, Pennsylvania	500,000
Johnsontown Road, Kentucky	200,000
Kauffman Ave Roadway Improvements, Greene County, Ohio	500,000
KY750 from US 23 to KY 3105 in Raceland, Greenup County, Kentucky	300,000
LA 18 from Avondale to US 90, Jefferson Parish, Louisiana	500,000
LA Hwy 820 Improvements, Lincoln Parish, Louisiana	1,500,000
Lake County, Tennessee, State Route 21, from Log Mile 7.0 to Obion County Line	500,000
Lincoln bypass–SR65/Ferrari Interchange Construction, California	2,000,000
Long Meadow Parkway Fox River Bridge Crossing, Bolz Road, Illinois	3,000,000
Loop 201 Expansion Project, Texas	750,000
Loop 304 Expansion and Improvement, Crockett, Texas	500,000
Lyndale Avenue Bridge, Minnesota	2,000,000
Montgomery County/U.S. 35 Widening, Ohio	500,000

New Haven Road Corridor Study, Connecticut	90,000
New Jersey Route 31 Highway/ Congestion Mitigation Study	150,000
New Jersey Route 57/CR Route 519 Intersection Improvements	1,300,000
North Coast Interstate 5, La Jolla Village Drive and Vandegrift Boulevard, California	500,000
Northern Bypass of Somerset, Kentucky in Pulaski County	650,000
Northern Tier Expressway (NTE), New York	100,000
North-South Highway TCL–MSL Corridor, Alabama	1,000,000
Pennsylvania Mon Fayette Expressway and Southern Beltway Project, Pennsylvania	2,000,000
Pinellas County, Florida Roosevelt Connector Project	7,000,000
Pittston Connector Project, Pennsylvania	300,000
Planning for New Route over Cape Fear River, North Carolina	250,000
Ports-to-Plains highway rehabilitation between Del Rio and Eagle Pass, Texas	1,000,000
Ranchero Road/Cajon Branchline Grade Separation, California	500,000
Route 104/Dominion Boulevard, Virginia	3,000,000
Route 106 Underpass Rehabilitation, Mansfield, Massachusetts	750,000
Route 116 Ashfield, Conway, Massachusetts	2,500,000
Route 12, Veterans Memorial Corridor, Auburn, Massachusetts	1,250,000
Route 168 Corridor Improvements, Camden and Gloucester Counties, New Jersey	250,000
Route 17 Improvements from Route 3 to Linwood Avenue, Bergen Co, New Jersey	1,000,000
Route 2 Safety Improvements, Athol, Philipston, Orange, Massachusetts	3,000,000
Route 24/140 Interchange Improvements, Taunton, Massachusetts	750,000
Route 403 Relocation, Rhode Island	1,000,000
Route 590 Reconstruction project, Irondequoit, New York	2,500,000
Route 79 Relocation and Harbor Enhancement, Fall River, Massachusetts	750,000
Route 8, Berkshire County, Massachusetts	1,250,000
Rutherford Avenue, Boston, Massachusetts	1,500,000
Santa Clarita Cross Valley Connector, California	3,000,000
SH 158 widening in Sterling County, Texas	1,000,000
Shelby County CR 500 E Safety Upgrade, Indiana	100,000
SR694, Pinellas Park, Florida	2,000,000
St. Charles, Illinois, Fox River Crossing at Red Gate Corridor	1,750,000
St. Clair Avenue in East Liverpool, Ohio	500,000
State Highway 29 (Interstate 94—Chippewa Falls, Wisconsin)	2,000,000
Ten Mile at Middlebelt Road Intersection Safety, Michigan	200,000
Tennessee US 412 Corridor, Tennessee	2,000,000
Tennessee's I40 in Roane County	750,000
Rock Island Parkway, Arkansas	600,000
Tienken Road Bridge over the Paint Creek, Rochester Hills Michigan	750,000
Town of Marana, Twin Peaks Corridor, Arizona	1,000,000
Trenton Channel Bridge Replacement, Wayne County, Michigan	375,000
U.S. Highway 54, Kansas	1,000,000
U.S. Route 33 Corridor Improvements at Winchester-Cemetary Road, Ohio	1,000,000
U.S. Route 33 Road Improvements (Pendelton County, West Virginia)	500,000
U.S. Route 422 Improvement Project, Pennsylvania	500,000
University Boulevard Interchange Project, Pittsburgh area Pennsylvania	250,000
Upgrade of SR 1165 (Beckford Drive) to a multilane facility, North Carolina	100,000
Upgrade US158 to a multilane facility between I–85 and I–95, North Carolina	250,000
US 20 Webster County Widen to four lanes, Iowa	1,500,000
US 278 from Sulligent, AL to Guin, Alabama	1,500,000
US 60, Osage County, Pawhuska to Vinita, Oklahoma	2,000,000
US 83 Anzalduas Connection Road and Structures to New International Bridge, Texas	500,000
US Highway 212/County Road 134 Intersection, Minnesota	750,000
US Highway 218 in Keokuk, Iowa	1,000,000
US Market Street Bridge, Lycoming County, Pennsylvania	1,000,000
US–12 Burbank to Walla Walla, Washington	1,000,000

US–395 North Spokane Corridor, Washington	1,000,000
USH 151 Dickeyville-Dodgeville, Wisconsin	2,000,000
USH 53 Bypass (Eau Claire, Wisconsin)	2,000,000
West Laredo Multimodal Trade Corridor, Texas	2,000,000
Widen NC 210 (Murchison Road) in Cumberland County, North Carolina	1,750,000
Winfield Way Extension, Canton, Ohio	500,000

I–66 widening.—The Committee has provided $1,000,000 for I–66 westbound widening. However, if funds are not obligated by June 1, 2004, amounts shall be available for Route 7 widening in Fairfax County.

Ferry boats and ferry terminal facilities.—Current law provides funding for the construction of ferry boats and ferry terminal facilities. It also sets-aside $20,000,000 from each of fiscal year for marine highway systems that are part of the National Highway System for use by the states of Alaska, New Jersey and Washington. Consistent with current law, this bill provides $38,000,000.

Funds provided for the ferry boats and ferry terminal facilities program in fiscal year 2004 shall be available for the following activities in the corresponding amounts:

Beale Street Landing/Docking Facility, Memphis, TN	$750,000
Canal Corridor Association—Port of LaSalle Project, Illinois	500,000
Capital Cost of Contracting for Water Bus Service, Florida	500,000
City of Palatka Ferry Service, Florida	750,000
Coffman Cove ferry terminal, Alaska	2,000,000
Erie-Western Pennsylvania Port Authority Ferry Vessel Acquisition	1,100,000
Ferry service from Rockaway Peninsula to Manhattan (Jamaica Bay Transportation Hub), New York	500,000
Fire Island Ferry Terminal, Saltaire, New York	500,000
Fishers Island Ferry District New London Terminal Expansion and Upgrade, Connecticut	750,000
Governor Curtis Ferry Boat Replacement, Maine	500,000
High Speed Ferry Terminal, Bridgeport, CT	1,000,000
Jacksonville Water Taxi Stations, Florida	700,000
Oyster Point Ferry Vessel, California	500,000
Passenger Ferry, Port of Corpus Christi, Texas	500,000
Passenger-only ferry purchase and facility development, Washington	1,000,000
Pittsburgh Water Taxi, Pennsylvania	250,000
Rockland County and City of Yonkers, NY Ferry Service	1,250,000
S–236 Claggett Road/Lewis & Clark Ferry Boat Facilities on Missouri River, Montana	1,000,000
Savannah Water Ferry Project	1,000,000
Southworth and Vashon Terminal Improvements, Washington	400,000
St. George's Ferry, New York	1,000,000
St. Mary's River Ferry System Facility and Facility Improvement, Michigan	250,000
Stamford High Speed Ferry, Stamford, CT	500,000
Swans Island Ferry Terminal Improvements, Swans Island, Maine	500,000
Winthrop, MA Ferry	300,000

National scenic byways program.—This program provides funding for roads that are designated by the Secretary of Transportation as All American Roads (AAR) or National Scenic Byways (NSB). These roads have outstanding scenic, historic, cultural, natural, recreational, and archaeological qualities. In fiscal year 2004, the bill provides $26,500,000 for this program. Funds provided for the national scenic byways program in fiscal year 2004 shall be available for the following activities in the corresponding amounts:

Amherst County Greenway, Virginia	$2,000,000
Berkshire/Franklin Mohawk Trail Scenic Byway, MA	1,000,000

City of Espanola El Camino Real Scenic Byway alignment, New Mexico	100,000
Enhancements to Route 6A Scenic Byway, Cape and Islands Rural Roads Initiative, Massachusetts	1,000,000
Flagler County Scenic and Historic A1A, Florida	892,000
Franklin County Connecticut River Scenic Byway, MA	1,000,000
Gateways for Maine's National Scenic Byways	1,000,000
Great River Road in Mercer County, Illinois	500,000
Idaho National Scenic Byways	75,000
Kentucky Scenic Byways	1,000,000
Mason Creek Greenway, Virginia	1,250,000
New York State Scenic Byways Program Statewide Project	2,000,000
Pioneer Historic Byway Interpretive Site Development, Idaho	100,000
Route 29 Scenic Byway, Hunterdon County, NJ	500,000
S–323 Alzada-Ekalaka, Montana	4,183,000
Snoqualmie Point View Park, Washington	600,000
US 78 Bamberg Scenic Highway Project, South Carolina	5,000,000
Washington State Scenic Byways	1,000,000
Welcome Center off SR 410, Washington	2,800,000
Woodward Avenue—Developing the Byway Story, Michigan	500,000

Transportation and community and system preservation pilot program.—TEA–21 established a new transportation and community and system preservation program that provides grants to states and local governments for planning, developing, and implementing strategies to integrate transportation and community and system preservation plans and practices. These grants may be used to improve the efficiency of the transportation system; reduce the impacts of transportation on the environment; reduce the need for costly future investments in public infrastructure; and provide efficient access to jobs, services, and centers of trade.

Funds provided for the transportation and community and system preservation pilot program in fiscal year 2004 shall be available for the following activities in the corresponding amounts:

34th St. Corridor Completion and Related Improvements, Minnesota	$200,000
Anacostia Riverwalk and Trail Construction, District of Columbia	250,000
Atlantic Avenue Extension, Jamaica, Queens, New York	150,000
Balls Ferry Historic Park, Georgia	250,000
Bremerton Ferry/Tunnel project, Washington	400,000
Briarcliff Manor Union Free School District, New York traffic light	100,000
Central Avenue Parking Facility and Pedestrian Improvements, Florida	100,000
City of Bayfield/Highway 13 Emergency Culvert Repairs, Wisconsin	140,000
Civic center streetscape improvement, New York	400,000
Connection of the Alabama Chief Ladiga Trail and the Georgia Silver Comet Trail, Alabama	100,000
Crocker/Stearns, widening and construction, North Olmstead, Ohio	300,000
Des Moines Riverwalk, Des Moines, IA	400,000
Downtown Revitalization Project, Somerset, Kentucky	1,750,000
Fairmont Pedestrian Bridge, West Virginia	200,000
FM 66 Ellis County from IH–35 in Waxahachie to FM 157 at Maypearl, Texas	750,000
Forest Park/Atlanta State Farmers Market Transportation Study, Georgia	200,000
Glenwood Avenue Overpass, Ohio	1,100,000
High line project, New York City, New York	250,000
Hobbs Industrial Air Park Roads, New Mexico	100,000
Homewood, IL railroad station/platform acquisition and improvement	193,500
Hot Springs Bike Trail, Arkansas	80,000
Houston-Galveston Regional Congestion Study, Texas	750,000
Independence Creek Hiking/Biking Road Access, Kansas	250,000
Lafayette Street Extension/Pennsylvania Turnpike Electronic Toll Interchange	500,000

Lakeland In-town Bypass, Phase II, Florida	400,000
Lewisburg Comprehensive Transportation Plan, Lewisburg, West Virginia	85,000
Lincoln Boulevard Improvement Project, California	400,000
Lombardy Street Renovation between Route 1 and Admiral Street (Richmond, VA)	750,000
Los Angeles City College Red Line Pedestrian Connector, California	250,000
M&B Railroad Bridge Rehabilitation, Alabama	1,000,000
Marathon County—Mountain Bay Trail, Wisconsin	100,000
Marion County Alabama Safety, Efficiency, and Trade Highway Improvement Program	1,000,000
Miller Farm Bridge, Pennsylvania	500,000
Milwaukee Avenue Rehabilitation, Illinois	250,000
Newberg-Dundee Transportation Improvement Project, Oregon	200,000
North Dakota 23 Lake Sakakawea Crossing Improvements	250,000
North Delaware River East Coast Greenway Trail Project	100,000
Northern Corridor, St. George, Utah	400,000
Oneonta, Alabama Downtown Revitalization	500,000
Osceola, WI installation of culverts under Hwy. 35 and repair of eroded highway beds	140,000
Pedestrian Walkway over US Highway 601 at South Carolina State University and Claflin University	250,000
Puna Makai Alternate Road Study, Island of Hawaii	100,000
Riverfront Battle Property Trail, Georgia	250,000
Riverfront Redevelopment and Park Area, City of North Augusta, SC	1,800,000
Riverwalk, Warren, Ohio	200,000
Road construction for industial park for City of Vinita, Oklahoma	100,000
Rockford Road, Ardmore, Oklahoma	700,000
Route 152 Safety Improvements, Santa Clara County, California	300,000
Route 17 Congestion Improvements from Route 3 to Linwood Avenue, Bergen County, New Jersey	200,000
Route 17 Safety Improvements from Route 50 to I–66, Virginia	25,000
Route 50 traffic calming in Loudoun and Fauquier Counties, Virginia	75,000
Sauk Trail Reconstruction Improvements, Park Forest, Illinois	330,000
Scranton Nay Aug Park Enhancement Project, Pennsylvania	250,000
Sheridan Road Evanston, Illinois	431,500
Streetscape Initiative, Northwest Moultrie, Georgia	300,000
Streetscape/Roadway Improvements to the Chester City (PA) Waterfront	350,000
Study of Highway 35/county M Bypass of Downtown Osceola, Wisconsin	100,000
Susquehanna Road/Limekiln Road/Norfolk Southern Bridge Project, Pennsylvania	400,000
Talcottville Transportation Improvement Project, Connecticut	500,000
Traffic Calming for the City of Riviera Beach, Florida	250,000
Trinity River Visions Neighborhood Linkage, Texas	500,000
U.S. 101 Bikeway System, California	100,000
US–222 Kutztown Bypass, Pennsylvania	250,000
US30 Bypass—PA10 to US30 Business, Pennsylvania	250,000
Village of Glencoe, Illinois, Green Bay Trail—North Branch Trail Connection	200,000
Village of Owego riverwalk, New York	250,000
Walden Woods Corridor Overpass Study, Massachusetts	200,000
Weston Streetscape Renewal, West Virginia	200,000
White Pond Drive, Akron, Ohio	250,000
Widen NC 210 in Cumberland County, North Carolina	250,000
Williamsburg corridor access, New York	100,000
Woodland Avenue Bridge Repair, Cleveland, Ohio	200,000
Woodward Avenue Livable Community Project, Michigan	100,000

Performance based outcomes.—The Committee recognizes the impact that performance based outcomes can have on the road building industry by allowing contractors the freedom and flexibility to focus on quality and long term performance, and encourages the Department of Transportation to further explore their use.

Ineffective use of transportation funding.—The Committee is concerned that transportation funding is being diverted to projects and activities that do not contribute directly to roadway construction or solving the growing problem of highway congestion. For example, about $600,000,000 per year of transportation enhancement funding has been spent on roadway landscaping, transportation museums, and renovation of historic places. The Committee believes that given the serious drop in estimated highway taxes, every penny of our Federal highway investment must go to its best and highest use. It is essential to focus the nation's limited transportation funding on critical transportation projects and not divert funds for projects that are "nice to have," but do not contribute in a meaningful way to solving our highway congestion problems. Therefore, the Committee has included a provision (section 114) that discontinues the mandatory 10 percent set-aside from the surface transportation program (STP) for the transportation enhancement (TE) program. However, TE-type projects remain eligible under STP, and states can spend their limited resources on TE, consistent with their priorities, if they choose.

Central Artery/Tunnel project cost recovery program.—The Committee is concerned that cost recovery efforts for the Central Artery/Tunnel project in Boston, Massachusetts have not, to date, yielded substantial recoveries. The Massachusetts Turnpike Authority recently revised its evaluation process in an attempt to strengthen these efforts. Nevertheless, the DOT Inspector General has raised concerns regarding the revised process, citing concerns that the partnership between the Massachusetts Turnpike Authority and the prime contractor may make it difficult for the process to maintain organizational independence and objectivity.

Further, several entities, including FHWA, the Massachusetts Inspector General, Massachusetts State Auditor and the Governor of Massachusetts have also announced an intention to review the cost recovery process. The Committee concurs with DOT IG that the most effective way to ensure that there is a thorough, objective, and effective cost recovery process is to establish one cost recovery review effort that is jointly carried out by FHWA, the Governor's Office, the State Auditor, and the Massachusetts IG.

Therefore, the Massachusetts Turnpike Authority is directed to provide to the Committee, no later than August 1, 2003, its plan for a revised cost recovery review process that adheres to the precepts set forth by the DOT IG in his letter of May 21, 2003. This process shall be conducted jointly by the entities identified in the IG's letter and should address the following needs:

- A proper governance framework to provide independent, credible executive direction;
- An appropriate review methodology to provide the engineering, forensic accounting/auditing, and legal analyses to document design errors and the resulting costs; and
- The proper mix of skills, including engineering, accounting, and legal expertise related to construction change orders, in order to apply the methodology and resolve questionable change orders appropriately.

Highway rest area commercialization.—The Committee encourages FHWA to preserve the federal ban on highway rest area commercialization and consider expanding it to the rest of the national highway system.

Costs and Benefits of Transportation.—The Committee directs GAO to provide the House and Senate Committees on Appropriations with a study on the costs and benefits of various forms of transportation modes, to include comparisons between competing forms of transportation modes within communities, not later than one year from the date of enactment of this Act.

Bridge standards in rural areas.—The Committee is concerned that there may not be compelling reasons to construct or maintain bridges in urban and rural areas to the identical engineering standards, given the differences in use and traffic on those bridges. To investigate this further, the Committee directs FHWA, in concert with representatives of rural communities knowledgeable in bridge use and bridge standards, to submit a report on the potential simplification of bridge standards in rural areas. This report should be submitted to the House and Senate Committees on Appropriations not later than April 1, 2004.

FEDERAL-AID HIGHWAYS

(RESCISSION)

The bill rescinds $137,000,000 in contract authority balances from the five core programs. These resources cannot be obligated by the states as they were apportioned at levels over and above annual statutory obligation limitations. The Committee directs FHWA to administer the rescission by allowing each state maximum flexibility among the five programs in making these adjustments.

FEDERAL-AID HIGHWAYS

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2003	$283,147,500
Budget request, fiscal year 2004	....
Recommended in the bill	400,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+116,852,500
Budget request, fiscal year 2004	+400,000,000

In addition to the $33,385,000,000 provided under the Federal-aid obligation limitation, the Committee provides a $400,000,000 appropriation, derived from the Highway Trust Fund, other than the Mass Transit Account, to be distributed and allocated under the terms and conditions, of Section 110, title 23, U.S.C. In addition, states or a compact of states may apply to FHWA to transfer a portion of its allocation provided within this section to Amtrak. Before any distribution or allocation is made, $133,450,000 shall be set aside for surface transportation projects, as follows:

America Samoa Ferry Boat System	$300,000
Anniston East Bypass, Alabama	2,000,000
Arlington County South Glebe Road improvements, Virginia	500,000
Bobby Jones Expressway (GA)/Palmetto Parkway (SC) extension in South Carolina	4,000,000
Broadway Bridge, Colorado	700,000
Broken Bow rail spur, Oklahoma	750,000
Bronx River—Concrete Plant Link of the Bronx Greenway, New York	700,000

California University of Pennsylvania Shuttle System (CUPSS), PA	1,000,000
Caraway Bridge Overpass, Arkansas	1,000,000
City of Aurora, Colorado I–225	2,500,000
City of Bayfield, Highway 13 Emergency Culvert Repairs	500,000
City of Columbus, Ohio, Morse Road corridor improvement program phase I	500,000
City of Fort Worth Corridor Redevelopment Program, Texas	1,200,000
City of Madison State Street Revitalization, Wisconsin	1,000,000
City of Orangeburg Railroad Relocation Project, South Carolina	1,000,000
City of Oxford, Mississippi bike path	800,000
City of St. Petersburg, Florida, bike path	500,000
Collins Road (Iowa Highway 100) and 1st Avenue (Business Highway 151) in Cedar Rapids, Iowa	1,000,000
Copperas Cove Reliever Route, Texas	1,000,000
Dagget Road, Port of Stockton, California	100,000
Delaware Avenue Streetscape Program in the Village of Kenmore, New York	400,000
Fairmont Gateway Connector System, West Virginia	2,750,000
Feasibility Study and Work Plan for International Trade Processing Center, Wichita, Kansas	1,000,000
Forest Park/Atlanta State Farmers Market Transportation Study, Georgia	200,000
Forsyth Downtown Streetscape Project, Georgia	750,000
Frederick Douglass Bridge, Maryland	1,750,000
Grand Avenue Railroad relocation, Illinois	500,000
Greene County, Missouri Demonstration Bridge	400,000
Harlem River Promenade, New York	500,000
Highway 20 Corridor through Woodbury, Ida and Sac Counties, Iowa	1,000,000
Highway 71, Alma to Greenwood	900,000
Highway 74 Monroe Bypass, North Carolina	2,600,000
Highway 92 study in Warren County, Iowa	500,000
Holyoke Canalwalk, Massachusetts	1,200,000
Houston, Texas Main Street Corridor Revitalization Project	400,000
I–40 Crosstown Expressway, Oklahoma	1,000,000
I–66 Pike County, Kentucky	2,000,000
I–66 Somerset to London, Kentucky	2,000,000
I–69 at SR 304, Mississippi	2,500,000
I–69, Texas	7,000,000
I–79/Parkway West Missing Ramps and Widening Project, Pennsylvania	1,000,000
I–80 Waukee/West Des Moines Interchange	3,000,000
I–87 exit 11A new interchange, New York	845,000
I–95 at CR 23, Georgia	4,000,000
I–540 Perry Road Interchange, Rogers, Arkansas	200,000
I–880/Coleman Avenue Interchange Reconstruction, California	1,000,000
Intermodal Transportation for Corridor from Atlanta to Chattanooga, Tennessee	1,000,000
Interstate 5-Sorrento Valley Road and Genesee Avenue Interchange Project, California	1,000,000
Interstate 94/43/794 (Marquette Interchange), Milwaukee, Wisconsin	6,000,000
Jefferson Road Connector (Kanawha County, West Virginia)	1,000,000
Jimmy Carter Blvd pedestrian safety, Gwinnett County, Georgia	400,000
Knik Arm Bridge Causeway, Alaska	1,000,000
LA 143–US 165 Connector & Quachita River Bridge, Louisiana	1,280,000
Lake County, Tennessee, State Route 21, from Log Mile 7.0 to Obion County Line	500,000
Lake Stanely Draper Road improvements, Oklahoma	300,000
Logan Square Access and Safety Improvements, Philadelphia Pennsylvania	1,000,000
Los Angeles Metro system intermodal studies, California	1,000,000
MacArthur and Airport Drive Intersection Improvements, Shawnee, Oklahoma	750,000
Martin Luther King, Jr. Pkwy in Des Moines, Iowa	1,800,000
Miniature Transportation Safety Training Village, Town of Brookhaven, New York	1,000,000
Monterey Bay Sanctuary Scenic Trail, California	300,000
Montgomery County ITS Phase II, Pennsylvania	2,000,000

NE 23rd street between Lincoln and I–35, Oklahoma City, Oklahoma	250,000
North Sinatra Drive, Hoboken, New Jersey	500,000
Northern Bypass of Somerset, Kentucky in Pulaski County	1,850,000
Ohio and Erie Canal towpath trail, Ohio	1,000,000
Orchard Lane and Factory Road, Greene County, Ohio	1,000,000
Pennsylvania State Route 30/981 upgrade	500,000
Port of Albany Security Improvements, New York	500,000
Puerto Rico Port Authority Ferry Program	500,000
Queens Plaza Roadway rebuilding project, Long Island City, New York	750,000
Reflective Crack Relief Interlayer, US 59, Texas	3,000,000
Rehabilitation of Laurel Street and Cass Street Bridges, Florida	250,000
Replace Meridan Bridge at Yankton, South Dakota	1,000,000
Route 9W Alpine/Tenafly, Bergen County, New Jersey	100,000
Routes 23 and 94—Linwood Avenue to Wallkill Avenue Intersection, Sussex Co., New Jersey	500,000
Route 66, Village of Chatham, New York	200,000
Route 93 Feasibility Study, Milton, Massachusetts	250,000
Route 130 Renaissance Boulevard to Adams Lane Intersection Improvements, Middlesex County, New Jersey	1,000,000
San Antonio Economic Development Spur, Texas	3,000,000
San Francisco Muni Third Street Project Phase II roadwork, California	2,500,000
Sauk Village Industrial Park Access Road, Illinois	1,000,000
South La Brea Avenue and Imperial Highway Realignment Project, California	500,000
South Orient economic rehabilitation project, Texas	1,000,000
SR 1/US 27 widening, Heard County, Georgia	2,500,000
St. Leo University Transportation Safety & Community Access Project, Florida	2,500,000
State Street Corridor Improvement Plan, Massachusetts	1,000,000
Stearns Widening, Ohio	500,000
Susquehanna Road/Limekin Road, PA	400,000
Teaneck, New Jersey Pedestrian Overpass	400,000
Tennessee State Route 28/US 127	400,000
Thackerville, Oklahoma I–35 Interchange	1,000,000
Thomas Cole National Historic Site, New York	50,000
Toledo Downtown Waterfront Redevelopment, Ohio	500,000
Town of Saratoga Scenic Byway, New York	250,000
Transportation Improvement Project, Desert Hot Springs, California	1,925,000
Trevillian Way, Kentucky	100,000
U.S. 31 South Bend to Indianapolis Freeway project, Indiana	2,000,000
U.S. 319 Expansion, Florida	1,000,000
U.S. Route 35 Corridor Improvements in Mason and Putnam Counties, West Virginia	5,650,000
US 36, Wadsworth, State Highway 128 Interchange, Colorado	750,000
US Highway 84, Evergreen, Al to Monroeville, Alabama	250,000
US 27 North of Somerset, Kentucky	2,000,000
Village of Schuylerville, New York	500,000
West Grand Ave. (from North Western to N. California Ave.)	950,000
Weston Ave. Streetscape, Wisconsin	1,500,000
WI—Highway 2 Ashland, Wisconsin	2,000,000
WI—Highway 53 Chetek, Wisconsin	800,000
Widening and creation of sidewalks at Floyd Road and Veterans Memorial Highway in Cobb County, Georgia	1,600,000
Woodland Avenue Bridge, Ohio	400,000

GENERAL PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

The bill includes a provision (sec. 110) that distributes an obligation authority among Federal aid highways programs.

The bill includes a provision (sec. 111) that provides a specific percentage take-down for FHWA administrative funds.

The bill includes a provision (sec. 112) that provides that funds received by the Bureau of Transportation Statistics may be credited to the Federal aid highways account.

The bill includes a provision (sec. 113) that amends ISTEA to identify U.S. 78 from Memphis, Tennessee, to Corridor X of the Appalachian development highway system near Fulton, Mississippi, extending to Birmingham, Alabama, as a High Priority Corridor on the National Highway System and as a future part of the interstate system, and to designate the corridor as future Interstate Route I–22.

The bill includes a provision (sec. 114) that discontinues the mandatory set-aside for the transportation enhancement (TE) program, but continues eligibility for TE-type projects under the surface transportation program (STP).

The bill includes a provision (sec. 115) that amends section 1602 of the Transportation Equity Act for the 21st Century to allow changes to projects in New York and Louisiana.

The bill includes a provision (sec. 116) that amends the Transportation Equity Act for the 21st Century and allows ITS funds already appropriated to the State of Wisconsin in prior laws to be used for the installation of intelligent transportation infrastructure elements in the metropolitan areas of Wausau and Superior.

The bill includes provision (sec. 117) that allows ITS funds already appropriated for use in specified locations within Wisconsin to be spent in additional locations within the state.

The bill includes a provision (sec. 118) that requires the Department of Transportation to restructure an existing loan with ACTA for the purpose of additional improvements to the Alameda Corridor, including the construction of a truck expressway. The budgetary cost of the loan modification shall not exceed $80,000,000.

The bill includes a new provision (sec. 119) requiring the Secretary to enter an agreement with the State of Arizona and/or the State of Nevada to provide a method of funding for the Hoover Dam Bypass Bridge.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

The primary mission of Federal Motor Carrier Safety Administration (FMCSA) is to improve the safety of commercial vehicle operations on our nation's highways. To accomplish this mission, the FMCSA is focused on reducing the number and severity of large truck crashes. Agency resources and activities contribute to ensuring safety in commercial vehicle operations through enforcement, including the use of stronger enforcement measures against safety violators; expedited safety regulation; technology innovation; improvements in information systems; training; and improvements to commercial driver's license testing, record keeping, and sanctions. To accomplish these activities, FMCSA works closely with federal, state, and local enforcement agencies; the motor carrier industry; highway safety organizations; and individual citizens. In addition, FMCSA has the responsibility to ensure that Mexican commercial vehicles, entering the U.S. in accordance with the North American Free Trade Agreement (NAFTA), meet all U.S. hazardous material and safety regulations.

The Administration's request proposes excellent changes in the FMCSA account structure in the fiscal year 2004 budget. It would simplify and consolidate activities with similar missions under the same program areas. Since no reauthorization proposal has been passed by Congress, the Committee bill assumes the account structure and funding levels contained in the Transportation Equity Act for the 21st Century (TEA–21) and the Motor Carrier Safety Improvement Act (MCSIA), which established the FMCSA within the Department of Transportation.

These laws, which expire on September 30, 2003, provide funding authorizations for FMCSA, including administrative expenses, motor carrier research and technology, national motor carrier safety assistance program (MCSAP) and the information systems and strategic safety initiatives (ISSSI). FMCSA's scope was expanded in fiscal year 2003 by the U.S.A. Patriot Act (P.L. 107–56), which called for new security measures. In addition, the Department of Transportation and Related Agencies Appropriates Acts 2002 and 2003 (P.L. 107–87 and P.L. 108–7) funded border enforcement and safety related activities associated with implementation of NAFTA, and activities associated with permitting of hazardous materials.

The Committee recommends a total of $439,624,000 for the Federal Motor Carrier Safety Administration plus an additional $47,000,000 for state truck inspection facilities at the Southern U.S. border.

MOTOR CARRIER SAFETY

(LIMITATION ON ADMINISTRATIVE EXPENSES)

(HIGHWAY TRUST FUND)

	Limitation on administrative expenses
Limitation, fiscal year 2003 [1,2]	($116,700,484)
Budget request, fiscal year 2004 [3,4]	(257,000,000)
Recommended in the bill	(236,753,000)
Bill compared with:	
Limitation, fiscal year 2003	(+120,052,516)
Budget request, fiscal year 2004	(−20,247,000)

[1] Includes a reduction of $963,516 pursuant to P.L. 108–7.
[2] Does not include $41,694,000 in administrative expenses associated with 274 border personnel. This was funded under the FHWA limitation on administrative expenses in fiscal year 2003.
[3] Includes $42,908,000 for administrative expenses associated with border personnel for fiscal year 2004.
[4] Reflects funding in the TEA–21 account structure. The President's budget proposed a change in account structure.

The motor carrier safety account provides salaries, expenses, research, and safety program funding for the Federal Motor Carrier Safety Administration.

COMMITTEE RECOMMENDATION

MCSIA amended section 104(a)(1) of title 23 United States Code to deduct one-third of one-percent from specified Federal-aid funds to finance personnel, and to administer motor carrier safety programs and motor carrier research. This mechanism, known as a "takedown," has proven to be inflexible and has been unable to adequately cover basic administrative expenses after the first year of enactment. In addition, it has been unable to react to new national safety and programmatic needs, such as emergent safety enforcement on our Southern border due to NAFTA, and security changes required to protect our nation as a result of the September 11th terrorist attacks.

This inflexibility forces the Committee to either irresponsibly compromise safety by reducing and eliminating important programs, or, as in past years, amend current law to increase the "takedown" percentage. The budget request proposes a level of $257,000,000 to fund motor carrier administration, including border personnel, safety-related programs, and safety research. The takedown would provide only $92,712,176.

The Committee increases the takedown percentage to nine-tenths of one percent and provides a total of $236,753,000 for these purposes. Of the total provided, $229,753,000 is for operating expenses and $7,000,000 is for research and technology initiatives. In response to recent safety and security issues, the Committee provides funding for grant programs under this limitation—$23,000,000 for southern border-state operations grants, $9,000,000 for northern border-state truck inspection grants, $21,000,000 for state commercial driver's license (CDL) program improvement grants, and not less than $5,000,000 for new entrant program state grants. These are provided under the administrative account because no flexibility exists to fund these new programs elsewhere.

The recommended level assumes the following adjustments to the budget request:

New entrant program reduction	−$9,000,000
Hazardous materials permitting program reduction	−865,000
Conditional carrier review program reduction	−666,000
Commercial driver's license background checks	−3,000,000
Household goods enforcement reduction	−466,000
"Safety is good business" program reduction	−250,000
Administrative infrastructure reduction	−6,000,000

New entrant program.—As required under section 210 of MCSIA, the interim final rule for the new entrant safety assurance process was published on May 13, 2002, with an effective date of January 2003. Section 350 of the Department of Transportation and Related Agencies Appropriation Act, 2002 required FMCSA to complete this rule as a precondition to opening the Southern border. This rule requires all new entrants to pass a safety audit within the first 18 months of operations in order to receive permanent DOT registration.

The Committee reduces this program by $9,000,000 to reflect half-year funding of personnel and a reduction in costs associated with Federal versus state safety auditors and contractors. The Committee agrees with FMCSA that the program will be ultimately staffed entirely with state-hired safety auditors supported through Federal grants. Therefore, the Committee directs FMCSA to provide at least $5,000,000 to states to hire state safety auditors and to contract out when necessary. The Committee believes that the Federal responsibility is limited to program oversight and to respond to the rare case where a state does not have the authority to implement the program. The Committee understands that two states lack this authority. The FMCSA shall not hire Federal safety auditors for states and shall enter into Federal contracts for safety auditors only in cases where the state lacks the authority to implement the program. Therefore, the Committee directs FMCSA to retain not more than $2,200,000 for Federal responsibilities, and to provide the House and Senate Committees on Appropriation a summary of the use of these funds by March 15, 2004.

Hazardous materials permitting.—The hazardous materials program, authorized under 49 U.S.C. 5109, requires a HAZMAT permitting program for certain carriers of extremely hazardous materials, to ensure that carriers have sufficient safety and security measures in place. The Committee reduces funding by $865,000 and provides $1,135,000 to support the rulemaking effort and fund 13 new positions at half-year funding. In addition, this funding will allow FMCSA to meet the settlement agreement pursuant to Litigation involving the Citizens for Reliable and Safe Highways.

Conditional carrier reviews.—The Committee reduces funding for conditional carrier reviews by $666,000 below the budget request. This level funds six new safety auditors at a half-year funding level. The implementation of the new entrant program and strengthening of the outreach program will necessitate fewer conditional carrier reviews.

Commercial driver's license background checks.—The Committee deletes funding for CDL background checks, a reduction of $3,000,000 below the budget estimate. Funding for the background checks is no longer an FMCSA responsibility, as duties have been transferred to the Transportation Security Administration.

Share the road program.—The purpose of the share the road program is to reduce crashes between commercial and passenger vehicles by educating the motoring public about sharing the road with commercial motor vehicles. FMCSA has not evaluated the effectiveness of the share the road program since 2000, and past evaluations of the program provided little information on the program's effectiveness. In a report entitled, "Share the Road Safely Program Needs Better Evaluation of its Initiatives," GAO found that some initiatives funded as a part of this program lack a clear linkage to the program's goal. In fact, 20 percent of the fiscal year 2002 and 2003 funding was not directly linked to the program's goal.

The Committee directs FMCSA to immediately eliminate each initiative that is not directly linked to the program's goal, and aggressively continue to combine educational outreach with local enforcement efforts. Further, consistent with GAO's recommendations, the Committee directs FMCSA to: (1) develop an explicit program strategy that clearly and directly links FMCSA' share the road safely program initiatives to its goal; (2) use the results of the large truck crash causation study and other relevant data to effectively target resources; and (3) establish a systematic strategy for evaluating the program's initiatives that makes greater use of DOT's experience in designing and evaluating information dissemination programs to enhance highway safety. The Committee directs FMCSA to report on its progress by January 5, 2004.

"Safety is good business" program.—The Committee provides $250,000, half of the request level, for the safety is good business program. FMCSA shall first use this funding to develop a goal, message, coherent strategy, and initiatives that are directly linked to the program's goal. The Committee encourages FMCSA to combine this outreach effort with other interactions it has with motor carrier companies, such as security sensitivity visits, compliance reviews, and safety audits.

Commercial driver's license program.—The Committee includes $21,000,000, consistent with the budget request, for the commercial driver's, license (CDL) program from the office of motor carrier safety. This funding is to support new and expanded safety and security initiatives. This increase in funding is necessary to meet the backlog of demand for state computer systems and data reporting improvements; to maintain the central depository of Mexican and Canadian commercial driver's license convictions; implement the OIG's report dated May 8, 2002, as directed in Public Law 108–7, and fund state compliance program reviews.

Within the funds provided for the CDL program, FMCSA should continue working with the American Association of Motor Vehicle Administrators, the Commercial Vehicle Safety Alliance, lead MCSAP agencies, and licensing agencies to improve all aspects of the CDL program. In addition within high priority funds, FMCSA should consider sponsoring another pilot project involving law enforcement and driver licensing agencies to explore new and innovative ways to ensure that drivers who have been convicted of a disqualifying offense do not operate during the period of suspension or revocation. Finally, FMCSA should continue to support the judicial and prosecutorial outreach effort.

Household goods enforcement.—The Committee reduces funding by $466,000 for the household goods enforcement program to reflect half-year funding of the new positions requested. Total funding of $534,000 will support 7 positions and establish a highly visible enforcement program to reduce the number of consumer complaints filed against household carrier moving companies and brokers and allow FMCSA to respond to lapses in enforcement and concerns of Congress and the GAO.

Administrative infrastructure.—The Committee provides a total of $4,400,000 to augment its current administrative infrastructure. Currently, the Federal Highway Administration partially supports FMCSA administrative infrastructure, and this increase will allow FMCSA to contract out additional services that FHWA is completing. The reduction of $6,000,000 reflects half-year funding and reduced costs associated with contractors versus Federal employees.

Interstate digital image exchange project and online verification of birth records.—Any savings in any account within funding provided to the FMCSA shall be used to expand pilot projects that improve the integrity of CDLs and reduce the number of fraudulent CDLs. FMCSA should provide up to $2,560,000 in savings for the interstate digital image exchange, and up to $3,190,000 for online verification of birth and death records to deploy these systems nationwide.

New Hampshire study.—Within the funds provided under the Federal Motor Carrier Safety Administration, the Secretary shall provide $250,000 to the New Hampshire Department of Transportation to conduct a study to evaluate the safety, economic, and infrastructure impacts of a weight limit exemption on Interstates 89 and 93.

NATIONAL MOTOR CARRIER SAFETY PROGRAM

(LIQUIDATION OF CONTRACT AUTHORITY)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	(Liquidation of contract authorization)	*(Limitation on obligations)*
Appropriation, fiscal year 2003 [1]	$190,000,000	($188,765,000)
Budget request, fiscal year 2004 [2]	190,000,000	(190,000,000)
Recommended in the bill	190,000,000	(190,000,000)
Bill compared with:		
Appropriation, fiscal year 2003	(- - -)	(+1,235,000)
Budget request, fiscal year 2004	(- - -)	(- - -)

[1] The limitation on obligations includes a reduction of $1,235,000 pursuant to Public Law 108–7.
[2] Reflects funding in the TEA–21 account structure. The President proposed a change in account structure.

The FMCSA's national motor carrier safety program (NMCSP) was authorized by TEA–21 and amended by the Motor Carrier Safety Improvement Act of 1999. This program consists of two major areas: the motor carrier safety assistance program (MCSAP) and the information systems and strategic safety initiatives (ISSSI) program. MCSAP provides grants and project funding to states to develop and implement national programs for the uniform enforcement of federal and state rules and regulations concerning motor carrier safety. The major objective of this program is to reduce the number and severity of accidents involving commercial motor vehicles. Grants are made to qualified states for the development of programs to enforce the federal motor carrier safety and hazardous materials regulations and the Commercial Motor Vehicle Safety Act of 1986. The basic program is targeted at roadside vehicle safety inspections of both interstate and intrastate commercial motor vehicle traffic. ISSSI provides funds to develop and enhance data-related motor carrier programs.

COMMITTEE RECOMMENDATION

The Committee recommends $190,000,000 in liquidating cash for this program.

LIMITATION ON OBLIGATIONS

The Committee recommends a limitation on obligations of $190,000,000 for the national motor carrier safety program. This is the level authorized under the Motor Carrier Safety Improvement Act of 1999, which amended TEA–21, and is the same level provided in 2003.

The Committee recommends the allocation of funds as follows:

	Amount
Motor carrier safety assistance program	$170,000,000
Basic motor carrier safety grants	130,329,000
Performance based incentive grant program	7,015,000
High priority activities [1]	25,593,000
State training and administration	2,063,000
Crash causation (sec. 224(f) MCSIA)	5,000,000
Information systems and strategic safety initiatives	20,000,000
Data Analysis and Information systems	14,000,000
PRISM	5,000,000

	Amount
Driver programs	1,000,000

[1] Up to $17,000,000 is for the implementation of the new entrant program required under section 210 of MCSIA.

Border Enforcement Program

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2003 [1]	....
Budget request, fiscal year 2004 [2]	....
Recommended in the bill [3]	$47,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+47,000,000
Budget request, fiscal year 2004	+47,000,000

[1] Does not includes $41,694,000 in administrative expenses associated with 274 border personnel, $17,883,000 state operations grants, and $46,695,000 in infrastructure improvements under the FHWA appropriation; and $8,196,000 in MCSAP border grants reflected under the national motor carrier safety program.
[2] Does not include $42,908,000 in administrative expenses associated with border personnel, $32,000,000 in border grants, and $47,000,000 in infrastructure improvements.
[3] Does not include $42,908,000 in administrative expenses associated with border personnel and $32,000,000 in border grants. These are reflected under the FMCSA limitation of administrative expenses.

Enacted in 1993 and entered into force in 1994, the North American Free Trade Agreement (NAFTA) was based on the premise that all of the countries in North America would be integrated into one free trade area. Under NAFTA's original timeline, the United States and Mexico agreed to permit commercial vehicle access to each other's border states by December 18, 1995. Reciprocal access beyond the border states was promised by January 1, 2000. (Canadian carriers have been operating throughout the U.S. since 1982.) The NAFTA timetable also called for the U.S. and Mexico to lift all restrictions on regular route, scheduled cross-border bus service by January 1, 1997.

In December 1995, the prior administration postponed implementation of NAFTA cross-border trucking provisions, which continued to limit Mexican trucks to operations in designated commercial zones within Arizona, California, New Mexico, and Texas. A NAFTA arbitration panel concluded in February 2001 that the U.S. blanket refusal to process the applications of Mexican carriers seeking U.S. authority because of concerns over the carriers' safety was in breach of its NAFTA obligations.

In February 2001, the Administration announced it would fully comply with NAFTA obligations regarding truck and bus access. Concerns regarding safety compliance and monitoring of Mexican-domiciled commercial vehicles were resolved in section 350 of the Transportation and Related Agencies Appropriations Act, 2002 (P.L. 107–87). The Administration has completed all requirements under section 350 and has implemented a regime of regulations to ensure the safety of Mexican trucks operating within the U.S. However, on January 18, 2003, the 9th U.S. Circuit Court of Appeals blocked Mexican trucks from gaining wider access to U.S. highways citing that DOT did not prepare a full environmental impact statement.

COMMITTEE RECOMMENDATION

The Committee recommendation provides $47,000,000 from the highway trust fund for the construction of permanent truck safety inspection facilities along the U.S./Mexico border. In the fiscal year 2002 budget request, the Administration's stated goal was to receive a total of $160,000,000 over three years to contribute towards the construction of state border inspection facilities at 23 sites. In the past two fiscal years, the Committee has provided $112,695,000 for this effort.

Total FMCSA border funding.—Consistent with the budget request, the Committee recommends a total of $121,908,000 for motor carrier border related programs. Under FMCSA's limitation on administrative expenses, a total of $42,908,000 is for Federal personnel on the border and $32,000,000 for Federal border safety enforcement grants. A total of $47,000,000 is for inspection station construction under the Border Enforcement Account. Total funding in fiscal year 2004 exceeds the $114,468,000 level provided in fiscal year 2003.

General Provisions—Federal Motor Carrier Safety Administration

The bill includes a provision (Sec. 130) which provides a specific percentage take-down for FMCSA administrative funds.

The bill includes a provision (Sec. 131) which prohibits the use of funds in this Act to implement or enforce any provision of the final rule issued on April 16, 2003 (docket no. FMCSA–97–2350) as it applies to operators of utility service vehicles.

The Committee is concerned that operators of utility service vehicles have unique public service responsibilities and operating characteristics that were not adequately considered or addressed in the rulemaking. The Committee directs the FMCSA to review the appropriate application of driver hours-of-service rules, including an analysis of the unique public service responsibilities of operators of utility service vehicles, and whether they should be exempted from the regulations in 49 C.F.R. Part 395.

The bill includes a new provision (sec. 132) subjecting funds appropriated or limited in this Act to the terms and conditions of section 350 of Public Law 107–87, including that the Secretary submit a report on Mexico-domiciled motor carriers.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

The National Highway Traffic Safety Administration (NHTSA) was established as a separate organizational entity in the Department of Transportation in March 1970. It succeeded the National Highway Safety Bureau, which previously had administered traffic and highway safety functions as an organizational unit of the Federal Highway Administration.

To date, the administration's current programs are currently authorized in five major laws: (1) the National Traffic and Motor Vehicle Safety Act, (chapter 301 of title 49, 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.); (4) the National Driver Register (chapter 303 of Title 49 U.S.C.); and (5) the Transportation Equity Act for the 21st Century (TEA–21).

The first law provides for the establishment and enforcement of safety standards for vehicles and associated equipment and the conduct of supporting research, including the acquisition of required testing facilities and the operation of the national driver register (NDR). Discrete authorizations were subsequently established for the NDR under the National Driver Register Act of 1982.

The second law provides for coordinated national highway safety programs (section 402) to be carried out by the states and for highway safety research, development, and demonstration programs (section 403). The Anti-Drug Abuse Act of 1988 (Public Law 100–690) authorized a new drunk driving prevention program (section 410) to make grants to states to implement and enforce drunken driving prevention programs.

The third law (MVICSA) provides for the establishment of low-speed collision bumper standards, consumer information activities, diagnostic inspection demonstration projects, automobile content labeling, and odometer regulations. An amendment to this law established the Secretary's responsibility, which was delegated to NHTSA, for the administration of mandatory automotive fuel economy standards. A 1992 amendment to the MVICSA established automobile content labeling requirements.

The fourth law provides for the operation of the national driver register which facilitates the interstate exchange of driver licensing concerning problem drivers whose licenses to drive have been suspended or revoked for cause.

The fifth law (TEA–21) is the current authorization for the full range of NHTSA programs. These include: safety incentives to prevent operation of motor vehicles by intoxicated persons (section 163 of title 23 U.S.C.); seat belt incentive grants (section 157 of title 23 U.S.C.); occupant protection incentive grants (section 405); highway safety data improvement incentive grant program (section 411); highway safety research development and demonstration programs (section 403); and a number of new motor vehicle safety and information provisions, including rulemaking directions for improving air bag crash protection systems, lobbying restrictions, exemptions from the odometer requirements for classes or categories of vehicles the Secretary deems appropriate, and adjustments to the automobile domestic content labeling requirements. This law is scheduled to expire on September 30, 2003. Because reauthorization actions have not yet been completed, the Committee has continued the fiscal year 2003 program levels as if authorized through fiscal year 2004.

In 2000, the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act amended the National Traffic and Motor Vehicle Safety Act in numerous respects and enacted many new initiatives. These consist of a number of new motor vehicle safety and information provisions, including a requirement that manufacturers give NHTSA notice of safety recalls or safety campaigns in foreign countries involving motor vehicles or items of motor vehicle equipment that are identical or substantially similar to vehicles or equipment in the United States; higher civil penalties for violations of the law; a criminal penalty for violations of the law's reporting requirements; and a number of rulemaking directions that include developing a dynamic rollover test for light duty vehicles, updating the tire safety and labeling standards, improving the safety of child restraints, and establishing a child restraint safety rating consumer information program.

TRAFFIC SAFETY TRENDS

After remaining fairly constant for the past several years at approximately 42,000 traffic-related fatalities per year, the nation experienced an increase in 2002. The latest NHTSA estimates indicate fatalities in 2002 were 42,850, an increase of 734 over 2001. In comparing 2001 to 2002, the number of police-reported nonfatal crashes remained approximately the same, with 6,241,000 in 2002 compared to 6,285,000 in 2001. The number of injured persons declined to 2,914,000 in 2002, down from 3,033,000 in 2001. The fatality rate in 2002 was 1.51 deaths per 100,000,000 vehicle miles traveled (VMT), which is the same as 2001. Motorcycle rider deaths continued to increase, with 3,276 riders killed in 2002 compared to 3,181 riders killed in 2001. Alcohol-related fatalities increased by 3 percent over 2001 to 17,970. The number of passenger vehicle occupants killed in traffic related crashes increased by 850, to 34,055 deaths in 2002. The downward trend of traffic deaths of the nation's youngest (ages 0 through 7) continued to improve to the lowest levels recorded.

OPERATIONS AND RESEARCH

	(General fund)	*(Highway trust fund)*	*Total funding*
Appropriation, fiscal year 2003	$137,389,000	$71,532,000	$208,921,000
Budget request, fiscal year 2004	126,058,000	92,052,000	218,110,000
Recommended in the bill	134,178,000	72,000,000	206,178,000
Bill compared to:			
Appropriation, fiscal year 2003	−3,211,000	468,000	−2,743,000
Budget request, fiscal year 2004	8,120,000	−20,052,000	−11,932,000

COMMITTEE RECOMMENDATION

The Committee recommends new budget authority and obligation limitations for a total program level of $206,178,000. Of this total, $134,178,000 is for operations and research from the general fund and $72,000,000 is for 23 U.S.C. 403 activities from the highway trust fund. The funding shall be distributed as follows:

	Amount
Salaries and benefits	$68,300,000
Travel	1,330,000
Operating expenses	24,481,000
Contract programs:	
Safety performance (rulemaking)	10,553,000
Safety assurance (enforcement)	17,028,000
Highway safety programs	41,684,000
Research and analysis	58,443,000
General administration	665,000
Grant administration reimbursements	−16,306,000
Total	$206,178,000

The recommendation assumes the following major adjustments to the budget request:

Reduce funding for crash causation study	−10,000,000
Increase funding for highway safety programs	+450,000
Reduce funding for harmonization of vehicle safety standards	−200,000
Reduce funding for new car assessment study	−220,000
Reduce funding for fuel economy program	−267,000
Reduce funding for workforce planning and development	−300,000

Increase funding for NH Dept. of Safety research	+40,000
Increase funding for Univ. of Mass. research	+300,000

Highway safety programs.—The Committee is very troubled by the proposed NHTSA budget for highway safety programs in fiscal year 2004. The latest statistics show that, from 2001 to 2002, alcohol-related fatalities and motorcycle fatalities have increased by three percent each, while general highway fatalities also increased. These statistics are a stark reminder that (contrary to the administration's proposal) programs to address these critical issues should not be diminished. The Committee has therefore funded highway safety programs at the following levels:

	Fiscal year 2004 request	Recommended
Impaired driving	$10,926,000	$12,000,000
Peds/bicycle	1,284,000	1,284,000
Motorcycle	656,000	800,000
National occupant protection	11,373,000	11,373,000
Traffic law enforcement	2,174,000	2,174,000
Emergency medical services	2,226,000	2,226,000
Records and licensing	2,570,000	2,570,000
Highway safety research	7,238,000	7,090,000
Emerging traffic safety issues	1,187,000	1,167,000
NOPUS	1,600,000	1,000,000

In addition, the Committee is concerned that the very important role of enforcement in impaired driving and occupant protection may currently be overlooked at NHTSA. Therefore, $50,000 from the national occupant protection program and $50,000 from the impaired driving program shall fund a law enforcement liason demonstration program in fiscal year 2004. This program should help encourage the use of law enforcement liaisons to help facilitate impaired driving and occupant protection information dissemination and training. No funds shall be expended until NHTSA provides an implementation plan to both the House and Senate Committees on Appropriations.

NHTSA shall also report to the House and Senate Committees on Appropriations on all fiscal year 2003 expenditures on impaired driving, motorcycle, and national occupant protection programs. The report shall include all planned expenditures for fiscal year 2004, and explanations describing how the majority of these activities are based on proven research and implementation strategies. This report is due by September 30, 2003, and shall be posted on NHTSA's webpage. An update of this information should also be provided in NHTSA's fiscal year 2005 budget justification.

Artemis program.—The Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act required motor vehicle and motor vehicle equipment manufacturers to report information and to submit documents on customer satisfaction campaigns and other activities that may assist in identifying defects related to motor vehicle safety. NHTSA was charged with developing and implementing a data system for this purpose, which is known as Artemis. NHTSA has contracted the development work to the Volpe National Transportation System Center, or the Volpe Center. The Committee is very concerned with the current status of the development work. To date, the project is $3,400,000 over budget and the Volpe Center, as the prime contractor, is expected to make-up

$1,000,000 of this overrun, leaving NHTSA with the task of scrambling to produce the excess. This mismanagement of government dollars is absolutely unacceptable.

To investigate the causes of this problem fully, the Committee has requested an audit from the Inspector General of the work currently being undertaken at the Volpe Center. The audit will address the following issues: (1) How has Volpe's role and function changed over the years, and do the current activities meet the needs of DOT; (2) Does Volpe have the necessary financial controls in place to assure that its service fees are appropriate; and (3) What is DOT's role in overseeing Volpe and is it adequate to ensure that cost effective services are being provided. The report shall be submitted to the House and Senate Committees on Appropriations no later than December 1, 2003.

Regulatory activities.—In July 2002, NHTSA published a request for comments on a planning document that described the agency's safety priorities for 2005. The agency's openness to public scrutiny of its priorities, and its reaction to public comments, should result in improved vehicle safety in an effective manner and the Committee commends these actions.

Although not all of NHTSA's activities were included in the report, the plan is less then one year old and NHTSA appears to be falling behind the proposed rulemaking schedule. For example, the priority plan indicates final actions on daytime running light intensity, upgraded tire standards, and a child restraint rating system in calendar year 2002. It appears that only one of these actions has been taken. In addition, many activities shown for 2003, such as a proposal for offset frontal protection or the use of a small female dummy in the advanced air bag's thirty-five mile-per-hour speed test also have not been undertaken to date. It is important that the public and the regulated participants have confidence in the agency's ability to deliver on its intentions. In recognition that such a plan is a living document subject to changes and that the agency indicated in its July 25, 2002, Federal Register notice that it "intends to periodically update the plan", the Committee requests NHTSA, by December 1, 2003, to update the plan and submit it to the House and Senate Committees on Appropriations. The report should include public comments that have been received, as well as new data and research results.

Harmonization of vehicle safety standards and new car assessments.—Due to budget constraints, funding is denied for the proposed international harmonization of vehicle safety standards and the new car assessment study.

Fuel economy standards.—Improving fuel efficiency and conserving natural resources are a recognized and important goal of the fuel economy program. However, the fiscal year 2004 budget submission stated that the key goal of the program is reducing pollution. Nowhere in the 1975 statute is it stated that NHTSA is to work to reduce "pollution", as is declared in the agency's budget justification. The Committee is disappointed with NHTSA's goals related to this program and therefore denies the proposed increase. Further, the Committee directs NHTSA to reevaluate the agency's goals with regard to fuel economy and produce an updated performance structure, which shall be submitted in writing to the House and Senate Committees on Appropriations.

Motorcycle injury prevention study.—There was a continuous decline in motorcycle crash fatalities from the mid-1980's through 1997. Since 1997, however, motorcycle fatalities have increased annually. An additional $40,000 is included for the New Hampshire Department of Safety to conduct a study to evaluate the speed and safety threshold for preventing and analyzing motorcycle injuries. The Department of Safety shall work in coordination with the Inova Fairfax Hospital Honda CIREN Center in Fairfax, Virginia, and a report shall be submitted to the House and Senate Committees on Appropriations upon completion.

University of Massachusetts, Amherst Risk Prone Driving Research.—The Human Performance Laboratory at the University of Massachusetts College of Engineering is home to one of the nation's most advanced driving simulators. The simulator consists of a full-size car in which an individual can "drive" as though on an actual highway. Among other projects, the simulator has been used to test the effects of very low levels of blood alcohol on the performance of younger drivers; the ability of novice and more experienced drivers to recognize potential risks in various driving situations; and the design of directional signs for the depressed section of Boston's Central Artery. Additional funding of $300,000 has been provided to support a research study to look at risk awareness and avoidance training program for younger drivers and analyze driver perceptions and behavior during left-turn maneuvers at signalized intersections.

NATIONAL DRIVER REGISTER

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2003	$1,987,000
Budget request, fiscal year 2004	3,600,000
Recommended in the bill	3,600,000
Bill compared to:	
Appropriation, fiscal year 2003	+1,613,000
Budget request, fiscal year 2004	---

The National Driver Register Act (chapter 303 of Title 49, U.S.C.) provides for the operation of the national driver register, which facilitates the interstate exchange of driver licenses due to concerns regarding problem drivers whose licenses to drive have been suspended or revoked for cause.

COMMITTEE RECOMMENDATION

The Committee recommends $3,600,000 from the highway trust fund for activities associated with the national driver register. This is the same amount as the fiscal year 2004 request.

Highway Traffic Safety Grants

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	(Liquidation of contract authorization)	*(Limitation on obligations)*
Appropriation, fiscal year 2003	$225,000,000	($223,538,000)
Budget request, fiscal year 2004	447,000,000	(447,000,000)
Recommended in the bill	225,000,000	(225,000,000)
Bill compared to:		
Appropriation, fiscal year 2003	....	(+1,462,000)
Budget request, fiscal year 2004	−222,000,000	(−222,000,000)

TEA–21 authorized four state grant programs: the highway safety program, the alcohol-impaired driving countermeasures grant program, the occupant protection incentive grant program, and the state highway safety data improvement grant program. The Committee recommends $225,000,000 for liquidation of contract authorization, which is the same as the fiscal year 2003 level.

LIMITATION ON OBLIGATIONS

As in past years and recommended in the budget request, the bill includes language limiting the obligations to be incurred under the various highway traffic safety grants programs. These obligations are set out in TEA–21, and the Committee continues this funding at its current level until reauthorization actions have been completed. The bill includes separate obligation limitations with the following funding allocations:

Highway safety programs	$165,000,000
Occupant protection incentive grants	20,000,000
Alcohol-impaired driving countermeasures	40,000,000

Highway safety grants.—These grants are awarded to states for the purpose of reducing traffic crashes, fatalities and injuries. The states may use the grants to implement programs to reduce deaths and injuries caused by exceeding posted speed limits; encourage proper use of occupant protection devices; reduce alcohol-and drug-impaired driving; reduce crashes between motorcycles and other vehicles; reduce school bus crashes; improve police traffic services; improve emergency medical services and trauma care systems; increase pedestrian and bicyclist safety; increase safety among older and younger drivers; and improve roadway safety. The grants also provide additional support for state data collection and reporting of traffic deaths and injuries.

An obligation limitation of $165,000,000 is included in the bill. The national occupant protection survey shall be funded within this total. Also, language is continued in the bill that limits funding available for federal grants administration from this program to $8,150,000.

The fiscal year 2004 budget submission reflected NHTSA's reauthorization proposal, which restructures the highway safety grant programs into a consolidated program, funded at the combined level of the TEA–21 section 402, 410, 405, 411, 2003(b), 163, and 157 programs. The Committee has continued to fund the 157 and

163 programs at their authorized level, which is $122,000,000, out of the highway account of the highway trust fund.

Occupant protection incentive grants.—The Committee has funded the section 405 occupant protection incentive grant program at $20,000,000. States may qualify for this grant program by implementing 4 of the following 6 laws and programs: (1) a law requiring safety belt use by all front seat passengers, and beginning in fiscal year 2001, in any seat in the vehicle; (2) a safety belt use law providing for primary enforcement; (3) minimum fines or penalty points for seat belt and child seat use law violations; (4) special traffic enforcement programs for occupant protection; (5) a child passenger protection education program; and (6) a child passenger protection law which requires minors to be properly secured. Language is included in the bill that limits funding available for federal grants administration from this program to $1,000,000.

In addition to the occupant protection incentive grant program, TEA–21 established a safety incentive grant program (section 157) to encourage states to increase seat belt usage. The grant program totaled $500,000,000 over the past six fiscal years and, as stated, the Committee has extended this funding at its current levels. Allocations of federal grants require determinations of: (1) seat belt use rates and improvements; and (2) federal medical cost savings attributable to increased seat belt use. States that meet the section 157 requirements can use funds for any purpose under title 23, including highway construction, highway safety, and intelligent transportation systems. NHTSA and FHWA are jointly administering this program. NHTSA will collect the state data and determine the allocation of funds.

Alcohol-impaired driving incentive grants.—The Committee has funded the section 410 alcohol incentive grant program at $40,000,000. These grants offer two-tiered basic and supplemental grants to reward states that pass new laws and start more effective programs to attack drunk and impaired driving. States may qualify for basic grants in two ways. First, they can become eligible by implementing 5 of the following 7 laws and programs: (1) administrative license revocation; (2) programs to prevent drivers under age 21 from obtaining alcoholic beverages; (3) intensive impaired driving law enforcement; (4) a graduated licensing law with nighttime driving restrictions and zero tolerance; (5) programs to address drivers with high blood alcohol content (BAC); (6) young adult programs to reduce impaired driving by individuals ages 21–34; and (7) an effective system for increasing the rate of testing for BAC of drivers in fatal crashes. Second, they can reach eligiblity by demonstrating a reduction in alcohol-related fatality rates in each of the last three years for which Fatal Accident Reporting System data is available and demonstrate rates lower than the national average for each of the last three years. Supplemental grants are provided to states that adopt additional measures, including videotaping of drunk drivers by police; self-sustaining impaired driving programs; laws to reduce driving with suspended licenses; use of passive alcohol sensors by police; a system for tracking information on drunk drivers; and other innovative programs. The Committee has provided $40,000,000 for these grants in fiscal year 2004. Language is included in the bill that limits funding available for federal grants administration from this program to $2,000,000.

In addition to the alcohol-impaired driving incentive grant program, TEA–21 authorized $500,000,000 in grants over six years for states that have enacted and are enforcing a 0.08 BAC law (section 163). The Committee has continued this funding for fiscal year 2004 at its current level. For each fiscal year in which a state meets this criterion, it will receive a grant in the same ratio in which it receives section 402 funds. The states may use these funds for any project eligible for assistance under title 23 (e.g. highway construction, bridge repair, highway safety). This grant program encourages states to adopt and enforce significant anti-drunk driving legislation.

Bill language.—The bill maintains two provisions that pertain to NHTSA's highway safety grant programs. First, language is continued that prohibits the use of funds for construction, rehabilitation, and remodeling costs or for office furnishings or fixtures for state, local, or private buildings or structures. Second, language is continued that limits the amount available for technical assistance to $500,000 under section 410.

Oversight of state highway safety programs.—The GAO recently found that NHTSA's "performance based" approach to oversight of state and community highway safety program expenditures by the states has not yielded measurable safety benefits since it was implemented in fiscal year 1998. Indeed, highway fatalities have increased each year since the policy was implemented.

The Committee shares the concerns raised by GAO regarding the federal oversight of these state programs. Prior to fiscal year 1998, NHTSA reviewed and approved each state's highway safety plan as a condition of state spending authority. However, concerns have risen that some states may not be using their grant funding in the most cost-effective manner. The approval of a state's spending plan prior to implementation, to ensure that resources are being applied in the most effective manner, is a necessary and normal element of Federal oversight, and one that the Committee feels is essential to ensuring that federal resources are being used effectively and efficiently. Therefore, the Committee directs NHTSA to rescind its 1998 policy regarding the submission of state plans. All funds allocated to states under the state and community highway safety program (section 402) under this legislation must be subject to approval of each state's highway safety plan by the Administrator. Further, the Committee would recommend that NHTSA take a lead in providing guidance to states on how best to craft these plans. Funding of $50,000 in operating expenses has been provided to begin this process.

As part of this review, NHTSA should also look at the agency's own policies with regard to the state grant programs. The Committee directs the submission of a report to the House and Senate Committees on Appropriations by December 1, 2003, that should include the following information: (1) how the agency has provided oversight and supervision of the state grant programs; (2) how NHTSA will address the oversight of state highway safety plans that receive federal funding; and (3) how NHTSA is proposing to help facilitate states in the process of drafting these plans and future funding requirements for these purposes.

GENERAL PROVISIONS—NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Section 140 allows states to use funds provided under section 402 of title 23, U.S.C. to produce and place highway safety public service messages in television, radio, cinema, print media, and on the internet. The provision allocates $10,000,000 for innovative seat belt projects under section 157 and $12,000,000 under section 410 to be used to purchase advertising for national seat belt and impaired driving mobilizations. The provision was included for the first time in fiscal year 2001.

Section 141 directs that, for fiscal year 2004 only, the comprehensive early warning reporting requirements applicable to manufacturers of trailers under section 579.24 of title 49, Code of Federal Regulations, as promulgated by the National Highway Traffic Safety Administration (NHTSA) in accordance with section 30166(m), title 49, United States Code shall not apply to trailers rated at 26,000 pounds or less gross vehicle weight. Manufacturers of such vehicles shall be required to report information about incidents involving one or more deaths that are identified in a claim or a notice received by the manufacturer alleging or proving that the death was caused by a possible defect in the manufacturer's vehicle, as required by 49 CFR 579.27. The Committee notes that the authorizing committee in this area, the House Committee on Energy and Commerce, is scheduled to review the early warning reporting program in the context of a reauthorization of NHTSA later this year.

FEDERAL RAILROAD ADMINISTRATION

The Federal Railroad Administration (FRA) is responsible for planning, developing, and administering programs to achieve safe operating and mechanical practices in the railroad industry, as well as managing the high-speed ground transportation program. Grants to the National Railroad Passenger Corporation (Amtrak) and other financial assistance programs to rehabilitate and improve the railroad industry's physical plant are also administered by the FRA.

SAFETY AND OPERATIONS

Appropriation, fiscal year 2003[1]	$116,600,141
Budget request, fiscal year 2004	131,175,000
Recommended in the bill	130,922,000
Bill compared with:	
Appropriation, fiscal year 2003	+14,321,859
Budget request, fiscal year 2004	−253,000

[1] Reflects reduction of $762,859 pursuant to section 601 of PL 108–7.

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

COMMITTEE RECOMMENDATION

A total of $130,922,000 has been allocated to safety and operations, which is 12.3 percent above the fiscal year 2003 enacted level. Of this total, $11,712,000 is available until expended. The following adjustments were made to the budget request:

Deny half of workforce planning funding	−$175,000
Deny funding for one position	−78,000

Workforce planning.—The Committee has provided a total of $475,000 for workforce planning. While this represents an increase of $175,000 over the fiscal year 2003 level, it is only half of the increase requested. The Committee believes the funding level should provide ample resources for human capital workforce planning and employee development needs.

Staff.—The Committee has provided FRA with a total of 24 new full-time equivalent (FTE) staff years. The Committee denies funding for title VI enforcement due to budget constraints.

RAILROAD RESEARCH AND DEVELOPMENT

Appropriation, fiscal year 2003 [1]	$29,134,388
Budget request, fiscal year 2004	35,025,000
Recommended in the bill	28,225,000
Bill compared with:	
Appropriation, fiscal year 2003	−909,388
Budget request, fiscal year 2004	−6,800,000

[1] Reflects reduction of $190,612 pursuant to section 601 of PL 108–7.

The railroad research and development appropriation finances contract research activities as well as salaries and expenses necessary for supervisory, management, and administrative functions. The objectives of this program are to reduce the frequency and severity of railroad accidents and to provide technical support for rail safety rulemaking and enforcement activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $28,225,000, which is $6,800,000 less than requested. The Committee recommendation would delete funding for nationwide differential global positioning system.

RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM

TEA–21 establishes a railroad rehabilitation and improvement financing loan and loan guarantee program. The aggregate unpaid principal amounts of the obligations may not exceed $3,500,000,000 at any one time. Not less than $1,000,000,000 is reserved for projects primarily benefiting freight railroads other than class I carriers. The funding may be used: (1) to acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, components of track, bridges, yards, buildings, or shops; (2) to refinance existing debt; or (3) to develop and establish new intermodal or railroad facilities. No federal appropriation is required, since a non-federal infrastructure partner may contribute the subsidy amount required by the Credit Reform Act of 1990 in the form of a credit risk premium. Once received, statutorily established investigation charges are immediately available for appraisals and necessary determinations and findings.

The Committee has included 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 2004, as requested.

NEXT GENERATION HIGH-SPEED RAIL

Appropriation, fiscal year 2003 [1]	$30,252,075
Budget request, fiscal year 2004	23,200,000
Recommended in the bill	28,250,000
Bill compared with:	
Appropriation, fiscal year 2003	−2,002,075
Budget request, fiscal year 2004	+5,050,000

[1] Reflects reduction of $197,925 pursuant to section 601 of Public Law 108–7.

The next generation high-speed rail program funds the development, demonstration, and implementation of high-speed rail technologies. It is managed in conjunction with the program authorized in TEA–21.

COMMITTEE RECOMMENDATION

The Committee recommends $28,250,000 for the next generation high-speed rail program, which is $5,050,000 more than the budget request. Total program funding is allocated as follows:

	Fiscal year 2004 request	Committee recommendation
Train control systems:		
North American joint PTC project	$9,000,000	$9,000,000
Train control—TTC	1,000,000	1,000,000
Non-electric locomotives:		
Advanced locomotive propulsion system	3,800,000	3,500,000
Prototype non-electric locomotive	2,000,000	2,000,000
Diesel multiple units compliance and demonstration	....	5,000,000
Grade crossing and innovative technologies:		
Mitigating hazards	3,000,000	2,250,000
Low-cost technologies	1,300,000	1,000,000
Track and structures technologies	1,300,000	1,000,000
Corridor planning	1,700,000	3,500,000
Total	23,200,000	28,250,000

Diesel multiple units (DMU) compliance and demonstration program.—There is a growing interest from both commuter and intercity rail passenger service providers to use diesel multiple units on commuter and future high-speed rail corridors. However, this form of rail technology has not been produced in the United States since the Federal Railroad Administration issued passenger equipment safety regulations. The Committee has provided $5,000,000 to validate the compliance of diesel multiple units with existing passenger car safety standards and to make grants to two public entities for the purpose of continuing or initiating a demonstration in daily revenue service of a compliant DMU during calendar year 2004. The Committee expects that one of these grantees shall have received no prior Federal funding for this purpose. Federal funding shall only be made available if funds are matched on a dollar-for-dollar basis from non-federal sources and shall only be used for activities related to establishing the compliance of the DMU design with passenger car safety standards and for the acquisition of DMUs and service facilities necessary for revenue service demonstration. All other expenses, including the cost of passenger facilities and any net operating expenses, are not eligible for funding under this appropriation.

California corridor.—In making any funds available to the California High-Speed Rail Authority, the Committee expects FRA to ensure that the State of California maintains its level of effort in state funds to support high-speed rail development and does not substitute federal funds for reduced level of state funding.

Rail-highway crossing hazard eliminations.—Under section 1003 of TEA–21, an automatic set-aside of $5,250,000 a year is made available for the elimination of rail-highway crossing hazards. A limited number of corridors are eligible for these funds. Of these funds distributed under this program for fiscal year 2004:

$1,022,000 shall be used to mitigate grade crossing hazards at Assembly Street, Whaley Street and Rosewood Drive in Columbia, South Carolina;

$2,300,000 shall be used on the Tulsa Sealed Corridor Quiet Zone in Tulsa, Oklahoma;

$1,078,000 shall be used to mitigate grade crossing hazards related to the New Orleans Union Passenger Terminal project in Louisiana; and

$850,000 shall be used to mitigate grade crossing hazards associated with an intersection at Hamilton Boulevard over the CSX rail line near US 90, Mobile, Alabama.

Northern New England high speed rail corridor.—The Committee is aware that the existing Northern New England High Speed Rail Corridor only goes from Boston to Portland and from Boston to Montreal. The Committee is concerned that the existing designation does not include many large communities in Massachusetts, Connecticut, and New York that would greatly benefit from being part of a High-Speed Rail Corridor. Therefore, the Committee directs the Secretary of Transportation to include the train routes from Boston, Massachusetts via Worcester and Springfield, Massachusetts to Albany, New York and from Springfield, Massachusetts via Hartford, Connecticut to New Haven, Connecticut as part of the existing Northern New England High-Speed Rail Corridor.

Magnetic levitation.—Section 1218 of TEA21 established a magnetic levitation deployment program to be administered by the FRA. FRA has received project submissions for several projects in the eastern and western United States which have the potential to provide significant traffic congestion relief. It is a Committee priority to make the most of our limited transportation resources. In order to assist the Committee to evaluate the potential of magnetic levitation to achieve traffic congestion relief and determine its appropriate role in our nation's transportation system, the Committee directs the FRA to provide the Committee a cost-benefit comparison report of magnetic levitation to other modes of travel.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

(AMTRAK)

Appropriation, fiscal year 2003	$1,043,175,000
Budget request, fiscal year 2004	900,000,000
Recommended in the bill	900,000,000
Bill compared to:	
Appropriation, fiscal year 2003	−143,175,000
Budget request, fiscal year 2004	....

The National Railroad Passenger Corporation (Amtrak) was created by the Rail Passenger Service Act in 1970 and incorporated under the laws of the District of Columbia. It started operation on May 1, 1971. Amtrak's purpose was to operate a national rail passenger system to relieve the freight railroads of the burden of money-losing passenger operations and to preserve rail passenger service over a national system. It was created as a for-profit government corporation that was granted the right of access to the tracks owned by the freight railroads at incremental cost and with operating priority over freight trains. Amtrak was also granted jurisdiction to provide intercity rail transportation over its route system and was to receive federal subsidies for the first few years, but then it was expected to make a profit.

STATUS OF AMTRAK

For over thirty years, Amtrak has operated in the red at the expense of American taxpayers. After three decades of federal jump-starting, nearly forty percent of Amtrak's costs are still taxpayer subsidized. In a Subcommittee hearing this year, the Deputy Secretary of Transportation testified:

> The Department of Transportation (DOT) expects that each and every one of Amtrak's 17 long distance trains will this year lose money on a fully allocated cost basis, even excluding depreciation and interest. On a fully allocated cost basis including depreciation and interest (a more accurate measure of overall federal investment), all of Amtrak's 43 regularly scheduled routes lose money. Ten of its 17 long distance train routes have a net loss of more than $40 million per year. On a per passenger basis, the loss for long distance trains range from $131 per passenger to $551 per passenger.

If increased levels of support had a realistic chance of turning Amtrak into a successful railroad, it would be worthwhile to consider such a plan. However, after thirty years it should be apparent that the difficulties faced by Amtrak will not go away with additional injections of federal funding. After years of mortgaging, leasing, and misleading Congress about the state of the corporation, Amtrak is finally facing a time where fundamental system change is necessary. The only actions that can change the abysmal situation at Amtrak is to completely change how Amtrak operates and how intercity passenger rail is managed. As the Deputy Secretary testified, "the problem at Amtrak simply will not go away with a more liberal application of dollars drawn from the federal treasury. The status quo cannot stretch to resolve these and other inherent weaknesses with which Amtrak has struggled to live. Structural reform is needed".

The Committee believes that, given the perennial financial losses of the railroad, Amtrak must show that it can operate effectively on a more limited system before even attempting to continue operations on its current scale. Amtrak has itself stated that its long-distance trains are "political" trains whose viability should be decided by the Congress and not by the corporation. The Committee bill makes that decision by focusing the nation's limited resources on train operations in the northeast corridor and the west coast corridor. Only if and when Amtrak demonstrates it can manage these services, would it be appropriate for Congress to consider an expansion of their system back to its current size.

In fiscal year 2002, 23,407,000 passengers rode on Amtrak trains. Of those, 59% were passengers on the northeast corridor, as shown in the table below:

Trains (25)	Fiscal year 2002	Percentage of total Amtrak national ridership
Northeast corridor total ridership	13,834,000	59
West total ridership	4,610,000	20
Intercity total ridership	4,963,000	21
Amtrak Total Ridership	23,407,000	100

Amtrak service should not be equated with rail passenger service. Amtrak carries less than five percent of the rail passengers in America. The remaining vast majority are carried by commuter rail systems which focus high-volume routes in densely-populated areas, rather than attempting expensive and money-losing cross-country routes.

In fiscal year 2003, Congress provided new guidelines for the Department of Transportation to follow in administering its grants to Amtrak. The Department of Transportation called these "important reforms" that provide "oversight with teeth, placing the relationship between DOT and Amtrak on a footing similar to the oversight DOT exercises with respect to other transportation modes". Amtrak had to pace itself on expenditures, with DOT oversight, to ensure that their funding would last through the fiscal year. For the first time in four summers, the railroad did not threaten to enter bankruptcy and have to request supplemental funding. For example, last year, the railroad came within weeks of shutting down before an emergency appropriation was provided, and in 2001 it mortgaged Pennsylvania Station in New York City, one of its last remaining unencumbered assets. As a start to creating financial accountability for Amtrak, these reforms are promising and as a result, the Committee bill retains them for fiscal year 2004.

COMMITTEE RECOMMENDATION

The Committee recommends $900,000,000 for grants to Amtrak in fiscal year 2004, subject to completion of authorization actions by the Congress. Of this total, $400,000,000 is provided as a subsidy for operating losses on Amtrak routes, with $188 million for short distance train operating losses and $193 million for long distance train operating losses. The northeast corridor trains currently operate with a profit of $188,000,000, according to the Office of Inspector General, and this revenue is expected to be used for Amtrak's debt principal payment in fiscal year 2004, which is estimated to be $163,000,000. $373,000,000 is provided for capital improvements to the northeast corridor and $127,000,000 is provided for general capital improvements, including $117 million for the debt service payment for fiscal year 2004. Similar to fiscal year 2003, funding is provided to the Secretary of Transportation, subject to the same grant oversight and management reforms as enacted in fiscal year 2003. Further, the Secretary is directed to ensure that the Amtrak continues to meet all debt principal and interest payments in fiscal year 2004.

Capital grants.—The Secretary is directed to assure that any funds provided to Amtrak be spent in a prudent manner, on projects where positive results can be seen. Funding should be spent on projects that maximize operational efficiencies and promote those lines with the highest ridership and cost sharing agreements in place. Amtrak shall not begin any new projects unless they can be fully funded with the fiscal year 2004 appropriation and Amtrak-generated revenues unless such projects are critical for safety or infrastructure repairs.

Operating and capital plans.—Bill language has been continued that prohibits funding to Amtrak until after an operating and capital plan has been developed for fiscal year 2004. This plan must be approved by the Board of Directors and the Secretary of Transportation and submitted to the House and Senate Committees on Appropriations no later than: (1) 60 days after enactment of a final Amtrak appropriation, or (2) at the time Amtrak submits its grant request to Congress in February 2004, whichever comes first. Development and approval of the operating and capital plan should minimize the number of stopgap measures Amtrak has to employ, particularly relating to capital projects, in those cases where the Corporation is unable to commit funding to complete an entire project.

Amtrak financial information.—In addition to the submission of an operating and capital plan for fiscal year 2004, the Secretary must continue to vouch for the accuracy of Amtrak's financial information. This must be in the form of a signed letter that accompanies the operating and capital plans. In doing so, the Secretary must certify in writing, that based on his knowledge, the financial statements and other financial information prepared by Amtrak for Congress (e.g. capital and operating plans and business plans that are attached to yearly grant requests) fairly present in all material respects the financial condition of the Corporation. Specifically, the Secretary's letter should attest that:

1. Amtrak's financial information and reports are prepared using generally accepted accounting standards.
2. Amtrak has corrected any material weaknesses or inaccuracies identified by a publicly registered accounting firm using practices sanctioned by generally accepted accounting principles.
3. Amtrak has disclosed to the Secretary any and all material off-balance sheet transactions, arrangements, and obligations that may have a material current or future effect on the Corporation's financial condition, changes in financial condition, results in operations, liquidity, capital expenditures, capital resources, or any significant components of revenues or expenses.
4. Amtrak has designed internal controls to ensure that material information is made known to the Board of Directors and the Secretary of Transportation in a timely fashion.
5. The Secretary has evaluated the effectiveness of Amtrak's internal controls to assure that deficiencies are not occurring and all significant deficiencies in the design or operation of internal controls that could adversely affect the Corporation's ability to record, process, summarize, or report financial data and identify fraud, have been corrected.
6. Amtrak's financial information does not contain untrue statements of a material fact or omit to state a material fact necessary

for the Board of Directors and the Secretary of Transportation to make informed financial decisions.

The House and Senate Committees on Appropriations must approve all variations to the base operating and capital plans according to the Department's reprogramming process.

Direct loan provisions.—Bill language is also continued from fiscal year 2003 that requires Amtrak to continue abiding by certain provisions of the direct loan agreement signed on June 28, 2002, which would otherwise expire. These include the following requirements:

1. Amtrak management will significantly improve financial controls and accounting transparency. Management must report to the Board of Directors, the Department of Transportation, and the House and Senate Committees on Appropriations monthly on: (a) all revenues and expenses associated with rail operations by route, and (b) budgeted and actual expenditures for all capital investments.
2. Amtrak management will provide to the Board of Directors, the Department of Transportation, and Congress monthly performance reports no later than 30 days after the end of that month. Amtrak shall also make available to DOT the same details and reports on its financial performance that it makes available to Amtrak management, at the same time that it provides those reports and details to Amtrak management.
3. Amtrak funds will be spent only on existing plant and services. With the exception of expenditures for which it obtains written approval from DOT, Amtrak will suspend use of any of its funds for actual expansion or planning for expansion of rail service, including all high speed rail service, through fiscal year 2004.
4. Amtrak will provide DOT all core operating data so the Department can monitor and evaluate the railroad's ability to manage its cash flow, within the current appropriations level and using conservative revenue assumptions.

Monthly reporting requirements.—The monthly performance reports that Amtrak is required to submit to DOT and the House and Senate Committees on Appropriations shall include the following:

- all revenue and expenses associated with rail operations by route, grouped by the following service types or regions: (a) Northeast Corridor intercity; (b) Corridor services reported individually for the Empire, Keystone, Midwest, California, and North Carolina Corridors; (c) long-distance services, with profit and loss visibility on individual trains; and (d) remaining services, with profit and loss visibility on individual services or groups of services;
- budgeted and actual expenditures for all capital investments, including categories for high-speed rail activities;
- monthly performance reports, including cash flow information, revenues, and expenses;
- a comprehensive business plan for the upcoming fiscal year that includes targets for ridership, revenues, capital, and operating expenses for each business unit;
- a quarterly assessment explaining the extent to which each goal identified in the comprehensive business plan has been achieved or deviated from (and why);

- a current listing of all debt including assets, long-term liabilities, and the repayment schedule for those liabilities; and
- a detailed report on all operating relationships between Amtrak and commuter rail systems that highlights the manner and extent each commuter operation and state could be impacted if a suspension of Amtrak operations occurred.

Office of Inspector General quarterly reports.—The DOT Office of Inspector General shall report quarterly to the House and Senate Committees on Appropriations on Amtrak's compliance with these provisions.

State-assisted intercity rail service.—The Secretary, working with affected states, is directed to develop and implement a fair competitive bid procedure to assist states in introducing carefully managed competition to demonstrate whether competition will provide higher quality rail service at reasonable prices. The goal is to give the states, at their option, the ability to conduct a fair competition for state-assisted operations, commonly known as 403(b) trains. The bill provides a dispute resolution process for the Secretary to resolve disputes between states and Amtrak regarding the provision of facilities, equipment, and services by Amtrak at reasonable terms and compensation to enable service by a non-Amtrak operator. This process is similar to the one Amtrak now uses under 49 U.S.C. 24308 to resolve disputes with freight railroads for their provision of facilities and services to enable passenger rail service by Amtrak. The objective of this provision is to allow states the option of providing competitive intercity rail service.

The Secretary may reprogram up to $5,000,000 from Amtrak operating grant funds to make grants to the states for implementation of this provision. As part of this process, the Secretary shall evaluate and report to the House and Senate Committees on Appropriations, as well as the House Committee on Transportation and Infrastructure and the Senate Committee on Commerce, Science and Technology, by November 3, 2003, on options for insurance pooling to provide states and operators with the lowest possible insurance costs. Further, the Secretary is directed to initiate the Fair Competitive Bid Procedure by January 1, 2004. The Secretary will administer the process, monitor its progress, and make monthly reports to the House and Senate Committees on Appropriations.

GENERAL PROVISIONS—FEDERAL RAILROAD ADMINISTRATION

Section 150 amends Section 11123 of title 49, U.S.C., to ensure that emergency commuter rail service is continued if Amtrak should cease operation.

FEDERAL TRANSIT ADMINISTRATION

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

Much of the funding for the Federal Transit Administration is provided by annual limitations on obligations provided in appropriations Acts. However, direct appropriations are required for portions of other accounts.

Authorization for the programs funded by the Federal Transit Administration is contained in the Transportation Equity Act for the 21st Century (TEA–21), which will expire on September 30, 2003. Because reauthorization actions have not yet been completed, the Committee has continued the fiscal year 2003 program levels as if authorized through fiscal year 2004.

TEA–21 also amended the Budget Enforcement Act to provide two additional discretionary spending categories, the highway category and the mass transit category. The mass transit category is comprised of transit formula grants, transit capital funding, Federal Transit Administration administrative expenses, transit planning and research and university transportation center funding. The Budget Enforcement Act amendments will also expire on September 30, 2003, without actions by Congress.

The authorized level for mass transit category obligations were capped at $7,226,000,000 in fiscal year 2003. After an across-the-board cut of .65 percent, mass transit category obligations were $7,179,030,000. Any additional appropriated funding above the levels guaranteed (that which could be appropriated from general funds authorized under section 5338(h)) is scored in the budget process against the non-defense discretionary category.

ADMINISTRATIVE EXPENSES

	Appropriation (general fund)	*Limitation on obligations (trust fund)*	*Total funding*
Appropriation, fiscal year 2003	$14,505,000	$58,020,000	$72,525,000
Budget request, fiscal year 2004	76,500,000	0	76,500,000
Recommended in the bill	14,500,000	58,000,000	72,500,000
Bill compared to:			
Appropriation, fiscal year 2003	−5,000	−20,000	−25,000
Budget request, fiscal year 2004	−62,000,000	+58,000,000	−4,000,000

COMMITTEE RECOMMENDATION

The Committee recommends a total appropriation of $72,500,000 for FTA's salaries and expenses. The recommendation is $25,000 below the fiscal year 2003 enacted level. The recommendation is comprised of an appropriation of $14,500,000 from the general fund and $58,000,000 from limitations on obligations from the mass transit account of the highway trust fund. A limitation has been included to limit travel to $1,000,000 for fiscal year 2004.

Administrative expenses.—Funding is specified in the bill for the administrative offices of FTA at the following levels:

Office of the Administrator	$948,000
Office of administration	6,126,000
Office of the chief counsel	3,848,000
Office of communication and congressional affairs	1,067,000
Office of program management	7,303,000
Office of budget and policy	6,027,000

Office of research, demonstration and innovation	4,328,000
Office of civil rights	2,657,000
Office of planning	3,732,000
Regional offices	17,697,000
Central account	16,567,000
National transit database	2,200,000

In addition, the Administrator is authorized to transfer funding between offices, but any transfers totaling more then three percent of the initial appropriation must be approved by the House and Senate Committees on Appropriations. The Director of Safety and Security has been reported under the Office of the Administrator.

The Committee is disturbed that FTA's centralized administrative system does not allow for a sufficient itemization of office expenses. It is important for the department and the Congress to have the ability to analyze the needs of FTA on an office-by-office basis consistent with other DOT agencies. Therefore, FTA is directed to submit the fiscal year 2005 budget request by office, similar to the format utilized by the Office of the Secretary.

Full-time equivalent (FTE) staff years.—Within the fiscal year 2004 Federal Transit Administration budget justification, FTA listed an increase of $964,000 for the support of ten additional FTE as a "mandatory increase". This puzzles the Committee, as it is clearly not mandatory to provide increases in human capital. The Committee approves four of the requested FTE for the Offices of Planning and Program Management only.

Revisions of Congressional intent.—The Committee is troubled by actions taken by FTA this year to revise the intent of Congressional programs without discussing such measures with the Committee. Although the Committee appreciates the prompt intervention of the Office of the Secretary in this matter, the Committee reiterates to FTA that it is improper for DOT agencies to take actions changing the Congressionally-approved scope of programs without receiving the approval of the House and Senate Committees on Appropriations. FTA is directed to consult with the House and Senate Committees on Appropriations before making any decisions clarifying Congressional intent.

Transit project performance standards.—TEA–21 allocated forty percent of transit funds to new starts and forty percent to the modernization of existing rail systems, leaving twenty percent for bus systems. This method has skewed the outcomes of local analysis because more federal funding is available for new fixed guideway systems without regard to overall priorities. The Committee believes strongly that high-capacity transit systems, regardless of the technology, that will move the most people, relieve the most congestion, produce the largest increase in transit ridership, and have the greatest positive cost-benefit ratio, should be those that are rewarded with federal investment.

The Committee believes that each new start project, in order to qualify for a full funding grant agreement, should be required to show that its locally-preferred alternative will attract and move more transit riders, at the lowest cost per rider, than other modal alternatives. This would help shift the nation's mass transit funding system to a more cost-efficient, outcomes-based system and away from the funding category-based system currently in place. As long as eighty percent of federal funding is reserved for fixed guideway technology, local transit agencies will continue to presume that the answer to their transit needs will be found in that technology. The Committee believes that the current funding criteria do not adequately provide incentives for the best transit investments. The Federal Government can no longer continue to allocate scarce transportation resources without maximizing the benefits relative to the costs.

Reauthorization of transit programs.—The administration's proposal for reauthorization of federal transit programs calls for a significant restructuring of FTA programs. In particular, the administration is proposing to shift the resources currently provided in the section 5309 bus and bus facilities program to the urbanized area formula and state-administered formula programs, an expanded new starts program, and performance incentive grants. One of the justifications for the elimination of this discretionary program is that historically "only half of the States have received statewide earmarks" and that this "shift in resources will make for a more equitable distribution across the Nation", according to materials submitted for the record by FTA. The Committee is very concerned that this proposal would not make a more equitable distribution, but simply shift control of Federal funds away from the Congress. In the last two fiscal years, every state, as well as the District of Columbia and the Virgin Islands, has received a transit allocation in the annual transportation appropriations bill, and the Committee is troubled that FTA is trying to make it seem as if states' bus funding is being shortchanged at the hand of Congressional appropriators.

Project management oversight activities.—The Committee directs that any savings from funding of any administrative expenditures be used to increase funding for project management oversight activities. It is critical that FTA continue to support strong project and financial oversight activities, particularly as more communities are applying for capital grants funding as urbanized areas grow.

Further, the Committee encourages FTA to provide for additional planning experience in the regional and metropolitan offices, as it is essential to have adequate knowledge of the fundamentals of these activities in the offices that are most closely involved in the development of individual projects.

The Committee also directs that FTA submit to the House and Senate Committees on Appropriations the quarterly FMO and PMO reports for each project with a full funding grant agreement.

To further support oversight activities, the bill continues a provision requiring FTA to reimburse the Department of Transportation Office of Inspector General $2,000,000 for costs associated with audits and investigations of transit-related issues, including reviews of new fixed guideway systems. This reimbursement must come from funds available for the execution of contracts. Over the past several years, the IG has provided critical oversight of several major transit projects, which the Committee has found invaluable. The Committee anticipates that the Inspector General will continue such oversight activities in fiscal year 2004.

Office of research, demonstration, and innovation.—The Committee is concerned with the effectiveness and worth of the office of research, demonstration, and innovation. Therefore, FTA shall report to the House and Senate Committees on Appropriations on all expenditures on research, demonstration and innovation activities for the past three fiscal years and all planned expenditures for fiscal year 2004. The report shall include explanations of how each activity is based on advancing transit initiatives, and how this work is implemented within the industry. The report is due by September 30, 2003. An update of this information should also be provided in FTA's fiscal year 2005 budget justification.

Full funding grant agreements (FFGAs).—TEA–21, as amended, 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, Housing and Urban Affairs, sixty days before executing a full funding grant agreement. In its notification to the House and Senate Committees on Appropriations, FTA shall include the following: (1) a copy of the proposed full funding grant agreement; (2) the total and annual federal appropriations required for that project; (3) yearly and total federal appropriations that can be reasonably planned or anticipated for future FFGAs for each fiscal year through 2004; (4) a detailed analysis of annual commitments for current and anticipated FFGAs against the program authorization; (5) an evaluation of whether the alternatives analysis made by the applicant objectively and fully weighed all viable alternatives; and (6) a financial analysis of the project's cost and sponsor's ability to finance, which shall be conducted by an independent examiner and which shall include an assessment of the capital cost estimate and the finance plan; the source and security of all public- and private-sector financial instruments; an operating plan which enumerates the project's future revenue and ridership forecasts; and planned contingencies and risks associated with the project.

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

The Committee further directs FTA to notify the House and Senate Committees on Appropriations fifteen days before any project in the new starts process is given approval by FTA to advance to preliminary engineering or final design.

Advanced vehicle program.—The transit industry has been leading the nation's heavy-duty vehicle industry in the use of clean fuel vehicle technology helping to improve air quality and lessen our nation's dependence on foreign oil. In the past ten years, the use of alternative fuels in the transit industry has increased dramatically. In 1993, sales of alternative fuel transit buses was less than one percent of the total. Today, 20% or more of all new transit buses are fueled by natural gas. At the end of 2002, there were over 6,000 natural gas transit buses in use.

DOT and FTA also have played an important role in supporting the development of heavy-duty hybrid electric vehicles through its support of the consortia-based advanced vehicle program (AVP), which supports the early stage development of every North American hybrid electric bus manufacturer. Based on its success in facilitating the development of heavy-duty hybrid electric technology, the Committee feels that AVP would be the ideal venue for initiating a major fuel cell bus program in the United States. The consortia model used by AVP helps to encourage the flow of information and networking to a much higher degree than traditional programs. Therefore, the Committee encourages FTA and DOT to actively develop operations of AVP and build on the agency's strong relationship with the transit industry.

Charter service activities.—Section 604 of title 49 of the United States Code states that recipients of equipment or facilities funding from the Federal Transit Administration may not use that property to provide private charter service, with few exceptions. The Committee is concerned that despite these statutory regulations many local transit agencies continue to provide charter service under the guise that it may be "regular and continuing service". The Committee is concerned that FTA is not enforcing this statute to the full extent of the law. These activities present a great injustice to private operator services, which should not have to compete with a government entity that uses federal subsidies to purchase their equipment. The Committee directs FTA to revisit its enforcement of this statute and ensure that it is not being exploited. A report on FTA's review of this situation shall be submitted to the House and Senate Committees on Appropriations no later than October 1, 2003.

FORMULA GRANTS

	Appropriation (general fund)	*Limitation on obligations (trust fund)*	*Total funding*
Appropriation, fiscal year 2003	$762,809,000	$3,051,237,000	$3,814,046,000
Budget request, fiscal year 2004	....	5,615,406,000	5,615,406,000
Recommended in the bill	767,800,000	3,071,200,000	3,839,000,000
Bill compared to:			
Appropriation, fiscal year 2003	+4,991,000	+19,963,000)	+24,954,000
Budget request, fiscal year 2004	+767,800,000	−2,544,206,000)	−1,776,406,000

COMMITTEE RECOMMENDATION

The accompanying bill provides $3,839,000,000 for transit formula grants.

The recommended level of $3,839,000,000 is comprised of an appropriation of $767,800,000 from the general fund and $3,071,200,000 from limitations on obligations from the mass transit account of the highway trust fund. Formula grants to states and local agencies funded under this heading fall into four categories: urbanized area formula grants (U.S.C. sec. 5307); clean fuels formula grants (sec. 5308); formula grants and loans for special needs of elderly individuals and individuals with disabilities (sec. 5310); and formula grants for other than urbanized areas (sec. 5311). In addition, set asides of formula funds are directed to a grant program for intercity bus operators to finance Americans with Disabilities Act (ADA) accessibility costs and the Alaska Railroad for improvements to its passenger operations.

The proposed oversight take down increase is denied. Within the total funding level of $3,839,000,000, the Committee's recommendation includes the following distribution:

Urbanized areas (sec. 5307)	$3,428,709,908
Oversight	18,432,736
Elderly and disabled (sec. 5310)	90,652,801
Non-urbanized areas (sec. 5311)	239,404,605
Over-the-road bus accessibility program	6,950,000
Alaska Railroad	4,850,000
Clean-fuels	50,000,000

Section 3007 of TEA–21 amends title 23 U.S.C. 5307, urbanized formula grants, by striking the authorization to utilize these funds for operating costs, but including a specific provision allowing the Secretary to make operating grants to urbanized areas with a population of less than 200,000. Generally, these grants may be used to fund capital projects, and to finance planning and improvement costs of equipment, facilities, and associated capital maintenance used in mass transportation.

Major project alternatives analysis and preliminary engineering and design.—Funds in the bill can be used, among other activities, for alternatives analysis and preliminary engineering and design (PE&D) of new rail extensions or busways. The Committee continues to assert that local project sponsors of new rail extensions or busways must use these funds (or those provided under section 5303 metropolitan planning) for alternatives analysis and preliminary engineering and design activities rather than seek section 5309 discretionary set-asides. Moreover, the Committee expects FTA, when evaluating the local financial commitment of a given project, to consider the extent to which the project's sponsors have used these formula grants apportionments for alternatives analysis and PE&D activities of proposed new systems.

Clean fuels program.—TEA–21 required that $50,000,000 be set aside from funds made available under the formula grants program to fund a clean fuels program.

This program has been extended in fiscal year 2004. The clean fuels program is supplemented by an additional set-aside from the major capital investment's bus program and provides grants for the purchase or lease of clean fuel buses for eligible recipients in areas that are not in compliance with air quality attainment standards. The Committee has continued to identify designated recipients of these funds within the projects listed under the bus program of the capital investment grants account, as has been done in previous years.

Over-the-road bus accessibility program.—The Committee provides $6,950,000 for the over-the-road bus accessibility program. This program is designed to assist operators of over-the-road buses to finance the incremental capital and training costs of complying with the department's final rule on accessibility required by the Americans with Disabilities Act.

The following table displays the state-by-state distribution of formula funds within each of the program categories:

FEDERAL TRANSIT ADMINISTRATION, FISCAL YEAR 2004 APPORTIONMENTS FOR FORMULA PROGRAMS (BY STATE)

State	Section 5307 urbanized area	Section 5311 non-urbanized area	Section 5310 elderly & persons with disabilities	State total
Alabama	$15,138,667	$6,692,853	$1,582,925	$23,414,445
Alaska	[1] 8,583,909	932,825	240,303	9,757,037

FEDERAL TRANSIT ADMINISTRATION, FISCAL YEAR 2004 APPORTIONMENTS FOR FORMULA PROGRAMS (BY STATE)—Continued

State	Section 5307 urbanized area	Section 5311 non-urbanized area	Section 5310 elderly & persons with disabilities	State total
America Samoa	....	153,015	60,088	213,103
Arizona	45,440,735	3,265,027	1,652,847	50,358,609
Arkansas	8,174,080	4,841,318	1,029,871	14,045,269
California	586,497,810	10,288,103	9,488,916	606,274,829
Colorado	45,565,774	2,906,645	1,160,010	49,632,429
Connecticut	42,916,872	1,487,843	1,128,644	45,533,359
Delaware	6,423,520	674,570	352,994	7,451,084
District of Columbia	68,645,916	....	309,042	68,954,958
Florida	164,147,558	6,709,898	6,064,881	176,922,337
Georgia	62,615,813	8,483,506	2,295,637	73,394,956
Guam	....	413,460	157,227	570,687
Hawaii	27,934,110	1,003,237	476,147	29,413,494
Idaho	5,729,233	1,843,271	455,768	8,028,272
Illinois	218,339,751	7,162,729	3,526,256	229,028,736
Indiana	35,559,976	7,129,966	1,871,517	44,561,459
Iowa	12,691,349	4,838,329	980,862	18,510,540
Kansas	9,947,047	3,954,418	882,653	14,784,118
Kentucky	19,148,378	6,610,369	1,461,839	27,220,586
Louisiana	30,616,488	5,163,713	1,455,553	37,235,754
Maine	3,061,990	2,566,606	533,084	6,161,680
Maryland	69,033,173	2,668,245	1,545,478	73,246,896
Massachusetts	124,990,002	1,906,899	2,041,414	128,938,315
Michigan	67,602,520	8,973,689	2,938,848	79,515,057
Minnesota	41,820,114	5,896,505	1,366,007	49,082,626
Mississippi	5,296,811	5,781,661	1,032,720	12,111,192
Missouri	36,365,026	6,689,314	1,788,808	44,843,148
Montana	2,581,409	1,784,125	384,485	4,750,019
N. Mariana Islands	675,985	20,101	60,998	757,084
Nebraska	8,239,653	2,420,193	596,510	11,256,356
Nevada	24,473,107	859,874	721,940	26,054,921
New Hampshire	4,642,118	1,826,747	457,852	6,926,717
New Jersey	217,148,481	1,764,249	2,587,773	221,500,503
New Mexico	9,551,855	2,555,204	655,206	12,762,265
New York	550,931,718	9,272,746	6,091,120	566,295,584
North Carolina	37,901,829	11,453,770	2,563,722	51,919,321
North Dakota	3,055,663	1,098,794	310,725	4,465,182
Ohio	90,141,703	10,795,153	3,431,195	104,368,051
Oklahoma	14,269,627	5,253,598	1,208,398	20,731,623
Oregon	35,475,309	3,860,108	1,122,512	40,457,929
Pennsylvania	153,018,676	10,870,487	4,044,433	167,933,596
Puerto Rico	43,018,815	886,505	1,399,708	45,305,028
Rhode Island	8,886,917	321,036	463,004	9,670,957
South Carolina	14,252,555	5,710,780	1,383,261	21,346,596
South Dakota	2,347,890	1,496,368	339,305	4,183,563
Tennessee	28,940,103	7,276,884	1,914,830	38,131,817
Texas	196,543,779	16,174,536	5,644,548	218,362,863
Utah	27,263,133	1,295,598	592,321	29,151,052
Vermont	1,043,871	1,344,670	294,426	2,682,967
Virgin Islands	....	290,086	150,772	440,858
Virginia	54,598,970	6,317,121	2,017,699	62,933,790
Washington	95,763,294	4,247,495	1,720,930	101,731,719
West Virginia	4,949,894	3,454,176	784,330	9,188,400
Wisconsin	40,150,971	6,733,687	1,574,405	48,459,063
Wyoming	1,381,661	982,500	256,054	2,620,215
Subtotal	3,433,535,608	239,404,605	90,652,801	3,763,593,014
Oversight	17,253,948	1,203,038	....	18,456,986
Total	3,450,789,556	240,607,643	90,652,801	3,782,050,000
Over-the-Road Bus Program	....	....	....	6,950,000
Clean Fuels	....	....	....	50,000,000

FEDERAL TRANSIT ADMINISTRATION, FISCAL YEAR 2004 APPORTIONMENTS FOR FORMULA PROGRAMS (BY STATE)—Continued

State	Section 5307 urbanized area	Section 5311 non-urbanized area	Section 5310 elderly & persons with disabilities	State total
Grand total	....	....	....	3,839,000,000

[1] Includes $4,825,700 to Alaska Railroad for improvements to passenger operations.

UNIVERSITY TRANSPORTATION RESEARCH

	Appropriation (general fund)	*Limitation on obligations (trust fund)*	*Total funding*
Appropriation, fiscal year 2003	$1,192,000	($4,769,000)	$5,961,000
Budget request, fiscal year 2004	....	....	....
Recommended in the bill	1,200,000	(4,800,000)	6,000,000
Bill compared to:			
Appropriation, fiscal year 2003	+8,000	(+31,000)	+39,000
Budget request, fiscal year 2004	+1,200,000	(+4,800,000)	+6,000,000

COMMITTEE RECOMMENDATION

The accompanying bill provides a total of $6,000,000 for university transportation research. The recommendation is a $39,000 increase above the fiscal year 2003 level.

The recommended program level of $6,000,000 is comprised of an appropriation of $1,200,000 from the general fund and $4,800,000 from limitations on obligations from the mass transit account of the highway trust fund.

TRANSIT PLANNING AND RESEARCH

	Appropriation (general fund)	*Limitation on obligations (trust fund)*	*Total funding*
Appropriation, fiscal year 2003	$24,043,000	($97,164,000)	$121,207,000
Budget request, fiscal year 2004	....	....	....
Recommended in the bill	24,200,000	(97,800,000)	122,000,000
Bill compared to:			
Appropriation, fiscal year 2003	+157,000	(+636,000)	+793,000
Budget request, fiscal year 2004	+24,200,000	(+97,800,000)	+122,000,000

COMMITTEE RECOMMENDATION

The accompanying bill provides $122,000,000 for transit planning and research. The recommendation is $793,000 more than provided in fiscal year 2003.

The recommended level of $122,000,000 is comprised of an appropriation of $24,200,000 from the general fund and $97,800,000 from limitations on obligations from the mass transit account of the highway trust fund.

The bill contains language specifying that $60,385,600 shall be available for metropolitan planning; $12,614,400 shall be available for state planning; $31,500,000 shall be available for national planning and research; $8,250,000 shall be available for transit cooperative research; $4,000,000 shall be available for the National Transit Institute; and $5,250,000 shall be available for rural transportation assistance.

National planning and research.—Within the funds for national planning and research, support is provided for a number of important initiatives including:

CALSTART/Weststart Bus Rapid Transit; Clean Mobility and Transit Enhancements	$3,250,000
Center for Intermodal Transportation, Florida State University	1,000,000
Northern Illinois University Fuel Cell Research	1,750,000
Transportation Research Program at the University of Kansas	2,000,000
Community Transportation Association of America's National Joblinks Program	1,000,000
PVTA Electric Bus Program, MA	1,925,000
North Carolina State University Center for Transportation and the Environment	1,000,000
National Transit Institute at Rutgers University	1,000,000
State University System of Florida Intermodal Transportation Safety Initiative	8,000,000
National Transit Institute at Rutgers University, TELLUM	1,000,000
NYU-Wagner Rudin Center Americas Mega City Project, NY	75,000
Advanced Transportation Technology Institute, TN	1,000,000
Project ACTION	2,000,000
Hennepin County community transportation, MN	1,000,000

TRUST FUND SHARE OF EXPENSES

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2004	($5,781,000,000)
Budget request, fiscal year 2004	(320,594,000)
Recommended in the bill	(5,807,020,000)
Bill compared with:	
Appropriation, fiscal year 2003	(- - -)
Budget request, fiscal year 2004	(+26,020,000)

COMMITTEE RECOMMENDATION

For fiscal year 2004, the Committee has provided $5,807,020,000 for liquidation of contract authorization.

CAPITAL INVESTMENT GRANTS

(INCLUDING TRANSFER OF FUNDS)

	Appropriation (general fund)	*Limitation on obligations (trust fund)*	*Total funding*
Appropriation, fiscal year 2003	$603,253,000	$2,413,013,000	$3,016,266,000
Budget request, fiscal year 2004	1,213,500,000	320,594,000	1,534,094,000
Recommended in the bill	599,280,000	2,507,220,000	3,106,500,000
Bill compared to:			
Appropriation, fiscal year 2003	−3,973,000	−94,207,000	+90,234,000
Budget request, fiscal year 2004	−614,220,000	+2,186,626,000	+1,572,406,000

COMMITTEE RECOMMENDATION

The accompanying bill provides a total of $3,106,500,000 to be available for capital investment grants. The recommendation is $90,234,000 more than provided in fiscal year 2003.

The recommended level of $3,106,500,000 is comprised of an appropriation of $599,280,000 from the general fund and

$2,507,220,000 from limitations on obligations from the mass transit account of the highway trust fund.

Funds provided for capital investment grants shall be distributed as follows:

	Recommended in the bill
Fixed guideway modernization	$1,214,400,000
New starts	1,214,400,000
Bus and bus facilities	677,700,000
Total	$3,106,500,000

Three-year availability of section 5309 funds.—Consistent with past years the Committee has included bill language that permits the administrator to reallocate discretionary new start and buses and bus facilities funds from projects which remain unobligated after three years. Funds made available in the Department of Transportation and Related Agencies Appropriations Act, 2001 and previous Acts are available for reallocation in fiscal year 2004 as availability for these discretionary projects is limited to three years. The Committee directs the FTA to reprogram funds from recoveries and previous appropriations that remain available after three years and are available for reallocation to only those new starts and bus and bus facilities projects identified in the accompanying reports of the fiscal year 2004 Departments of Transportation and Treasury and Independent Agencies Appropriations Act. The FTA shall notify the House and Senate Committees on Appropriations 15 days prior to any such reallocation, consistent with reprogramming guidelines.

The Committee, however, directs FTA not to reallocate funds provided in the fiscal year 2001 Department of Transportation and Related Agencies Appropriations Act or previous Acts for the following new start projects:

Los Angeles-San Diego LOSSAN Corridor Project, California
Dulles Corridor Project, Virginia
Wilmington, Delaware, Downtown Transit Corridor Project
Lowell, Massachusetts-Nashua, New Hampshire Commuter Rail Project
Portland, Maine, Marine Highway Program
Charlotte, North Carolina, North Corridor and South Corridor Transitway
Pittsburgh, Pennsylvania, North Shore-Central Business District Corridor Project
Nashville, Tennessee, Regional Commuter Rail Project
Spokane, Washington, South Valley Corridor Light Rail Project
Philadelphia-Reading SEPTA Schuylkill Valley Metro Project
Alaska Ferry Projects
Girdwood to Wasilla, Alaska, Commuter Rail Project
Birmingham, Alabama, Transit Corridor
Twin Cities Transitways Project
Kenosha, Racine & Milwaukee Rail Extension
West Trenton, New Jersey, Rail Project
Indianapolis, Indiana Northeast-Downtown Corridor Project
Burlington-Bennington (ABRB), Vermont Commuter Rail Project
Kansas City, Missouri, Southtown Corridor Project
Hollister/Gilroy Branch Line Rail Extension Project, CA (2001)
Colorado Roaring Fork Valley Project
Raleigh-Durham-Chapel Hill Triangle Transit Project

The Committee makes these exceptions based on FTA information that these funds are likely to be awarded by the fourth quarter of fiscal year 2003 or soon thereafter.

In addition, the Committee directs FTA not to reallocate funds provided in the fiscal year 2001 Department of Transportation and

Related Agencies Appropriations Act or previous Acts for the following bus and bus facilities projects:

Sullivan County, buses, bus facilities, and related equipment, NY
Jamaica, intermodal facilities, NY
Statewide bus and bus facilities (including Tallahassee), FL
Alabama State Docks intermodal passenger and freight facility, AL
University of South Alabama, buses and bus facilities, AL
Homer, Alaska Maritime Wildlife Refuge intermodal and welcome center, AK
Port Mackenzie intermodal facilities, AK
Port Mackenzie/Upper Cook Inlet facilities, AK
Ship Creek pedestrian and bus facilities and intermodal center/parking garage, AK
Alabama Bus A&M University, AL
University of North Alabama, bus and bus facilities, AL
Central Arkansas Transit Authority, bus and bus facilities, AR
River Market and College Station Livable Communities Program, AR
Gary—Adam Benjamin Intermodal Center, IN
Kansas City, JOBLINKS, KS
Wyandotte County, buses, KS
Traverse City, transfer station, MI
Greater Minnesota buses and bus facilities, MN
Metro Transit, buses and bus facilities, MN
Newark Arena bus improvements, NJ
Trenton, train/intermodal station, NJ
Eastchester, Metro North facilities, NY
Suffolk County, senior and handicapped vans, NY
Fayette County, maintenance facilities, PA
Somerset County, ITS related equipment, PA
Bellows Falls Multimodal, VT
Brattleboro multimodal center, VT
Burlington multimodal transportation center, VT
Central Vermont Transit Authority buses and bus facilities, VT
Washington County, intermodal facilities, buses and bus facilities, PA
Fayatte County intermodal parking facility, PA
Wilkes-Barre, intermodal facility, PA
Wilkes-Barre intermodal transportation center, PA
Tulsa pedestrian and streetscape improvements, OK
Binghamton intermodal transportation center, NY

For those projects where Congress extends the availability of funds that remain unobligated after three years and would otherwise be available for reallocation at the discretion of the administrator, such funds are extended only for one additional year, absent further Congressional direction. Those projects have had four years to expend their funding, and if they still remain unable to do so, the Committee believes it is better to allocate these funds to projects that can obligate these funds in a more timely fashion.

BUSES AND BUS FACILITIES

The accompanying bill provides $677,700,000 for bus purchases and bus facilities, including maintenance garages and intermodal facilities. Bus systems play a vital role in the mass transportation systems of virtually all cities. FTA estimates that 95 percent of the areas that provide mass transit service do so through bus transit only and over 60 percent of all transit passenger trips are provided by bus.

Funds made available for bus and bus facilities are to be supplemented with $37,000,000 from projects included in previous appropriations Acts. The Committee is aware that these funds may not be needed due to changing local circumstances or are in excess of the project requirements. The unexpended sums from the following projects from previous appropriations Acts are reallocated:

Birmingham-Jefferson County Transit Authority buses and bus facilities, AL (2001)
Dothan—Wiregrass Transit Authority buses and bus facilities, AL (2001)
Intermodal Center, AL (1999)
Montgomery—Moulton Street Intermodal Facility, AL (2001)
Montgomery, civil rights trail trolleys, AL (2001)
Tuscaloosa interdisciplinary science building parking and intermodal facility, AL (2001)
University of Alabama Birmingham fuel cell buses, AL (2001)
Anaheim, buses and bus facilities, CA (2001)
Brea, buses, CA (2001)
Compton, buses and bus-related equipment, CA (2001)
El Dorado, buses, CA (2001)
Folsom, transit stations, CA (2001)
Fresno, intermodal facilities, CA (2001)
Modesto, bus facility, CA (2001)
Monterey Salinas Transit Authority, buses and bus facilities, CA (2001)
Oceanside, intermodal facility, CA (2001)
Sacramento, buses and bus facilities, CA (2001)
Santa Cruz, buses and bus facilities, CA (2001)
Sonoma County, buses and bus facilities, CA (2001)
Sunline transit agency, buses, CA (2001)
Vista, bus center, CA (2001)
Bridgeport, intermodal center, CT (2001)
Norwich bus terminal and pedestrian access, CT (2001)
Waterbury, bus garage, CT (2001)
Chatham, buses and bus facilities, GA (2001)
Cobb County, buses, GA (2001)
Georgia Regional Transit Authority, buses and bus facilities, GA (2001)
Des Moines park and ride, IA (2001)
Mason City, bus facility, IA (2001)
Sioux City Trolley system, IA (2001)
Waterloo, buses and bus facilities, IA (2001)
Statewide, bus and bus facilities, ID (2001)
Alexandria buses and vans, LA (2001)
Plaquemines Parish ferry/New Orleans Regional Planning Commission vans, buses, facility construction in Plaquemines, St. Bernard, St. John and St. Charles Parishes, LA (2001)
St. Tammany Parish park and ride, LA (2001)
Bangor intermodal transportation center, ME (2001)
Southeast Missouri Transportation Service bus and bus facilities, MO (2001)
Brookhaven multimodal transportation center, MS (2001)
Coast Transit Authority multimodal facility and shuttle service, MS (2001)
Picayune multimodal center, MS (2001)
Missoula Ravalli Transportation Management Association buses, MT (2001)
Missouri River pedestrian crossing—Omaha, NE (2001)
Elizabeth Ferry Project, NJ (2001)
Angel Fire bus and bus Facilities, NM (2001)
Clovis, buses and bus facility, NM (2001)
Las Cruces, buses, NM (2001)
Valencia County, transportation station improvements, NM (2001)
Clark County bus passenger intermodal facility—Henderson, NV (2001)
Lake Tahoe CNG buses and fleet conversion, NV (2001)
Reno and Sparks, buses and bus facilities, NV (2001)
Washoe County buses and bus facilities, NV (2001)
Greenport and Sag Harbor, ferries and vans, NY (2001)
Highbridge pedestrian walkway, NY (2001)
Intermodal Transporter Center, NY (2000)
Tompkins County, intermodal facility, NY (2001)
Westchester and Duchess counties, vans, NY (2001)
Columbus Near East transit center, OH (2001)
Columbia County ADA buses, OR (2001)
Hood River County bus and bus facility, OR (2001)
Lakeview buses, OR (2001)
Rogue Valley buses, OR (2001)
Altoona bus testing facility, PA (2001)
Bucks County, intermodal facility improvements, PA (2001)
Monroe County, buses and bus facilities, PA (2001)
Phoenixville, transit related improvements, PA (2001)

Statewide, buses and bus facilities, SC (2001)
Brazos Transit District, buses, TX (2001)
Houston Metro, Main Street Transit Corridor improvements, TX (2001)
Charlottesville bus and bus facilities, VA (2001)
City of Richmond bus and bus facilities, VA (2001)
Fair Lakes League, VA (2001)
Fair Lakes League, VA (2000)
Fairfax County Transportation Association of Greater Springfield, VA (2001)
Falls Church Bus Rapid Transit terminus, VA (2001)
Jamestown/Yorktown and Williamsburg CNG bus, VA (2001)
Springfield station improvements, VA (2001)
King County Metro transit bus and bus facilities, WA (2001)
Renton/Port Quendall transit project, WA (2001)
Richland, bus maintenance facility, WA (2001)
Cheyenne transit and operation facility, WY (2001)

The Committee recommendation assumes the following distribution of bus and bus facilities funds:

95th Dan Ryan Transit Station Refurbishment, IL	$1,000,000
AC Transit Expansion Buses, CA	1,500,000
Access Enhancements to Sierra Madre Villa Gold Line Station, CA	750,000
Adams County Transit Authority (ACTA) buses and bus facility, Adams County, PA	70,000
Alameda Point aerial transit project, CA	700,000
Albany, GA, Intermodal Facility	2,000,000
Allegan County, MI, Bus and Equipment	4,000,000
Alternative Fuel Replacement Buses for Sun Tran, AZ	500,000
Ames, IA transit/bus facility	3,000,000
Amesbury, MA bus facility upgrade	2,500,000
AMTRAN Buses and Transit System Improvements, PA	750,000
Anaheim, CA Resort Transit (ART)	750,000
Ann Arbor Transit Authority Transit Center, MI	1,750,000
Antelope Valley, CA Transit Authority Operations and Maintenance Facility	3,000,000
Area Transit Authority, PA Bus Purchase	2,750,000
Athens Clarke County Park Ride Project, GA	3,900,000
Attleboro Intermodal Transportation Center, Attleboro, MA	2,500,000
Audubon Area Community Services, KY	225,000
Baltimore, MD, Center Plaza	1,000,000
Barry County Transit, MI, Replacement maintenance equipment	50,000
BARTA Fixed Route Bus and Paratransit Vehicle Replacement, PA	4,800,000
BARTA Park-N-Transit Facility, PA	650,000
Bay Area Metropolitan Transportation Authority New and Replacement Buses, MI	500,000
Bay Area Transportation Authority Facility and Buses, Grand Traverse County, MI	3,000,000
Beaver County, PA Transit Authority replacement buses and equipment	650,000
Bergen Intermodal Stations and Park n' Rides Capital Improvements, NJ	4,000,000
Berkshire Regional Transit Authority (BRTA) Buses and Fare Boxes, MA	765,000
Birmingham, AL Downtown Intermodal Facility	1,000,000
Bismarck Fixed Route Bus System, Fargo/Moorhead Transit Maintenance Facility, Valley City Garage, ND	4,000,000
Bloomington Transit—Bloomington, IN	720,000
Branch Area Transit Authority Equipment Upgrade, MI	40,000
Brazos County, TX Bus Replacement Program	1,000,000
Brockton Area Intermodal Transit Centre Bus Replacement, MA	500,000
Bronx HUB Streetscape Improvement & Pedestrianization, NY	1,000,000
Broome County Hybrid Buses, NY	1,800,000
Bucks County, PA Intermodal Facility Improvements	2,000,000
Buffalo Niagara Medical Campus Implementation, NY	1,580,000
Bus Replacement, Brockton Area Transit Authority, MA	2,000,000
Butler Multi-Modal Transit Center, PA	2,500,000
Cadillac/Wexford Transit Authority, MI Buses	200,000
Cadillac/Wexford Transit Authority, MI Intermodal Facility	1,500,000
Calexico Transit System, CA	400,000

Cambria County Transit Bus and Facility, PA	900,000
Capital Area Transit Buses, PA	3,000,000
Capital District Transportation Authority (CDTA), Rensselaer Intermodal Station, NY	500,000
Capital Metro Hybrid Electric Buses, TX	500,000
Capital Metro North Operating Facility, TX	1,250,000
CART/UOO, Norman, OK Buses and Bus Facilities	1,750,000
CAT, NV Double Decker Bus Purchase	5,950,000
CATA Bus Replacement, Lansing, MI	2,500,000
Central New York Regional Transportation Authority, NY	5,000,000
Central Ohio Transit Authority Facility	1,100,000
Central Oklahoma Transportation and Parking Authority (COPTA)	1,820,000
Centre Area Transit Authority—Advanced Public Transportation Systems Initiative, PA	1,600,000
Cerone Operating Complex Improvements, CA	750,000
Cerritos, CA, Circulator Buses	500,000
Chapel Hill, NC Bus Maintenance Facility	1,000,000
Charlotte, NC Area Transit System Transit Maintenance and Operations Center	8,000,000
Chatham Area Transit Authority, GA Bus and Bus Facilities	10,000,000
Cherry Street Multi-Modal Facility, IN	1,800,000
Church Street Transportation Center, Williamsport, Lycoming County, PA	1,000,000
Citrus County Enhancement Project for the Transportation Disadvantaged, FL	300,000
City Bus, Williamsport Bureau of Transportation, Lycoming County, PA	3,000,000
City of Adrian, MI Equipment Upgrade	95,000
City of Albuquerque, NM Transit Department Revenue Vehicle Purchase	6,000,000
City of Albuquerque, NM Transit Department West Side Transit Facility	2,000,000
City of Alexandria After School Bus Program, VA	75,000
City of Alma, MI Intermodal Transit Facility, Equipment Replacement and Tenant Sweeper	300,000
City of Asheville, NC Transit System Fleet Replacement	825,000
City of Baldwin Park, CA Downtown/Metrolink Parking Improvements	500,000
City of Battle Creek, MI Equipment and Facility Upgrade	100,000
City of Belding, MI, Bus replacement and communication equipment	100,000
City of Burbank, CA Empire Area Transit Center	1,000,000
City of Canby, OR, Transit Center	150,000
City of Clinton, MO Transit Office	300,000
City of Columbia, MO, Transit Replacement	107,000
City of Corvallis, OR, Bus Replacement	250,000
City of Davis, CA Intermodal Facility	350,000
City of Durham, NC Multimodal Transportation Facility	1,500,000
City of El Paso, TX Sun Metro—Bus Replacement Program	1,000,000
City of Eureka, CA Intermodal Depot	400,000
City of Fresno, CA FAX Buses, Equipment, and Facilities	4,000,000
City of Grapevine, TX Bus Purchase	325,000
City of Greenville, SC Multimodal Transportation Center Improvements	525,000
City of Hillsdale, MI Equipment and Facility Upgrade	400,000
City of Holland, MI Macatawa Area Express (MAX)	1,500,000
City of Jackson, MI Transportation Authority Facility upgrade	1,500,000
City of Lubbock/Citibus Buses, TX	1,250,000
City of Lufkin, Intermodal Transit Terminal/Parking Facility, TX	1,000,000
City of Macon, GA Alternative Fuel Vehicle Purchase	420,000
City of Nacogdoches, TX, Vehicle Replacement	1,000,000
City of Palm Beach, FL, Gardens Mass Transit Bus Shelters	50,000
City of Peoria, IL Bus Purchase	650,000
City of Revere, MA Intermodal Transit Improvements	2,500,000
City of San Fernando, CA Local Transit System	300,000
City of Springfield, IL Bus Purchase	700,000
City of Waco, TX Bus Facility Project	1,500,000
City of Wichita Transit Authority, KS System Upgrades	288,000
CityLink van and technology replacement, Abilene, TX	700,000

Clallam Transit Buses, WA	250,000
Clare County, MI Transit Corporation—Replacement Buses, MI	250,000
Claremont, CA Intermodal Transit Village Expansion Project	2,500,000
Clean Fleet Bus Purchase and Facilities, VA	2,500,000
Clinton, MI Transit Bus Purchase	75,000
Coast Transit Authority, MS	900,000
Coconino County, AZ Buses and Facilities	2,000,000
Collegian Busway Improvements, CA	250,000
Colorado Transit Coalition Bus and Bus Facilities	10,000,000
Connecticut Statewide Bus Replacement Purchase	6,000,000
Coralville, IA Intermodal Facility	2,000,000
Corona Transit Center, CA	1,750,000
Corpus Christi, TX, Bus and Bus Facilities	800,000
County Connection, Midland County, MI	200,000
Danville, KY Transit Facility / Parking Structure	1,750,000
Danville, VA Trolley Buses	225,000
Delaware Bus and Bus Facilities	3,000,000
Detroit Bus Replacement, MI	4,000,000
Detroit Downtown Transit Center, MI	8,000,000
Detroit Timed Transfer Center—Phase II, MI	2,000,000
East Haddam Mobility Improvement Project, CT	5,075,000
Eastern Contra Costa County Park and Ride Lots, CA	700,000
Ed Roberts Campus, CA	450,000
El Garces Intermodal Station, Needles, CA	3,000,000
Endless Mountain Transportation Authority, Bradford County, PA	100,000
Erie Metropolitan Transit Authority Bus Acquisition, PA	500,000
Escondido Bus Maintenance Facility, CA	1,000,000
Everett Transit Buses, WA	500,000
Fairfax County, VA Richmond Highway Transit Improvements	1,850,000
Fairfield/Vacaville, CA Intermodal Transit Station	700,000
Fayette County Intermodal Transit Facility, PA	400,000
Flagler Senior Services Transit Coaches, FL	300,000
Flint Mass Transportation Authority New and Replacement Buses, MI	1,000,000
Florida International University/University of Miami University Transportation Center	1,000,000
Folsom, CA Railroad Block Project	2,000,000
Foothill Transit, CA Transit Oriented Neighborhood Program	4,000,000
Fort Edward Intermodal Station Interior Restoration/Rehabilitation Project, New York	600,000
Fort Lauderdale, FL, Tri-City Transit Authority, fare collection system	1,440,000
Fort Smith, Arkansas Transit Facility	750,000
Fort Wayne, IN, Citilink Bus Purchase	1,000,000
Franklin Regional Transit Authority (FRTA) Bus, MA	150,000
Ft. Worth Transportation Authorty Fleet Modernization and Bus Transfer Centers, TX	4,000,000
Fulton County Transit Authority, KY	400,000
Gallagher Intermodal Transportation Center Project, MA	2,000,000
Galveston Maintenance Facility Renovations, TX	800,000
Georgia Statewide Bus Replacement, and Facility Projects in Albany & Rome	2,000,000
Golden Empire Transit Traffic Signal Priority, CA	750,000
Grand Rapids, MI Metropolitan Area, Multimodal surface transportation center	3,475,000
Grant Transit Authority, Bus Facility, WA	1,200,000
Grays Harbor Transportation Authority Capital Improvement, WA	75,000
Greater Dayton, OH Regional Transit Authority	2,000,000
Greater New Haven Transit District, CT, Fuel Cell and Electric Bus Funding	4,000,000
Greater Ouachita Port and Intermodal Facility, LA	1,000,000
GRTA Capital Improvements, GA	3,000,000
Hamilton Clean Fuels Bus Facility, GA	2,500,000
Hampton Roads Transit Southside Bus Facility, VA	1,000,000
Harbor Transit, MI Bus Replacement	450,000
Harrisburg Transportation Center Capital Purchase, PA	1,750,000
Harrison County multi-modal facilities and shutle service, MS	1,000,000
Harrison Intermodal Project, NJ	1,000,000
HART Bus Facility—Ybor Station Intermodal Facility, FL	700,000

HART Bus Purchase, FL	750,000
Hartford Downtown Circulator, CT	750,000
Hemet Transit Center/Bus Facility, CA	800,000
Henderson Area Rapid Transit Authority, KY	25,000
High Point, NC Project Terminals	3,000,000
Holyoke Multimodal Transportation Center, MA	4,000,000
Honolulu Bus and Paratransit Replacement Program, HI	750,000
Honolulu Middle Street Intermodal Center, HI	1,300,000
Hopkins County, TX, Intermodal Center	750,000
Howard Boulevard Intermodal Park & Ride, NJ	4,000,000
Hunt County, TX, Committee on Aging Transportation Facility	750,000
Hunterdon County Intermodel Stations and Park & Rides, NJ	1,250,000
Wyandanch, NY Intermodal Transit Facility	750,000
Idaho Transit Coalition Capital Purchases	4,000,000
Illinois Statewide Buses and Facilities	6,000,000
Indiana County Transit Authority/Bus Facility Expansion and Renovation, PA	400,000
Indiana University Bloomington, IN	1,500,000
Indianapolis Downtown Transit Center, IN	1,800,000
Intelligent Transportation System for ITP—The Rapid, MI	1,500,000
Intermodal Transit Facility for ULM, LA	750,000
Intermodal Transportation Hub Study, Raleigh, NC	250,000
Interstate 15 Managed Lanes BRT Capital Purchase, CA	2,000,000
Iowa Statewide bus and bus facility	6,600,000
Isabella County Transportation Commission Vehicle Replacement, MI	600,000
Island Transit Operations and Maintenance Facility, WA	2,500,000
Jacksonville, FL Transportation Authority, Bus and Bus Facilities, Bus Replacement	3,250,000
Jacobi Transportation Facility, NY	1,000,000
Jamaica Intermodal Facilities, Queens, NY	750,000
Jasper, AL Bus Replacement	100,000
JATRAN vehicles for disabled and elderly, MS	300,000
Jefferson City Transit System, MO	400,000
Jefferson Transit Bus Facility, WA	1,000,000
Jefferson Transit bus purchase, WA	200,000
Johnson County, KS Nolte Transit Center	200,000
Johnson County, KS, Transit automated vehicle locator system	50,000
Kansas City Area Transit Authority: bus replacement, facility improvement, KS	3,000,000
Kansas Department of Transportation Bus and Bus Facility Project	3,000,000
Kearney RYDE Transit Program, NE	2,250,000
Kent State University Intermodal Facility, OH	750,000
Key West, FL, Bus and Bus Facilities	2,000,000
Kibios Area Transit System (KATS) maintenance facility and vehicles, OH	642,000
King County, Clean Air Buses, WA	450,000
Kitsap Transit bus purchase, WA	500,000
Knoxville, TN Electric Transit Intermodal Center	2,025,000
KY Transportation Cabinet/Community Action Groups	1,250,000
Lake Erie Transit Bus Storage Facility and Maintenance Facility Expansion, MI	1,400,000
Lakeland Area Mass Transit District—Citrus Connection, FL	1,250,000
Lane Transit District Bus Facilities, OR	850,000
Laredo, TX, Bus Facility	1,750,000
Lawrence, Kansas, Transit System maintenance facility	400,000
Lebanon County Transit Authority, Bus and Bus Related Facilities, PA	600,000
Lee County, FL LeeTran Bus Replacement	500,000
Leesburg, GA, Train Depot Renovation and Restoration	400,000
Lenawee Transportation Corporation equipment upgrade, MI	300,000
LETS Bus Replacement, MI	225,000
Levy County Improvement Project for the Transportation Disadvantaged, FL	500,000
Lincoln County, OR Transportation—Bus Garage Facility	200,000
Livingston County, NY, Transportation Center	500,000
Long Beach Transit—Bus Purchase, CA	1,400,000
Lorain Port Authority, OH, Lighthouse Shuttle and Black River Water Taxi Project	250,000

Los Angeles County, CA MTA Bus Improvements	3,500,000
Louisiana Bus & Bus-Related Facilities	4,500,000
Ludington, MI Mass Transportation Authority Bus Facility	525,000
Macon and Athens Multimodal Station, GA	2,000,000
Macon, GA Terminal Station	2,000,000
Mammoth Lakes, CA Bus Purchase	2,250,000
Manassas, VA, Old Town Intermodal Center	4,530,000
Manistee County, MI Transportation, Replacement Buses	125,000
MARTA Automated Fare Collection/Smart Card System, GA	6,000,000
MARTA Bus Acquisition Program, GA	4,000,000
Maryland Bus and Bus Facilities Program	7,250,000
Mason County Transportation Authority Capital Improvements, WA	200,000
Mecosta Osceola County Area Transit Vehicle Replacement, MI	350,000
Mesa, AZ Operating Facility	2,000,000
Metro Transit Bus/Bus Facilities, MN	4,400,000
Metro Transit Turn Around at Taylor Landing Park, WA	70,000
Miami Dade County, FL System Enhancements	5,000,000
Miami-Dade County, FL Bus Procurement	1,000,000
Mid County Transit Authority Kittanning, PA	400,000
Mid Mon Valley Transit Authority, Charleroi, PA	600,000
Minnesota Bus Replacement	672,000
Minnesota Transit Vehicles and Transit Bus Facilities	1,000,000
Missouri Bus & Paratransit Vehicles—Rolling Stock	1,500,000
Mobile, AL Waterfront Terminal and Maritime Center of the Gulf	1,750,000
Modesto, CA Bus Facility	2,250,000
Montachusett Area Regional Transit (MART) Buses and Bus Facility, MA	2,000,000
Montachusett Area Regional Transit (MART) Regional Transit Facility, MA	2,400,000
Montclair State University Campus and Community Bus System, NJ	800,000
Monterey-Salinas Transit Buses, CA	2,800,000
Montgomery, NY Buses	40,000
Morgantown Intermodal Facility, WV	3,500,000
Morris County Intermodal Facilities and Park & Rides, NJ	5,000,000
MTA/Long Island Bus purchase, NY	2,000,000
Muncie Indiana Transit System, IN	2,000,000
Myrtle Beach Regional Multimodal Transit Center, SC	500,000
Myrtle/Wycoff/Palmetto Transit Hub Enhancement, NY	750,000
Nashville, TN, Replacement of aged buses	800,000
Nassau HUB Enhancements, NY	2,000,000
New Castle Transit Authority replacement buses, PA	500,000
New Hampshire Statewide Bus Acquisition	4,500,000
New Mexico State Highway and Transportation Department Park & Ride	150,000
New Mexico State Highway and Transportation Department Statewide Multi-Modal Transportation System	150,000
Newark Penn Station Intermodal Improvements, NJ	2,000,000
Newton, MA Rapid Transit Handicap Access Improvements	300,000
Niagara Frontier Transportation Authority Metro Bus and Rail replacement buses, NY	4,500,000
Normal Multimodal Transportation Center including facilities for adjacent public uses, IL	3,000,000
North Bend Park and Ride, WA	2,000,000
North Carolina Bus and Bus Facilities	6,250,000
North Charleston Regional Intermodal Transportation Center, SC	3,000,000
North Las Vegas Intermodal Transit Hub, NV	1,500,000
North Side Transfer Center Brownsville Urban System (BUS), TX	500,000
Northern Michigan Bus and Bus Facilities	500,000
Northern Oklahoma Regional Multimodal Transportation System	5,500,000
Northumberland County Transportation, PA	125,000
Northwest Corridor Busway, MN	4,000,000
NW 7th Avenue Transit HUB Improvements, FL	1,300,000
Oates Transportation Service of Southwest Missouri	80,000
Oceanside, CA Transit Maintenance Improvements	750,000
Oklahoma Department of Transportation Transit Programs Division	6,250,000
Omnitrans—Paratransit Vehicles, CA	300,000

Oneonta, NY Bus Replacement	1,000,000
Orange County, CA Transit Center Improvements	725,000
Orange County, CA Bus Rapid Transit (Initial Capital)	5,000,000
Orange County, CA Fare Collection System	2,250,000
Orange County, CA Inter-County Express Bus Service	5,000,000
Orange County, NY Bus Replacement	3,400,000
Over the Road Bus Accessibility—Intercity Bus Accessibility Consortium, NY	5,000,000
Paducah Area Transit Authority, KY	75,000
Palm Beach County and Broward County Regional Buses, FL	5,000,000
Palmdale Intermodal Facility Parking Lot Expansion, CA	750,000
Palo Alto, CA Intermodal Transit Center	750,000
Paoli Transportation Center, PA	1,250,000
Passenger Intermodal Transit Center, Bridgeport, CT	5,000,000
PCDC Busstop Related Facility Enhancements, PA	1,000,000
Perry County, KY, Intermodal Facility	2,500,000
Phoenix/Glendale, AZ West Valley Operating Facility	5,000,000
Phoenix/Regional, AZ Heavy Maintenance Facility	1,350,000
Piedmont Authority for Regional Transportation (PART) multimodal transportation center, NC	2,250,000
Pierce Transit Maintenance and Operations facility, WA	1,000,000
Pioneer Valley Transit Authority (PVTA) Buses, MA	2,500,000
Pittsfield Intermodal Transportation Center, MA	615,000
Port Authority of Allegheny County Clean Fuel Buses, PA	3,000,000
Port Authority of Allegheny County, PA - Bus Purchase	2,000,000
Potomac and Rappahannock Transportation Commission, VA	1,000,000
Public Transportation Management, Tyler/Longview, TX	500,000
Puerto Rico Metropolitan Bus Authority Replacement	750,000
Pulse Point Joint Development and Safety Improvements, Norwalk, CT	1,250,000
Purchase of Advanced Public Transportation Technology, MS	300,000
Putnam County, FL, Transit Coaches for Ride Solutions	3,000,000
Ray County Transportation vehicle replacement, MO	80,000
Red Cross Wheels, KY	200,000
Redondo Beach, CA Catalina Transit Terminal	1,500,000
Regional Transit Project for Quitman, Clay, Randolph and Stewart Counties, GA	1,000,000
Reseda Boulevard, CA Bus Rapid Transit Project Capital Improvement	450,000
Rhode Island Bus Replacement	2,500,000
Rhode Island ITS Program Phase II Capital Program	500,000
RIPTA Facilities Upgrade, RI	600,000
Riverside Transit Agency, Automatic Traveler Information System (ATIS), CA	200,000
Riverside Transit Agency: Bus Rapid Transit Investment, CA	1,250,000
Riverside Transit Agency: Transit Center, CA	2,250,000
Rochester Central Station, NY	5,000,000
Rock Island County Mass Transit District (Metrolink) transit facility, IL	450,000
Rome, NY Martin Street Station Restoration	1,000,000
Ronstadt Transit Center Modifications, AZ	3,000,000
Roseville, CA Multitransit Center	1,000,000
Sacramento Regional Bus Expansion, Enhancement, and Coordination Program, City of Auburn, CA	200,000
Sacramento Regional Bus Expansion, Enhancement, and Coordination Program, City of Lincoln, CA	1,000,000
Sacramento, CA Regional Transit District, Bus Maintenance Facility	750,000
Salem, OR Area Transit—Bus Replacement	600,000
Salem, OR Area Transit—South Salem Transit Center	750,000
San Antonio, TX, VIA Metropolitan Transit Authority—New Buses and Bus Facility Modernization	1,000,000
San Francisco, CA Muni Bus and Bus Facilities	4,000,000
San Mateo County, CA Transit District Zero-Emission Buses	800,000
Sanilac County, MI Bus facility	250,000
Santa Barbara Metropolitan Transit District Electric Bus Investment, CA	500,000
Santa Clara Valley, CA Transportation Authority Zero-Emission Buses	400,000

Santa Fe Trails Transit Center, NM	300,000
Schlow Library Bus Depot, State College, PA	2,000,000
Schuylkill Transportation System, Bus and Bus Facilities, PA	2,000,000
SEPTA Hybrid Buses, PA	2,200,000
SEPTA Norristown Intermodal Facility, PA	5,000,000
SEPTA Trackless Trolley Acquisition, PA	1,000,000
Shiawassee Transportation Center and two replacement buses, MI	200,000
Shreveport, LA, Intermodal Bus Facility	2,000,000
Small Urban and Rural Transit Center, ND	400,000
Smithtown Senior Citizen Center Bus Replacement, NY	200,000
Snohomish County Community Transit Park and Ride Lot Expansion Program, WA	800,000
Somerset County, PA Transportation System Maintenance Facility	160,000
Sound Transit Regional Express Transit Hubs, WA	2,500,000
South Amboy, NJ Regional Intermodal Transportation Initiative	1,000,000
South Bend TRANSPO Bus Facilities, IN	2,600,000
South Carolina Statewide Transit Facilities Construction Project	2,500,000
South Clackamas Transit—Molalla, OR	100,000
South Dakota, Statewide buses and bus facilities	3,000,000
Southeast Arkansas Regional Intermodal Authority	500,000
South East Texas Transit Facility Improvements and Bus Replacements	250,000
South San Fernando Valley, CA Park and Ride facility expansion	400,000
Southeast Missouri Bus Service Capital Improvements	3,500,000
Southern and Eastern Kentucky Bus and Bus Facilities	2,500,000
Southern Maryland Commuter Bus Initiative	5,000,000
Southern Minnesota Transit Facilities	100,000
Southern Minnesota Transit Vehicles	1,000,000
South Whitler, CA Circulator Buses	500,000
Southwest Missouri State University Intermodal Transfer Facility	2,225,000
Sparks and Reno, Nevada bus and bus facilities	500,000
Spring Valley, CA Multi-Modal Center	1,600,000
Springfield Union Station Intermodal Redevelopment Project, MA	3,000,000
St. Augustine Intermodal Transportation and Parking Facility, FL	1,500,000
St. George Ferry Terminal Reconstruction, NY	3,953,000
St. George Transit O&M Facility, UT	500,000
St. Johns County Council on Aging, FL, Administrative Facility	650,000
St. Johns County Council on Aging, FL, Passenger Amenities	150,000
St. Johns County Council on Aging, FL, Transit Coaches	800,000
St. Louis Downtown Shuttle/Trolley Equipment, MO	375,000
St. Louis, MO, Bus Facility	1,250,000
St. Tammany Park and Ride, LA	1,000,000
State of Arkansas, Bus and Bus Facilities; Urban, Rural and Elderly and Disabled Agencies	3,750,000
State of Maine Statewide Bus and Bus Facilities Progam	1,250,000
State of Wisconsin, Statewide Bus and Bus Facilities	22,000,000
Suburban Mobility Authority for Regional Transportation (SMART) bus and bus facilities, MI	6,400,000
Suffolk County, NY Transit Bus	1,900,000
SunLine Transit Agency Clean Fuels Mall Facility and Hydrogen Infrastructure Expansion, CA	1,000,000
TalTran Bus and Bus Facilities Project, FL	1,500,000
TalTran Intermodal Facility Project, FL	1,000,000
TARTA/Toledo Bus Fueling Facilities Improvements, OH	3,000,000
Temecula, CA Transit Center	1,950,000
Tempe, AZ Downtown Transit Center	1,500,000
Tempe/Scottsdale, AZ East Valley Maintenance Facility	6,000,000
Tennessee Statewide Bus and Bus Facilities	4,500,000
Terminal Station Multi-Modal Roof Rehabilitation, GA	338,000
The District-Bryan Intermodal Transit Terminal/Parking Facility & Pedestrian Improvements, TX	1,250,000
The Woodlands Capital Cost of Contracting, TX	800,000
The Woodlands Park and Ride Expansion, TX	800,000
Tillamook County, OR Transportation District—Maintenance Facility	200,000
Tompkins County Bus Facilities , NY	600,000
Topeka Metropolitan Transit Authority Bus and Bus Facilities, KS	500,000
Transit Authority of Northern Kentucky Bus Replacement	2,000,000
Transit First Implementation, Chula Vista, CA	400,000

Transit Provider Vehicle Acquisition Program, SC	4,000,000
Transportation Authority of the River City, KY (TARC)—bus/trolley replacement	5,100,000
Transportation Authority of the River City, KY (TARC)—expansion facility	2,000,000
Transportation Modernization Initiative, Northwest Shoals Community College, AL	450,000
Tri-Met, OR Regional Bus Replacement	1,500,000
Truckee, CA Replacement Buses	200,000
Tucson, AZ Alternative Fuel Replacement Buses	8,085,000
Tulsa, OK Transit Bus Replacement Program	4,500,000
UCHRA, TN Capital Improvements	600,000
Ulster County Area Transit Buses, NY	40,000
Unified Government of Kansas City, Kansas bus replacement, KS	500,000
Union County, PA, Union/Snyder Transportation Alliance (USTA)	2,000,000
Union Depot Multi-modal Transportation Hub, MN	750,000
Union Station Regional Intermodal Transportation Center, Washington, DC	1,250,000
Union Station Renovations, Utica, NY	2,500,000
University of Delaware Fuel Cell Bus Demonstration Project, DE	1,500,000
UTA Transit ITS, Upgrades, UT	1,000,000
Utah Intermodal Terminals	750,000
Utah Statewide Bus and Bus Facilities	4,000,000
Ventura County, CA—CNG Fueling Station and Facility Pavement Replacement	500,000
Vermont, Bus Upgrades	1,000,000
Village of Pleasantville, NY Handicapped Ramp	48,000
Village of Pleasantville, NY Memorial Plaza	400,000
Virgin Islands Transit (VITRAN) Buses	750,000
Visalia, CA Bus Operations and Maintenance Facility	4,000,000
VOTRAN Public Transit System—Buses, FL	1,750,000
West Palm Beach, FL, Trolley Buses	2,000,000
Westchester, NY Replacement Buses for Bee-line System	2,500,000
Western Gateway Transportation Center Intermodal Facility—Schenectady, NY	750,000
Westfield Multimodal Transportation Center, MA	3,400,000
Westmoreland County Transit Authority (WCTA) Bus Replacement, PA	900,000
Whitehall Intermodal Terminal of the Staten Island Ferry Reconstruction, NY	2,000,000
Wilsonville, OR—Park and Ride	300,000
Winston-Salem Union Station, NC	3,000,000
Winter HavenTransit Terminal, FL	800,000
WMATA Bus Fleet, Washington, DC	1,750,000
WMATA Buses, MD	1,000,000
Wyandanch, NY Intermodal Transit Facility	750,000
Wyoming Statewide Buses and Bus Facilities	2,000,000
Yamhill County, OR—bus and bus facilities	167,000
York County Transit Authority (YCTA) buses and bus facility, York County, PA	750,000
Zanesville, OH Bus System Improvements	85,000

San Dieguito Transportation Cooperative, CA.—The Committee directs that amounts to be distributed under this heading for fiscal year 2002 to the San Dieguito Transportation Cooperative, California, instead be distributed to the North County Transit District for initial design and planning for construction of a new facility to provide enhanced bus transportation.

Cambria County, Pennsylvania.—The Committee directs that amounts to be distributed under this heading for fiscal year 2003 to the Cambria County operations and maintenance facility, Pennsylvania, instead be distributed to the Johnstown Inclined Plane visitor's center, Pennsylvania.

Hollister-Gilroy Caltrain Extension Project, Califorina.—The Committee directs that amounts to be distributed under this heading for fiscal year 2001 to the Hollister-Gilroy Caltrain Extension

Project, California, instead be distributed to the Caltrain San Francisco-San Jose-Gilroy service to Pajaro, Castroville and Salinas in Monterey County, California.

Somerset County, Pennsylvania.—The Committee directs that amounts to be distributed under this heading for fiscal year 2002 to the Somerset County Transportation System buses should instead be distributed for Somerset County Accessible Raised Roof Vans ($90,000) and to Somerset County Buses and Bus Facilities ($146,000).

Community Medical Centers, California.—Funds made available for the Community Medical Centers Intermodal facility in Fresno, California, shall be made available for the City of Fresno for the same project. The availability of such funds for obligation shall be extended through fiscal year 2004.

FIXED GUIDEWAY MODERNIZATION

The accompanying bill provides $1,214,400,000 from the capital investment grants program to modernize existing rail transit systems. These funds are to be redistributed, consistent with the provisions of TEA–21, as follows:

FEDERAL TRANSIT ADMINISTRATION, SECTION 5309 FIXED GUIDEWAY MODERNIZATION APPORTIONMENTS

State	Fiscal year		Change from fiscal year 2003
	2003	2004 estimate	
Alaska	2,275,498	2,319,574	44,076
Arizona	2,576,616	2,612,495	36,334
California	146,247,070	147,696,762	1,449,712
Colorado	2,934,066	2,975,025	40,959
Connecticut	40,310,522	40,445,001	134,479
District of Columbia	52,404,061	53,132,445	728,384
Florida	19,096,161	19,352,512	256,351
Georgia	24,974,158	25,304,065	329,907
Hawaii	1,148,189	1,164,990	16,801
Illinois	130,987,530	131,538,057	550,527
Indiana	8,933,175	8,982,688	49,513
Louisiana	2,959,087	2,967,450	8,363
Maryland	28,561,203	28,792,929	231,726
Massachusetts	74,595,418	74,954,059	358,641
Michigan	653,975	663,817	9,842
Minnesota	6,225,814	6,307,551	81,737
Missouri	4,505,207	4,565,470	60,263
New Jersey	104,063,042	104,471,490	408,448
New York	367,272,491	369,033,091	1,760,600
Ohio	17,057,145	17,131,843	74,698
Oregon	4,457,988	4,520,661	62,673
Pennsylvania	99,622,792	99,950,443	327,651
Puerto Rico	2,417,921	2,450,605	32,684
Rhode Island	90,174	91,312	1,138
Tennessee	318,044	323,616	5,572
Texas	8,416,760	8,525,074	108,314
Virginia	17,042,175	17,277,259	235,084
Washington	23,567,344	23,882,868	315,524
Wisconsin	812,198	822,828	10,630
Total Apportioned	1,194,525,369	1,202,256,000	7,730,631
Oversight (1 percent)	12,065,064	12,144,000	78,936
Grand Total	1,206,590,433	1,214,400,000	7,809,567

NEW STARTS

The accompanying bill provides $1,214,400,000 for new starts. These funds are available for preliminary engineering, right-of-way acquisition, project management, oversight, and construction of new systems and extensions. Funds made available in this Act for new starts are to be supplemented with $23,000,000 from projects included in previous appropriations Acts. The Committee is aware that these funds are not needed due to changing local circumstances or are in excess of project requirements. The bill, therefore, reallocates the unexpended sums from the following projects which were provided in previous appropriations Acts, the fiscal years of which are noted in parentheses:

Stockton, California, Altamont Commuter Rail Project (2001)
Stamford, Connecticut, Fixed Guideway Corridor (2001)
Hawaii Ferry Project (2001)
Boston—South Boston Piers Transitway Project (2001)
Massachusetts North Shore Corridor Project (2001)
MARC Expansion—Penn-Camden Lines Connector & Midday Storage (2001)
Greater Albuquerque, NM Mass Rail Transit Project (2000)
Albuquerque/Greater Albuquerque, NM Mass Transit Project (2001)
Clark County, Nevada, RTC Fixed Guideway Project (2001)
Dallas Southeast Corridor Light Rail (2001)

New starts report.—The Committee was satisfied with the timely submission of FTA's fiscal year 2004 annual report on new starts projects. TEA–21 required this report to be submitted in conjunction with the budget, yet year after year, this report was submitted months late. Without a timely submission of this information, the Committee cannot make well-informed decisions about new starts projects. To ensure that this report continues to be submitted on time, the Committee has continued bill language included in fiscal year 2003 that requires FTA to submit its annual new starts report with the initial submission of the President's budget request. In addition, the Committee encourages FTA to develop a more regular process for submitting supplementary new starts reports throughout the fiscal year.

Ratings for new starts projects.—The Committee is encouraged that FTA implemented new, and more focused, ratings process for the fiscal year 2004 annual new starts report. However, the Committee calls on FTA to continue to develop more stringent measures by which to rate new starts projects. Not only should all transit projects be subject to improved performance measures, it is crucial that more focused attention be given to criteria such as congestion relief and future operational costs. The large investment that transportation users on the nation's roads continue to devote to transit infrastructure should most certainly be evaluated on criteria that will show tangible benefits to those who pay for the system, as well as those who use it.

The Committee is concerned that sufficient weight and review are not being given to the earliest stage of the new starts projects, namely the alternatives analysis undertaken by local communities. The FTA does not appear to be providing critical oversight of that process, to assure that such analyses are not designed to reach predetermined conclusions, but instead are objective efforts to analyze transportation needs and to determine optimal solutions. The Committee directs the FTA that it should not consider any new starts, or expansions of new starts, unless it determines that the underlying alternatives analysis supports the chosen alternative as the superior choice.

Further, the abolition of "cost-per-new-rider" as a factor in New Starts decision-making removes an important tool from the evaluation process. The use of "time savings per rider" is a useful measure, but it should not supplant the "cost-per-new-rider" measurement. This criterion should be restored in all future FTA evaluations. It is also important that measurements of benefits should look deeper than system-wide numbers, and should also include measurements of riders and benefits for each sub-segment of a proposed new start (i.e., a breakout of the projected ridership and benefits between the individual stations). The FTA should also include relief of traffic congestions as a highly significant criterion in evaluating proposals.

Seattle Sound Transit Intitial Segment.—The geography and other conditions create great challenges for this project, and there is no inexpensive solution. The level of local commitment is very noteworthy. However, the proposal provides only minimal relief of the current traffic congestion in the Seattle area. Of 42,000 projected daily riders, only 16,000 would be new transit riders. About 26,000 riders would change to light-rail from the current bus systems, and only 16,000 from the congested roads. That means the cost-per-new-rider is about $150,000 (with the federal cost being about 1/5th of this). The Committee shares the concerns, noted in the report by the Inspector General, that the voter-approved I–776 referendum—if upheld by Washington State's Supreme Court—could dramatically impact the non-federal funding base, essentialy causing the collapse of significant funds upon which its proposal relies. Before any FFGA is approved, Sound Transit's governing board msut make a formal and binding commitment that is more detailed and specific than its resolution dated July 17, 2003, and must include a more-detailed amended financial plan that dedicates other funds in the even I–776 is upheld. As also indicated by the Inspector-General, a key part of that commitment must be that the current level of other transit services will be maintained (such as Sounder Commuter Rail and Regional Express Bus), and will not be reduced to fill any financial gap for the light-rail service. Further, the Committee is aware that Sound Transit has made earlier and potentially-conflicting commitments, specifically including sub-area equity. In this additional action by its governing board, Sound Transit must also state explicitly whether its commitment to fund an FFGA supercedes its earlier commitment to sub-area equity, as well as any other prior commitments.

New starts projects.—The Committee takes special note that the Central Arizona East Valley Corridor, which was only one of two projects that achieved a "Highly Recommended" rating from the FTA, New York Long Island Rail Road East Side Access, and Washington, DC, Dulles Corridor Rapid System projects are important activities to their respective regions. The Committee anticipates further consideration and attention to these projects.

Appropriations for full funding grant agreements.—Before passage of the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA), there were less than 10 new starts projects with full funding grant agreements (FFGAs). Since 1992, a total of 51 FFGAs have been signed or recommended in Presidential budgets. Currently, there are 26 existing FFGAs. The total capital cost for these projects is $13,680,000,000 and the federal commitment is $7,090,000,000.

The number of potential new starts projects is expanding rapidly. As of June, 2003, FTA is: (1) tracking over 130 current transit capital investment planning studies that are estimated to cost over $24,000,000,000, if funded to their completion; (2) working with 39 projects in the preliminary engineering (PE) phase of project development, that have a total capital cost of $39,360,000,000; and (3) working with 17 projects in the final design phase of project development, that have an estimated capital cost of $10,824,000,000. Many of the projects in final design and preliminary engineering will be seeking an FFGA in the next two years. Currently, federal resources are not available to fund even a fraction of these projects.

Since demand has too quickly outstripped available resources, the Committee has had to make difficult decisions in this area. The Committee recommendation adheres to the following guidelines: First, the Committee has tried to fund every project that has a current FFGA, at the schedule six amount. Second, specific allocations have been provided for other new start projects. These projects shall be subject to a dollar-for-dollar cost-share with non-federal funding and applies to all projects where a full funding grant agreement is not in force. Third, the Committee has continued to provide no funding for projects currently in the alternatives analysis phase, as in previous years. Local project sponsors of new rail extensions or busways can use section 5307 formula funds or section 5303 metropolitan planning funds for these activities rather than seek section 5309 discretionary set-asides. Fourth, the Committee reiterates its direction originally agreed to in the fiscal year 2002 conference report that FTA should not sign any FFGAs that have a maximum federal share of higher than sixty percent. Based on this earlier direction, significant appropriations have been provided for those projects in final design or preliminary engineering that have a federal share of no more than sixty percent. The Committee agrees with the administration that underlying law should be changed to prohibit a federal share of more than fifty percent. Less funding, or in some instances no, funding has been provided for those projects that have a federal share above sixty percent. The Committee strongly encourages the impacted projects to revisit the amount of local funding they plan to contribute and find ways to increase their local share.

In total, the $1,214,400,000 provided in this Act, together with previous appropriations, is to be distributed as follows:

Project	*Recommended in the bill*
Baltimore, MD, Central Light Rail Double Track Project	40,000,000
BART San Francisco Airport (SFO), CA Extension Project	100,000,000
Boston, MA Silver Line Phase III	3,000,000
Charlotte, NC South Corridor Light Rail Project	4,000,000
Chicago Transit Authority, IL Douglas Branch Reconstruction	85,000,000
Chicago, IL Metra Communter Rail Expansions and Extensions	52,000,000
Chicago, IL Ravenswood Reconstruction	45,000,000
Dallas, TX, North Central Light Rail Extension	30,161,283
Denver, CO, Southeast Corridor LRT (T–REX)	80,000,000
East Side Access Project, NY Phase I	70,000,000
Ft. Lauderdale, Florida, Tri-Rail Commuter Project	18,410,000
Las Vegas, NV Resort Corridor Fixed Guideway	15,000,000
Los Angeles, CA Eastside Light Rail Transit System	10,000,000

Project	*Recommended in the bill*
Memphis, TN Medical Center Rail Extension	9,247,588
Minneapolis, MN, Hiawatha Corridor Light Rail Transit (LRT)	74,980,000
New Orleans, LA Canal Street Streetcar Project	23,921,373
New York, Second Avenue Subway	3,000,000
Newark, NJ Rail Link (NERL) MOS1	22,566,022
Northern, NJ Hudson-Bergen Light Rail (MOS2)	100,000,000
Phoenix, AZ Central Phoenix/East Valley Light Rail Transit Project	13,000,000
Pittsburgh, PA, Stage II Light Rail Transit Reconstruction	32,243,422
Portland, OR, Interstate MAX Light Rail Extension	77,500,000
Raleigh, NC, Triangle Transit Authority Regional Rail Project	3,000,000
Salt Lake City, Medical Center LRT Extension	30,663,361
San Diego, CA, Mission Valley East Light Rail Transit Extension	65,000,000
San Diego, CA, Oceanside-Escondido Rail Project	48,000,000
San Francisco, CA Muni Third Street Light Rail Project	10,000,000
San Juan, PR Tren Urbano Rapid Transit System	43,540,000
Seattle, WA Sound Transit Central Link Initial Segment	15,000,000
Washington, DC/MD, Largo Extension	65,000,000
Washington, DC/VA Dulles Corridor Rapid Transit Project	25,000,000
Hawaii and Alaska Ferry Boats	10,296,000
Oversight set-aside	12,144,000

San Francisco, CA Muni Third Street Light Rail Transit Project.—The Committee has provided $10,000,000 for the San Francisco Muni's Third Street Light Rail Transit Project and has included a provision that requires the Secretary of Transportation to include all non-new starts contributions made towards phase 1 of the two-phase project for engineering, final design and construction. The Committee understands that the project received a "not recommended" rating from the Federal Transit Administration in this year's 3j report due, in part, to the submission of incomplete transportation system user benefit data. The project sponsor is expected to submit complete transportation system user benefit data to the Federal Transit Administration, which FTA shall review, taking into account non-seciton 5309 funds committed to on phase 1 of the project, and issue expeditiously a rating for fiscal year 2004. The funds provided in this Act shall not be made available for the project if the Federal Transit Administration assigns a rating of "not recommended" for fiscal year 2004.

Harris County Metropolitan Transit Authority.—The Committee understands the referendum referred to in section 163 to be considered by the voters in the Harris County Metropoolitan Transit Authority (Houston, TX Metro) service area will be a referendum on bonding authority for a comprehensive transit system plan.

The final placement or location of each rail segment may be adjusted within each corridor in the future as required by unforeseen or unavoidable factors such as right of way requirements or environmental impact studies. The Committee does not intend to convey or require that Houston Metro submit separate ballot propositions within the same referendum election for each segment of the light rail system.

Further, the Committee does not intend for this section to operate as a restriction or prohibition on the use of funds appropriated for Houston Metro in this Act for any transit purpose other than light rail in the event a majority of Houston voters do not approve of the light rail system submitted to them in such a referendum.

JOB ACCESS AND REVERSE COMMUTE GRANTS

	Appropriation (General fund)	Limitation on obligations (Trust fund)	Total funding
Appropriation, fiscal year 2003	$29,805,000	($119,220,000)	$149,025,000
Budget request, fiscal year 2004	....	....	....
Recommended in the bill	17,000,000	(68,000,000)	85,000,000
Bill compared to:			
Appropriation, fiscal year 2003	−12,805,000	(−51,220,000)	−64,025,000
Budget request, fiscal year 2004	+17,000,000	(+68,000,000)	+85,000,000

For fiscal year 2004, the job access and reverse commute (JARC) grants program is funded at a total level of $85,000,000, with no more than $17,000,000 derived from the general fund and $68,000,000 derived from the mass transit account of the highway trust fund.

The program makes competitive grants to qualifying metropolitan planning organizations, local governmental authorities, agencies, and non-profit organizations in urbanized areas with populations greater than 200,000. Grants may not be used for planning or coordination activities. No more than $10,000,000 may be provided for reverse commute grants.

The Committee has transferred $65,000,000 to the bus and bus facilities program due to higher prioritization within that category of funding. The Committee recommends the following allocations of job access and reverse commute grant program funds in fiscal year 2004:

AC Transit Welfare to Work, CA	$1,215,000
ADA Mobility Planning, Wichita, KS	365,000
Akron, OH Metro Regional Transit Authority Job Access and Reverse Commute Program	243,000
Bay Area Transit, VA	300,000
Bedford Ride, Virginia	60,000
Bowling Green, KY Housing Authority Reverse Access Commute	318,000
Broome County Transit—JARC, NY	100,000
Capital District Transportation Authority Jobs Access/Reverse Commute Project, NY	500,000
Central New York Regional Transportation Authority	500,000
Central Ohio Transit Authority, Job Access & Mobility Management Program	500,000
Chatham Area Transit Job Access Reverse Commute (JARC), GA	1,000,000
City of El Paso—Job Access Program, TX	200,000
City of Irwindale, CA Senior Transportation Services	55,000
City of Lubbock/Citibus JARC, TX	230,000
City of Poughkeepsie, NY Underserved Population Bus Service	25,000
CityLink public transportation services, TX	100,000
Community Transportation Association of America's National Joblinks Program	2,500,000
Corpus Christi, TX, Job Access and Reverse Commute	375,000
Delaware Welfare to Work	750,000
Detroit, MI Job Access Reverse Commute	1,600,000
Flint, MI Mass Transportation Authority Job Access-Reverse Commute Program	608,000
Galveston Job Access Reverse Commute Program, TX	450,000
Georgetown, Washington, DC—Metro Connection	1,000,000
Grand Rapids/Kent County, MI Job Access Plan	1,200,000
Guaranteed Ride Home, Santa Clarita, CA	410,000
Holyoke Community Access to Employment and Adult Education, MA	75,000
IndyFlex Program, IN	600,000
Jackson-Josephine Job Access Reverse Commute Program, OR	200,000
Jacksonville, FL Transportation Authority, Community Transportation Coordinator Program	5,200,000

Jaunt, Inc., City of Charlottesville, Virginia	440,000
Job Access and Reverse Commute program, MidAmerica Regional Council, Kansas City, KS	490,000
Job Access and Reverse Commute program, Unified Government of Wyandotte County/Kansas City, KS	488,000
Job Access and Reverse Commute, CT	3,176,000
Jobs Access and Reverse Commute Program (JARC), OK	6,000,000
Jobs Access/Reverse Commute Projects, RI	1,000,000
Kansas City Job Access Partnership, MO	800,000
Key West, Florida, Job Access and Reverse Commute	1,000,000
Knox County, TN, Community Action Committee Transportation Program	500,000
Knoxville, TN Area Transit Job Access Service	750,000
Maricopa Association of Governments Job Access/Reverse Commute Grant Projects, AZ	2,250,000
Maryland Job Access and Reverse Commute Program	4,000,000
Mendocino Transit Authority Job Access Reverse Commute, CA	50,000
Metropolitan Council Job Access, MN	850,000
Monroe County, TN Job Access and Reverse Commute Program	150,000
New Jersey Community Development Corporation Transportation Opportunity Center, Paterson, NJ	300,000
New Jersey Job Access/Reverse Commute Program	5,000,000
New Mexico State Highway and Transportation Department	500,000
New York State-Job Access/Reverse Commute Project	1,000,000
Niles/Trumbull Transit, OH	200,000
North Country County Consortium, NY	5,000,000
North Oakland Transportation Authority, MI	150,000
Operation Ride DuPage, DuPage County, IL	500,000
Orange County, NY, transportation initiative	100,000
Pioneer Valley Access to Jobs and Reverse Commute Program, MA	405,000
Port Authority of Allegheny County, PA—JARC	3,520,000
Portland, OR Region Jobs Access-Reverse Commute	800,000
Ray Graham Association for People With Disabilities, IL	125,000
Rochester-Genesee Regional Transportation Authority Job Access and Reverse Commute, NY	750,000
Sacramento, CA Region Job Access and Reverse Commute Project	2,000,000
Salem, OR Area Transit—Job Access Reverse Commute	175,000
San Antonio, TX, Metropolitan Transit Authority—Job Access Program	400,000
SEPTA Job Access and Reverse Commute Program, PA	4,000,000
South East Texas Transit Facility Improvements and Bus Replacements	150,000
State of Maine Job Access and Reverse Commute Program	423,000
State of Wisconsin, Job Access and Reverse Commute Grants	2,600,000
Tennessee Statewide Jobs Access Program	6,000,000
Texas Colonias JARC Initiative	2,400,000
Toledo, OH Job Access/Reverse Commute	324,000
Tompkins Consolidated Area Transit, NY	75,000
Topeka, KS Metropolitan Transit Authority Access to Jobs	500,000
Ulster County, NY Area Transit Rural Feeder Service	50,000
Virginia Regional Transportation Association	200,000
VoxLinx Voice-Enabled Transit Trip Planner	1,500,000
Washington Metropolitan Area Transit Authority	800,000
Washington State Transit car-sharing job access	800,000
Ways to Work, CA	1,220,000
West Memphis Transit Service, AR	410,000

GENERAL PROVISIONS—FEDERAL TRANSIT ADMINISTRATION

Section 160 exempts previously made transit obligations from limitations on obligations.

Section 161 allows funds for discretionary grants of the Federal Transit Administration for specific projects, except for fixed guideway modernization projects, not obligated by September 30, 2005, and other recoveries to be used for other projects under 49 U.S.C. 5309.

Section 162 allows transit funds appropriated before October 1, 2002, that remain available for expenditure to be transfered.

Section 163 prohibits funds for design or construction of a light rail system in Houston, Texas, unless certain specified conditions are met.

Section 164 clarifies transit Buy American Act requirements in their application in conjunction with manufactured products requirements.

Section 165 allows funds made available for the Roaring Fork Transportation Authority, Colorado, to be made available for the Roaring Fork Valley Bus Rapid Transit project.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

Appropriation, fiscal year 2003	$13,994,000
Budget request, fiscal year 2004	14,400,000
Recommended in the bill	14,700,000
Bill compared with:	
Appropriation, fiscal year 2003	+706,000
Budget request, fiscal year 2004	+300,000

The Saint Lawrence Seaway Development Corporation (the Corporation) is a wholly owned government corporation established by the St. Lawrence Seaway Act of May 13, 1954. The Corporation is responsible for the operation, maintenance, and development of the United States portion of the St. Lawrence Seaway between Montreal and Lake Erie, including the two Seaway locks located in Massena, NY and vessel traffic control in areas of the St. Lawrence River and Lake Ontario. The mission of the Corporation is to serve the United States intermodal and international transportation system by improving the operation and maintenance of a safe, secure, reliable, efficient, and environmentally responsible deep-draft waterway. The Corporation's major priorities include: safety, reliability, trade development, management accountability, and bi-national collaboration with its Canadian counterpart.

COMMITTEE RECOMMENDATION

The Committee recommends a total appropriation of $14,700,000 to fund the operations and maintenance of the Corporation, which is $300,000 above the requested amount. Appropriations from the Harbor Maintenance Trust Fund and revenues from non-federal sources finance the operation and maintenance of the Seaway for which the Corporation is responsible.

The Committee maintains a strong interest in maximizing the commercial use and competitive position of the St. Lawrence Seaway. The bill continues language, carried for many years, that will provide the Corporation the flexibility and access to available resources needed to finance costs associated with unanticipated events, which could threaten the safe, secure, and uninterrupted use of the Seaway. The language permits the Corporation to use, for emergency purposes, sources of funding not designated for the harbor maintenance trust fund by Public Law 99–662. These sources would be derived primarily from prior year revenues received in excess of costs, unused borrowing authority, and miscellaneous income—for emergency purposes.

Infrastructure maintenance.—The recommended increase in appropriation will ensure that the SLSDC is able to complete its annual infrastructure maintenance program at the two U.S. locks. Many of these infrastructure improvements and replacements projects were deferred in recent years for the agency to fund post-9/11 security improvements, and include several electrical, mechanical, and fendering improvements that have a direct impact on the agency's key performance area of ensuring system availability. Addressing these infrastructure improvements is critical to ensuring the safe and efficient transit of commercial vessels through the waterway and maintaining the Corporation's current timeline for its five-year capital plan. Throughout its history, the Corporation has been able to offset any shortfalls in funding with its non-federal revenues to fund its operation and maintenance activities. Due to the current state of the economy, continued reduction in investment income caused by lower interest rates, and lower concession revenues, non-federal revenues have decreased by approximately one-third, to an estimated $600,000. Therefore, the Committee recommends an additional $300,000 to mitigate the lost of revenue and prevent further deferrals to already delayed maintenance projects.

Security.—The Committee recognizes the efficient and cost-effective steps the Corporation has taken with respect to securing the U.S. portion of the Saint Lawrence Seaway. The Committee encourages the Corporation to continue its efforts in establishing collaborative solutions to the Seaway's security challenges amongst the other federal and local stakeholders such as the U.S. Coast Guard, New York State Power Authority, and New York Office of Parks, Recreation, and Historic Preservation.

MARITIME ADMINISTRATION

The overall mission of the Maritime Administration (MARAD) is to promote the development and maintenance of an adequate, well-balanced United States merchant marine, sufficient to carry the nation's domestic waterborne commerce and a substantial portion of its waterborne foreign commerce, and capable of serving as to naval and military auxiliary in time of war or national emergency. MARAD also seeks to ensure that the United States enjoys adequate shipbuilding and repair services, efficient ports, effective intermodal water and land transportation systems, and reserve shipping capacity in time of national emergency.

MARAD is primarily an advocacy and promotional agency with particular interests in U.S.-flag shipping and shipbuilding, maritime security, sustainability of a U.S. citizen mariner workforce, and development of domestic ports and intermodalism to meet the demands of seaborne trade. MARAD has a strong national security component that is served by available commercial maritime industry. The work of the agency is often conducted not by establishing policy, but rather by aiding and promoting U.S. maritime interests before government agencies that more directly influence the maritime domain, such as the Department of Defense, the Department of Commerce, the Environmental Protection Agency, the Department of Homeland Security, and the Department of State.

Given the transfer of the Coast Guard outside of the Department of Transportation (DOT), the Committee is interested in the examination of MARAD's current role and future development. The Committee is especially interested in sustaining U.S.-flag maritime commercial viability while ensuring that maritime priorities are well articulated within the safety and infrastructure mission of the DOT. The Committee directs MARAD to conduct a maritime policy review, to include an examination of the agency's mission and its long-term goals in the context of the reorganized department. Given the confluence of national security and homeland security issues within the nations' strategic ports and vital waterborne commercial routes, this maritime policy review should include a particular emphasis on maritime security and how it has refocused MARAD's mission and impacted the shipping industry. The Committee directs MARAD to submit the report to the House and Senate Committees on Appropriations by January 31, 2004.

MARITIME SECURITY PROGRAM

Appropriation, fiscal year 2003	$98,058,000
Budget request, fiscal year 2004	98,700,000
Recommended in the bill	98,700,000
Bill compared with:	
Appropriaiton, fiscal year 2003	+642,000
Budget request, fiscal year 2004	....

The Committee recommends $98,700,000 for the Maritime Security Program (MSP), consistent with the budget request. This recommendation provides funding directly to MARAD and assumes that MARAD will confine to administer the program with support and consultation from the Department of Defense. The purpose of the MSP is to maintain and preserve a U.S. flag merchant fleet to serve the national security needs of the United States. The MSP provides direct payments to U.S. flag ship operators engaged in U.S.—foreign trade. Participating operators are required to keep the vessels in active commercial service and are required to provide intermodal sealift support to the Department of Defense in times of war or national emergency. During Operation Iraqi Freedom the vessels called upon from the MSP performed superbly. The Committee recognizes and applauds the efforts of the mariners that provided a vastly improved sealift capability to the U.S. Armed Forces. MSP activities in this bill are funded under budget category 054 (miscellaneous national security programs). The Committee's recommendation provides funding for payments to U.S. carriers for 47 ships, limited to $2,100,000 annually per ship. The recommendation will provide the necessary resources for the operation of the MSP through fiscal eyar 2004.

10-year age criterion for vessels entering the MSP.—The Committee notes with concern MARAD's efforts to waive the 10-year rule for foreign vessels re-flagging to enter the MSP. The Committee considers this eligibility criterion to be a necessary component of the standards of safe operation for the U.S. merchant fleet and encourages adherence to section 1137(a) of P.L. 104–324 if less than 10 years of age on the date of documentation or compliance with chapter 31 of title 46, United States Code, if over 10 years of age on the date of documentation. While it is understandable that a given vessel may offer necessary military utility, the 10-year rule should only be relaxed in those rare situations of where the military function fulfilled by the subject vessel is needed and otherwise unavailable.

The Committee supports the growth of the U.S. fleet, but encourages such expansion via newer vessels with superior levels of safety. While there are currently older ships in the U.S. merchant marine, the majority of these vessels was originally built to a higher safety standards under U.S. regulations and have been inspected and monitored throughout their life by the U.S. Coast Guard. The Committee is concerned about any compromise to the standards of safety of the U.S. fleet and encourages MARAD to continue its collaborative efforts with the U.S. Coast Guard and the International Maritime Organization toward the progressive improvement of such standards.

OPERATIONS AND TRAINING

Appropriation, fiscal year 2003	$92,093,000
Budget request, fiscal year 2004	104,400,000
Recommended in the bill	105,897,000
Bill compared with:	
Appropriaiton, fiscal year 2003	+13,804,000
Budget request, fiscal year 2004	+1,497,000

The Committee recommends an appropriation of $105,897,000 to fund programs under the Operations and Training account of MARAD, an increase of $13,804,000 (14.9 percent) above the fiscal year 2003 appropriation and $1,497,000 above the budget request. Funds provided for this account are to be distributed as follows:

[In thousands of dollars]

Activity	FY04 Request [1]	House Recommended [1]
U.S. Merchant Marine Academy:		
Salary and benefits	$20,981	$22,000
Midshipmen program	6,274	6,274
Instructional program	3,431	3,431
Program direction and administration	2,931	2,931
Maintenance, repair, & operating requirements	6,298	6,298
Capital improvements	13,000	13,000
Subtotal, USMMA	52,915	53,934
State Maritime Schools:		
Student incentive payments	1,200	1,200
Direct schoolship payments	1,200	1,200
Schoolship maintenance and repair	7,063	9,063
Subtotal, State Maritime Academies	9,463	11,463
MARAD Operations:		
Base operations	37,425	36,000
Strategic ports evaluation and provision	0	500
Enterprise architecture & IT security upgrades	4,597	3,000
Maritime security professional training	0	1,000
Subtotal, MARAD Operations	42,022	40,500
Subtotal, Operations and Training	104,400	105,897

[1] These figures do not contain accruals for retiree CSRS and health benefits, estimated at $4,305,000.

Specific adjustments to the Operations and Training budget estimate are discussed below:

United States Merchant Marine Academy.—The Committee recommendation includes $53,934,000 for the operation and maintenance of the U.S. Merchant Marine Academy (USMMA), which is $1,019,000 above the budget request. The Committee recommendation includes $22,000,000 for salaries and benefits of Academy personnel. The Committee is aware of the substantial personnel needs of the Academy and provides $1,019,000 above the requested amount to help address this need. The increase above the budget request for salaries at USMMA will allow the Academy to meet current staffing demands in addition to filling positions that are approved, but vacant. The Committee expects the Academy to make strategic hires, and preference shall be given to filling vacancies that deal specifically with core competencies relating to the Academy's mission of producing merchant marine officers. The Committee recommendation also includes $13,000,000, to remain available until expended for the continuation of an initiative to maintain and repair the Academy's infrastructure. MARAD has previously submitted to the Committee a master plan to address the Academy's long-term maintenance and renovation needs. The Committee has approved this allocation to address specific capital improvement needs, including the elimination of lead in Academy drinking water, renovations to bring buildings into compliance with the Americans with Disabilities Act, renovations to the Mallory pier and bulkhead, and the completion of architectural and engineering design to renovate the barracks buildings. The $13,000,000 provided for fiscal year 2004 will enable the Academy to pursue additional capital improvements consistent with the facilities master plan. The Committee reminds MARAD and the Academy that deviations from the approved spending plan are subject to reprogramming requirements.

State Maritime Schools.—The recommendation includes $11,463,000 for the six State Maritime Schools (SMS). This recommendation includes $9,063,000 for schoolship maintenance and repair, which is $2,000,000 above the requested amount. This additional $2,000,000 is intended to expedite the maintenance and modernization of the active SMS training vessels as well as to help purchase new technologies to train students in accordance with the International Maritime Organization's Standards of Training Certification and Watchkeeping. The subdivision of the $9,063,000 provided for schoolship maintenance and repair is detailed below:

STATE MARITIME ACADEMY SCHOOLSHIP M&R PROGRAM

EMPIRE STATE (NY) RRF	$2,680,000
ENTERPRISE (MA) RRF	2,380,000
GOLDEN BEAR (CA) RRF	1,086,000
STATE OF MAINE (ME)	1,080,000
TEXAS CLIPPER II (TX)	1,280,000
STATE OF MICHIGAN (MI)	557,000
Subtotal, Schoolship M&R	9,063,000

The Committee also notes that MARAD has again requested $1,200,000 under this activity to maintain the Student Incentive Payment program at the current level. The Committee directs MARAD to report to the House and Senate Committees on Appropriations by November 30, 2003, with a justification for the annual target for new reservists in relation to documented emergency requirements that cannot be met from other sources.

MARAD Operations.—The Committee recommendation includes $40,500,000 for operating programs and general administration of MARAD, including $36,000,000 for MARAD's base operations, an increase of $456,000 above the enacted fiscal year 2003 level. The $40,500,000 recommended in the bill is intended to support 958 full-time equivalent staff years, upgrade information technology security, modernize MARAD's enterprise architecture, and provide additional funding for the 14 strategic ports and maritime security professional training in support of section 109 of the Maritime Transportation Security Act of 2002.

Enterprise architecture and information technology upgrades.—The Committee notes the considerable request of MARAD for funds to support modernization of its enterprise architecture in accordance with Office of Management and Budget Circular A–130, regarding management of federal information resources. The Committee supports the efforts of MARAD to modernize its information technology resources and expand its e-government capabilities. Despite being $1,597,000 below the requested amount, the recommended appropriation of $3,000,000 constitutes a $1,800,000 (150 percent) increase over MARAD's fiscal year 2003 expenditure on enterprise architecture and IT security. The Committee directs MARAD to conduct an assessment of its interoperability of information resources among the 14 U.S. strategic commercial ports. This assessment should include a specific emphasis on MARAD's ability to share information with other federal, state, and local port and border security agencies. The Committee directs MARAD to submit this assessment to the House and Senate Committees on Appropriations no later than January 31, 2004.

Port and intermodal development.—The Committee recognizes and applauds the work of MARAD in assisting the Transportation Security Administration in the evaluation and award of port security grants, especially the work being done to secure the 14 strategic commercial ports against terrorism and to improve their military utility. To further MARAD's efforts to evaluate the throughput of military supplies (e.g. ammunition, explosive ordnance, and military vehicles) at the 14 strategic commercial ports, the Committee recommends an additional $500,000 above the $9,455,000 requested. The Committee directs MARAD to report to the House and Senate Committees on Appropriations, no later than November 30, 2003, on the performance of the intermodal system with respect to the efficiency of the most congested ports. Within this report, particular emphasis should be placed on summarizing the performance of the 14 strategic commercial ports during the military force build-up for Operation Iraqi Freedom and on identifying the most glaring deficiencies of the intermodal system as a whole. This report is to contain a thorough comparison of the most congested ports in terms of operational efficiency; identification of significant intermodal obstacles associated with each port; and a summary of future actions MARAD plans to take to address and improve the throughput of cargo in America's ports.

Maritime security professional training.—The Committee supports the intent of section 109 of the Maritime Transportation Security Act of 2002 and strongly encourages the MARAD Administrator to direct funds and resources towards the initiatives specified within this Act, as practicable. The bill contains $1,000,000 in additional funding to initiate training opportunities for any federal, state, local, and private law enforcement or maritime security personnel as specified in the Maritime Transportation Security Act of 2002. The Committee expects MARAD to coordinate with the state maritime academies, the U.S. Merchant Marine Academy, and the Appalachian Transportation Institute in the facilitation of this training. Furthermore, the Committee encourages MARAD to seek assistance from the Department of Homeland Security in the implementation of this training.

SHIP DISPOSAL

Appropriation, fiscal year 2003	$11,088,000
Budget request, fiscal year 2004	11,422,000
Recommended in the bill	14,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+2,912,000
Budget request, fiscal year 2004	+2,578,000

The Committee recommends $14,000,000, an increase of $2,578,000 (22.6 percent) above the budget request, for necessary expenses related to the disposal of obsolete vessels in the National Defense Reserve Fleet (NDRF). The Committee recognizes the work and efficiency of MARAD with respect to disposing of high priority vessels with the funds provided in fiscal year 2003. The Committee encourages MARAD to continue to seek a comprehensive and robust solution to the challenging problem that is the proper, environmentally responsible disposal of the obsolete vessels of the NDRF. Specifically, the Committee supports international disposal of vessels to the extent that similar standards of domestic disposal are applied at international facilities. In the instances of foreign disposal, the appropriate offices of the Maritime Administration, the Environmental Protection Agency, and the U.S. State Department shall make a collaborative, qualifying determination on the proposed international facility. Vessels that are determined to be a substantial transit risk are presumed to be better candidates for either reefing or for domestic disposal. The Committee disapproves of expending funds to improve the seaworthiness of vessels that are beyond their serviceable life solely for the purpose of overseas disposal and notes the significant improvement of the economic competitiveness of domestic scrapping operations with that of foreign entities. However, the Committee believes that the application of various disposal options provides the best value to the taxpayer while ensuring the swift, responsible removal of obsolete NDRF vessels that pose threats to the environment. The Committee encourages MARAD to promote aggressive competition amongst the domestic scrapping industry and international disposal facilities for funds appropriated for disposal. MARAD is directed to submit a report to the House and Senate Committees on Appropriations no later than November 30, 2003 detailing the agency's competitive bid process for ship disposal. Specifically, this report should highlight any changes to the agency's proposal review process and compare the proposals from domestic and international ship scrapping entities over the last five years.

MARITIME GUARANTEED LOAN ACCOUNT

Appropriation, fiscal year 2003	[1] $4,099,000
Budget request, fiscal year 2004	4,498,000
Recommended in the bill	---
Bill compared with:	
Appropriation, fiscal year 2003	−4,099,000
Budget request, fiscal year 2004	−4,498,000

[1] Does not include the $25,000,000 appropriated in H.R. 1559, Emergency Wartime Supplemental Appropriations Act, 2003.

The Maritime Guaranteed Loan Account, pursuant to title XI of the Merchant Marine Act of 1936, as amended, received $25,000,000 in the Emergency Wartime Supplemental Appropriations Act, 2003 (P.L. 108–11), to remain available until September 30, 2005. The Committee directs MARAD to use funds from this supplemental appropriation to cover its estimated administrative costs for fiscal year 2004. These costs are estimated at $4,498,000. Funds appropriated in P.L. 108–11 were intended to cover both administrative expenses as well as the cost of guarantees loans. This bill includes a general provision (sec. 171) to clarify that intent. Expenditure of funds from the fiscal year 2003 supplemental appropriation for the purposes of loan guarantees is contingent upon receipt by the Committee of certification from the Department of Transportation Inspector General (DOTIG) that the Maritime Administration has adopted and is implementing the recommendations of report #CR–2003–031 to his satisfaction. This certification is not, however, applicable to funds drawn from the appropriation for administrative purposes, up to $4,498,000. The Committee notes that MARAD's title XI program has responded positively to recent audits by the DOTIG and the General Accounting Office and has taken a proactive, responsible approach to adopting the recommended reforms. Using this response and the recently adopted reforms as indicators, the Committee is optimistic about the improvement of the title XI program. It is expected that MARAD will work closely with the Secretary of Defense to ensure that vessels approved for title XI loan guarantees by the Secretary of Transportation not only provide commercial viability, but also exhibit military utility, such as tank vessels capable of transporting refined product as a business commodity and jet fuel in time of war or roll-on/roll-off vessels capable of carrying automobiles during peacetime and light military vehicles in time of armed conflict.

GENERAL PROVISIONS—MARITIME ADMINISTRATION

The Committee continues a provision (Sec. 170) that allows the Maritime Administration to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving government property under control of the Maritime Administration and apply payments received for such agreements as a credit to the Treasury.

The Committee includes a new provision (Sec. 171) that amends chapter 10 of P.L. 108–11 by allowing funds in that Act to be used for administrative costs for fiscal year 2004.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

The Research and Special Programs Administration (RSPA) was originally established by the Secretary of Transportation's organizational changes dated July 20, 1977. The agency received statutory authority on October 24, 1992. RSPA has a broad portfolio. Its diverse jurisdictions include hazardous materials, pipelines, international standards, emergency transportation, and university research. As the department's only multimodal administration, RSPA provides research, analytical and technical support for transportation programs through headquarters offices and the Volpe National Transportation Systems Center.

RESEARCH AND SPECIAL PROGRAMS

Appropriation, fiscal year 2003	$40,714,000
Budget request, fiscal year 2004	50,723,000
Recommended in the bill	47,018,000
Bill compared with:	
Appropriation, fiscal year 2003	+6,304,000
Budget request, fiscal year 2004	−3,705,000

RSPA's research and special programs administers a comprehensive nationwide safety program to: (1) protect the nation from the risks inherent in the transportation of hazardous materials by water, air, highway and railroad; (2) oversee the execution of the Secretary of Transportation's statutory responsibilities for providing transportation services during national emergencies; and (3) coordinate the department's research and development policy, planning, university research, and technology transfer. Overall policy, legal, financial, management and administrative support for RSPA's programs is also provided under this appropriation.

COMMITTEE RECOMMENDATION

The Committee recommends a program level for research and special programs of $47,018,000. Budget and staffing data for this appropriation are as follows:

	Fiscal year 2003 enacted	Fiscal year 2004 estimate	Recommended in the bill
Hazardous materials safety	$22,767,000	$24,981,000	$23,558,000
(Positions)	(137)	(155)	(143)
Research and technology	2,822,000	2,737,000	2,139,000
(Positions)	(9)	(11)	(9)
Emergency transportation	1,926,000	3,616,000	2,463,000
(Positions)	(9)	(26)	(15)
Program support	12,965,000	19,389,000	18,858,000
(Positions)	(59)	(62)	(62)
Total, Research and Special Programs	40,714,000	50,723,000	47,018,000
(Positions)	(212)	(262)	(229)

The Committee recommends the following changes to the budget request:

Reduce funding for 35 requested hazmat, emergency preparedness, and emergency transportation positions and associated administrative costs	−$2,037,000
Reduce funding for hazmat-misuse research and development	−223,000
Reduce funding for hydrogen fuel research activities	−606,000
Reduce funding for emergency transportation regional equipment and training	−614,000
Reduce funding for real estate administrative support	−136,000

New positions.—The President's fiscal year 2004 budget requests a $10,200,000 increase for Research and Special Programs, from

$40,500,000 in FY 2003 to $50,700,000, including the addition of fifty new positions. While the Committee fully supports the goals of the program, the Committee questions some of these new positions.

Eight of the positions would be used to restore funding to the hazardous materials program (OHMS) after diverting staff resources to hazmat security matters in the wake of the terrorist attacks of September 11th. The Committee provided two requested personnel for this purpose in fiscal year 2003. The Committee recognizes RSPA's need to transfer staff as a short-term measure due to the critical need, but positions cannot continue to be transferred as a substitute for hiring new employees. The Committee has provided funding associated with four new positions.

Ten new positions were requested to supplement OHMS' current staff of five to upgrade the ability to manage demands created by the anticipated increased transportation of spent nuclear fuel (SNF) and high level radioactive waste (HLW). The Department of Energy expects to make 300 to 400 shipments of SNF and HLW annually by 2010. While this is significant activity, those shipments will only account for less than one percent of all hazmat shipments. The Committee recognizes the importance of safety on America's roads as this increase begins, but questions the fervor with which RSPA is addressing it. One engineering position and one enforcement position are approved and appropriate funding has been provided. $500,000 has been provided in research and development funds to review and analyze the transport regulations governing the transport of SNF and HLW. RSPA shall report to the appropriate committees of Congress on this review one year from the date of enactment of this Act.

In addition, two positions were requested for RSPA's Office of Chief Counsel to handle SNF issues. The Committee questions whether the dedication of these staff to SNF/HLW issues is warranted at this time given other hazardous materials demands and backlogs that currently exist. Funding for these positions is denied.

Two positions and contract funding was requested for research regarding the transport of hydrogen fuel. Before permanent staff is hired, RSPA shall perform an assessment on the safety and technology status of the infrastructure supporting hydrogen fuels transportation and report to the Committee no later then November 3, 2003 on the findings. Funding is denied for additional positions. However, $50,000 is provided for necessary research.

Thirteen positions were requested for the Crisis Management Center, which monitors the nation's transportation network. Ten to twelve rotational employees on temporary assignment from other DOT modes, who each stay three to twelve months, currently operate the CMC. The Committee believes that it is important for the many administrations of the Department to fully understand and utilize the CMC. The current rotational system will ensure that a degree of coordination and information flow throughout the department. Funding is provided for three permanent CMC positions that shall be responsible for the day-to-day operations of the Center and for ensuring that the process is used for all modes to gain a better understanding of the role and importance of the CMC. Funding for one continuity of operations officer position is denied.

Funding for five positions and resources for contractual staff were requested for the relocation of twenty program databases. One data manager position and funding for other proposed activities are provided. Further, the Committee requests that RSPA keep the House and Senate Committees on Appropriations informed of activities related to these infrastructure upgrades with bi-annual reports, due in August and February.

In addition, RSPA requested two new positions to oversee contracts and procurement policies and two positions for budget and finance. The Committee approves funding for one position for contract policies and one position for budget.

Emergency response training.—RSPA requested $500,000 for training regional emergency response teams, as well as State and local government and industry personnel. The Committee supports RSPA's initiative in this arena and encourages RSPA to coordinate any emergency response training with local response training that the Department of Homeland Security is currently undertaking to ensure that there is no duplication and that all federal emergency training is focused on uniform methods. Funding is provided in fiscal year 2004 for the three requested regional coordinator positions from the emergency transportation program. RSPA does not have a strong history of quickly hiring employees, and as the current regional coordinators have insufficient time to devote to developing the necessary national security skills, as stated in the RSPA budget justification, the Committee denies funding for this training until such time as the new coordinators are hired. $100,000 is provided for response equipment, instead of $217,000 as requested.

The Volpe Center.—The Committee is concerned that the administration of the Volpe National Transportation Systems Center has been negligent in oversight of programs or contracts that the Center carries out for the department. The contract for NHTSA's Artemis project has run over budget by millions of dollars. This is unacceptable. Therefore the Committee has directed the Inspector General to perform an audit of all the work currently being undertaken at the Volpe Center. The audit shall address the following issues: (1) How has Volpe's role and function changed over the years and do the current activities meet the needs of DOT; (2) Does Volpe have the necessary financial controls in place to assure that its service fees are appropriate; and (3) What is DOT's role in overseeing Volpe and is it adequate to ensure that cost effective services are being provided. This report is to be submitted to the House and Senate Committees on Appropriations by December 1, 2003.

Research and technology.—The Committee strongly urges RSPA and OST to evaluate the extent to which the agency can be more effective in research, eliminating duplicative programs, and implementing certain GAO recommendations included in a report the Committee requested. An implementation plan must be submitted to the House and Senate Committee on Appropriations by October 1, 2003.

Regulatory backlog and support.—RSPA has an extensive regulatory backlog, which is of concern to the Committee. Currently, RSPA has over forty-one open rulemaking dockets, including eight that are designated as "significant." Several of these proceedings have been the subject of NTSB reports. The Committee strongly encourages RSPA to address this backlog as expeditiously as possible.

Hazardous materials training and outreach.—One of the greatest successes of the hazardous materials program is the technical and training resources given to the regulated community by RSPA. These services and products are either provided free or at comparatively nominal cost, and are an effective defense for protection against threats to public safety, health, property, and the environment resulting from hazardous materials incidents. It should be noted that the non-federal leadership involved in the Cooperative Hazardous Materials Enforcement Development (COHMED) program have abandoned RSPA as a sponsor and have joined with the Commercial Vehicle Safety Alliance to continue this valuable program. The decision was made following meetings with RSPA that many believed would have significantly altered this program. The Committee encourages RSPA to continue to work with COHMED to enhance RSPA's coordination of compliance services.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

	(Pipeline Safety Fund)	*(Oil Spill Liability Trust Fund)*	*Total*
Appropriation, fiscal year 2003	$56,370,000	$7,473,000	$63,793,000
Budget request, fiscal year 2004	48,336,000	18,741,000	67,077,000
Recommended in the bill	55,054,000	9,000,000	64,054,000
Bill compared with:			
Appropriation, fiscal year 2003	−1,316,000	+1,527,000	+261,000
Budget request, fiscal year 2004	+6,718,000	−9,741,000	−3,023,000

The pipeline safety program is responsible for a national regulatory program to protect the public against the risks to life and property in the transportation of natural gas, petroleum and other hazardous materials by pipeline. The enactment of the Oil Pollution Act of 1990 also expanded the role of the pipeline safety program in environmental protection and resulted in a new emphasis on spill prevention and containment of oil and hazardous substances from pipelines. The office develops and enforces federal safety regulations and administers a grants-in-aid program to state pipeline programs.

COMMITTEE RECOMMENDATION

The bill includes $64,054,000 to continue pipeline safety operations, research and development, and state grants-in-aid in fiscal year 2004. This is a one percent increase above the level enacted for fiscal year 2003. The bill specifies that of the total appropriation, $9,000,000 shall be derived from the oil spill liability trust fund and $55,054,000 shall be from the pipeline safety fund.

The Committee recommends the following changes to the budget request:

Reduce funding for information databases	−$125,000
Reduce funding for increased compensation and administrative expenses	−2,252,000
Reduce funding for controller study	−300,000
Restore funding for one-call grants	+1,000,000

Pipeline safety activities.—The last three fiscal years have seen a dramatic increase, from $36,681,000 in fiscal year 2000 to

$63,793,000 in fiscal year 2003, in the Office of Pipeline Safety budget. This 43 percent increase was needed to address near-term safety deficiencies and recommendations. However, budgetary constraints make it impossible to let this office continue to grow at such an astonishing speed, especially when so many other major challenges face the Department and RSPA. Therefore, the Committee reduces funding for the proposed increases for fiscal year 2004, with the exception of mandatory increases.

State one-call grants.—The Committee is concerned that RSPA proposed a $1,000,000 decrease for state one-call grants in fiscal year 2004. States use these grants to help prevent excavation-related damage to underground pipelines, as well as fiber optic cable, and voice and data transmissions. According to RSPA, excavation-related damage was the cause of 41% of all pipeline incidents in 2001. The Committee believes that these grants are an important program to help reduce the number of pipeline incidents. This proposed decrease is denied.

Oil spill liability trust fund.—The Committee is concerned with the significant increase in the request of funds from the Oil Spill Liability Trust Fund. The Oil Pollution Act of 1990 requires that these trust funds be used for oil spill prevention and response activities, and the Committee strongly encourages the Office of Pipeline Safety to allocate oversight activities between the hazardous liquid and gas pipelines and to factor the Oil Spill Liability Trust Fund into the allocation formula that determines the hazardous liquid pipeline user fee assessment to accurately reflect the amount and type of oversight activities being conducted by the office consistent with the Trust Fund. The fiscal year 2005 budget justification should adequately address this issue.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

	(Emergency preparedness fund)	(Emergency preparedness grant program)	Total
Appropriation, fiscal year 2003	$199,000	($14,300,000)	$14,499,000
Budget request, fiscal year 2004	200,000	(14,300,000)	14,500,000
Recommended in the bill	200,000	(14,300,000)	14,500,000
Bill compared to:			
Appropriation, fiscal year 2003	+1,000		+1,000
Budget request, fiscal year 2004			

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

COMMITTEE RECOMMENDATION

The Committee recommends $200,000, the same amount as requested, for activities related to emergency response training curriculum development and updates, as authorized by section 117(A)(i)(3)(B) of HMTUSA. The Committee has provided an obligation limitation of $14,300,000 for the emergency preparedness grant program.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriation, fiscal year 2003 [1]	$54,912,000
Budget request, fiscal year 2004	55,000,000
Recommended in the bill	56,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+1,088,000
Budget request, fiscal year 2004	+1,000,000

[1] Excludes $2,509,000 appropriated to this office, but subsequently transferred to the Department of Homeland Security.

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

COMMITTEE RECOMMENDATION

The Committee recommendation provides $56,000,000 for activities of the Office of Inspector General, an increase of $1,088,000 (2 percent) above the fiscal year 2003 enacted level and $1,000,000 above the administration's request. The Committee continues to value highly the work of the Office of Inspector General in oversight of departmental programs and activities. In addition, the OIG will receive $7,874,000 from other agencies in this bill, as noted below:

Federal Highway Administration	$3,524,000
Federal Transit Administration	2,000,000
Federal Aviation Administration	2,250,000
National Transportation Safety Board	100,000

The OIG's total funding of $63,874,000 is essentially unchanged from the $63,786,000 provided, from all sources, in fiscal year 2003. Funding in the bill is sufficient to finance 380 full-time equivalent (FTE) staff years under direct funding and 59 under reimbursable funding, for total FTE of 439.

Motor fuel tax evasion.—Within the additional $1,000,000 provided, the Committee expects the OIG to give a high priority to providing additional resources to address the continuing problem of motor fuel tax evasion. To the extent possible, the OIG should work in multi-agency teams, including representation from the Internal Revenue Service and the Department of Justice, to ensure the most effective investigative and prosecutorial results.

Unfair business practices.—The bill maintains language first enacted in fiscal year 2000 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.

Audit reports.—The Committee requests the Inspector General to continue forwarding copies of all audit reports to the Committee immediately after they are issued, and to continue to make the

Committee aware immediately of any review that recommends cancellation or modifications to any major acquisition project or grant, or which recommends significant budgetary savings. The 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.

Time to complete audit reports.—The Committee is concerned that the average time to complete OIG audits has risen substantially over the past few years. In fiscal year 2000, the average audit required 10 months for completion. In fiscal year 2002, that has increased 40 percent, to 14 months. The Committee urges the OIG to investigate the causes of this change and compare their issuance time to those of similar OIGs to help determine whether the process could be expedited.

SURFACE TRANSPORTATION BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2003 [1]	$19,323,575
Budget request, fiscal year 2004 [2]	19,521,000
Recommended in the bill [2]	19,521,000
Bill compared with:	
Appropriation, fiscal year 2003	+197,425
Budget request, fiscal year 2004	....

[1] Does not reflect a reduction of $126,425 pursuant to section 601 of Public Law 108–07. Of this total, $1,000,000 is offset through the collection of user fees.
[2] Assumes collection of $1,050,000 in user fees, to offset the appropriation as the fees are collected throughout the fiscal year.

The Surface Transportation Board was created on January 1, 1996 by P.L. 104–88, the Interstate Commerce Commission (ICC) Termination Act of 1995. Consistent with the continued trend toward less regulation of the surface transportation industry, the Act abolished the ICC; eliminated certain functions that had previously been implemented by the ICC; transferred core rail and certain other provisions to the Board; and transferred certain other motor carrier functions to the Federal Highway Administration (now under the Federal Motor Carrier Safety Administration). The Board is specifically responsible for regulation of the rail and pipeline industries and certain non-licensing regulations of motor carriers and water carriers. The law empowers the Board through its exemption authority to promote deregulation administratively on a case-by-case basis and continues intact the important rail reforms made by the Staggers Rail Act of 1980.

COMMITTEE RECOMMENDATION

The Committee recommends a total appropriation of $19,521,000, equal to the budget request. Included in the recommended amount is an estimated $1,050,000 in fees, which will offset the appropriated funding. At this funding level, the Board will be able to accommodate 145 full-time equivalent staff years.

User fees.—Current statutory authority, under 31 U.S.C. 9701, grants the Board the authority to collect user fees. The Committee agrees with the budget request that $1,050,000 in user fees is reasonable. Language is included in the bill allowing the fees to be credited to the appropriation as offsetting collections, and reducing the general fund appropriation on a dollar-for-dollar basis as the fees are received and credited. This language, continued from last year, simplifies the tracking of the collections and provides the Board with more flexibility in spending its appropriated funds.

Union Pacific/Southern Pacific merger.—On December 12, 1997, the Board granted a joint request of Union Pacific Railroad Company and the City of Wichita and Sedgwick County, KS (Wichita/Sedgwick) to toll the 18-month mitigation study pending in Finance Docket No. 32760. The decision indicated that at such time as the parties reach agreement or discontinue negotiations, the Board would take appropriate action.

By petition filed June 26, 1998, Wichita/Sedgwick and UP/SP indicated that they had entered into an agreement, and jointly petitioned the Board to impose the agreement as a condition of the Board's approval of the UP/SP merger. By decision dated July 8, 1998, the Board agreed and imposed the agreement as a condition to the UP/SP merger. The terms of the negotiated agreement remain in effect. If UP/SP or any of its divisions or subsidiaries materially changes or is unable to achieve the assumptions on which the Board based its final environmental mitigation measures, then the Board should reopen Finance Docket 32760 if requested by interested parties, and prescribe additional mitigation properly reflecting these changes if shown to be appropriate.

TITLE II—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

(including Transfer of Funds)

Appropriation, fiscal year 2003	$157,669,000
Budget request, fiscal year 2004	166,875,000
Recommended in the bill	175,809,000
Bill compared with:	
Appropriation, fiscal year 2003	+18,140,000
Budget request, fiscal year 2004	+8,934,000

The Departmental Offices' function in the Treasury Department is to provide basic support to the Secretary of the Treasury, who is the chief operating executive of the Department. The Secretary of the Treasury also has a primary role in formulating and managing the domestic and international tax and financial policies of the Federal Government. The Secretary's responsibilities funded by the salaries and expenses appropriation include: recommending and implementing United States domestic and international economic and tax policy; fiscal policy; governing the fiscal operations of the Government; maintaining foreign assets control; managing the public debt; managing development of financial policy; representing the United States on international monetary, trade and investment issues; overseeing Treasury Department overseas operations; directing the administrative operations of the Treasury Department; and providing executive oversight of the bureaus within the Treasury Department. This account also includes funding for the Office of Professional Responsibility.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $175,809,000 for Departmental Offices, Salaries and Expenses, an increase of

$18,140,000 above the fiscal year 2003 enacted level and an increase of $8,934,000 above the President's request. The Committee has removed the travel limitation on these funds and directs the Secretary to provide to the House and Senate Committees on Appropriations quarterly reports on travel expenditures funded through this account and summarized by office, including travel charges incurred and paid for protection. In addition, each report shall contain specific details regarding international travel by the office of international affairs. The bill includes $3,000,000 for information technology, $150,000 for official reception and representation expenses, $258,000 for unforeseen emergencies, $21,855,000 for the Office of Foreign Assets Control, $2,900,000 for grants to fight money laundering, and $3,393,000 for Treasury-wide financial statement audits.

Changes to the President's request include a decrease of $3,480,000 to reflect reductions enacted for fiscal year 2003 but not included in the President's fiscal year 2004 budget request (−$27,000 for Federal Employees' Compensation Act (FECA) costs, −$2,854,000 to reflect savings from prior year Congressional priorities, and −$599,000 for a business strategy adjustment) as well as an increase of $3,480,000 for unanticipated administrative cost increases resulting from proposed transfers to the Department of Homeland Security and other developments that require Treasury participation and involvement. In addition to the increase noted above, the Committee recommends an additional $2,919,000 to support this function. The Committee understands that a portion of these funds may be used to support personnel that had been expected to be transferred to the Department of Homeland Security but were not transferred.

The rest of the increase above the President's request ($6,015,000) is for a variety of budget needs recently recognized. The largest single increase ($2,730,000 and no more than 10 FTE) is for the Office of International Affairs and is provided to better address the requirements facing the Department regarding international trade, global economic markets, and world-wide financing and investments. The Committee also recommends an increase of $2,285,000 and no more than 14 FTE for the new Office of Terrorist Financing and Financial Crimes that was recently created within the Department as the lead for the Administration. In addition, the Committee recommends an increase of $1,000,000 for Treasury-wide certificate-based internet security initiatives. The recommended funding is distributed as follows:

	Fiscal year 2004 request (000)	Fiscal year 2004 recommended (000)
Economic Policy	$4,145	$4,145
International Affairs	25,151	27,881
Tax Policy	13,955	13,955
Domestic Finance	9,448	9,448
Terrorist Financing & Financial Crimes	....	2,285
Foreign Asset Control	21,855	21,855
Management and CFO Programs	14,275	14,275
Executive Direction	17,168	17,168
Treasury-wide Financial Statement Audits	3,393	3,393
Administration	57,485	61,404
Total	166,875	175,809

HOMELAND SECURITY TRANSFERS

The Homeland Security Act, 2002, created the largest reorganization of the Federal Government in recent history. As part of this reorganization, most Treasury law enforcement bureaus (the Customs Service, the Secret Service, and the Federal Law Enforcement Training Center) were transferred to the new Department of Homeland Security. Accompanying these major bureau transfers were to be transfers of functions and personnel that provided headquarters management and oversight support. In the President's fiscal year 2004 budget request for Treasury Departmental Offices, a total of 226 full-time equivalent staff years were noted to have transferred to the Department of Homeland Security along with $28,000,000 to support these positions during fiscal year 2003. The Committee is concerned about the status and accuracy of these ancillary management and oversight support transfers and directs the Secretary to provide a report to the House and Senate Committees on Appropriations within 90 days of the enactment of this Act details regarding all transfers from this account (both dollars and positions) to the Department of Homeland Security.

OFFICE OF TERRORIST FINANCING

During fiscal year 2003, a new executive office was created within Treasury to coordinate and lead the Department's efforts to combat terrorist financial and other financial crimes committed within the United States and abroad. The new Office for Terrorist Financing and Financial Crimes highlights the priority that has been placed on this issue by this Administration. The Committee commends this emphasis and strongly supports the goal of working with others to identify, block, and dismantle sources of financial support for terror and other criminal activities.

U.S. CURRENCY POLICIES OF FOREIGN GOVERNMENTS

The Committee directs the Secretary of the Treasury to provide to the House and Senate Committees on Appropriations, within 90 days of the enactment of this Act, a report examining the U.S. currency policies of any trading partners that create an anti-competitive advantage by deliberately devaluing their currencies relative to the U.S. dollar in order to encourage exports, suppress imports, and attract foreign investment. The report shall describe each occurrence and the effect of each such action on U.S. industries and commercial enterprises; the extent to which such actions are disallowed by international law; and the actions being taken by the United States government in response to such actions. The report shall include comment on the extent to which China, by requiring Chinese companies to sell the dollars they accrue to its central bank at a fixed rate, alters the value of the yuan relative to the dollar to create anti-competitive advantages.

CERTIFICATE-BASED INTERNET SECURITY

The Committee is aware of the need for security in permitting secure internet communication for the Department of the Treasury to prevent cyber attacks and protect against identity theft in key information systems. The Committee strongly supports fully implementing certificate-based internet security capabilities as appropriate to provide standards-based e-mail encryption and digital signatures; permit interoperability with the Federal Bridge and other government public key infrastructure systems and applications; demonstrate proven scalability; support multiple platforms; and include automated, secure key and certificate management. To help meet this need, the Committee has recommended an additional $1,000,000 beyond funds already recognized and slated to be used for Treasury-wide certificate-based internet security requirements during fiscal year 2004. The Committee also directs the Secretary of the Treasury to provide a report to the House and Senate Committees on Appropriations, not later than 30 days after the enactment of this Act, on departmental actions to ensure this security and on the level and sources of funding involved as well as an assessment of and timeline for remaining requirements across the Department of the Treasury.

FINANCIAL SERVICES ISAC

The Committee is concerned about the technological capabilities of the Financial Services Information Sharing and Analysis Center (ISAC). Each ISAC is organized within the private sector along industry lines to facilitate information exchange and improve the management of operational risks from physical and cyber disruption. As the federal lead agency for the Financial Services ISAC, Treasury is to assist in organizing and planning protection and continuity-of-operation efforts, in identifying and promoting effective risk-management policies and protection practices and methodologies, and in information sharing. The Committee directs the Secretary of the Treasury to provide a report to the House and Senate Committees on Appropriations, not later than 90 days after the enactment of this Act, which evaluates the technological capabilities of the Financial Services ISAC and discusses options for how these functions could be improved.

REVIEW OF DEBT CEILING EFFORTS

In February 2003, the Treasury Department began to take a series of steps to avoid exceeding the debt ceiling. Through a series of accounting devices, including holding back certain federal employee investments and reinvestments, the Department was able to temporarily remain under the debt ceiling. After the debt ceiling crisis was averted, the Treasury Department said they would restore all due interest and principal to the affected accounts. The Committee directs the General Accounting Office (GAO) to review the steps taken by the Department of the Treasury to avoid exceeding the debt ceiling. As part of this report, the GAO should determine whether all major accounts that were used for debt ceiling relief have been properly credited or reimbursed.

PAYMENTS TO STATES FOR SERVICES AND COMPLIANCE

The Committee is aware that the Treasury Department has begun distributing $10 billion in temporary fiscal relief payments to the 50 states, the District of Columbia, and territories provided under Title VI, Section 601 as added by Section 401(b) of the Jobs and Growth Tax Relief Reconciliation Act (Public Law 108–27) signed into law on May 28, 2003. As that legislation states, these funds were provided to cover the cost of essential government services, or to cover the cost to a state to comply with federal intergovernmental mandates where the Federal Government has not provided funds to cover the costs, and may only be used for certain types of expenditures permitted under the most recently approved state budget. To assure that funds have been used for the intended purposes, the Committee directs that the Secretary of the Treasury, within 60 days of enactment of this Act, compile and submit to the House and Senate Committees on Appropriations, the House Committee on Ways and Means, and the Senate Finance Committee a detailed report itemizing the specific purpose and amount for which each state, the District of Columbia, and each territory has expended the funds provided under Section 601 and Section 401 of the Jobs and Growth Tax Relief Reconciliation Act.

RESPONSIVENESS OF THE OFFICE OF FOREIGN ASSET CONTROL

The Committee is extremely concerned by the poor performance of the Office of Foreign Asset Control (OFAC) in complying with the licensing deadlines for implementing the Trade Sanctions Reform and Export Enhancement Act (TSRA) of 2000. The Committee further understands that the office has been consistently late in submitting required reports and has not submitted reports on the processing of licenses for the first and second quarters of 2003. A lack of transparency and an apparent disinterest in customer service have made the process extraordinarily burdensome for license applicants. Such performance is unacceptable; these delays have resulted in lost opportunities for American agricultural and medical exporters. The Committee directs OFAC to immediately: (1) remedy any staffing shortfalls that have contributed to the backlog; (2) submit overdue licensing reports to Congress as required by Section 906(b) of TSRA; and (3) provide the House and Senate Committees on Appropriations, by December 31, 2003, a report detailing how the growing backlog of license applications will be expeditiously remedied and how customer service will be enhanced.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2003	$36,653,000
Budget request, fiscal year 2004	36,928,000
Recommended in the bill	36,653,000
Bill compared with:	
Appropriation, fiscal year 2003	....
Budget request, fiscal year 2004	−275,000

This appropriation funds the modernization of Treasury business processes and increases in Department-wide systems efficiency through technology investments for systems that involve more than one Treasury bureau or Treasury's interface with other governmental agencies.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $36,653,000 for Department-wide Systems and Capital Investments Programs, the same as the fiscal year 2003 enacted level and a decrease of $275,000 below the President's request. The decrease below the

President's request is to be allocated to the HR Connect effort. The following table reflects the distribution of these funds by project:

	Fiscal year 2004 request (000)	Fiscal year 2004 recommendation (000)
HR Connect	$25,989	$25,714
Treasury Architecture	200	200
Treasury-wide Critical Infrastructure	8,993	8,993
Treasury Back-up/Disaster Recovery	1,746	1,746
Total	36,928	36,653

Office of Inspector General

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$11,092,000
Budget request, fiscal year 2004	....
Recommended in the bill	12,792,000
Bill compared with:	
Appropriation, fiscal year 2003	+1,700,000
Budget request, fiscal year 2004	+12,792,000

This appropriation provides agency-wide audit and investigative functions to identify and correct operational and administrative deficiencies, which create conditions for existing or potential instances of fraud, waste, and mismanagement. The audit function provides program, contract, and financial statement audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Program audits review and evaluate all facets of agency operations. Financial statement audits assess whether financial statements fairly present the agency's financial condition and results of operations, the adequacy of accounting controls, and compliance with laws and regulations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $12,792,000 for the Office of Inspector General, an increase of $1,700,000 above the fiscal year 2003 enacted level and an increase of $12,792,000 above the President's request. The President's budget request proposed to combine this function and account with the function and account for the Treasury Inspector General for Tax Administration, creating a new entity. Such action requires extensive new legislation that has yet to be enacted. The increase above the fiscal year 2003 enacted level (+$1,700,000) is for operational support to maintain current levels of service. The bill includes $2,000,000 for official travel expenses, up to $100,000 for unforeseen emergencies, and $2,500 for official reception and representation expenses.

Treasury Inspector General for Tax Administration

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$124,198,000
Budget request, fiscal year 2004	....
Recommended in the bill	128,034,000
Bill compared with:	
Appropriation, fiscal year 2003	+3,836,000
Budget request, fiscal year 2004	+128,034,000

The Internal Revenue Service (IRS) Restructuring and Reform Act of 1998 established the Office of Treasury Inspector General for Tax Administration and abolished the IRS Office of the Chief Inspector. The Office was established in January of 1999 as required by that legislation. The Treasury Inspector General for Tax Administration conducts audits, investigations, and evaluations to assess the operations and programs of the IRS and its related entities, the IRS Oversight Board and the Office of Chief Counsel. The purpose of those audits and investigations is to: (1) promote the economic, efficient, and effective administration of the nation's tax laws and to detect and deter fraud and abuse in IRS programs and operations; and (2) recommend actions to resolve fraud and other serious problems, abuses, and deficiencies in these programs and operations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $128,034,000 for the Treasury Inspector General for Tax Administration, an increase of $3,836,000 above the fiscal year 2003 enacted level and an increase of $128,034,000 above the President's request. The President's budget request proposed to combine this function and account with the function and account for the Office of Inspector General account, creating a new entity. Such action requires extensive new legislation that has yet to be enacted. The increase above the fiscal year 2003 enacted level (+$3,836,000) is for operational support to maintain current levels of service. The bill includes up to $6,000,000 for official travel and up to $500,000 for unforeseen emergencies.

Air Transportation Stabilization Program

Appropriation, fiscal year 2003	$6,002,000
Budget request, fiscal year 2004	2,538,000
Recommended in the bill	2,538,000
Bill compared with:	
Appropriation, fiscal year 2003	−3,464,000
Budget request, fiscal year 2004	....

The Air Transportation Stabilization Board was authorized in the Air Transportation Safety and Stabilization Act to issue $10,000,000,000 of federal credit instruments to air carriers. The purpose is "to compensate air carriers for losses incurred by the air carriers as a result of the terrorist attacks on the United States that occurred on September 11, 2001", providing among other criteria, that "such agreement is a necessary part of maintaining a safe, efficient, and viable commercial aviation system in the United States".

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $2,538,000 for the Air Transportation Stabilization Program, a decrease of $3,464,000 below the fiscal year 2003 enacted level and the same as the President's request. The Committee directs the Department of the Treasury to submit a report 90 days after the enactment of this Act on the status of this effort, a description of the credit instruments issued, and the ongoing management activities of the Air Transportation Stabilization Board to monitor and review the financial performance of each borrower.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

Appropriation, fiscal year 2003	$28,744,000
Budget request, fiscal year 2004	25,000,000
Recommended in the bill	25,000,000
Bill compared with:	
Appropriation, fiscal year 2003	−3,744,000
Budget request, fiscal year 2004	....

This appropriation funds the repairs, selected improvements, and construction necessary to renovate and maintain the Main Treasury, the Treasury Annex, and other Treasury buildings.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $25,000,000 for Treasury Building and Annex Repair and Restoration, a decrease of $3,744,000 below the fiscal year 2003 enacted level and the same as the President's request.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$51,416,000
Budget request, fiscal year 2004	57,571,000
Recommended in the bill	57,571,000
Bill compared with:	
Appropriation, fiscal year 2003	+6,155,000
Budget request, fiscal year 2004	....

The Financial Crimes Enforcement Network (FinCEN) is responsible for implementing Treasury's anti-money laundering regulations through administration of the Bank Secrecy Act, 31 U.S.C. section 5311, et seq. (BSA). It also serves as a United States Government source for the systematic collection and analysis of information to assist in the investigation of money laundering and other financial crimes. FinCEN supports law enforcement investigative efforts by federal, state, local and international agencies, and fosters interagency and global cooperation against domestic and international financial crimes. It also provides U.S. policymakers with strategic analyses of domestic and worldwide trends and patterns. It prevents money laundering through its regulatory and outreach programs, including setting policy for and overseeing BSA compliance by financial institutions, and by providing BSA training for law enforcement, bankers, and bank regulators. Pursuant to the USA Patriot Act of 2001, FinCEN was made a Treasury Bureau in recognition of its key role in supporting investigations and other government efforts to identify and stop the financing of terrorist organizations and activity. The Patriot Act also gave FinCEN substantial new responsibilities for collecting, sharing, and managing financial and other information as part of its counter-terrorism mission.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $57,571,000 for the Financial Crimes Enforcement Network, an increase of $6,155,000 above the fiscal year 2003 enacted level and the same as the President's request. The Committee has recently become aware of an issue surrounding the main FinCEN database that may impact future FinCEN operations; and the Committee directs Treasury and the bureau to review the current custodial situation as well as long-range plans, and to spend whatever level of funding is deemed appropriate from whatever source is available, including potentially the Treasury Forfeiture Fund, to begin addressing related location, ownership, and management issues. The bill includes up to $14,000 for official reception and representation expenses.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$220,634,000
Budget request, fiscal year 2004	228,606,000
Recommended in the bill	228,558,000
Bill compared with:	
Appropriation, fiscal year 2003	+7,924,000
Budget request, fiscal year 2004	−48,000

The Financial Management Service (FMS) is responsible for the management of federal finances and the collection of federal debt. As the Federal Government's central financial agent, FMS receives and disburses public monies, maintains government accounts, and reports on the status of the government's finances. FMS is also accountable for developing and implementing the most reliable and efficient financial methods and systems to manage and improve the Government's cash management, credit management, and debt collection programs. Pursuant to the Debt Collection Improvement Act of 1996, FMS became the primary agency for the collecting of federal non-tax debt that is due and owed to the government. Through FMS, there is a coordinated effort to collect debt from those who have defaulted on agreements with the Federal Government.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $228,558,000 for the Financial Management Service, an increase of $7,924,000 above the fiscal year 2003 enacted level and a decrease of $48,000 below the President's request. The decrease below the President's request is for a proposal, first made in the President's fiscal year 2002 request and retained in the President's fiscal year 2003 request, to integrate the benefits and administrative costs of the Federal Employees' Compensation Act (FECA) which, to date, has not been enacted. The bill includes up to $9,220,000 for information systems modernization initiatives and up to $2,500 for official reception and representation expenses.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$79,480,000
Budget request, fiscal year 2004	80,000,000
Recommended in the bill	80,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+520,000
Budget request, fiscal year 2004	....

The Alcohol and Tobacco Tax and Trade Bureau (TTB) is responsible for the enforcement of laws designed to eliminate certain illicit activities and to regulate lawful activities relating to distilled spirits, beer, wine and nonbeverage alcohol products, and tobacco. Its responsibilities are focused on collecting revenue; reducing taxpayer burden and improving service while preventing diversion; and protecting the public and preventing consumer deception in certain regulated commodities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $80,000,000 for the Alcohol and Tobacco Tax and Trade Bureau, an increase of $520,000 above the fiscal year 2003 enacted level and the same as the President's request. The bill includes up to $6,000 for official reception and representation expenses and up to $50,000 for cooperative research and development programs.

BUREAU OF ENGRAVING AND PRINTING

The Bureau of Engraving and Printing (BEP) designs, manufactures, and supplies Federal Reserve notes, various public debt instruments, as well as most evidences of a financial character issued by the United States, such as postage and internal revenue stamps. The BEP also executes certain printings for various territories administered by the United States, particularly postage and revenue stamps.

The operations of the BEP are financed by a revolving fund established in accordance with the provisions of Public Law 656, August 4, 1950 (31 U.S.C. 181), which requires the BEP to be reimbursed by customer agencies for all costs of manufacturing products and services performed. The BEP is also authorized to assess amounts to acquire capital equipment and provide for working capital needs. The anticipated work volume is based on estimates of requirements submitted by agencies served. The following table summarizes BEP revenue and expense data for fiscal years 2002 through 2004:

	2002 (actual)	2003 (estimate)	2004 (estimate)
Total revenue	$391,000,000	$424,000,000	$517,000,000
Revenue from currency	327,000,000	370,000,000	465,000,000
Revenue from stamps	51,000,000	45,000,000	34,000,000
Other revenue	13,000,000	9,000,000	6,000,000
Cost of operations	436,000,000	453,000,000	525,000,000
Net revenue [1] (to Treasury)	−45,000,000	−29,000,000	−8,000,000

[1] Capital investments will be less than depreciation, a non-cash expense, in each of these years. In order to avoid accumulating working capital in excess of Bureau needs, currency prices are set at a level that will result in an annual loss (on paper). This loss will not exceed the depreciation expense, ensuring the solvency of the Bureau's revolving fund.

UNITED STATES MINT

UNITED STATES MINT PUBLIC ENTERPRISE FUND

The United States Mint manufactures coins, receives deposits of gold and silver bullion, and safeguards the Federal Government's holdings of monetary metals. For fiscal year 1997, Congress established the United States Mint Public Enterprise Fund (Public Law 104–52), which authorized the U.S. Mint to use proceeds from the sale of coins to finance the costs of its operations and which consolidated all existing Mint accounts into a single fund. Public Law 104–52 also provides that, in certain situations, the levels of capital investments for circulating coins and protective services shall factor into the decisions of the Congress such that those levels compete with other requirements for funding.

COMMITTEE RECOMMENDATION

The Committee recommends a spending level for capital investments by the U.S. Mint for circulating coinage and protective services of $40,652,000, an increase of $5,752,000 above the fiscal year 2003 spending level and the same as the level included in the President's request. The Committee has included language in the bill that would reimburse the General Accounting Office up to $375,000 for the cost of a contract study on the potential and cost-effectiveness of expanded, including full, use of "blanks" by the U.S. Mint in the production of circulating coins. The contract study should examine the costs and benefits of such expanded use and examine whether such use would be compliant with Administration's goal to privatize non-governmental functions. In addition to including a pure cost-benefit analysis of the issue, the study should examine the practicality and desirability of such a change, methods of adopting such a change without negatively effecting production and with as little an effect on Mint employees as possible, and the "blanking" procedures and costs of major foreign mints. Among the potential benefits to be assessed in the contract study are the reduced security costs and/or concerns, reduced need for external storage and handling areas as well as potential overall cost savings. The completed contract study should be provided to both House and Senate Committees on Appropriations and the appropriate authorizing committees in a reasonable timeframe. This bill provides that amounts reimbursed to the Comptroller General for this work are to be deposited in the appropriate appropriations of the General Accounting Office where they will remain until expended. The following table provides basic information on the revenues, costs, and products of the Mint for fiscal years 2002 through 2004:

	Circulating coins	Commemorative quarters	Numismatic coins	Protection
2002 (actual):				
Number of coins	11.5 billion	3.6 billion	17 million	
Cost of operations	$156 million	$172 million	$376 million	$29 million.
Revenue	$460 million	$904 million	$440 million.	
Net revenue (to Treasury)	$304 million	$732 million	$64 million	($29 million).
2003 (est.):				
Number of coins	13.8 billion	4.4 billion	16 million	
Cost of operations	$206 million	$226 million	$439 million	$35 million.

	Circulating coins	Commemorative quarters	Numismatic coins	Protection
Revenue	$493 million	$1,098 million	$451 million	
Net revenue (to Treasury)	$287 million	$871 million	$12 million	($35 million).
2004 (est.):				
Number of coins	13.8 billion	4.5 billion	16 million	
Cost of operations	$208 million	$237 million	$440 million	$36 million.
Revenue	$490 million	$1,125 million	$454 million	
Net revenue (to Treasury)	$282 million	$888 million	$15 million	($29 million).

BUREAU OF THE PUBLIC DEBT

Administering the Public Debt

Appropriation, fiscal year 2003	$188,833,000
Budget request, fiscal year 2004	173,698,000
Recommended in the bill	173,652,000
Bill compared with:	
Appropriation, fiscal year 2003	−15,181,000
Budget request, fiscal year 2004	−46,000

This appropriation provides funds for the conduct of all public debt operations and the promotion of the sale of U.S. securities.

COMMITTEE RECOMMENDATION

The Committee recommends a net appropriation of $173,652,000 for administering the public debt, a decrease of $15,181,000 below the fiscal year 2003 enacted level and a decrease of $46,000 below the President's request. The decrease below the President's request is for a proposal, first made in the President's fiscal year 2002 request and retained in the President's fiscal year 2003 request, to integrate the benefits and administrative costs of the Federal Employees' Compensation Act (FECA) which, to date, has not been enacted. The bill assumes offsetting collections of $4,400,000 from security issue fees and account maintenance fees. The bill includes up to $2,500 for official reception and representation expenses and up to $2,000,000 for systems modernization. The Committee supports the efforts of the Bureau of Public Debt to modernize and reduce costs associated with the savings bond program including the utilization of an internet based system that permits investors to purchase savings bonds online; the Committee believes, however, that it may be useful to continue in the short-term the issuing of printed savings bonds for those who may not yet access the internet.

SAVINGS BOND MARKETING

The Committee is supportive of plans outlined in the President's budget for the Bureau of the Public Debt to discontinue its focused savings bond marketing program, but it is also aware that a need remains for certain savings bond customer information support functions, some of which had been formerly supported by the marketing program. Therefore, the Committee directs the bureau to submit a report, no later than 45 days after the enactment of this Act, which identifies and describes those information support functions for savings bond customers previously conducted by the marketing program, their staffing levels, budget, and justification for continuance.

COST COMPARISON MODEL

Over the past several years, the Committee has raised questions concerning the validity of the model used by the bureau to compare federal borrowing costs among certain debt instruments. The model results had been used by the bureau to support its contention that selling paper-based savings bonds to fund federal debt was more cost effective than selling marketable securities. In July 2002 the Committee requested that the General Accounting Office (GAO) examine the model. In June 2003 the GAO completed a study of the model and reported that the model contains errors, does not provide valid cost comparisons, and had not been subject to independent external review. The bureau, while acknowledging some of the errors, disagreed with the GAO conclusion that the model's comparisons were invalid. This disagreement stems from a fundamental difference regarding the development and use of appropriate and accurate present value calculations.

The Committee notes that this substantive disagreement, which strikes at the heart of the Committee's concerns, might have been resolved years ago had the model been subjected to a full and rigorous independent external review. The recent GAO study referenced above does not constitute such a full review, which would also need to assess the accuracy or completeness of the input data. The Committee is particularly disappointed in Treasury's longstanding failure to provide such a basic external review and its use of the model's results in the absence of such a review.

Nevertheless, as noted by the bureau in its response to GAO, even if accurate this model would not provide useful cost comparisons among the emerging debt instruments of Treasury, such as electronically based savings bonds. Given that the development and implementation of electronically based savings bonds and marketable securities in a single internet accessed retail system is the current focus of the bureau and the department, the bureau reports that it plans to "shelve" the existing model. Attempts to construct a new model would serve little useful purposes, due to the discontinuance of marketing for savings bonds. The Committee concurs with the view that the bureau should focus its attention on the transition into an electronic environment for all Treasury securities issued directly to the public. However, the Committee does believe that the transition should include a specific program which recognizes that a noticeable number of Americans either do not have access to the internet, or do not want to make electronic financial transactions.

Therefore, the Committee directs the bureau and the department to provide to the House and Senate Committees on Appropriations within 60 days of the enactment of this Act a report outlining its plan for achieving an electronic environment for the retail issuance and servicing of savings and marketable securities made available directly to the public, while offering non-electronic options to those purchasers who prefer them. Furthermore, the Committee fully expects the department to continue to pursue the policy it has articulated of financing the public debt at the lowest cost, over time.

INTERNAL REVENUE SERVICE

The Committee notes the recent confirmation of a new IRS Commissioner and looks forward to growing a strong working relationship with him. As part of that relationship, the Committee hopes that the new Commissioner will ensure that the IRS responds to Committee directives for information in a timely fashion. In that regard, the Committee notes with concern that two reports requested by the Committee last year, updates to earlier reports on IRS compliance and its earned income tax credit initiative, are months overdue. The Committee also recognizes the role of the Internal Revenue Service (IRS) Oversight Board in reviewing the annual budget request of the IRS. The Committee appreciates its analysis of the IRS budget and looks forward to strengthening its working relationship with the Board. The Committee urges the Commissioner of the IRS, the Secretary of the Treasury, and the Director of the Office of Management and Budget to consider the recommendations of the Board during deliberations on future IRS budgets.

PROCESSING, ASSISTANCE, AND MANAGEMENT

Appropriation, fiscal year 2003	$3,930,064,000
Budget request, fiscal year 2004	4,074,694,000
Recommended in the bill	4,037,834,000
Bill compared with:	
Appropriation, fiscal year 2003	+107,770,000
Budget request, fiscal year 2004	−36,860,000

This appropriation provides for processing tax returns and related documents; processing data for compiling statistics of income; assisting taxpayers in correct filing of their returns and in paying taxes that are due; overall planning and direction of the Internal Revenue Service; and management of financial resources and procurement.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $4,037,834,000 for Processing, Assistance, and Management, an increase of $107,770,000 above the fiscal year 2003 enacted level and a decrease of $36,860,000 below the President's request. Of the decrease below the President's request, a portion (−$2,560,000) is for a proposal, first made in the President's FY 2002 request and retained in the President's FY 2003 request, to integrate the benefits and administrative costs of the Federal Employees' Compensation Act (FECA) which, to date, has not been enacted. The remainder of the reduction below the President's request (−$34,300,000) is a general decrease, but the Committee notes a number of requested increases (such as enterprise performance awards, certain service-wide labor costs, and a variety of corporate expenses) that appear to be of lesser value and lower priority. The appropriation also includes $8,000,000 in support of low-income tax clinics, $4,250,000 for the tax counseling for the elderly program, and up to $25,000 for official reception and representation expenses.

ELECTRONIC TAX FILING AND THE FREE FILE ALLIANCE

The Committee is encouraged by the first-year results of the Free File Alliance initiative, and commends the IRS and the tax software industry for the success of their public-private partnership. The 2.7 million electronic tax returns and e-filings achieved through this initiative was of great benefit to the American public, far exceeded expectations, and was achieved while avoiding cost incurrence to the Federal government. However, some issues arose suggesting the need for specific program improvements.

Accordingly, the IRS shall ensure that the mission and execution of the initiative is first and foremost to provide electronic federal tax return preparation and e-filing services at no cost to the working poor, and other disadvantaged and underserved taxpayers. The IRS Electronic Tax Administration's related marketing and promotional activities shall be consistently carried out in a manner to advance this key mission objective.

The IRS also shall ensure in its agreements with industry, that program implementation shall be carried out in a manner that protects the privacy of the taxpayer's return data and continues the independence from government of the software service employed. Program implementation shall likewise continue to provide that the federal tax return and filing service donations do not require other product or service purchases from citizens.

The IRS is further directed to work in cooperation with industry to implement appropriate policies and procedures to ensure that the sponsored tax software services have the necessary business credentials, relevant commercial track records, corporate integrity, and financial and technical capabilities, in which taxpayers can have confidence.

With these types of governance standards and program focus, the public-private partnership strategy being pursued by the IRS will fulfill its great promise, and the Committee looks forward to regular reports from the IRS on progress being made to achieve the program objectives and these specific improvements.

IRS MANUAL SUBMISSIONS PROCESSING

The Committee is concerned that the transition into the electronic age is not being managed properly by the IRS. As part of this transition, the specific staffing needs of the bureau are likely to require extensive modifications including a reduction in the manual submission processing workforce. However, the Committee understands that certain downsizing efforts at manual processing facilities may not be adequately planned or appropriately thought out prior to the actual reductions. Therefore, the Committee directs the IRS to submit a report to the House and Senate Committee on Appropriations no later than 90 days after the enactment of this Act that addresses the timing of downsizing efforts at manual processing facilities, projections for manual processing requirements in future years and a description of the IRS' plans for achieving the remaining manual processing requirements in light of the proposed downsizing plans. Furthermore, the Committee strongly suggests that the IRS refrain from initiating any premature and illconsidered reductions in force until such time as the report stipulated above has been reviewed by the Committees and adequate and appropriate planning has been completed.

TAX LAW ENFORCEMENT

Appropriation, fiscal year 2003	$3,849,884,000
Budget request, fiscal year 2004	4,227,808,000
Recommended in the bill	4,221,408,000
Bill compared with:	
Appropriation, fiscal year 2003	+371,524,000
Budget request, fiscal year 2004	−6,400,000

This appropriation provides for the examination of tax returns, both domestic and international; the administrative and judicial settlement of taxpayer appeals of examination findings; technical rulings; monitoring employee pension plans; determining qualifications of organizations seeking tax-exempt status; examining tax returns of exempt organizations; enforcing statutes relating to detection and investigation of criminal violations of the internal revenue laws; collecting unpaid accounts; compiling statistics of income and compliance research; securing unfiled tax returns and payments; and expanded efforts to reduce overclaims and erroneous filings associated with the earned income tax credit.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $4,221,408,000 for Tax Law Enforcement, an increase of $371,524,000 above the fiscal year 2003 enacted level and a decrease of $6,400,000 below the President's request. The decrease below the President's request is to be taken against low priority items, and the Committee suggests that such items might include the proposed increases related to tax law enforcement related to exempt organizations (examinations, establishment of a contact unit, and other compliance issues). The bill includes up to $1,000,000 for research and up to $10,000,000 to reimburse the Social Security Administration. The Committee is pleased that the IRS is taking steps to pre-certify eligibility for persons seeking payments under the earned income tax credit (EITC), and that the IRS sought broad input in designing its pre-certification process. The Committee intends to monitor these measures closely, and is hopeful that they will significantly impact the payments of billions of dollars annually in wrongful EITC payments.

The Committee remains interested and concerned with the level of progress being made by the IRS to develop and use actuarial expertise and related computer software and required hardware to assist in audits involving tax reserves, encourages the IRS to further explore whether other situations might also benefit from this effort, and directs that the IRS continue all aspects of this project at no less level of support than was identified and provided for fiscal year 2003, $4,000,000. In support of this effort, a portion of these funds as well as prior-year funding may be used for travel as it relates to training, testing, and implementation requirements.

PATENT DONATIONS

The Committee is encouraged by recent compliance efforts undertaken by the IRS to address abusive tax shelters and deceptive business practices in the area of patent donations. Consistent with e-government directives for modernization of its systems, the IRS should continue its investment in reliable and reproducible systems to detect, investigate, and quantify violations of the internal revenue laws in this area, and to collect unpaid accounts.

PRIVATE COLLECTION AGENCIES

The IRS proposes to contract with the private sector for assistance in collecting delinquent tax debt. The Committee is fully supportive of proposed efforts that are in keeping with safeguards utilized in other federal debt collection and that will cost-effectively increase compliance and reduce the size of the budget deficit. The Committee urges the IRS to continue working with Congress in pursuit of these initiatives to improve the government's capabilities for tax debt collection while safeguarding taxpayer data and rights.

INFORMATION SYSTEMS

Appropriation, fiscal year 2003	$1,621,833,000
Budget request, fiscal year 2004	1,670,039,000
Recommended in the bill	1,628,739,000
Bill compared with:	
Appropriation, fiscal year 2003	+6,906,000
Budget request, fiscal year 2004	−41,300,000

This appropriation provides for Service-wide data processing support, including the evaluation, development, and implementation of computer systems (including software and hardware) requirements.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,628,739,000 for Information Systems, an increase of $6,906,000 above the fiscal year 2003 enacted level and a decrease of $41,300,000 below the President's request. The decrease below the President's request is for certain corporate expenses (−$1,300,000), legacy investments (−$5,000,000), and a portion of the tier III hardware/software replacements (−$5,000,000). The Committee has included an additional decrease of $30,000,000 to legacy investments.

BUSINESS SYSTEMS MODERNIZATION

Appropriation, fiscal year 2003	$363,621,000
Budget request, fiscal year 2004	429,000,000
Recommended in the bill	429,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+65,379,000
Budget request, fiscal year 2004	....

This appropriation provides for funding of the PRIME Systems Integration Services Contractor to modernize the business systems of the Internal Revenue Service.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $429,000,000 for Business Systems Modernization, an increase of $65,379,000 above the fiscal year 2003 enacted level and the same as the President's request. The release of funding from this account is governed by the same statutory conditions that governed the funds appropriated into this account in previous years.

HEALTH INSURANCE TAX CREDIT ADMINISTRATION

Appropriation, fiscal year 2003	$69,545,000
Budget request, fiscal year 2004	35,000,000
Recommended in the bill	35,000,000
Bill compared with:	
Appropriation, fiscal year 2003	−34,545,000
Budget request, fiscal year 2004	....

This appropriation provides contractor support to develop and administer the advance payment option for the health insurance tax credit included in Public Law 107–210, the Trade Act of 2002.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $35,000,000 for health insurance tax credit administration, a decrease of $34,545,000 below the fiscal year 2003 enacted level and the same as the President's request.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

Section 201. The Committee continues the provision that allows the transfer of 5 percent of any appropriation made available to the IRS to any other IRS appropriation, subject to prior Congressional approval.

Section 202. The Committee continues the provision that requires the IRS to maintain a training program in taxpayer's rights, dealing courteously with taxpayers, and cross cultural relations.

Section 203. The Committee continues the provision that requires the IRS to institute policies and procedures, which will safeguard the confidentiality of taxpayer information.

Section 204. The Committee continues the provision that makes funds available for improved facilities and increased manpower to provide sufficient and effective 1–800 help line service for taxpayers.

Section 205. The Committee continues the provision that allows the Department of the Treasury to purchase uniforms, insurance, and motor vehicles without regard to the general purchase price limitation, and enter into contracts with the State Department for health and medical services for Treasury employees in overseas locations.

Section 206. The Committee continues with modifications a provision that authorizes transfers, up to 2 percent, between Departmental Offices—Salaries and Expenses, Office of the Inspector General, Financial Management Service, Alcohol and Tobacco Tax and Trade Bureau, Financial Crimes Enforcement Network, and the Bureau of the Public Debt appropriations under certain circumstances.

Section 207. The Committee continues the provision that authorizes transfer, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 208. The Committee continues the provision that prohibits the Department of the Treasury from undertaking a redesign of the $1 Federal Reserve note.

Section 209. The Committee continues the provision that provides for transfers from and reimbursements to the Salaries and

Expenses appropriation of the Financial Management Service for the purposes of debt collection.

Section 210. The Committee continues the provision that requires Congressional approval for the construction and operation of a museum by the United States Mint.

Section 211. The Committee includes a new provision establishing a permanent, indefinite appropriation to allow the Department of the Treasury to reimburse financial institutions directly for services they provide as depositaries and financial agents of the United States. Use of this appropriation will generally replace the compensating balance mechanism for funding these services.

Section 212. The Committee includes a new provision prohibiting contracts with certain foreign incorporated entities.

TITLE III—POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

Appropriation, fiscal year 2003	$76,120,000
Budget request, fiscal year 2004	60,014,000
Recommended in the bill	60,014,000
Bill compared with:	
Appropriation, fiscal year 2003	−16,106,000
Budget request, fiscal year 2004	....

Funds provided to the Postal Service in the Payment to the Postal Service Fund include the costs of revenue forgone on free and reduced-rate mail for the blind and overseas voters; reconciliation adjustments for amounts appropriated for free and reduced rate mail and the actual amounts required; and partial reimbursement for losses which the Postal Service incurred as a result of insufficient appropriations in fiscal years 1991 through 1993 and the additional revenues it would have received between 1993 and 1998 in the absence of certain rate phasing provisions of the Revenue Forgone Act of 1993.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $60,014,000 in fiscal year 2004 for Payment to the Postal Service Fund, a decrease of $16,106,000 from amounts appropriated in fiscal year 2003 and the same as the President's request. Of the funds provided for fiscal year 2004, the Committee includes $29,000,000 as reimbursement for prior year shortfalls due to insufficient appropriations and the rate phasing provisions of the Revenue Forgone Act of 1993. The balance of $31,014,000 of fiscal year 2004 funds reflects the advance appropriation for free mail for the blind and overseas voters for 2004 provided in the Treasury and General Government appropriations act for fiscal year 2003. The Committee also recommends an advance appropriation of $36,521,000 for fiscal year 2005 for free mail for the blind and overseas voters, to be made available on October 1, 2004; this is the same amount as requested by the President.

LEVERAGED LEASING

The Committee is aware that given its financial outlook, the U.S. Postal Service needs to find ways to reduce its costs. The Committee encourages the Postal Service to use innovative cost reduction techniques and has recently learned of one such technique currently employed in the transportation industry, particularly within transit agencies, referred to as leveraged leasing. Leveraged leases have been implemented over a variety of capital assets in the public transit sector, such as rolling stock, buses, and rail signal equipment. The Committee understands that overseas, similar transactions have been structured over an even broader range of assets, including postal sorting equipment.

The Committee believes that leveraged leasing might prove to be an effective cost reduction tool and directs the Postal Service to report to the Committee, no later than 180 days following enactment of this act, the Postal Service's experience with similar transactions (if any) in the past five years, the Postal Service's initial evaluation of leveraged leasing, areas of Postal Service operations and types of capital assets where its use might be applicable, the feasibility for the Postal Service to implement a leveraged leasing pilot program, the estimated level of financial benefit that could be generated by leveraged leasing, the level of private sector participation in leveraged leasing, and the potential impact of leveraged leasing on the Postal Service's financial status, control and reporting responsibilities.

IRRADIATION OF THE MAIL

The Committee is aware that the U.S. Postal Service, in order to help protect the mail from bioterrorist threats, is having mail destined for Federal Government operations in the Washington, DC area irradiated at a facility in Bridgeport, New Jersey. The Committee is also aware that the location of this facility results in delays of mail delivery, and that the original intended purpose of this facility, for irradiating materials other than mail, sometimes results in damage to the mail processed there. The Committee highly encourages the Postal Service to seek a long term solution to its mail irradiation requirements using a facility that is tailored to irradiating mail and is within or closer to the Washington, DC metro area. The Committee directs the Postal Service to provide it with a report, no later than 60 days after enactment of this Act, which describes the Postal Service's plan for addressing this issue.

RIVER ROUGE, MICHIGAN

The Committee is concerned for the postal needs of the citizens of River Rouge, Michigan, and supports the U.S. Postal Service's decision to assign a high priority to the construction of a new postal facility there. Progress on the new facility has been slowed because of the freeze imposed on new construction and rehabilitation. The Committee encourages the Postal Service to continue working with the community of River Rouge to address the city's needs for a new facility, and directs the Postal Service to report to the Committee on the status of this facility no later than 90 days after enactment of this Act.

PAHOA, HAWAII

The Committee is aware of concerns that the current postal facility in Pahoa, in the district of Puna on the Island of Hawaii, is inadequate to meet current needs, much less future needs in what is one of the most rapidly growing areas of the state. The Committee is also aware of concerns that the current structure cannot be remodeled and that a new facility must be built, and directs the Postal Service to report on the feasibility of building such a facility no later than 90 days after the enactment of this Act.

KAHULUI, HAWAII

The Committee is concerned about the situation regarding the Kahului Airport Postal Facility on the Island of Maui. The Postal Service has already engaged in relocating principal mail operations from the current facility to a location closer to Kahului International Airport in order to make the reception and distribution of mail more efficient for the entire Island of Maui. The Committee directs the Postal Service to report on its plans regarding the situation at Kahului no later than 90 days after enactment of this Act.

TITLE IV—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

These funds provide for the compensation of the President as well as official expenses of the Executive Office of the President, as authorized by Title 3 U.S.C.

COMPENSATION OF THE PRESIDENT

Appropriation, fiscal year 2003	$450,000
Budget request, fiscal year 2004 [1]	450,000
Recommended in the bill	450,000
Bill compared with:	
Appropriation, fiscal year 2003	....
Budget request, fiscal year 2004	....

[1] Proposed in a consolidated appropriation titled "The White House".

These funds provide for the compensation of the President, including an expense allowance as authorized by 3 U.S.C. 102.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $450,000 for Compensation of the President, including an expense allowance of $50,000. These are the same as amounts appropriated for fiscal year 2003 and the same as requested by the President. The bill specifies that none of the funds for official expenses shall be considered as taxable to the President, and any unused amount shall revert to the Treasury consistent with 31 U.S.C. 1552.

WHITE HOUSE OFFICE

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$50,385,000
Budget request, fiscal year 2004 [1 2]	70,268,000
Recommended in the bill	66,057,000
Bill compared with:	
Appropriation, fiscal year 2003	+15,672,000
Budget request, fiscal year 2004	−4,211,000

[1] Proposed in a consolidated appropriation titled "The White House".
[2] Includes $8,331,000 for the Office of Homeland Security, funded in fiscal year 2003 under a separate appropriation.

The Salaries and Expenses account of the White House Office supports staff and administrative services necessary for the direct support of the President, including costs for the Homeland Security Council. This account also includes reimbursements to the White House Communications Agency.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $66,057,000 for the White House Office, a reduction of $4,211,000 below the amounts requested by the President. The Committee's recommendation reduces funding for the Homeland Security Council (formerly the Office of Homeland Security) from $8,331,000 to $4,120,000, as discussed below.

Homeland Security Council.—On October 8, 2001, the President signed Executive Order 13288, establishing the Office of Homeland Security (OHS). As identified by Executive Order 13288, the primary responsibilities of OHS are to coordinate the executive branch's efforts to detect, prepare for, prevent, protect against, respond to, and recover from terrorist attacks within the United States. The Order established broad areas of functional responsibility for OHS, including the development of a national strategy; prioritizing and coordinating detection efforts; coordinating national preparedness efforts; coordinating prevention efforts; coordinating efforts to protect critical infrastructure; coordinating efforts to respond to and promote response and recovery; coordinating incident management response efforts; reviewing plans and preparations for the continuity of government; coordinating the executive branch strategy for communications and public affairs; encouraging the cooperation of state and local governments and private entities; reviewing legal authorities; and reviewing agency and department budgets for homeland security efforts. It is clear that most of these responsibilities have now been assumed by the Secretary of the Department of Homeland Security. Although the Administration has changed the "Office of Homeland Security" to the "Homeland Security Council", it is not clear what work remains that cannot be effectively performed by the Department of Homeland Security. Although the Committee understands the President's need for policy support and advice, it is not clear why that would require 66 staff, given the existence and support of the Department of Homeland Security. In addition, after submission of the fiscal year 2004 budget, the President's Critical Infrastructure Protection Board was eliminated. The Committee recommendation assumes savings from that action of $1,100,000.

White House tours.—In the statement of the managers accompanying the Treasury and General Government Appropriations Act, 2003, the Committee directed the Executive Office of the President to report on the "status of efforts underway to safely reopen public tours of the White House." On March 24, 2003, the Executive Office of the President provided a cursory, four-sentence "report" that said very little about the status of efforts in this regard. The Committee reiterates its concern over the administration's apparent disinterest in resuming anything beyond very limited tours of the White House. In 2002, according to the National Park Service data, only 178,092 visitors passed through the White House. Data through mid-May of this year indicates that even fewer people will tour the White House in 2003. (Only 43,434 had visited as of May 14th). Although the security considerations are certainly different today, the Committee notes that nearly 1 million fewer visitors will get to tour the White House annually under the current tour policy. The Committee notes that the White House has historically been maintained, at extra expense to taxpayers, in a manner befitting its role as a destination for visiting citizens as well as its role as the principal residence and office of the Chief Executive. The Committee again requests, within 30 days of enactment of this Act, a detailed report on the status of efforts to safely resume public tours of the White House.

Renovations of the Eisenhower Executive Office Building.—On repeated occasions, the Committee has sought specific answers to questions about the use of non-federal funds for renovating and furnishing GSA facilities occupied by agencies of the Executive Office of the President. In particular, the Committee believes more information is needed on the use of non-federal funding for renovation and furnishing efforts for the Eisenhower Executive Office Building, for which $65,757,000 is included in this bill. The Committee directs EOP to review and report on the use of non-federal funds for renovation and furnishings in the Eisenhower Executive Office Building. The report should be submitted to the House and Senate Committees on Appropriations no later than November 15, 2003, and should identify the federal agency that coordinated the work funded by non-federal sources, the specific sources and amounts of non-federal funding used, a description of each project, and an explanation of why non-federal funds were used in each specific instance. Finally, the report should determine which agency's gift authority was used to accept the contribution of non-federal funds and whether this authority was used properly. Given EOP's reluctance to provide information on this subject thus far, a provision is included in the bill prohibiting the obligation of more than $35,000,000 on this project until this report is submitted to the Congress.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

Appropriation, fiscal year 2003	$12,149,000
Budget request, fiscal year 2004[1]	12,501,000
Recommended in the bill	12,501,000
Bill compared with:	
Appropriation, fiscal year 2003	+352,000
Budget request, fiscal year 2004	....

[1] Proposed in a consolidated appropriation titled "The White House".

These funds provide for the care, maintenance, and operation of the Executive Residence.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $12,501,000 for the operating expenses of the Executive Residence, an increase of $352,000 from the amounts appropriated in fiscal year 2003 and the same as the amounts requested by the President. The bill includes the same restrictions on reimbursable expenses for use of the Executive Residence as were enacted for fiscal year 2003.

WHITE HOUSE REPAIR AND RESTORATION

Appropriation, fiscal year 2003	$1,192,000
Budget request, fiscal year 2004[1]	4,225,000
Recommended in the bill	4,225,000
Bill compared with:	
Appropriation, fiscal year 2003	+3,033,000
Budget request, fiscal year 2004	....

[1] Proposed in a consolidated appropriation titled "The White House".

To provide for the repair, alteration, and improvement of the Executive Residence at the White House, a separate account was established in fiscal year 1996 to program and track expenditures for capital improvement projects at the Executive Residence at the White House.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $4,225,000 for White House Repair and Restoration, an increase of $3,033,000 above the amount enacted for fiscal year 2003 and the same as the amount requested by the President. These funds will finance the ongoing restoration of the east and west wing exterior ($3,500,000), replacement or repair of various electrical, mechanical, and control system components ($530,000), and replacement of computer servers and backup power supplies ($195,000).

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$3,739,000
Budget request, fiscal year 2004[1]	4,502,000
Recommended in the bill	4,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+261,000
Budget request, fiscal year 2004	....

[1] Proposed in a consolidated appropriation titled "The White House".

The Council of Economic Advisers analyzes the national economy and its various segments, advises the President on economic developments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal Government, and assists in preparation of the annual Economic Report of the President to Congress.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $4,000,000 for the Council of Economic Advisers, an increase of $261,000 from the amount enacted for fiscal year 2003 and the same as requested by the President.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$3,230,000
Budget request, fiscal year 2004[1]	4,109,000
Recommended in the bill	4,109,000
Bill compared with:	
Appropriation, fiscal year 2003	+879,000
Budget request, fiscal year 2004	....

[1] Proposed in a consolidated appropriation titled "The White House".

The Office of Policy Development supports the National Economic Council and the Domestic Policy Council in carrying out their responsibilities to advise and assist the President in the formulation, coordination, and implementation of economic and domestic policy. The Office of Policy Development also provides support for other domestic policy development and implementation activities, as directed by the President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $4,109,000 for the Office of Policy Development, an increase of $879,000 above the amount enacted for fiscal year 2003 and the same as requested by the President.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$7,770,000
Budget request, fiscal year 2004[1]	10,551,000
Recommended in the bill	9,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+1,230,000
Budget request, fiscal year 2004	−1,551,000

[1] Proposed in a consolidated appropriation titled "The White House".

The National Security Council advises the President on the integration of domestic, foreign, and military policies relating to national security.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $9,000,000 for the National Security Council, an increase of $1,230,000 from the amount appropriated for fiscal year 2003 and $1,551,000 below the amount requested by the President.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$90,910,000
Budget request, fiscal year 2004[1]	77,164,000
Recommended in the bill	82,826,000
Bill compared with:	
Appropriation, fiscal year 2003	−8,084,000
Budget request, fiscal year 2004	+5,662,000

[1] Proposed in a consolidated appropriation titled "The White House".

The Office of Administration is responsible for providing cost-effective, administrative services to the Executive Office of the President. These services, defined by Executive Order 12028 of 1977, include financial, personnel, library and records services, information management systems support, and general office services.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $82,826,000 for the Office of Administration, a decrease of $8,084,000 from the amount appropriated for fiscal year 2003 and an increase of $5,662,000 above the amount requested by the President. The Committee's recommendation maintains funding to continue the core enterprise pilot program in this account (+$8,258,000) and acknowledges program savings for security guard services provided to the Office of Science and Technology Policy (−$1,096,000) and for information technology contract services provided to the Homeland Security Council (−$1,500,000).

PILOT PROJECT ON CENTRALIZED PROCUREMENT OF COMMON GOODS AND SERVICES

In fiscal year 2003, Congress authorized the EOP to begin a pilot project to determine whether economies of scale could be achieved through centralized procurement of certain common goods and services. The Committee transferred and consolidated funding from several EOP agencies to establish a pilot project for centralized procurement and management of information technology, rent, printing and reproduction, supplies and materials and equipment. To date, this project is still in the formative stages, and no conclusions can be drawn. For that reason, the Committee recommends a continuation of the project at this time. The Committee continues to believe that this activity is best suited for the Office of Administration, not the Office of Management and Budget. Therefore, funds have been transferred back to this office.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$62,394,000
Budget request, fiscal year 2004	77,417,000
Recommended in the bill	62,772,000
Bill compared with:	
Appropriation, fiscal year 2003	+378,000
Budget request, fiscal year 2004	−14,645,000

The Office of Management and Budget assists the President in the discharge of budgetary, economic, management, and other executive responsibilities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $62,772,000 for the Office of Management and Budget (OMB), essentially the same as the amount appropriated for fiscal year 2003 and $14,645,000 below the amount requested by the President.

Report on competitive sourcing targets.—The statement of the managers accompanying the Treasury and General Government Appropriations Act, 2003 directed OMB to “provide a report to the Committees on Appropriations no later than 30 days following the announcement of those [competitive sourcing] goals, targets, or quotas, specifically detailing the research and sound analysis that was used in reaching the decision.” Although the 15 percent competitive sourcing target has been reiterated on several occasions since the enactment of that Act, OMB’s position is that the reporting requirement has not been triggered because no new target has been announced. The Committee notes that the 15 percent target is government-wide, and separate targets could be established for individual agencies depending on their circumstances. To the extent that OMB establishes individual agency targets in its internal guidance, the agency is directed, within 30 days of establishing such targets, to submit a report to the House and Senate Committees on Appropriations that indicates each agency's competitive sourcing target. The report should specifically detail the research and analysis that was used in determining each agency's individual target, goal or quota. To the extent that such targets change over time, OMB is directed to maintain an up-to-date record of such changes and convey the changes periodically to the House and Senate Committees on Appropriations and the appropriate legislative committees.

Report on association dues.—The Committee directs OMB to submit a report to the House and Senate Committees on Appropriations, not later than April 1, 2004, detailing the amount of federal funds used by federal grantees to pay dues, fees, or other types of membership costs to national associations or other types of professional organizations.

Core enterprise pilot project.—As discussed under "Office of Administration", the recommendation transfers $8,258,000 back to the Office of Administration, where the project was funded in fiscal year 2003.

Discretionary initiatives.—The Committee defers proposed discretionary initiatives, without prejudice, due to budget constraints. This results in a savings of $2,387,000.

Staffing reduction.—The recommendation assumes 20 fewer staff years than budgeted, reflecting estimated reductions in fiscal year 2003 base staffing. This results in savings of $1,500,000.

Reception and representation expenses.—The bill limits reception and representation expenses to $1,500, a reduction of $1,500 below the budget estimate. The Committee believes this will be adequate, based upon a review of spending from previous years.

Office of information and regulatory affairs.—The Committee bill includes a reduction of $2,500,000 in proposed funding for the office of information and regulatory affairs.

Program assessment rating tool.—The Committee is impressed with OMB's development of the program assessment rating tool (PART) to rate the effectiveness of federal programs. The Committee believes this kind of analysis is critical to ensuring that federal programs do not received continued funding simply because of inertia—that programs must continually justify their need for resources. In that regard, the Administration's efforts must be linked with the oversight of Congress to maximize the utility of the PART process. If the Administration treats as privileged or confidential the details of its rating process, it is less likely that Congress will use those results in deciding which programs to fund. The OMB Director testified the following before the Subcommittee this year:

> The PART process that we operate is very interactive between OMB and the agencies at every step. It will not be effective if not. We cannot be sitting there like school marms passing judgment and grading everybody. There has to be very much a mutuality about it * * * Could we evolve quickly and further to involve Members of Congress? I would open the door to that. I am very excited when I trip over Members stall who want to get serious about this process, and we would be glad to look for ways to have that interaction as well.

The Committee appreciates the (now-former) Director's testimony, and expects OMB to involve the House and Senate Committees on Appropriations in the development of PART ratings at all stages in the process. This involvement will be a significant change from past OMB practices, but the Committee believes the funds provided for the PART process are not well spent without this involvement

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$26,284,000
Budget request, fiscal year 2004	27,290,000
Recommended in the bill	28,790,000
Bill compared with:	
Appropriation, fiscal year 2003	+2,506,000
Budget request, fiscal year 2004	+1,500,000

The Office of National Drug Control Policy, established by the Anti-Drug Abuse Act of 1988, is charged with developing policies, objectives and priorities for the National Drug Control Program as defined by the Act and Executive Order 12880, and by the Office of National Drug Control Policy Reauthorization Act of 1998.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $28,790,000 for the Office of National Drug Control Policy (ONDCP), an increase of $2,506,000 above the fiscal year 2003 enacted level and $1,500,000 above the President's request. The $1,500,000 increase above the President's request is for the National Alliance for Model State Drug Laws (NAMSDL), for which the President requested no funds. NAMSDL received $994,000 in fiscal year 2003 through this account. The bulk of the remaining $1,006,000 increase above the fiscal year 2003 enacted level is for 10 additional FTE for functions previously performed by detailees from the Department of Defense who have been withdrawn. The Committee directs ONDCP to report within 180 days of the enactment of this Act on new hires to replace these detailees, including (1) the number of detailees that have been withdrawn and the offices to which they were detailed; and (2) the number of hires or expected hires, the offices to which they will be assigned, and the pay levels at which they were hired or are expected to be hired.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

Appropriation, fiscal year 2003	$47,688,000
Budget request, fiscal year 2004	40,000,000
Recommended in the bill	40,000,000
Bill compared with:	
Appropriation, fiscal year 2003	−7,688,000
Budget request, fiscal year 2004	....

Pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (title VII of Division C of Public Law 105–277), the Counterdrug Technology Assessment Center serves as the central counterdrug research and development organization for the United States Government.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $40,000,000 for the Counterdrug Technology Assessment Center, $7,688,000 below the fiscal year 2003 enacted level and the same as the President's request. Included in the appropriation are $18,000,000 for counternarcotics Technology Research and Development, and $22,000,000 for the Technology Transfer Program. The Committee has included continued funding for neuroimaging studies and genomic research into the relationship between genetic predisposition and environmental factors bearing upon drug addiction in the amount for counternarcotics Technology Research and Development.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

Appropriation, fiscal year 2003	$224,879,000
Budget request, fiscal year 2004	206,350,000
Recommended in the bill	226,350,000
Bill compared with:	
Appropriation, fiscal year 2003	+1,471,000
Budget request, fiscal year 2004	+20,000,000

The High Intensity Drug Trafficking Areas (HIDTA) Program was established by the Director of ONDCP pursuant to section 1005 of the Anti-Drug Abuse Act of 1988, and now as reauthorized by section 707 of the Office of National Drug Control Policy Act of 1998 to provide assistance to Federal and State and local law enforcement entities operating in those areas most adversely affected by drug trafficking.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $226,350,000 for the HIDTA Program, an increase of $1,471,000 above the fiscal year 2003 enacted level and an increase of $20,000,000 above the President's request. The increase above the President's request is to meet requirements to fully fund existing HIDTA program activity, to expand existing HIDTAs where such expansion is justified, to fund new HIDTAs as appropriate, and to fund HIDTA activities through the Central Priority Organization Targets (CPOT) initiative, formerly known as the National Priority Targeting Project. The Committee directs that HIDTAs existing in fiscal year 2003 shall receive funding at least equal to the fiscal year 2003 initial allocation level, which does not include funding provided through the CPOT initiative.

The Committee supports a vigorous HIDTA program and is aware of areas facing increased drug trafficking that may be appropriate candidates for designation as a HIDTA, inclusion in an existing HIDTA, or increased funding. As ONDCP reviews candidates for new HIDTA funding, the Committee recommends that it consider the following: increased funding for the Central Florida, Central Valley, Lake County, and Midwest (Platte and Madison counties, Nebraska) HIDTAs; and expansion of the Appalachian HIDTA (Letcher County, Kentucky). The Committee urges ONDCP to ensure that the Executive Board of the Southwest Border HIDTA treats all of its five partnerships (Arizona, California Border Alliance Group, New Mexico, South Texas, and West Texas) fairly and equitably in all of its budgeting and programming decisions. The Committee recognizes the strong pressure to add new HIDTAs and expand those currently existing, and underscores the need for performance-based management to ensure that HIDTAs demonstrating both effectiveness and need are provided adequate resources. The Committee wishes to emphasize that the HIDTA program does not exist to serve as an entitlement for State and local law enforcement, and that both performance measures and the CPOT initiative are important tools for maintaining the HIDTA program's proper focus on drug trafficking areas that have a significant national impact.

OTHER FEDERAL DRUG CONTROL PROGRAMS

Appropriation, fiscal year 2003	$221,749,000
Budget request, fiscal year 2004	250,000,000
Recommended in the bill	230,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+8,251,000
Budget request, fiscal year 2004	−20,000,000

The Committee has changed the name of the Special Forfeiture Fund account to Other Federal Drug Control Programs as requested by the President, reflecting the fact that this account receives no forfeiture funds but only direct appropriations. The Special Forfeiture Fund was established by the Anti-Drug Abuse Act of 1988, as amended, to be administered by the Director of the Office of National Drug Control Policy. While the fund was originally authorized to receive deposits from the Department of Justice Assets Forfeiture Fund and the Treasury Forfeiture Fund, its current and sole source of funding is direct appropriations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $230,000,000 for Other Federal Drug Control Programs, an increase of $8,251,000 above the fiscal year 2003 enacted level for the equivalent Special Forfeiture Fund account and a decrease of $20,000,000 from the President's request. The recommended appropriation includes $150,000,000 for the National Youth Anti-Drug Media Campaign, $70,000,000 for the Drug Free Communities Support Program, $4,500,000 for the Counterdrug Intelligence Executive Secretariat, $2,000,000 for Performance Measures Development, $1,500,000 for the U.S. Anti-Doping Agency, $1,000,000 for the National Drug Court Institute, and $1,000,000 for dues to the World Anti-Doping Agency. Within the amount provided for the Media Campaign, the Committee encourages ONDCP to explore options for using alternative media in schools as a way of utilizing traditional learning tools in non-traditional ways, such as children's books tailored with an anti-drug message, provided that such media can be utilized in a manner consistent with the goals and parameters of the Media Campaign.

NATIONAL YOUTH ANTI-DRUG MEDIA CAMPAIGN

The Committee's recommended appropriation of $150,000,000 for the National Youth Anti-Drug Media Campaign is an increase of $975,000 above the fiscal year 2003 enacted level and a decrease of $20,000,000 from the President's request. The results of the ongoing evaluation of the Media Campaign, conducted under the auspices of the National Institute on Drug Abuse, continue to show no demonstrable impact on youth drug use as a specific result of the Media Campaign, although current youth drug use data show a downward trend.

The Director of ONDCP has instituted several changes in the management and direction of the Media Campaign, such as reforming the creative/review process, ensuring the testing of all advertisements prior to airtime, shifting the age range focus toward older teens, putting a greater emphasis on the negative consequences of drug use, increasing the allocation of media buys to youth-oriented messages as opposed to parent-oriented messages, and specifically targeting marijuana use. The Committee hopes that these changes will produce the demonstrable results that have so far failed to emerge.

The Director has informed the Committee of his intention to extend the current evaluation of the Media Campaign for one year beyond December 2003, which is when the final report of the current series of data collection "waves" is to be issued. It is the Committee's understanding that the methodology of the evaluation, in the Director's estimation, fails to provide the prompt information ONDCP needs to judge the effectiveness of the changes that the Director has initiated. Specifically, the Director has identified the evaluation's inability to detect changes in drug use that are less than three percentage points in any given time period as a major shortcoming of the evaluation, given the changes inaugurated by the Director in the past year and the need to gauge the effect of those changes. The Committee understands the Director's need for prompt and usable information that is relevant to the management of the Media Campaign. The Committee also believes that without a convincing demonstration that the Media Campaign has had an impact on youth drug use that can be at least somewhat differentiated from the general trends in such use, any increase in funding for the Media Campaign cannot be justified at this time. The Committee further directs that the Director submit to the Committees on Appropriations an evaluation plan for the Media Campaign covering fiscal years 2004–2008 no later than 120 days after enactment of this Act. In addition, to ensure that a minimum of Media Campaign funds are spent for their primary purpose, the Committee has included a provision requiring that no less than 77 percent of funds be spent on advertising time and space.

UNANTICIPATED NEEDS

Appropriation, fiscal year 2003	$993,000
Budget request, fiscal year 2004	1,000,000
Recommended in the bill	1,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+7,000
Budget request, fiscal year 2004	....

These funds enable the President to meet unanticipated exigencies in support of the national interest, security, or defense.

COMMITTEE RECOMMENDATION

The Committee recommends $1,000,000, which is $7,000 more than appropriated in fiscal year 2003 and the same as the budget estimate.

SPECIAL ASSISTANCE TO THE PRESIDENT AND THE OFFICIAL RESIDENCE OF THE VICE PRESIDENT

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$4,040,000
Budget request, fiscal year 2004	4,461,000
Recommended in the bill	4,461,000
Bill compared with:	
Appropriation, fiscal year 2003	+421,000
Budget request, fiscal year 2004	....

These funds support the official duties and functions of the Office of the Vice President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $4,461,000 for the Office of the Vice President, an increase of $421,000 above the amount enacted for fiscal year 2003 and the same as requested by the President.

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2003	$322,000
Budget request, fiscal year 2004 [1]	331,000
Recommended in the bill	331,000
Bill compared with:	
Appropriation, fiscal year 2003	+9,000
Budget request, fiscal year 2004	....

[1] Proposed in a consolidated appropriation titled "The White House".

These funds support the care and operation of the Vice President's residence and specifically support equipment, furnishings, dining facilities, and services required to perform and discharge the Vice President's official duties, functions and obligations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $331,000 for the Operating Expenses of the Vice President's residence, an increase of $9,000 above the amount enacted for fiscal year 2003 and the same as requested by the President.

TITLE V—INDEPENDENT AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$5,160,000
Budget request, fiscal year 2004	5,401,000
Recommended in the bill	5,401,000
Bill compared with:	
Appropriation, fiscal year 2003	+241,000
Budget request, fiscal year 2004	....

The Architectural and Transportation Barriers Compliance Board (the Access Board) is the lead federal agency promoting accessibility for all handicapped persons. The Access Board was reauthorized in the Rehabilitation Act Amendments of 1992, Public Law 102–569. Under this authorization, the Access Board's functions are to ensure compliance with the Architectural Barriers Act of 1968, and to develop guidelines for and technical assistance to individuals and entities with rights or duties under titles II and III of the American with Disabilities Act. The Access Board establishes minimum accessibility guidelines and requirements for public accommodations and commercial facilities, transit facilities and vehicles, state and local government facilities, children's environments, and recreational facilities. The Access Board also provides technical assistance to government agencies, public and private organizations, individuals, and businesses on the removal of accessibility barriers.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $5,401,000 for the operations of the Architectural and Transportation Barriers Compliance Board, the funding level requested by the administration.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$71,979,000
Budget request, fiscal year 2004	71,480,000
Recommended in the bill	76,679,000
Bill compared with:	
Appropriation, fiscal year 2003	+4,700,000
Budget request, fiscal year 2004	+5,199,000

Under the Independent Safety Board Act, the National Transportation Safety Board (NTSB) is responsible for improving transportation safety by investigating accidents, conducting special studies, developing recommendations to prevent accidents, evaluating the effectiveness of the transportation safety programs of other agencies, and reviewing appeals of adverse actions involving airman and seaman certificates and licenses, and civil penalties issued by the Department of Transportation.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $76,679,000 for salaries and expenses of the National Transportation Safety Board, an increase of $4,700,000 above the fiscal year 2003 enacted level and $5,199,000 above the President's request. This includes funding to support 440 FTE and the operations of the NTSB Academy.

NTSB ACADEMY

The NTSB Academy facility in Ashburn, Virginia is scheduled for completion by August 2003. NTSB has communicated to the Committee its intention to make the Academy self-sufficient, excluding capital costs, at some point in the future by relying on tuition, fees, rental of classroom space to other agencies, and other revenue-generating options, rather than direct appropriations. The Committee supports this intention and directs NTSB to submit to the Committees on Appropriations a proposal and timetable for making the NTSB Academy self-sufficient in its general operations no later than 120 days after the enactment of this Act.

TRANSPORTATION SAFETY DATA

The NTSB has called for improvements in the Department of Transportation's data collection programs in order to better monitor accident risks, support the analysis of risk factors and evaluate the effectiveness of accident prevention strategies. NTSB has issued 233 recommendations for improvements in data quality and analysis and the NTSB Database Study from September 2002 cites the need for a long-term program to improve the collection of data describing the exposure to transportation risks. Multiple databases across the transportation modes are currently used for accident and incident investigations. The Committee believes that this diffusion of information may constrain progress on transportation safety issues. The Committee therefore directs NTSB to report to the Committees on Appropriations on the required resources and projected timeframe for a comprehensive study to evaluate the benefits and determine the costs and feasibility of centralizing, streamlining, and enhancing all relevant transportation safety data bases. The Committee directs NTSB to report no later than 120 days after enactment of this Act.

DEPLOYABLE FLIGHT INCIDENT RECORDERS

The Committee is aware of technology that makes flight data recorders, cockpit voice recorders, and Emergency Locator Transmitters more survivable and recoverable, such as through systems that integrate these devices into one unit combined with crash sensors, allowing them to eject automatically from an aircraft upon impact and thus delivering them safely away from the impact site. The Committee encourages the National Transportation Safety Board to investigate and consider recommending the incorporation of such a system into the commercial air traffic fleet. The Committee directs the NTSB to report to the Committee within 180 days of enactment of this Act on the merits and feasibility of using such technology.

EMERGENCY FUND

Appropriation, fiscal year 2003	....
Budget request, fiscal year 2004	$600,000
Recommended in the bill	600,000
Bill compared with:	
Appropriation, fiscal year 2003	+600,000
Budget request, fiscal year 2004	....

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $600,000 to the Emergency Fund, the same as the President's request. These funds are available only to the extent necessary to restore the fund to a balance of $2,000,000. The Committee directs that this fund should continue to be used only for accident investigation expenses when investigations would otherwise be hindered for lack of funding.

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Salaries and Expenses

Appropriation, fiscal year 2003	$4,628,000
Budget request, fiscal year 2004	4,629,000
Recommended in the bill	4,725,000
Bill compared with:	
Appropriation, fiscal year 2003	+97,000
Budget request, fiscal year 2004	+96,000

The Committee for Purchase From People Who Are Blind or Severely Disabled was established by the Wagner-O'Day Act of 1938, as amended. Its primary objective is to increase the employment opportunities for people who are blind or have other severe disabilities and, whenever possible, to prepare them to engage in competitive employment.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $4,725,000 for the Committee for Purchase From People Who Are Blind or Severely Disabled, an increase of $97,000 over the fiscal year 2003 enacted level and an increase of $96,000 above the President's request to maintain current services.

FEDERAL ELECTION COMMISSION

Salaries and Expenses

Appropriation, fiscal year 2003	$49,542,000
Budget request, fiscal year 2004	50,440,000
Recommended in the bill	50,440,000
Bill compared with:	
Appropriation, fiscal year 2003	+898,000
Budget request, fiscal year 2004	....

The Commission administers the disclosure of campaign finance information, enforces limitations on contributions and expenditures, supervises the public funding of Presidential elections, and performs other tasks related to Federal elections.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $50,440,000 for the Federal Election Commission (FEC), an increase of $898,000 from amounts appropriated in fiscal year 2003 and the same as the President's request. The appropriated amount includes the requested funding to continue the implementation of the Bipartisan Campaign Reform Act.

ELECTION ASSISTANCE COMMISSION

Salaries and Expenses

Appropriation, fiscal year 2003	$2,000,000
Budget request, fiscal year 2004	10,000,000
Recommended in the bill	5,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+3,000,000
Budget request, fiscal year 2004	−5,000,000

The Election Assistance Commission was established by the Help America Vote Act of 2002 and is charged with implementing provisions of that Act relating to the reform of Federal election administration throughout the United States, including the development of voluntary voting systems guidelines, the certification and testing of voting systems, studies of election administration issues, and the implementation of election reform payments to states as well as grant programs related to election reform.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $5,000,000 for the Election Assistance Commission, an increase of $3,000,000 above the fiscal year 2003 enacted level (appropriated in Division N of Public Law 108–007) and a decrease of $5,000,000 from the President's request. These funds are being provided as a separate appropriation, consistent with Public Law 108–007, rather than being combined with Election Reform Programs as requested by the President. The Committee to date has received no justification for the President's request for the Commission, but has provided funding for the eventuality of the Commission's establishment.

ELECTION REFORM PROGRAMS

Appropriation, fiscal year 2003	$833,000,000
Budget request, fiscal year 2004	490,000,000
Recommended in the bill	495,000,000
Bill compared with:	
Appropriation, fiscal year 2003	−338,000,000
Budget request, fiscal year 2004	+5,000,000

This appropriation provides for election reform requirements payments to states under Section 127 of the Help America Vote Act of 2002, as well as other grant programs authorized by that Act.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $495,000,000 for Election Reform Programs, a decrease of $338,000,000 from the fiscal year 2003 enacted level and an increase of $5,000,000 above the President's request. Funds for Election Reform Programs for fiscal year 2003 were provided in Division N of Public Law 108–007, and these funds will remain available in fiscal year 2004. The Committee notes that the expenditure of these funds remains contingent upon the establishment of the Election Assistance Commission, and urges the Administration to move swiftly to establish this Commission once nominations have been approved, in order that states and localities may receive funds in a timely fashion to move forward with mandated reforms for the 2004 Federal election cycle. The Committee also encourages the Help America Vote Foundation, for which funds were provided in Public Law 108–007, to enter into a cooperative agreement with Kids Voting USA in order to promote increased civic involvement and voter turnout.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$28,762,000
Budget request, fiscal year 2004	29,611,000
Recommended in the bill	29,611,000
Bill compared with:	
Appropriation, fiscal year 2003	+849,000
Budget request, fiscal year 2004	....

The Federal Labor Relations Authority (FLRA), established by the Civil Service Reform Act of 1978, serves as a neutral party in the settlement of disputes that arise between unions, employees, and agencies on matters outlined in the Federal Service Labor Management Relations statute, decides major policy issues, prescribes regulations, and disseminates information appropriate to the needs of agencies, labor organizations, and the public. Establishment of the FLRA gives full recognition to the role of the Federal Government as an employer. Pursuant to the Foreign Service Act of 1980, FLRA also supports the Foreign Service Impasse Disputes Panel and the Foreign Service Labor Relations Board.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $29,611,000 for the Federal Labor Relations Authority (FLRA), an increase of $849,000 above the fiscal year 2003 enacted level and the same as the President's request.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$16,591,000
Budget request, fiscal year 2004	18,471,000
Recommended in the bill	18,471,000
Bill compared with:	
Appropriation, fiscal year 2003	+1,880,000
Budget request, fiscal year 2004	....

The Federal Maritime Commission (FMC) was established in 1961 as an independent government agency, responsible for the regulation of shipping in the foreign trades of the United States. Specifically, the Commission protects shippers, carriers and others engaged in the foreign commerce of the U.S. from restrictive rules and regulations of foreign governments and from the practices of foreign-flag carriers that have an adverse effect on shipping in U.S. trades; investigates, upon its own motion or upon filing of a complaint, discriminatory, unfair, or unreasonable rates, charges, classifications, and practices of ocean common carriers, terminal operators, and freight forwarders operating in the foreign commerce of the U.S.; receives agreements among ocean common carriers or marine terminal operators and monitors them to assure that they are not substantially anticompetitive or otherwise violate the Shipping Act of 1984; reviews tariff publications under the access and accuracy standards of the Shipping Act of 1984; regulates rates, charges, classifications, rules, and regulations contained in tariffs of carriers controlled by foreign governments and operating in U.S. trades to ensure that such matters are just and reasonable; licenses U.S.-based international ocean transportation intermediaries; and issues passenger vessel certificates showing evidence of financial responsibility of vessel owners or charterers to pay judgments for personal injury or death or to repay fares for the nonperformance of a voyage or cruise.

While the Commission's jurisdiction encompasses many facets of the maritime industry, it has no jurisdiction over vessel operations, navigation, vessel construction, vessel documentation, vessel inspection, licensing of seafaring personnel, or the maintenance of navigational aids or dredging. The principal shipping statutes administered by the FMC are the Shipping Act of 1984 (46 U.S.C. app. 1710 et seq), the Foreign Shipping Practices Act of 1988 (46 U.S.C. app. 1701 et seq), and section 19 of the Merchant Marine Act, 1920 (46 app. 876).

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $18,471,000 for the Federal Maritime Commission (FMC), an increase of $1,880,000 (11.33 percent) above the fiscal year 2003 appropriation and equal to the budget request. This considerable increase is intended to fund significant information technology improvements, a workforce of 137 full time equivalent staff years, and provide for unexpected rent escalations. The Committee supports and recognizes FMC's use of information technology and encourages continued, effective development in this regard. While substantial information technology improvements are long overdue, the Committee believes that savings can be realized through the consolidation and integration of many of the FMC's proposed technology initiatives. The FMC is directed to submit a report to the House and Senate Committees on Appropriations no later than November 30, 2003, summarizing the FMC's current information technology improvement initiatives and long-term technology improvement plan. Specifically, the Committee is interested in the FMC's ability to realize greater efficiency through interoperability among the many technology needs of its offices.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

Appropriations:	
Appropriation, fiscal year 2003	$373,269,000
Budget request, fiscal year 2004	217,000,000
Recommended in the bill	247,350,000
Bill compared with:	
Appropriation, fiscal year 2003	−125,919,000
Budget request, fiscal year 2004	+30,350,000
Limitations on Availability of Revenue	
Limitation on availability, fiscal year 2003 enacted to date	(6,567,332,000)
Limitation on availability, budget estimate, fiscal year 2004	(6,634,193,000)
Recommended in the bill	(6,557,518,000)
Bill compared with:	
Availability limitation, fiscal year 2003 to date	(−9,814,000)
Availability limitation, fiscal year 2004 estimate	(−76,675,000)

The Federal Buildings Fund (FBF) finances the activities of the Public Buildings Service, which provides space and services for federal agencies in a relationship similar to that of landlord and tenant. The FBF, established in 1975, replaces direct appropriations by using income derived from rent assessments, which approximate commercial rates for comparable space and services. The Congress makes funds available through a process of placing limitations on obligations from the FBF as a way of allocating funds for various FBF activities. The Congress may also appropriate funds into the FBF as a way of covering the difference between the total revenues coming into the FBF and the total limitation on the expenditure from the FBF.

COMMITTEE RECOMMENDATION

The Committee recommends a direct appropriation of $247,350,000 into the Federal Buildings Fund, a decrease of $125,919,000 below the fiscal year 2003 enacted level and an increase of $30,350,000 above the President's request.

CONSTRUCTION AND ACQUISITION

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2003 enacted to date	($717,488,000)
Limitation on availability, budget estimate, fiscal year 2004	(400,568,000)
Recommended in the bill	(406,168,000)
Bill compared with:	
Availability limitation, fiscal year 2003 to date	(−311,320,000)
Availability limitation, fiscal year 2004 estimate	(+5,600,000)

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $406,168,000 for construction and acquisition, a decrease of $311,320,000 below the fiscal year 2003 enacted level and an increase of $5,600,000 above the President's request. Changes to the President's request include an increase of $10,600,000 for building purchase and relocation costs associated with providing additional office space in an annex adjacent to the Elbert P. Tuttle building in Atlanta, Georgia, and decreases of $4,000,000 for the Champlain Border Station (these funds were provided for fiscal year 2003) and $1,000,000 for non-prospectus construction.

COURTHOUSE CONSTRUCTION

The President's budget request for fiscal year 2004 did not include any funds for courthouse construction. While the Committee notes that it was able to provide $392,364,000 in funds for 12 courthouse construction projects for the current fiscal year, the Committee is unable to include any courthouse construction funding in its recommendation for fiscal year 2004 due to budget constraints. The Committee is aware of the needs identified by the Administrative Office of the Courts in its most recent 5–year plan, which totals almost $1 billion worth of courthouse construction projects ready to be awarded in fiscal year 2004. The Committee appreciates the actions of the courts to submit a priority ranking of courthouse construction project needs to the Committee and, without negating its continued concerns regarding courthouse project costs, reiterates its intention to follow this priority ranking in its future recommendations and its expectation that this ranking is sufficiently robust to accurately reflect all security concerns as well as any extenuating circumstances.

CHATTANOOGA, TN, COURTHOUSE

The Committee understands that GSA and the City of Chattanooga have entered into a Memorandum of Understanding concerning a site for a new courthouse and that the city has exercised an option on the property and begun an environmental assessment. The Committee notes that this progress will allow the project to adhere to the dates set by the Five-Year Courthouse Project Plan, which reflects priorities approved by the Judicial Conference of the United States. GSA is urged to keep this project on schedule with site acquisition and design slated for fiscal year 2005 and construction in fiscal year 2007. As part of the overall effort, the existing Solomon Building is to be renovated and used by the U.S. Bankruptcy Court currently in leased space. The Committee, therefore, directs GSA to begin any necessary preliminary studies and plans so that the repairs to the existing building can move forward in a timely fashion to best serve the needs of the U.S. Bankruptcy Court.

AMBASSADOR BRIDGE BORDER STATION

The President has proposed providing $25,387,000 for completing a construction project for expanded inspection facilities at Ambassador Bridge in Detroit, MI. Ambassador Bridge is the busiest international commercial crossing in North America, and these improvements are much needed to speed commerce, improve safety, and enhance security. Consequently, the Committee fully supports the President's request for this project and directs GSA to move ahead in a timely and effective way. The Committee urges GSA not to delay the project for enhancing federal inspection booths, providing additional truck parking facilities at the bridge, constructing office space for new inspectors, and assisting the implementation of the gateway highway project designed to connect major access highways in Detroit to the Ambassador Bridge and facilitate the flow of truck traffic across the bridge.

The Committee directs GSA to immediately work with the Homeland Security inspection services, the appropriate highway administrations, and the Ambassador Bridge Corporation to resolve any outstanding issues regarding facility enhancements and to move immediately to ensure that the much-needed improvements are made quickly, including all steps necessary to implement critical interim improvements. These improvements must allow the Homeland Security bureaus to fulfill their obligations to protect the country and facilitate trade. GSA is also directed to take all steps necessary to expedite the implementation of integrated border inspection areas, such as reverse inspection sites, at the Ambassador Bridge once agreements have been reached between the United States and Canada and operational details established by the respective border agencies.

EL PASO, TX, BRIDGE AND INSPECTION FACILITY

The Committee remains interested in plans concerning a new international bridge and related border inspection facilities at Fabens, near El Paso, in Texas. On March 27, 2003, the Texas Transportation Commission gave approval to El Paso County to proceed with the Presidential Permit application process, and GSA has been asked by the Department of State to review the application and submit its comments by June 30, 2003. In conjunction with the U.S. review, a review of the application by the Mexican government is progressing.

The Committee urges GSA to continue working closely with the federal inspection service agencies through the Border Station Partnership Council on capital investments plans to ensure that it appropriately incorporates the anticipated needs at Fabens. GSA is encouraged to proceed with the necessary planning studies once a permit has been issued and to seek design authorization and funding at that time.

REPAIRS AND ALTERATIONS

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2003 enacted to date	($951,529,000)
Limitation on availability, budget estimate, fiscal year 2004	(1,012,729,000)
Recommended in the bill	(1,010,454,000)
Bill compared with:	
Availability limitation, fiscal year 2003 to date	(+58,925,000)
Availability limitation, fiscal year 2004 estimate	(−2,275,000)

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $1,010,454,000 for repairs and alterations, an increase of $58,925,000 above the fiscal year 2003 enacted level and a decrease of $2,275,000 below the President's request. Changes to the President's request include an increase of $6,725,000 in design funds for altering two buildings adjacent to the Elbert P. Tuttle building in Atlanta, Georgia, to provide additional office space and a decrease of $9,000,000 for repairing the Rogers building in Denver, Colorado (these funds were provided for fiscal year 2003).

REPAIRS AND ALTERATION BUDGET

The Committee is concerned about the long-term implications of the repair status of Federal buildings. Despite a significant repair and alteration budget requested by the President, GSA has responded to the Committee in questions for the record (1) that the current size of the repair workload inventory is $5.6 billion (up from $4 billion for FY 1999), (2) that the Federal Buildings Fund cannot produce sufficient revenues from building rents to meet all of these requirements, and (3) that 1,190 buildings out of a total of 1,900 buildings in the inventory have clearly identified repair needs. (Of these, 875 buildings have repair needs below the prospectus threshold requirement of about $2 million, while 315 buildings have repair needs above the prospectus requirement.)

One of the long-term consequences of this continuing massive backlog of repair needs is that as building conditions worsen, tenant agencies vacate the space and the asset becomes an even greater drain on the other revenue-generating buildings in the inventory. For instance, GSA reports that for fiscal year 2003 it will spend $13.6 million for operating expenses in non-performing assets available for disposal. This rise in the amount of vacant space is addressed in another part of this report.

The redesigned portfolio strategy and its focus on the disposal of unneeded and non-performing assets will help improve the physical shape of the buildings in the inventory and the financial position of the Federal Buildings Fund. The Committee further directs that of the total funds made available for the basic repairs and alteration program, $1,300,000 is to be immediately spent on acquiring the parking lot adjacent to and behind the Solomon Courthouse in Chattanooga, TN, in advance of further repair and alteration requirements being sought for this building.

INSTALLMENT ACQUISITION PAYMENTS

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2003 enacted to date	($178,960,000)
Limitation on availability, budget estimate, fiscal year 2004	(169,745,000)
Recommended in the bill	(169,745,000)
Bill compared with:	
Availability limitation, fiscal year 2003 to date	(−9,215,000)
Availability limitation, fiscal year 2004 estimate	....

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $169,745,000 for installation acquisition payments, a decrease of $9,215,000 below the fiscal year 2003 enacted level and the same as the President's request.

RENTAL OF SPACE

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2003 enacted to date	($3,113,211,000)
Limitation on availability, budget estimate, fiscal year 2004	(3,388,187,000)
Recommended in the bill	(3,308,187,000)
Bill compared with:	
Availability limitation, fiscal year 2003 to date	(+194,976,000)
Availability limitation, fiscal year 2004 estimate	(−80,000,000)

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $3,308,187,000 for rental of space, an increase of $194,976,000 above the fiscal year 2003 enacted level and a decrease of $80,000,000 below the President's request.

The Committee finds it disappointing that the GSA abandoned several leases in the Savannah, Georgia, area mid-term rather than allowing those leases to expire as prescribed in the lease agreements. The Committee is concerned that such actions caused the GSA to waste taxpayer money and incur unnecessary costs when the leases were prematurely terminated and new properties were leased.

The Committee requests that the GSA investigate how the decisions were made and on what basis. The GSA investigation should report back to the Committee the results of the investigation and should determine:

- The total cost of the GSA's actions in terminating the leases.
- The total cost GSA and other government agencies incurred when new properties were leased.

BUILDING OPERATIONS

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2003 enacted to date	($1,526,459,000)
Limitation on availability, budget estimate, fiscal year 2004	(1,608,708,000)
Recommended in the bill	(1,608,708,000)
Bill compared with:	
Availability limitation, fiscal year 2003 to date	(+82,249,000)
Availability limitation, fiscal year 2004 estimate	....

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $1,608,708,000 for building operations, an increase of $82,249,000 above the fiscal year 2003 enacted level and the same as the President's request. The Committee notes that this activity used to fund the Federal Protective Service, which has been transferred from GSA to the Department of Homeland Security.

VACANT SPACE

On April 2, 2003, the Committee held a hearing on the cost drivers of the Federal buildings program of GSA. GSA controls about 335 million square feet of space, roughly 10 percent of the total Federal property inventory and 40 percent of Federal office space. It provides workspace for almost one million Federal employees in about 2,000 Federally owned buildings and in 6,400 leased locations. A variety of factors have contributed to a steady increase in costs associated with these buildings.

The Committee is particularly concerned about the amount of vacant space included in the GSA inventory of Federal property. For fiscal year 2002, GSA has estimated that more than 26 million square feet of its inventory—about 7.8 percent of its total inventory—did not generate any revenue and about 3.5 percent was vacant. The bulk of this non-revenue-generating space is in its inventory of owned buildings (about 21 million square feet, or about 11.8 percent of the total owned inventory). This is a sizeable number, which appears to have grown substantially over the past decade.

The consistently large amount of non-revenue-generating space in GSA's inventory warrants serious attention and creates substantial costs. In responses to questions asked by this Committee, GSA estimated that during fiscal year 2003 it will spend $13.6 million in operating expenses for 73 non-performing assets (containing about 3 million square feet) made available for disposal. These 73 assets represent 46 percent of the total non-performing assets (159) that were more than 40 percent vacant at the start of fiscal year 2003 and 42 percent of the total non-performing assets (172) that were more than 20 percent vacant as of May 2003.

The Committee is familiar with many of the reasons that have contributed to the size and growth of the unused inventory (such as changing space needs and workforce requirements as well as a lack of modern tools for managing the portfolio). One of the contributing factors is that many Federal buildings in the inventory are old (the average age is about 50 years) and in serious need of repair. Insufficient revenues have gone to keeping these buildings in good shape, and their dilapidated conditions have contributed to agency tenants relocating and abandoning specific buildings.

The Committee directs GSA to provide a report to the House and Senate Committees on Appropriations within 120 days of the enactment of this Act that describes its action plan for reducing the amount of truly vacant and non-performing assets in its inventory. The action plan shall fully describe the current building inventory, any actions needed to improve its data, and assign responsibilities for inventory improvements and maintenance. The action plan shall include a timeline with specific milestones and targeted performance measures for determining progress towards reducing vacancies and non-performing assets. The action plan shall define the roles and responsibilities within GSA for adhering to the plan. The action plan shall note those factors external to GSA and the Public Building Service important to the effort and the relevant responsible parties.

USGS COASTAL AND MARINE FACILITY

The Committee remains interested in ongoing deliberations between GSA, the U.S. Geological Survey (USGS), and the University of California at Santa Cruz concerning plans to establish a Pacific Science Center in Santa Cruz, California. The Committee understands that the most viable alternative at this time for establishing such a center at the University involves GSA entering into a long-term lease for a facility to house the USGS coastal and marine program and to be built and owned by the University. The Committee encourages GSA to pursue the lease option with the appropriate Committees of jurisdiction with all speed, directs GSA to continue working with all interested parties, and expects GSA to fully assist the USGS in the development, planning, design, environmental reviews, and other facility-related aspects associated with the science center.

The Committee understands independent investigations of MCI WorldCom have led GSA into a current investigation of the company. This investigation is a result of the largest corporate fraud in American history, constituting an $11 billion misstatement of profits, and the disclosures by KPMG and Bankruptcy Examiner Richard Thornburgh that adequate internal controls are still not in place at MCI WorldCom. On July 17, 2003, the Committee met with the General Services Administration (GSA) to discuss the issue of MCI WorldCom's fitness to receive federal government contracts. At that time, the GSA agreed to complete a full investigation of MCI WorldCom within weeks.

The Committee instructs the GSA to complete its internal investigation and provide a detailed report to the Committee outlining MCI WorldCom's status on federal contracts by August 30, 2003. This detailed report should comment specifically on the GSA stated debarment and suspension regulations that require contractors to have a credible "record of business integrity and business ethics, necessary organization, accounting and operational controls." The report must also specifically evaluate MCI WorldCom's ability to provide audited financial statements by certified accountants. Depending on the results of the investigation, the Committee expects GSA to outline specific actions it will take to ensure federal agencies are safeguarded from any potential liability that could arise from an agency's present or future contracts with MCI WorldCom and to also report these plans to the Committee by August 30, 2003.

The Committee also suggests the GSA immediately and formally contact all federal agencies to alert the agencies that a formal investigation is being conducted into MCI WorldCom.

The Committee also directs the General Accounting Office to perform a detailed study of GSA's treatment to date of MCI WorldCom. The study is to explain GSA's actions over the last year since MCI WorldCom's fraud was first disclosed and explain why GSA has failed to suspend MCI WorldCom. The study should also consider what precedent GSA's treatment of WorldCom has set and what impact it has had on the larger telecommunications industry.

The Committee expects GSA to comply with these reporting requirements by the dates specified and, if necessary, the Committee will revisit the issue in future action.

GENERAL ACTIVITIES

POLICY AND CITIZEN SERVICES

Appropriation, fiscal year 2003	$65,873,000
Budget request, fiscal year 2004	....
Recommended in the bill	....
Bill compared with:	
Appropriation, fiscal year 2003	−65,873,000
Budget request, fiscal year 2004	....

This appropriations account provides for Government-wide policy and evaluation activities associated with the management of real and personal property assets and certain administrative services; Government-wide policy support responsibilities relating to acquisition, telecommunications, information technology management, and related technology activities; providing Internet access to Federal information and services; and services as authorized by 5 U.S.C. 3109.

COMMITTEE RECOMMENDATION

The Committee recommends no appropriation for Policy and Citizen Services, a decrease of $65,873,000 below the fiscal year 2003 enacted level and the same as the President's request. The Committee notes that the mission and functions of this account are proposed to be provided through other GSA accounts.

GOVERNMENTWIDE POLICY

Appropriation, fiscal year 2003	....
Budget request, fiscal year 2004	$74,031,000
Recommended in the bill	56,383,000
Bill compared with:	
Appropriation, fiscal year 2003	+56,383,000
Budget request, fiscal year 2004	−17,648,000

This appropriations account provides for Government-wide policy and evaluation activities associated with the management of real and personal property assets and certain administrative services; Government-wide policy support responsibilities relating to acquisition, telecommunications, information technology management, and related technology activities; and services as authorized by 5 U.S.C. 3109.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $56,383,000 for Governmentwide Policy, an increase of $56,383,000 above the fiscal year 2003 enacted level and a decrease of $17,648,000 below the President's request. Decreases to the President's request include $12,250,000 for Government-wide Interagency Council Support (the Committee recommends maintaining the general provision through which these functions were supported for the current and prior years), $2,500,000 for the Federal Enterprise Architecture (previously supported through funds made available through the same general provision), $2,120,000 for the extensible markup language registry, and $778,000 for the E-Travel/Governmentwide Travel Management Office.

The Committee notes that several of these disallowed items had been supported in past years through a different funding mechanism—a general provision proposed to be deleted by the President for fiscal year 2004—and that the Committee recommends that this provision be continued. While continuation of this general provision allows the Administration some flexibility in determining which efforts might receive support during fiscal year 2004, the Committee has serious concerns and reservations about several of the efforts as described in GSA's budget justification and through responses to Committee questions and expects the administration will fully review these and all efforts before assigning any fiscal year 2004 funds made available through the general provision.

GSA TRAVEL SERVICES

The GSA budget request for fiscal year 2004 includes a proposed increase of $2,778,000 in this account for eTravel and a governmentwide travel management office. The Committee funding recommendation for this account expressly denies a portion of this increase. In addition, the Committee includes a new general provision for GSA that prohibits the use of any funds in the Act for a mandatory purpose, if exclusive of exceptions, specifically included in the proposed increase.

The proposed increase would be used in part to establish a standard booking engine as well as a consistent travel and voucher system for the Federal Government. Use of this standard booking engine and travel and voucher system would be made mandatory for all agencies, raising serious questions concerning competition within the private sector and its impact on small businesses. This competition concern is exacerbated by the fact that the eTravel Service procurement could result in a single Computer Reservation System/Global Distribution System, which may seriously impact the ability of small businesses to gain government business. In addition, GSA has not issued final eTravel standards and guidance; the eTravel Service project has not been verified or validated.

The recent evolution of the activities of the General Service Administration has been from mandatory to optional participation on the part of agencies. A prime example has been the offering of long-distance telephone service, in which previously all agencies were required to participate in the GSA contract. Now, agency participation in the GSA-operated long-distance telephone contract is optional. This has forced GSA to be cost conscious in its long-distance service contract and has contributed to substantial savings throughout the government. Similarly, the multiple award schedules have encouraged price competition among vendors, allowed broad private-sector business participation, and led to significant cost reductions on a voluntary basis throughout the Federal Government. The Committee applauds these developments and their impacts on competition and urges GSA to continue stressing agency choices and options in its services.

GSA SENIOR FEDERAL TRAVEL REPORT

The Committee is concerned regarding the data contained in and public availability of the GSA Senior Federal Travel Report. OMB circular A–126 requires all agencies that use government aircraft to report to GSA semi-annually on all non-mission travel by senior federal officials. These reports are to include the name of each such traveler, the official purpose of the trip, destination(s), and under certain circumstances the appropriate allocation of the full operating cost and the corresponding commercial cost. While GSA is afforded some leeway in establishing and revising the specific format of the data, the agencies themselves are required to maintain specific documentation regarding the tail number of each plane used, the date(s) of each trip, the purpose(s) of the flight, the route(s) flown, and the names of all passengers on the trip. The Committee cautions GSA to maintain effective and appropriate data standards that allow for consistent and continuing analysis of government aircraft usage. In addition, the Committee notes with alarm that several agencies failed to initially submit any data for the reporting periods between October 2001 and September 2002. The Committee directs GSA to continue its semi-annual reporting of these data, capturing all the data elements that are critical to monitoring the use of government-owned aircraft by senior federal officials. These reports, including an accounting of all agencies that refuse to comply with reporting requirements, should be made publicly available.

OPERATING EXPENSES

Appropriation, fiscal year 2003	$72,027,000
Budget request, fiscal year 2004	85,083,000
Recommended in the bill	79,110,000
Bill compared with:	
Appropriation, fiscal year 2003	+7,083,000
Budget request, fiscal year 2004	−5,973,000

This appropriations account provides for Government-wide activities associated with the utilization and donation of surplus personal property; disposal of real property; telecommunications, information technology management, and related technology activities; agency-wide policy direction and management; ancillary accounting, records management, and other support services; services as authorized by 5 U.S.C. 3109; and other related operational expenses.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $79,110,000 for Operating Expenses, an increase of $7,083,000 above the fiscal year 2003 enacted level and a decrease of $5,973,000 from the President's request. Changes to the request level include a decrease of

$5,450,000 in savings realized by the non-recurrence of five fiscal year 2002 items (disallowed as part of the final fiscal year 2003 deliberations but whose funding was retained in the President's request for fiscal year 2004) and a reduction of $1,123,000 associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees' Compensation Act (also disallowed as part of the final fiscal year 2003 deliberations, but the funding for which was retained in the President's request for fiscal year 2004). Changes to the request level also include an increase of $600,000 as a transfer to Web Wise Kids to further implement an out-of-school time Internet safety program. The Committee directs the General Services Administration to transfer, within available funds, $250,000 to the New York Historical Society for exhibitions on the enslaved north.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2003	$37,670,000
Budget request, fiscal year 2004	39,169,000
Recommended in the bill	39,169,000
Bill compared with:	
Appropriation, fiscal year 2003	+1,499,000
Budget request, fiscal year 2004	....

This appropriation provides agency-wide audit and investigative functions to identify and correct GSA management and administrative deficiencies that create conditions for existing or potential instances of fraud, waste, and mismanagement. The audit function provides internal audit and contract audit services. Contract audits provide professional advice to GSA contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of GSA operations and programs, test internal control systems, and develop information to improve operating efficiencies and enhance customer services. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $39,169,000 for the Office of Inspector General, an increase of $1,499,000 above the fiscal year 2003 enacted level and the same as the President's request.

ELECTRONIC GOVERNMENT FUND

Appropriation, fiscal year 2003	$4,968,000
Budget request, fiscal year 2004	45,000,000
Recommended in the bill	1,000,000
Bill compared with:	
Appropriation, fiscal year 2003	−3,968,000
Budget request, fiscal year 2004	−44,000,000

The appropriation provides support for interagency Electronic Government (E-Gov) initiatives that utilize the Internet or other electronic methods as a means to increase Federal Government accessibility, efficiency, and productivity.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,000,000 for the electronic government fund, a decrease of $3,968,000 below the fiscal year 2003 enacted level and a decrease of $44,000,000 below the President's request.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriation, fiscal year 2003	$3,317,000
Budget request, fiscal year 2004	3,393,000
Recommended in the bill	3,393,000
Bill compared with:	
Appropriation, fiscal year 2003	+76,000
Budget request, fiscal year 2004	....

This appropriation provides support consisting of pensions, office staffs, and related expenses for former Presidents Gerald R. Ford, Jimmy Carter, Ronald Reagan, George Bush and Bill Clinton and for pension and postal franking privileges for the widow of former President Lyndon B. Johnson. Also, this appropriation is authorized to provide funding for security and travel related expenses for each former President and the spouse of a former President pursuant to Section 531 of Public Law 103–329.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $3,393,000 for allowances and office staff of former Presidents, an increase of $76,000 above the fiscal year 2003 enacted level and the same as the President's request. The following table describes the distribution of the funds:

FISCAL YEAR 2004 BUDGET ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

[In thousands of dollars]

	Ford	Carter	Reagan	Bush	Clinton	Widows	Total
Personal Compensation	96	96	96	96	113	0	497
Personnel Benefits	24	6	34	52	56	0	172
Benefits for Former Presidents	175	175	175	175	180	20	900
Travel	50	2	2	55	41	0	150
Rental Payments to GSA	120	120	145	174	445	0	986
Communications, Utilities and Miscellaneous Charges:							
Telephone	20	25	26	14	72	0	157
Postage	18	20	10	14	10	2	74
Printing	4	5	12	14	8	0	43
Other Services	10	62	26	67	138	0	303
Supplies and Materials	16	6	13	13	17	0	65
Equipment	2	9	2	14	19	0	46
Total Obligations	535	508	541	688	1,099	22	3,393

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 501. The Committee continues the provision that provides that costs included in rent received from government corporations for operation, protection, maintenance, upkeep, repair and improvement shall be credited to the Federal Buildings Fund.

Section 502. The Committee continues the provision providing authority for the use of funds for the hire of motor vehicles.

Section 503. The Committee continues the provision, with technical modification, providing that funds made available for activities of the Federal Buildings Fund may be transferred between appropriations with advance approval of the Congress.

Section 504. The Committee continues the provision, with technical modification, prohibiting the use of funds for developing courthouse construction requests that do not meet GSA standards and the priorities of the Judicial Conference.

Section 505. The Committee continues the provision providing that no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the requested rent.

Section 506. The Committee continues the provision providing for Information Technology Fund repayment from sponsored projects that realize program savings.

Section 507. The Committee continues the provision that permits GSA to pay small claims (up to $250,000) made against the government.

Section 508. The Committee includes a new provision limiting the use of funds by GSA to develop or implement a mandatory system for federal agencies with respect to electronic travel services unless the system allows exceptions. This limitation is extended to the Department of Transportation.

Section 509. The Committee includes a new provision giving the General Services Administration temporary authority to distribute election reform funds under Title II, subtitle D of the Help America Vote Act.

Section 510. The Committee includes a new provision relating to the establishment of a quick response team processing center in Chattanooga, Tennessee.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$31,819,000
Budget request, fiscal year 2004	35,503,000
Recommended in the bill	32,877,000
Bill compared with:	
Appropriation, fiscal year 2003	+1,058,000
Budget request, fiscal year 2004	−2,626,000

The Merit Systems Protection Board performs the adjudicatory functions necessary to maintain the civil service merit system. These include hearing appeals on adverse actions, reduction-in-force actions, and retirement. The Board reports to the President on whether merit systems are sufficiently free from prohibited personnel practices to protect the public interest.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $32,877,000 for the Merit Systems Protection Board (MSPB), an increase of $787,000 above the amount appropriated in fiscal year 2003 and a decrease of $2,626,000 below the President's request. The decrease from the President's request reflects the Committee's decision to continue the practice of appropriating funds to MSPB from the

Civil Service Retirement and Disability Fund rather than discontinuing this practice as requested by the President; this request has not been adequately justified. The Committee has instead made available the amount of no more than $2,626,000 for adjudicated appeals through an appropriation from the trust fund consistent with past practice.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY TRUST FUND

Appropriation, fiscal year 2003	$1,983,000
Budget request, fiscal year 2004	372,000
Recommended in the bill	1,300,000
Bill compared with:	
Appropriation, fiscal year 2003	−683,000
Budget request, fiscal year 2004	+928,000

Public Law 102–259 established the Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund. Federal payments to that fund are invested in Treasury securities. Interest earnings from the investments are used to carry out the activities of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation. The Foundation awards scholarships, fellowships, and grants and funds activities of the Udall Center for Studies in Public Policy. Public Law 106–568 (section 817) established the Native Nations Institute as part of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation. The purpose of the Native Nations Institute is to provide management and leadership training to Native American tribal leaders.

COMMITTEE RECOMMENDATION

The Committee recommends $1,300,000 for the activities of the Morris K. Udall Foundation, a decrease of $683,000 below the fiscal year 2003 enacted level and an increase of $928,000 above the President's request. The Committee includes, as proposed, bill language specifying that $100,000 shall be used to conduct financial audits. The Committee also modifies bill language to allow a higher percentage of the appropriation to be used for the Native Nations Institute.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriation, fiscal year 2003	$1,300,000
Budget request, fiscal year 2004	700,000
Recommended in the bill	1,300,000
Bill compared with:	
Appropriation, fiscal year 2003	....
Budget request, fiscal year 2004	+600,000

Public Law 105–156 established the United States Institute for Environmental Conflict Resolution as part of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation. It also established in the Treasury an Environmental Dispute Resolution Fund to be available to establish and operate the Institute. The purpose of the Institute is to conduct environmental conflict resolution and training.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,300,000 for the Environmental Dispute Resolution Fund, the same as the fiscal year 2003 enacted level and an increase of $600,000 above the President's request.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

Appropriation, fiscal year 2003	$248,251,000
Budget request, fiscal year 2004	294,105,000
Recommended in the bill	255,191,000
Bill compared with:	
Appropriation, fiscal year 2003	+6,940,000
Budget request, fiscal year 2004	−38,914,000

This appropriations provides the National Archives and Records Administration (NARA) with funds for its basic operations dealing with management of the Government's archives and records, operation of Presidential libraries, and for the review for declassification of classified security information.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $255,191,000 for the operating expenses of NARA, an increase of $6,940,000 above the fiscal year 2003 enacted level and a decrease of $38,914,000 below the President's request. The decrease from the request is mainly a reflection of the creation of a new account for the electronic records archive. In addition to the decrease associated with the new account, the Committee recommends a further reduction of $3,000,000 from the President's request. The Committee has resisted identifying specific items in the request that are not to be funded in order to allow NARA some flexibility in managing its operating expenses, but would note that several proposed current and new items (such as development of a "hot" site, expansion of records services staff, and certain information technology efforts) appear to be of less priority. In this regard, the Committee directs NARA to report back to the House and Senate Committees on Appropriations within 90 days of the enactment of this Act on how it intends to achieve this reduction. In addition, the Committee encourages NARA to continue working closely with the private sector in the focused review and appropriate modification of standards for the storage of Federal records.

ELECTRONIC RECORDS ARCHIVE

Appropriation, fiscal year 2003	....
Budget request, fiscal year 2004	....
Recommended in the bill	$35,914,000
Bill compared with:	
Appropriation, fiscal year 2003	+35,914,000
Budget request, fiscal year 2004	+35,914,000

The electronic records archive appropriations supports all direct NARA actions and activities associated with this major project for preserving digitally created records for archival purposes, storing and managing them electronically, and ensuring appropriate long-term access. The appropriation supports a program office, research partnerships, and information technology analysis and design.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $35,914,000 for the electronic records archive of the National Archives and Records Administration (NARA), an increase of $35,914,000 above the fiscal year 2003 enacted level and an increase of $35,914,000 above the President's request. This function had been funded in past years as part of the operating expense account of NARA; this function received $13,614,000 for fiscal year 2003, and the President's request for fiscal year 2004 was $35,914,000 for this effort in that account. By placing the funding for this effort in a separate account, the Committee raises the visibility and strengthens the financial structure, accountability, management, and oversight of the electionic records archive project. A portion of the funds, $22,000,000, is made available for three years.

ELECTRONIC RECORDS ARCHIVE (ERA) PROJECT ACTIONS

The Committee urges NARA to further strengthen its ERA management capabilities by fully implementing an information technology investment management process, developing and refining an enterprise architecture, improving information security, and fully and appropriately staffing the ERA effort. As stated in the Committee's report for fiscal year 2003, NARA is directed to submit to the House and Senate Committees on Appropriations quarterly reports on the cost, schedule, and performance of the ERA project. These quarterly reports should provide information on the status of the project's schedule, budget, and expenditures as measured against a reported baseline; a prioritization of project risks and their mitigation efforts; and corrective actions taken to manage identified schedule slippages, cost overruns, or quality problems should they occur.

REPAIRS AND RESTORATION

Appropriation, fiscal year 2003	$14,116,000
Budget request, fiscal year 2004	6,458,000
Recommended in the bill	6,458,000
Bill compared with:	
Appropriation, fiscal year 2003	−7,658,000
Budget request, fiscal year 2004	....

This appropriation provides for the repair, alteration, and improvement of Archives facilities and Presidential libraries nationwide. It enables the National Archives to maintain its facilities in proper condition for visitors, researchers, and employees, and also maintain the structural integrity of the buildings.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $6,458,000 for repairs and restoration, a decrease of $7,658,000 below the fiscal year 2003 enacted level and the same as the President's request.

National Historical Publications and Records Commission

Grants Program

Appropriation, fiscal year 2003	$6,458,000
Budget request, fiscal year 2004	5,000,000
Recommended in the bill	10,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+3,542,000
Budget request, fiscal year 2004	+5,000,000

This program provides for grants funding that the Commission makes, nationwide, to preserve and publish records that document American history. Administered within the National Archives and Records Administration, which preserves Federal records, the NHPRC helps state, local, and private institutions preserve non-Federal records, helps publish the papers of major figures in American history, and helps archivists and records managers improve their techniques, training, and ability to serve a range of information users.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $10,000,000 for the National Historical Publications and Research Commission grants program, an increase of $3,542,000 above the fiscal year 2003 enacted level and an increase of $5,000,000 above the President's request.

OFFICE OF GOVERNMENT ETHICS

Salaries and Expenses

Appropriation, fiscal year 2003	$10,488,000
Budget request, fiscal year 2004	10,738,000
Recommended in the bill	10,738,000
Bill compared with:	
Appropriation, fiscal year 2003	+250,000
Budget request, fiscal year 2004	....

The Office of Government Ethics (OGE), established by the Ethics in Government Act of 1978, provides overall direction of executive branch policies designed to prevent conflicts of interest and insure high ethical standards. The OGE discharges its responsibilities to preserve and promote public confidence in the integrity of executive branch officials by developing rules and regulations pertaining to conflicts of interest, post employment restrictions, standards of conduct, and public and confidential financial disclosure in the executive branch. It monitors compliance with public and confidential financial disclosure requirements of the Ethics in Government Act of 1978 and the Ethics Reform Act of 1989, to determine possible violations of applicable laws or regulations and recommending appropriate corrective action. OGE also consults with and assists various officials in evaluating the effectiveness of applicable laws and the resolution of individual problems, and prepares formal advisory opinions, informal letter opinions, policy memoranda, and Federal Register entries on how to interpret and comply with the requirements on conflicts of interest, post employment, standards of conduct, and financial disclosure. Finally, OGE issues and amends regulations implementing the procurement integrity provisions relating to negotiating for employment, post employment, and gratuities in the Office of Federal Procurement Policy Act Amendments of 1988, P.L. 100–679.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $10,738,000 for the Office of Government Ethics, an increase of $250,000 above the enacted fiscal year 2003 level and the same as the President's request.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$128,644,000
Budget request, fiscal year 2004	118,748,000
Recommended in the bill	119,498,000
Bill compared with:	
Appropriation, fiscal year 2003	−9,146,000
Budget request, fiscal year 2004	+750,000

The Office of Personnel Management (OPM) is the Federal Government agency responsible for management of Federal human resources policy and oversight of the merit civil service system. Although individual agencies are increasingly responsible for personnel operations, OPM provides a Governmentwide policy framework for personnel matters, advises and assists agencies (often on a reimbursable basis), and ensures that agency operations are consistent with requirements of law, with emphasis on such issues as veterans preference. OPM oversees examining of applicants for employment, issues regulations and policies on hiring, classification and pay, training, investigations, and many other aspects of personnel management, and operates a reimbursable training program for the Federal Government's managers and executives. OPM is also responsible for administering the retirement, health benefits and life insurance programs affecting most Federal employees, retired Federal employees, and their survivors.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $119,498,000 for the Office of Personnel Management, a decrease of $9,146,000 from the enacted fiscal year 2003 level and $750,000 above the President's request. The Committee's recommendation includes $2,000,000 for Enterprise HR Integration, $2,500,000 for payroll modernization, and $2,500,000 for program evaluation. The increase of $750,000 above the President's request is to provide additional funding for the ongoing "retirement readiness" project being done by OPM in conjunction with the International Foundation for Retirement Education (InFRE). The outline of this project was provided in the joint explanatory statement accompanying Pubic Law 108–007. The Committee directs OPM to award this money to InFRE as a grant or contract, and to report to the Committee on the progress of this project no later than 60 days after enactment of this Act.

BACKGROUND INVESTIGATIONS

The President has proposed that the Department of Defense transfer the investigative functions of the Defense Security Service

(DSS) to OPM, a proposal involving approximately 1,855 FTE. This proposal requires authorizing legislation and would not, according to OPM, have any net budgetary impact. The Committee is concerned, however, that transfer of DSS functions, which have had numerous problems in recent years involving both the timeliness and quality of background investigations, could have a negative impact on OPM's current investigation caseload. OPM reported that in 2002 the agency slipped below its 90 percent standard for timely turnaround on background investigations, largely as a result of the establishment of the Transportation Security Administration. As a result, OPM's caseload was more than twice what was projected. The Committee urges the Director of OPM to certify that any transfer of DSS functions to OPM will not have a detrimental impact on the ability of OPM to handle its current caseload.

PHARMACY BENEFIT MANAGERS

The Committee notes with approval the announced intention of OPM to increase oversight of pharmacy benefit managers (PBMs) who provide services to enrollees in the Federal Employees Health Benefits Program (FEHBP). Effective oversight of PBMs, through which roughly $6,000,000,000 of FEHBP expenditures on prescription drugs pass, is crucial for ensuring that the 8.3 million people covered by FEHBP continue to receive high quality coverage. The Committee directs OPM to keep the Committees on Appropriations informed of ongoing activities to enhance oversight of PBMs, as well as the results of any audits or studies of PBMs. The Committee also encourages OPM to go beyond oversight and explore options for empowering Federal employee health care consumers to make more informed decisions when choosing among similar pharmaceuticals. The Committee further directs OPM to (1) notify the Committees if any research, audit, or investigation regarding PBMs has been delayed or terminated at the formal or informal request of another Federal agency; and (2) obtain a written letter of request from any such agency and provide a copy of such letter to the Committees. The Committee directs OPM to report on any such requests by September 1, 2003.

FEHEP COVERAGE MANDATES

The Committee is concerned by the potential impact and cost of coverage mandates under the Federal Employees Health Benefits Program. By driving up premiums, such mandates can have a significant financial effect on both beneficiaries and taxpayers. The Committee is aware that the Director of OPM has already initiated a comprehensive outside audit to discern the true cost of mandated services. The Committee encourages OPM to complete this audit and promptly submit a report of the results to the Committee. The Committee further directs that this audit include any mandates or potential mandates resulting from the FEHB Program Carrier Letter of April 18, 2003.

UNINSURED FEDERAL WORKERS

The Committee notes that while it is known that there is a certain segment of the Federal workforce that does not have health insurance through either the Federal Employees Health Benefits Program (FEHBP) or any other health insurance program, no current data exist on this particular uninsured population. The Committee therefore directs the Office of Personnel Management to conduct a study in both the aggregate and by State to: (1) determine the approximate number of Federal employees and retirees who are eligible to participate in the FEHBP, but who are not covered by this program or by any other health insurance program; (2) the principal reasons why these individuals do not obtain health insurance; and (3) by which agencies these people are employed and at which pay grades, levels, or rates of pay. The results of this study shall be submitted to the Committees on Appropriations no later than September 30, 2004.

HAMPSHIRE/HAMPDEN COUNTIES, MASSACHUSSETTS

The Committee is aware that Federal agencies located in Hampshire and Hampden counties, Massachusetts have been denied inclusion into the Hartford Locality Pay Area. The Committee is concerned about the difficulties some Federal agencies have documented in retaining and attracting Federal employees in the Connecticut River Valley area. Accordingly, the Committee directs OPM to consider Hampshire and Hampden counties for inclusion into the Hartford Locality Pay Area.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2003	$1,509,000
Budget request, fiscal year 2004	1,498,000
Recommended in the bill	1,498,000
Bill compared with:	
Appropriation, fiscal year 2003	−11,000
Budget request, fiscal year 2004	....

This appropriation provides agency-wide audit, investigative, evaluation, and inspection functions to identify management and administrative deficiencies, which may create conditions for fraud, waste and mismanagement. The audits function provides internal agency audit, insurance audit, and contract audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of agency operations, including financial statements. Evaluation and inspection services provide detailed technical evaluations of agency operations. Insurance audits review the operations of health and life insurance carriers, health care providers, and insurance subscribers. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,498,000 for the Office of Inspector General of the Office of Personnel Management, a decrease of $11,000 from the fiscal year 2003 enacted level and the same as the President's request.

Government Payment for Annuitants, Employees Health Benefits

Appropriation, fiscal year 2003	$6,853,000,000
Budget request, fiscal year 2004	7,219,000,000
Recommended in the bill	7,219,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+366,000,000
Budget request, fiscal year 2004	....

This appropriation covers: (1) the Government's share of the cost of health insurance for 1,851,000 annuitants as defined in sections 8901 and 8906 of title 5, United States Code; (2) the Government's share of the cost of health insurance for about 12,000 annuitants (who were retired when the Federal employees health benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960; and (3) the Government's contribution for payment of administrative expenses incurred by the Office of Personnel Management in administration of the act.

Government Payment for Annuitants, Employees Life Insurance

Appropriation, fiscal year 2003	$34,000,000
Budget request, fiscal year 2004	35,000,000
Recommended in the bill	35,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+1,000,000
Budget request, fiscal year 2004	....

This appropriation finances the Government's share of premiums, which is one-third the cost, for basic life insurance for annuitants retiring after December 31, 1989, and who are less than 65 years old.

Payment to Civil Service Retirement and Disability Fund

Appropriation, fiscal year 2003	$9,410,000,000
Budget request, fiscal year 2004	9,987,000,000
Recommended in the bill	9,987,000,000
Bill compared with:	
Appropriation, fiscal year 2003	+577,000,000
Budget request, fiscal year 2004	....

This appropriation provides for payment of annuities, including the payment of annuities under special acts for persons employed on the construction of the Panama Canal or their widows and widows of employees of the Lighthouse Service; payment of the government share of retirement costs of the unfunded liability resulting from any statute authorizing new or liberalized benefits, extension of retirement coverage, or pay increases; transfers for interest on unfunded liability and payment of military service annuities covering interest on the unfunded liability and annuity disbursements for military service; payments for spouse equity providing survivor annuities to eligible former spouses of annuitants who died between September 1978 and May 1986 and did not elect survivor coverage; and transfers for payment of FERS supplemental liability covering annual amortization payments financing supplemental liabilities for FERS.

HUMAN CAPITAL PERFORMANCE FUND

Appropriation, fiscal year 2003	....
Budget request, fiscal year 2004	$500,000,000
Recommended in the bill	2,500,000
Bill compared with:	
Appropriation, fiscal year 2003	+2,500,000
Budget request, fiscal year 2004	−497,500,000

This appropriation provides for the establishment of a Human Capital Performance Fund within the Office of Personnel Management. Allotments from this fund will be transferred to other Federal agencies in amounts as may be determined by the Director of OPM within the guidelines established by authorizing legislation, provided that such agencies submit a performance pay plan for the Director's approval. Awards to individual employees from this fund for performance will become part of those employees' base pay.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $15,000,000 for the Human Capital Performance Fund, obligation of which is contingent upon authorizing legislation. In order to ensure the continuation of proper oversight and control over agency personnel budgets, the Committee has included language directing OPM to notify the relevant subcommittees of jurisdiction of the Committees on Appropriations of any performance pay plan that has been approved for any agency, including the amounts to be obligated or transferred, and that funds for any plan shall not be obligated or transferred without those subcommittees' prior approval. The Committee further directs OPM to report annually to the Committees on Appropriations on the performance pay plans that have been approved, and the amounts that have been obligated or transferred.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$12,368,000
Budget request, fiscal year 2004	13,504,000
Recommended in the bill	13,504,000
Bill compared with:	
Appropriation, fiscal year 2003	+1,136,000
Budget request, fiscal year 2004	....

The Office of Special Counsel: (1) investigates Federal employee allegations of prohibited personnel practices (including reprisal for whistleblowing) and, when appropriate, prosecutes before the Merit Systems Protection Board; (2) provides a channel for whistleblowing by Federal employees; and (3) enforces the Hatch Act. The Office may transmit whistleblower allegations to the agency head concerned and require an agency investigation and a report to the Congress and the President when appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $13,504,000 for the Office of Special Counsel, an increase of $1,136,000 above the fiscal year 2003 enacted level and the same as the President's request.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$37,063,000
Budget request, fiscal year 2004	40,187,000
Recommended in the bill	40,187,000
Bill compared with:	
Appropriation, fiscal year 2003	+3,124,000
Budget request, fiscal year 2004	....

The bulk of the Court's work is the trial and adjudication of controversies involving deficiencies in income, estate, and gift taxes. The Court also has jurisdiction to redetermine deficiencies in certain excise taxes; to issue declaratory judgments in the areas of qualification of retirement plans, exemption of charitable organizations and the status of certain governmental obligations; and to decide certain cases involving disclosure of tax information by the Commissioner of Internal Revenue.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $40,187,000 for the U.S. Tax Court, an increase of $3,124,000 above the fiscal year 2003 enacted level and the same as the President's request. The bulk of this increase is for replacement and upgrade of the Tax Court's automation equipment ($1,471,000) and upgrade of the Tax Court's security system ($1,100,000).

WHITE HOUSE COMMISSION ON THE NATIONAL MOMENT OF REMEMBRANCE

SALARIES AND EXPENSES

Appropriation, fiscal year 2003	$248,000
Budget request, fiscal year 2004	250,000
Recommended in the bill	250,000
Bill compared with:	
Appropriation, fiscal year 2003	+2,000
Budget request, fiscal year 2004	....

The White House Commission on the National Moment of Remembrance, established by Public Law 106–579, was created to (1) sustain the American spirit through acts of remembrance, not only on Memorial Day, but throughout the year; (2) institutionalize the National Moment of Remembrance; and (3) to enhance the commemoration and understanding of Memorial Day.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $250,000, an increase of $2,000 above the fiscal year 2003 enacted level and the same as the level requested by the President.

TITLE VI—GENERAL PROVISIONS

THIS ACT

Section 601. The Committee continues the provision for the Department of Transportation allowing funds for aircraft; motor vehicles; liability insurance; uniforms; or allowances, as authorized by law.

Section 602. The Committee continues the provision requiring pay raises to be funded within appropriated levels in this Act or previous appropriations Acts.

Section 603. The Committee continues the provision for the Department of Transportation limiting appropriations for services authorized by 5 U.S.C. 3109 to the rate for an Executive Level IV.

Section 604. The Committee continues the provision prohibiting funds in this Act for salaries and expenses of more than 110 political and Presidential appointees in the Department of Transportation, and prohibits political and Presidential personnel to be assigned on temporary detail outside the Department of Transportation or an independent agency funded in this Act.

Section 605. The Committee continues the provision prohibiting pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this Act.

Section 606. The Committee continues the provision prohibiting obligations beyond the current fiscal year and prohibits transfers of funds unless expressly so provided herein.

Section 607. The Committee continues the provision limiting consulting service expenditures of public record in procurement contracts.

Section 608. The Committee continues the provision prohibiting funds for the implementation of section 404 of title 23, U.S.C.

Section 609. The Committee continues the provision prohibiting recipients of funds made available in this Act to release personal information, including a social security number, medical or disability information, and photographs from a driver's license or motor vehicle record without express consent of the person to whom such information pertains; and prohibits the withholding of funds provided in this Act for any grantee if a state is in noncompliance with this provision.

Section 610. The Committee continues the provision allowing funds received by the Federal Highway Administration, Federal Transit Administration, and the Federal Railroad Administration from states, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited to each agency's respective accounts.

Section 611. The Committee continues the provision authorizing the Secretary of Transportation to allow issuers of any preferred stock to redeem or repurchase preferred stock sold to the Department of Transportation.

Section 612. The Committee continues the provision prohibiting funds in Title I of this Act unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations not less than three full business days before any discretionary grant award, letter of intent, or full funding grant agreement totaling $1,000,000 or more is announced by the department or its modal administrations.

Section 613. The Committee continues the provision designating the city of Norman, Oklahoma, to be considered part of the Oklahoma City Transportation Management Area for fiscal year 2004.

Section 614. The Committee continues the provision prohibiting funds for the Office of the Secretary of Transportation to approve assessments or reimbursable agreements pertaining to funds appropriated to the modal administrations in this Act, unless such assessments or agreements have completed the normal reprogramming process for Congressional notification.

Section 615. The Committee continues the provision prohibiting funds in this Act to be transferred without express authority.

Section 616. The Committee includes a new provision for the Department of Transportation allowing funds received from certain sources to be credited to appropriations using fair and equitable criteria.

Section 617. The Committee includes a new provision allowing that amounts from improper payments to a third party contractor that are lawfully recovered by the Department of Transportation shall be available to cover expenses incurred in recovery of such payments.

Section 618. The Committee includes a new provision for the Secretary of Transportation authorizing the transfer of unexpended sums from "Minority Business Outreach" to "Office of the Secretary, Salaries and expenses".

Section 619. The Committee continues the provision prohibiting the use of funds to engage in activities that would prohibit the enforcement of section 307 of the 1930 Tariff Act.

Section 620. The Committee continues the provision concerning employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 621. The Committee continues the provision concerning compliance with the Buy American Act.

Section 622. The Committee continues the provision providing that fifty percent of unobligated balances may remain available for certain purposes.

Section 623. The Committee continues the provision restricting the use of funds for the White House to request official background reports without the written consent of the individual who is the subject of the report.

Section 624. The Committee continues a provision regarding nonforeign area cost of living allowances.

Section 625. The Committee continues a provision prohibiting the use of funds by any person or entity convicted of violating the Buy American Act.

Sections 626 and 627. The Committee continues the provision prohibiting the expenditure of funds for abortions under the FEHBP unless the life of the mother is in danger or the pregnancy is a result of an act of rape or incest.

Section 628. The Committee includes a new provision directing the Secretary of Transportation, working with affected states, to develop and implement a fair competitive bid procedure to assist states in introducing carefully managed competition to demonstrate whether competition will provide higher quality rail service at reasonable prices.

Section 629. The Committee includes a new provision that establishes limitations on the reprogramming of funds made available in this Act.

Section 630. The Committee includes a new provision prohibiting funds to require a state or local government to post a traffic control device or variable message sign, or any other type of traffic sign, in a language other than English, except in certain specified situations.

Section 631. The Committee includes a new provision waiving restrictions on the purchase of non-domestic articles, materials, and supplies in the case of acquisition by the Federal Government of information technology.

Section 632. The Committee includes a new provision providing a sense of the House of Representatives that empowerment zones within cities should have the necessary flexibility to expand to include relevant communities so that empowerment zone benefits are equitably distributed.

Section 633. The Committee includes a new provision providing a sense of the House of Representative that all census tracts contained in an empowerment zone, either fully or partially, should be equitably accorded the same benefits.

Section 634. The Committee continues the provision prohibiting the use of funds for a proposed rule relating to the determination that real estate brokerage is a financial activity.

Section 635. The Committee includes a new sense of the Congress provision related to reimbursements to general aviation ground support services at Reagan Washington National Airport.

Section 636. The Committee includes a new sense of the House of Representatives provision related to public private partnerships for highway and transit projects.

TITLE VII—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 701. The Committee continues the provision authorizing agencies to pay costs of travel to the United States for the immediate families of federal employees assigned to foreign duty in the event of a death or a life threatening illness of the employee.

Section 702. The Committee continues the provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Section 703. The Committee continues the provision regarding price limitations on vehicles to be purchased by the Federal Government.

Section 704. The Committee continues the provision allowing funds made available to agencies for travel, to also be used for quarters allowances and cost-of-living allowances.

Section 705. The Committee continues the provision prohibiting the government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental U.S.

Section 706. The Committee continues the provision ensuring that agencies will have authority to pay GSA bills for space renovation and other services.

Section 707. The Committee continues the provision allowing agencies to finance the costs of recycling and waste prevention programs with proceeds from the sale of materials recovered through such programs.

Section 708. The Committee continues the provision providing that funds may be used to pay rent and other service costs in the District of Columbia.

Section 709. The Committee continues the provision prohibiting payments to persons filling positions for which they have been nominated after the Senate has voted not to approve the nomination.

Section 710. The Committee continues the provision prohibiting interagency financing of groups absent prior statutory approval.

Section 711. The Committee continues the provision authorizing the Postal Service to employ guards and give them the same special police powers as certain other federal guards.

Section 712. The Committee continues the provision prohibiting the use of funds for enforcing regulations disapproved in accordance with the applicable law of the U.S.

Section 713. The Committee continues the provision limiting the pay increases of certain prevailing rate employees.

Section 714. The Committee continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Section 715. The Committee continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Section 716. The Committee continues the provision requiring agencies to certify that a Schedule C appointment was not created solely or primarily to detail the employee to the White House.

Section 717. The Committee continues the provision requiring agencies to administer a policy designed to ensure that all workplaces are free from discrimination and sexual harassment.

Section 718. The Committee continues the provision prohibiting the payment of any employee who prohibits, threatens or prevents another employee from communicating with Congress.

Section 719. The Committee continues the provision prohibiting Federal training not directly related to the performance of official duties.

Section 720. The Committee continues the provision prohibiting the expenditure of funds for implementation of agreements in nondisclosure policies unless certain provisions are included.

Section 721. The Committee continues the provision prohibiting propaganda, publicity and lobbying by executive agency personnel in support or defeat of legislative initiatives.

Section 722. The Committee continues the provision prohibiting any federal agency from disclosing an employee's home address to any labor organization, absent employee authorization or court order.

Section 723. The Committee continues the provision prohibiting funds to be used to provide non-public information such as mailing or telephone lists to any person or organization outside the government without the approval of the Committees on Appropriations.

Section 724. The Committee continues the provision prohibiting the use of funds for propaganda and publicity purposes not authorized by Congress.

Section 725. The Committee continues the provision directing agency employees to use official time in an honest effort to perform official duties.

Section 726. The Committee continues the provision, with technical modifications, authorizing the use of funds to finance an appropriate share of the Joint Financial Management Improvement Program.

Section 727. The Committee continues the provision, with technical modifications, authorizing agencies to transfer funds to the Governmentwide Policy account of GSA to finance an appropriate share of the Joint Financial Management Improvement Program and other purposes.

Section 728. The Committee continues the provision that permits breast feeding in a federal building or on federal property if the woman and child are authorized to be there.

Section 729. The Committee continues the provision that permits interagency funding of the National Science and Technology Council and provides for a report on the budget and resources of the National Science and Technology Council. The report should include the entire budget of the National Science and Technology Council.

Section 730. The Committee continues the provision requiring documents involving the distribution of federal funds to indicate the agency providing the funds and the amount provided.

Section 731. The Committee continues the provision with modification to extend the authorization for franchise fund pilots for one year in order to allow the Administration to evaluate their results and make a decision regarding permanent authority.

Section 732. The Committee continues the provision prohibiting the use of funds to monitor personal information relating to the use of federal internet sites to collect, review, or create any aggregate list that includes personally identifiable information relating to access to or use of any federal internet site of such agency.

Section 733. The Committee continues the provision requiring health plans participating in the FEHBP to provide contraceptive coverage and provides exemptions to certain religious plans.

Section 734. The Committee continues the provision providing recognition of the U.S. Anti-Doping Agency as the official anti-doping agency.

Section 735. The Committee continues the provision requiring a report by the Inspectors General detailing policies and procedures for implementing portion of the Rural Development Act, 1972.

Section 736. The Committee includes a new provision requiring agencies to evaluate the creditworthiness of an individual before issuing the individual a government travel charge card and limits agency actions accordingly.

Section 737. The Committee includes a new provision that permits interagency funding of the National Oceanographic Partnership Program Office and the Coastal America program and requires a report.

Section 738. The Committee includes a new provision extending the Federal Election Commission's administrative fine program through December 31, 2005.

Section 739. The Committee includes a new provision allowing for the timely filing of reports with the Federal Election Commission using overnight delivery, priority, or express mail.

Section 740. The Committee continues a provision, with modification, providing that the adjustment in rates of basic pay for employees under statutory pay systems taking effect in fiscal year 2004 shall be an increase of 4.1 percent.

Section 741. The Committee includes a new provision requiring a report from each agency on competitive sourcing activities.

HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

The following items are included in accordance with various requirements of the Rules of the House of Representatives:

CONSTITUTIONAL AUTHORITY

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives states:

> Each report of a committee on a bill or joint resolution of a public character, shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution.

The Committee on Appropriations bases its authority to report this legislation from clause 7 of section 9 of Article I of the Constitution of the United States of America which states:

> No money shall be drawn from the Treasury but in consequence of Appropriations made by law . . .

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f)(1) of rule XIII of the Rules of the House of Representatives, the following table lists the appropriations in the accompanying bill that are not authorized by law:

[Dollars in thousands]

	Last year of authorization	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
Title I—Department of Transportation				
Federal Aviation Administration:				
Operations	2003	$7,591,000	$7,022,648	$7,532,000
Facilities & Equipment	2003	2,981,022	2,961,645	2,900,000
Grants in Aid for Airports	2003	3,400,000	3,377,900	3,500,000
Research, Engineering, and Development.	2002	249,000	244,839	108,000
Federal Highway Administration: Federal-aid Highways.	2003	30,245,605	31,593,300	33,385,000
Federal Motor Carrier Safety Administration:				
Motor Carrier Safety Operations and Programs.	NA	NA	NA	47,000
National Highway Traffic Safety Administration:				
Operations & Research—General Fund.	NA	NA	NA	134,178
Operations & Research—Trust Fund.	2003	72,000	71,532	72,000
National Driver Register	2003	2,000	1,987	3,600
Highway Traffic Safety Grants	2003	225,000	223,537	225,000
Federal Railroad Administration:				
Safety and Operations	NA	NA	NA	130,992
Capital Grants to Amtrak	2002	955,000	826,476	580,000
Federal Transit Administration:				
Administrative Expenses	2003	73,000	72,526	72,500
Formula Grants	2003	3,839,000	3,764,372	3,839,000
University Transportation Research	2003	6,000	5,961	1,200
Transit Planning and Research	2003	122,000	121,207	122,000
Job Access and Reverse Commute	2003	150,000	104,318	85,000
Capital Investment Grants	2003	3,036,000	3,110,647	3,106,500

[Dollars in thousands]

	Last year of authorization	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
Maritime Administration:				
Operations and Training	2003	93,132	92,093	105,897
Ship Disposal	2003	20,000	11,088	14,000
Title II—Department of the Treasury				
Department Wide Systems and Capital Investments.	NA	NA	NA	36,653
Air Transportation Stabilization Program	NA	NA	NA	2,538
Treasury Building and Annex Repair and Restoration.	NA	NA	NA	25,000
Financial Crimes Enforcement Network	NA	NA	NA	57,571
Alcohol and Tobacco Tax and Trade Bureau.	NA	NA	NA	80,000
Title IV—Executive Office of the President				
Compensation of the President	NA	NA	NA	450,000
White House Office, Salaries and Expenses.	NA	NA	NA	66,057,000
Executive Residence, Operating Expenses.	NA	NA	NA	12,501,000
Executive Residence, White House Repair and Restoration.	NA	NA	NA	4,225,000
Council of Economic Advisors	NA	NA	NA	4,000,000
Office of Policy Development	NA	NA	NA	4,109,000
National Security Council	NA	NA	NA	10,551,000
Office of Administration	NA	NA	NA	82,826,000
Office of Management and Budget	NA	NA	NA	62,772,000
Unanticipated Needs	NA	NA	NA	1,000,000
Special Assistance to the President, Salaries and Expenses.	NA	NA	NA	4,461,000
Special Assistance to the President, Operating Expenses.	NA	NA	NA	331,000
Office of National Drug Control Policy (ONDCP):				
ONDCP, Salaries and Expenses	2003	NA	26,284	28,790
ONDCP, Salaries and Expenses, Model State Drug Laws.	NA	NA	NA	1,500
ONDCP, Counterdrug Technology Assessment Center, Counterdrug Research and Development.	2003	NA	21,857	18,000
ONDCP, Counterdrug Technology Assessment Center, Technology Transfer.	NA	NA	NA	22,000
ONDCP, High Intensity Drug Trafficking Areas Program.	2003	NA	224,879	226,350
ONDCP, Other Federal Drug Control (except Drug-Free Communities).	NA	NA	NA	10,000
ONDCP, Other Federal Drug Control, Media Campaign.	2002	195,000	180,000	150,000
Title V—Independent Agencies				
National Transportation Safety Board, Salaries and Expenses.	2002	72,000	68,650	76,679
Federal Election Commission	1981	9,400	9,662	50,440
Office of Government Ethics	1999	Such sums	8,492	10,738
OPM, Human Capital Performance Fund	NA	NA	NA	2,500

TRANSFERS OF FUNDS

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following statement is submitted describing the transfers of funds provided in the accompanying bill.

The Committee recommends the following transfers:

Under the Department of the Treasury, a number of transfers are allowed: (1) under Departmental Offices—Salaries and Expenses, $3,393,000 is allowed to be transferred to other Treasury offices for financial statement audits, (2) under Departmentwide Systems and Capital Investments Programs, $36,653,000 is allowed to be transferred to other offices in pursuit of specific projects, and (3) a number of General Provisions allow certain transfers among Treasury offices with the advance approval of the Committee.

Under the Executive Office of the President, a number of transfers are allowed: (1) $1,350,000 may be transferred by the Office of National Drug Control Policy (ONDCP) to other federal departments from the salaries and expenses account, (2) the ONDCP Counterdrug Technology Assessment Center may transfer $22,000,000 to other federal departments and $26,000,000 to state and local entities, (3) the ONDCP High Intensity Drug Trafficking Area Program may transfer $226,350,000 to federal departments and to state and local entities, and (4) the ONDCP Other Federal Drug Control Programs may transfer funds to federal departments.

Under Independent Agencies, a number of transfers are allowed: (1) The GSA Federal Buildings Fund may transfer $54,256,000 to the Federal Financing Bank to repay the principal on incurred debt, (2) the GSA Allowances and Office Staff for Former Presidents account may transfer $895,000 to the Department of the Treasury for certain pension benefits, (3) the GSA Electronic Government Fund may transfer $5,000,000 to federal departments in pursuit of program goals, (4) certain trust funds may transfer money to the Office of Personnel Management (OPM) and its Inspector General, (5) OPM may transfer $15,000,000 from the Human Capital Performance Fund to other federal departments and agencies, and (6) the Civil Service Retirement and Disability Fund may transfer money to the Merit System Protection Board.

Under general provisions:

Title I, Sec. 161. The Committee continues the provision that allows funds for discretionary grants of the Federal Transit Administration for specific projects, except for fixed guideway modernization projects, not obligated by September 30, 2005, and other recoveries to be used for other projects under 49 U.S.C. 5309.

Title I, Sec. 162. The Committee continues the provision that allows transit funds appropriated before October 1, 2002, that remain available for expenditure to be transferred.

Title II, Sec. 201. The Committee continues the provision that allows the transfer of 5 percent of any appropriation made available to the IRS to any other IRS appropriation, subject to prior Congressional approval.

Title II, Sec. 206. The Committee continues with modifications a provision that authorizes transfers, up to 2 percent, between Departmental Offices—Salaries and Expenses, Office of the Inspector General, Financial Management Service, Alcohol and Tobacco Tax and Trade Bureau, Financial Crimes Enforcement Network, and the Bureau of the Public Debt appropriations under certain circumstances.

Title II, Sec. 207. The Committee continues the provision that authorizes transfer, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Title V, Sec. 503. The Committee continues the provision, with technical modification, providing that funds made available for activities of the Federal Buildings Fund may be transferred between appropriations with advance approval of the Congress.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the following is a statement of general performance goals and objectives for which this measure authorizes funding:

The Committee on Appropriations strongly considers program performance, including a program's success in developing and attaining outcome-related goals and objectives, in developing funding recommendations. This includes a review of agency and departmental performance plans, audits, and investigations of the U.S. General Accounting Office and the Departments of Transportation and Treasury Offices of Inspector General, and other performance-related information. The Committee's goal is to provide adequate, but not excessive, resources for the programs covered by this Act, consistent with funding allocations provided by the Congressional budget process.

COMPLIANCE WITH RULE XIII, CL. 3(e) (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 1105 OF THE INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT OF 1991

SEC. 1105. HIGH PRIORITY CORRIDORS ON NATIONAL HIGHWAY SYSTEM.

(a) * * *

* * * * * * *

(c) IDENTIFICATION OF HIGH PRIORITY CORRIDORS ON NATIONAL HIGHWAY SYSTEM.—The following are high priority corridors on the National Highway System:

(1) * * *

* * * * * * *

(42) The portion of Corridor V of the Appalachian development highway system from Interstate Route 55 near Batesville, Mississippi, to the intersection with Corridor X of the Appalachian development highway system near [Fulton, Mississippi, and the portion of Corridor X of the Appalachian development highway system from near Fulton, Mississippi, to

the intersection with Interstate Route 65 near Birmingham, Alabama.] *Fulton, Mississippi.*

* * * * * * *

(45) The United States Route 78 Corridor from Memphis, Tennessee, to Corridor X of the Appalachian development highway system near Fulton, Mississippi, and Corridor X of the Appalachian development highway system extending from near Fulton, Mississippi, to near Birmingham, Alabama.

* * * * * * *

(e) PROVISIONS APPLICABLE TO CORRIDORS.—

(1) * * *

* * * * * * *

(5) INCLUSION OF CERTAIN ROUTE SEGMENTS ON INTERSTATE SYSTEM.—

[(A) IN GENERAL.—The portions of the routes referred to in subsection (c)(1) subsection (c)(3) (solely as it relates to the Kentucky Corridor), in clauses (i), (ii), and (except with respect to Georgetown County) (iii) of subsection (c)(5)(B), in subsection (c)(9), in subsections (c)(18) and (c)(20), in subsection (c)(36), in subsection (c)(37), in subsection (c)(40), and in subsection (c)(42) that are not a part of the Interstate System are designated as future parts of the Interstate System.] *(A) IN GENERAL.—The portions of the routes referred to in subsection (c)(1), subsection (c)(3) (relating solely to the Kentucky Corridor), clauses (i), (ii), and (except with respect to Georgetown County) (iii) of subsection (c)(5)(B), subsection (c)(9), subsections (c)(18) and (c)(20), subsection (c)(36), subsection (c)(37), subsection (c)(40), subsection (c)(42), and subsection (c)(45) that are not a part of the Interstate System are designated as future parts of the Interstate System.* Any segment of such routes shall become a part of the Interstate System at such time as the Secretary determines that the segment—

(i) * * *

* * * * * * *

(B) ROUTES.—

(i) DESIGNATION.—The portion of the route referred to in subsection (c)(9) is designated as Interstate Route I–99. The routes referred to in subsections (c)(18) and (c)(20) shall be designated as Interstate Route I–69. A State having jurisdiction over any segment of routes referred to in subsections (c)(18) and (c)(20) shall erect signs identifying such segment that is consistent with the criteria set forth in subsections (e)(5)(A)(i) and (e)(5)(A)(ii) as Interstate Route I–69, including segments of United States Route 59 in the State of Texas. The segment identified in subsection (c)(18)(D)(i) shall be designated as Interstate Route I–69 East, and the segment identified in subsection (c)(18)(D)(ii) shall be designated as Interstate Route I–69 Central. The State of Texas shall erect signs identifying such routes as segments of future Interstate Route I–69. The portion of the route referred to in subsection (c)(36) is designated as Interstate Route I–86. The Louie B. Nunn Parkway corridor referred to in subsection (c)(3) shall be designated as Interstate Route 66. A State having jurisdiction over any segment of routes and/or corridors referred to in subsections (c)(3) shall erect signs identifying such segment that is consistent with the criteria set forth in subsections (e)(5)(A)(i) and (e)(5)(A)(ii) as Interstate Route 66. Notwithstanding the provisions of subsections (e)(5)(A)(i) and (e)(5)(A)(ii), or any other provisions of this Act, the Commonwealth of Kentucky shall erect signs, as approved by the Secretary, identifying the routes and/or corridors described in subsection (c)(3) for the Commonwealth, as segments of future Interstate Route 66. The Purchase Parkway corridor referred to in subsection (c)(18)(E) shall be designated as Interstate Route 69. A State having jurisdiction over any segment of routes and/or corridors referred to in subsections (c)(18) shall erect signs identifying such segment that is consistent with the criteria set forth in subsections (e)(5)(A)(i) and (e)(5)(A)(ii) as Interstate Route 69. Notwithstanding the provisions of subsections (e)(5)(A)(i) and (e)(5)(A)(ii), or any other provisions of this Act, the Commonwealth of Kentucky shall erect signs, as approved by the Secretary, identifying the routes and/or corridors described in subsection (c)(18) for the Commonwealth, as segments of future Interstate Route 69. *The route referred to in subsection (c)(45) is designated as Interstate Route I–22.*

* * * * * * *

SECTION 1602 OF THE TRANSPORTATION EQUITY ACT FOR THE 21st CENTURY

SEC. 1602. PROJECT AUTHORIZATIONS.

Subject to section 117 of title 23, United States Code, the amount listed for each high priority project in the following table shall be available (from amounts made available by section 1101(a)(13) of the Transportation Equity Act for the 21st Century) for fiscal years 1998 through 2003 to carry out each such project:

No.	State	Project description	(Dollars in millions)
1.	Georgia	I–75 advanced transportation management system in Cobb County	1.7
*	*	* * * *	*
4.	Michigan	Construct bike path [between Mount Clemens and New Baltimore] *for the Macomb Orchard Trail in Macomb County*	3.75

No.	State	Project description	(Dollars in millions)
*	*	* * * *	*
230.	New York	[Monroe County transportation improvements on Long Pond Road, Pattonwood Road, and Leyll road] *Route 531/Brockport-Rochester Corridor in Monroe County, New York*	6
*	*	* * * *	*
476.	Louisiana	[Expand Perkins Road in Baton Rouge] *Feasibility study, design, and construction of a connector between Louisiana Highway 1026 and I–12 in Livingston Parish*	6.15
*	*	* * * *	*
1149.	New York	[Traffic Mitigation Project on William Street and Losson Road in Cheektowaga] *Study and implement mitigation and diversion options for William Street and Broadway Street in Cheektowaga, I–90 Corridor Study; Interchange 53 to Interchange 49, PIN 552830 and Cheektowaga Rails to Trails, PIN 575508*	3
*	*	* * * *	*

TITLE 49, UNITED STATES CODE

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SUBTITLE IV—INTERSTATE TRANSPORTATION

* * * * * * *

PART A—RAIL

* * * * * * *

CHAPTER 111—OPERATIONS

* * * * * * *

SUBCHAPTER II—CAR SERVICE

* * * * * * *

§ 11123. Situations requiring immediate action to serve the public

(a) When the Board determines that shortage of equipment, congestion of traffic, unauthorized cessation of operations, *failure of existing commuter rail passenger transportation operations caused by a cessation of service by the National Railroad Passenger Corporation,* or other failure of traffic movement exists which creates an emergency situation of such magnitude as to have substantial adverse effects on shippers, or on rail service in a region of the United States, or that a rail carrier providing transportation subject to the jurisdiction of the Board under this part cannot transport the traffic offered to it in a manner that properly serves the public, the Board may, to promote commerce and service to the public, for a period not to exceed 30 days—

(1) * * *

* * * * * * *

(3) prescribe temporary through routes; [or]

(4) give directions for—

(A) * * *

* * * * * * *

(C) movement of traffic under permits[.]*; or*

(5) in the case of a failure of existing freight or commuter rail passenger transportation operations caused by a cessation of service by the National Railroad Passenger Corporation, direct the continuation of the operations and dispatching, maintenance, and other necessary infrastructure functions related to the operations.

(b)(1) * * *

* * * * * * *

(3) [When] *(A) Except as provided in subparagraph (B), when* a rail carrier is directed under this section to operate the lines of another rail carrier due to that carrier's cessation of operations, compensation for the directed operations shall derive only from revenues generated by the directed operations.

(B) In the case of a failure of existing freight or commuter rail passenger transportation operations caused by a cessation of service by the National Railroad Passenger Corporation, the Board shall provide funding to fully reimburse the directed service provider for its costs associated with the activities directed under subsection (a), including the payment of increased insurance premiums. The Board shall order complete indemnification against any and all claims associated with the provision of service to which the directed rail carrier may be exposed.

(c)(1) * * *

* * * * * * *

(4) In the case of a failure of existing freight or commuter rail passenger transportation operations caused by cessation of service by the National Railroad Passenger Corporation, the Board may not direct a rail carrier to undertake activities under subsection (a) to continue such operations unless—

(A) the Board first affirmatively finds that the rail carrier is operationally capable of conducting the directed service in a safe and efficient manner; and

(B) the funding for such directed service required by subparagraph (B) of subsection (b)(3) is provided in advance in appropriations Acts.

* * * * * * *

(e) For purposes of this section, the National Railroad Passenger Corporation and any entity providing commuter rail passenger transportation shall be considered rail carriers subject to the Board's jurisdiction.

(f) For purposes of this section, the term "commuter rail passenger transportation" has the meaning given that term in section 24102(4).

* * * * * * *

SUBTITLE V—RAIL PROGRAMS

* * * * * * *

PART C—PASSENGER TRANSPORTATION

* * * * * * *

CHAPTER 243—AMTRAK

* * * * * * *

§ 24301. Status and applicable laws

(a) * * *

* * * * * * *

(c) APPLICATION OF SUBTITLE IV.—Subtitle IV of this title shall not apply to Amtrak, except for sections *11123,* 11301, 11322(a), 11502, and 11706. Notwithstanding the preceding sentence, Amtrak shall continue to be considered an employer under the Railroad Retirement Act of 1974, the Railroad Unemployment Insurance Act, and the Railroad Retirement Tax Act.

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TITLE 49, UNITED STATES CODE

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SUBTITLE III—GENERAL AND INTERMODAL PROGRAMS

* * * * * * *

CHAPTER 53—MASS TRANSPORTATION

* * * * * * *

§ 5323. General provisions on assistance

(a) * * *

* * * * * * *

(j) BUY AMERICA.—(1) The Secretary of Transportation may obligate an amount that may be appropriated to carry out this chapter for a project only if the steel, iron, and manufactured goods used in the project are produced in the United States. *The term "manufactured goods" as used in this paragraph means each individual item specified in each line item of a procurement. If the individual items to be procured are listed in the bill of materials and specifications rather than a line item, the term "manufactured goods" shall apply to each such item. The definition of "manufactured goods"* *shall not be applicable to the procurement of rolling stock as set forth in paragraph (2)(C).*

* * * * * * *

(3) When issuing a waiver based upon a public interest determination under paragraph (2)(A), the Secretary shall produce a detailed written justification as to why the waiver is in the public interest. The Secretary shall publish this justification in the Federal Register and provide the public a reasonable period for notice and comment.

[(3)**]** *(4)* In this subsection, labor costs involved in final assembly are not included in calculating the cost of components.

[(4)**]** *(5)* The Secretary of Transportation may not make a waiver under paragraph (2) of this subsection for goods produced in a foreign country if the Secretary, in consultation with the United States Trade Representative, decides that the government of that foreign country—

(A) * * *

* * * * * * *

[(5)**]** *(6)* A person is ineligible under subpart 9.4 of chapter 1 of title 48, Code of Federal Regulations, to receive a contract or subcontract made with amounts authorized under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240, 105 Stat. 1914) if a court or department, agency, or instrumentality of the Government decides the person intentionally—

(A) * * *

* * * * * * *

[(6)**]** *(7)* The Secretary of Transportation may not impose any limitation on assistance provided under this chapter that restricts a State from imposing more stringent requirements than this subsection on the use of articles, materials, and supplies mined, produced, or manufactured in foreign countries in projects carried out with that assistance or restricts a recipient of that assistance from complying with those State-imposed requirements.

[(7)**]** *(8)* OPPORTUNITY TO CORRECT INADVERTENT ERROR.—The Secretary may allow a manufacturer or supplier of steel, iron, or manufactured goods to correct after bid opening any certification of noncompliance or failure to properly complete the certification (but not including failure to sign the certification) under this subsection if such manufacturer or supplier attests under penalty of perjury that such manufacturer or supplier submitted an incorrect certification as a result of an inadvertent or clerical error. The burden of establishing inadvertent or clerical error is on the manufacturer or supplier.

(9) APPLICATION OF WAIVERS.—The Secretary may grant a waiver under paragraph (2) for a microprocessor, but not for microcomputer equipment. For purposes of this paragraph "microprocessor" means a computer processor on a microchip.

(10) ADMINISTRATIVE REVIEW.—A party adversely affected by an agency action under this subsection shall have the right to seek review under section 702 of the Administrative Procedure Act, title 5, United States Code.

* * * * * * *

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3(f)(1)(A) of rule XIII of the Rules of the House of Representatives, the following statements are submitted describing the effect of provisions proposed in the accompanying bill which may be considered, under certain circumstances, to change the application of existing law, either directly or indirectly. The bill provides that appropriations shall remain available for more than one year for a number of programs for which the basic authorizing legislation does not explicitly authorize such extended availability. The bill provides, in some instances, for funding of agencies and activities where legislation has not yet been finalized. In addition, the bill carriers language, in some instances, permitting activities not authorized by law, or exempting agencies from certain provisions of law, but which has been carried in appropriations acts for many years.

The bill includes limitations on official entertainment, reception and representation expenses for the Secretary of Transportation and the National Transportation Safety Board. Similar provisions have appeared in many previous appropriations Acts. The bill includes a number of limitations on the purchase of automobiles, motorcycles, or office furnishings. Similar limitations have appeared in many previous appropriations Acts. Language is included in several instances permitting certain funds to be credited to the appropriations recommended.

In Title V of the bill, in connection with the General Services Administration, certain limits on availability of revenue in the Federal Buildings Fund and certain legislative provisions have been carried forward from last year.

The bill continues a number of general provisions applying to agencies covered by the bill as well as certain provisions applying Government-wide. These provisions have been carried in the prior year appropriations bill, and some have been carried for many years. Additionally, the Committee includes a number of new general provisions.

TITLE I—DEPARTMENT OF TRANSPORTATION

Language is included under Office of the Secretary, "Salaries and expenses" which would allow crediting the account with up to $2,500,000 in user fees.

Language is included under the Office of the Secretary, "Salaries and expenses" limiting the use of funds available for the position of Assistant Secretary for Public Affairs.

Language is included under Office of the Secretary, "Salaries and expenses" specifying certain amounts for individual offices of the Office of the Secretary and specifying transfer authority among offices.

Language is included under Office of the Secretary, "Minority business outreach" specifying that funds may be used for business opportunities related to any mode of transportation.

Language is included that limits operating costs and capital outlays of the Working Capital Fund for the Department of Transportation and limits special assessments or reimbursable agreements levied against any program, project or activity funded in this Act to only those assessments or reimbursable agreements that are presented to and approved by the House and Senate Appropriations Committee.

Language is included under the Federal Aviation Administration, "Operations" limiting funds for certain aviation program activities.

Language is included under the Federal Aviation Administration, "Operations" that prohibits funds to plan, finalize, or implement any regulation that would promulgate new aviation user fees not specifically authorized by law after the date of enactment of this Act.

Language is included under the Federal Aviation Administration, "Operations" that credits funds received from States, counties, municipalities, foreign authorities, other public authorities, and private sources for expenses incurred in the provision of agency services.

Language is included under the Federal Aviation Administration, "Operations" that provides $6,000,000 for the contract tower cost sharing program.

Language is included under the Federal Aviation Administration, "Operations" permitting the use of funds to enter into a grant agreement with a nonprofit standard-setting organization to develop aviation safety standards.

Language is included under the Federal Aviation Administration, "Operations" that prohibits the use of funds for Sunday premium pay unless an employee actually performed work during the time corresponding to the premium pay.

Language is included under the Federal Aviation Administration, "Operations" that prohibits funds for conducting and coordinating activities on aeronautical charting and cartography through the Working Capital Fund.

Language is included under Federal Aviation Administration, "Operations" prohibiting funds to operate a manned auxiliary flight service station in the United States.

Language is included under Federal Aviation Administration, "Operations" requiring the Secretary of Transportation to issue regulations pursuant to 5 U.S.C. 8335 relating to mandatory retirement for air traffic controllers.

Language is included under Federal Aviation Administration, "Operations" providing $4,000,000 only for costs to raise the level of air traffic control supervisors at the agency to the level of 1,726.

Language is included under Federal Aviation Administration, "Operations" prohibiting funds to sign, revise, execute, or implement a memorandum of understanding or agreement unless such document is filed in a central registry in FAA headquarters.

Language is included under Federal Aviation Administration, "Operations" prohibiting funds for any FAA employee to purchase a store gift card or gift certificate through use of a government-issued credit card.

Language is included under Federal Aviation Administration, "Payments to air carriers" that prohibits funds to approve, revise, or execute any contract that would cause federal obligations to exceed the $41,500,000 under this heading.

Language is included under Federal Aviation Administration, "Payments to air carriers" that prohibits funds to subsidize any air service to a point less than 210 highway miles from the nearest hub airport.

Language is included under Federal Aviation Administration, "Facilities and equipment" providing $7,000,000 for contract audit services provided by the Defense Contract Audit Agency and $20,000,000 for the Houston area air traffic system.

Language is included under Federal Aviation Administration, "Facilities and equipment" that prohibits funds to implement section 106 of H. R. 2115 as it passed the House of Representatives on June 12, 2003.

Language is included under Federal Aviation Administration, "Grants-in-aid for airports" allowing funds to be used for implementation of section 203 of Public Law 106–181 (authorizing the small community air service development pilot program).

Language is included under Federal Aviation Administration, "Grants-in-aid for airports" providing $20,000,000 for the small community air service development pilot program.

Language is included under Federal Aviation Administration, "General Provisions" allowing airports to transfer to FAA, without consideration, certain navigation and lighting systems that were procured or assisted by a federal airport grant.

Language is included under Federal Aviation Administration, "General Provisions" limiting technical staff years at the Center for Advanced Aviation Systems Development to 350 during fiscal year 2004.

Language is included under Federal Aviation Administration, "General Provisions" relating to the provision of without-cost space, construction, maintenance, utilities, or other expenses to FAA at airports.

Language is included under Federal Aviation Administration, "General Provisions" allowing FAA to receive funds from an airport sponsor under certain conditions relating to capacity enhancement projects.

Language is included under Federal Aviation Administration, "General Provisions"

Language is included under the Federal Aviation Administration, "Facilities and equipment" that allows certain funds received for expenses incurred in the establishment and modernization of air navigation facilities to be credited to the account.

Language is included under Federal Aviation Administration, "Facilities and equipment" that requires the Secretary of Transportation to transmit a comprehensive capital investment plan for the Federal Aviation Administration.

Language is included under Federal Aviation Administration, "Research, engineering, and development" that allows certain funds received for expenses incurred in research, engineering and development to be credited to the account.

Language is included under Federal Aviation Administration, "Grants-in-aid for airports" that limits funds available for the planning or execution of programs with delegations in excess of $3,400,000,000,

Language is included under Federal Aviation Administration, "Grants-in-aid for airports" that provides not more than $62,820,000 for administration.

Language is included prohibiting the use of funds to change weight restrictions or prior permission rules at Teterboro Airport in Teterboro, New Jersey.

Language is included allowing the use of funds for participation in the fractional aircraft ownership pilot program.

Language is included under the Federal Highway Administration, "Limitation on Administrative Expenses" that provides limitation on administrative expenses of the FHWA.

Language is included under the Federal Highway Administration, "Federal-aid Highways" that provides a limitation on obligations for the Federal-aid Highways program and a limitation on research programs.

Language is included under the Federal Highway Administration, "Liquidation of Contract Authorization" that provides liquidating cash.

Language is included under the Federal Highway Administration, "Public Private Partnership Pilot Program" that provides funding for this program.

Section 110 distributed obligation authority among the Federal-aid highway programs.

Section 111 specifies an administrative take-down for the Federal Highway Administration.

Section 112 provides that funds received by the Bureau of Transportation Statistics may be credited to the Federal-aid Highways account.

Section 113 designates a future Interstate in Mississippi and Alabama.

Section 114 prohibits funds in this Act from being used to carry out 23 U.S.C. 133(d)(2).

Section 115 allows changes to be made to the table in section 1602 of the Transportation Equity ACt for the 21st Century with regard to plans in New York and Louisiana.

Section 116 that amends the Transportation Equity Act for the 21st Century and allows ITS funds already appropriated to the State of Wisconsin in prior laws to be used for the installation of intelligent transportation infrastructure elements in the metropolitan areas of Wausau and Superior.

Section 117 allows ITS funds already appropriated for use in specified locations within Wisconsin to be spent in additional locations within the state.

Section 118 requires the Department of Transportation to restructure an existing loan with ACTA to allow financing of a 1.7 mile truck expressway linking the ports of Long-Beach and Los Angeles to Alameda Street.

Section 119 requires the Secretary to enter into an agreement to provide a method of funding for the Hoover Dam Bypass Bridge.

Language is included under the Federal Motor Carrier Safety Administration, "Motor Carrier Safety" that provides funding for motor carrier safety.

Language is included under the Federal Motor Carrier Safety Administration, "National Motor Carrier Safety Program" that provides a limitation on obligations and liquidation of contract authorization.

Language is included under the Federal Motor Carrier Safety Administration, "Border Enforcement Program" that provides funding for truck inspection stations on the Southern border.

Section 130 specifies an administration takedown for the FMCSA.

Section 131 prohibits funds in this Act from being used to apply Docket No. FMCSA–97–2350 to operators of utility service vehicles.

Language is included under National Highway Traffic Safety Administration, "Operations and research" prohibiting the planning or implementation of any rulemaking on labeling passenger car tires for low rolling resistance.

Section 132 subjects funds appropriated or limited in this Act to the terms and conditions of Public Law 107–87.

Language is included under National Highway Traffic Safety Administration, "Highway traffic safety grants" limiting obligations for certain safety grant programs.

Language is included under the National Highway Traffic Safety Administration, "Highway traffic safety grants" prohibiting the use of funds for construction, rehabilitation or remodeling costs or for office furniture for state, local, or private buildings.

Language is included under the National Highway Traffic Safety Administration, "Highway traffic safety grants" limiting the amount of funds available for technical assistance to the states under section 410.

Section 140 allows states to use funds provided under section 402 of title 23, U.S.C., to produce and place highway safety public service messages.

Section 141 prohibits the use of funds for the purpose of enforcing compliance with 49 CFR section 579.24 with respect to trailers of a certain weight.

Language is included under the Federal Railroad Administration, "Safety and operations" that provides funding for safety and operations.

Language is included under the Federal Railroad Administration, "Railroad research and development" that provides funding for railroad research and development.

Language is included under Federal Railroad Administration, "Railroad rehabilitation and improvement program" authorizing the Secretary to issue fund anticipation notes necessary to pay obligations under sections 511 through 513 of the Railroad Revitalization and Regulatory Reform Act.

Language is included under Federal Railroad Administration, "Railroad rehabilitation and improvement program" that prohibits new direct loans or loan guarantee commitments using federal funds for credit risk premium under section 502 of the Railroad Revitalization and Regulatory Reform Act.

Language is included under the Federal Railroad Administration, "Next generation high speed rail that provides funding for this program.

Language is included under Federal Railroad Administration, "Grants to the National Railroad Passenger Corporation" that provides quarterly apportionment for capital funding and requires non-federal entities to provide payments on lines that have a greater than $200 passenger loss based on procedures developed by the Secretary of Transportation.

Section 150 amends Section 11123 of title 49, U.S.C., to ensure that emergency rail service is continued if Amtrak should cease operations.

Language is included under Federal Transit Administration, "Administrative expenses" that reimburses $2,000,000 to the Department of Transportation's Inspector General for costs associated with the audit and review of new fixed guideway systems.

Language is included under Federal Transit Administration, "Administrative expenses" that allows funds to remain available until expended for the National transit database.

Language is included under Federal Transit Administration, "Administrative expenses" that the Secretary of Transportation will transmit to Congress the annual report on new starts.

Language is included under the Federal Transit Administration, "Formula grants" reducing funds for each day that the annual report on new starts is not submitted to Congress.

Section 160 exempts previously made transit obligations from limitations on obligations.

Section 161 allows funds for discretionary grants of the Federal Transit Administration for specific projects, except for fixed guideway modernization projects, not obligated by September 30, 2005, and other recoveries to be used for other projects under 49 U.S.C. 5309.

Section 162 allows transit funds appropriated before October 1, 2002, that remain available for expenditive to be transferred.

Section 163 prohibits funds for design or construction of a light rail system in Houston, Texas, unless certain specified conditions are met.

Language is included under the Maritime Administration requiring a review of maritime policy and the agency's mission and long-term goals within the reorganized Department of Transportation.

Language is included under the Maritime Administration, "Operations and Training" that requires that additional funds provided for the United States Merchant Marine Academy salaries and benefits above the budget request, totaling $1,019,000 be spent on filling vacancies directly related to the Academy's mission.

Language is included under the Maritime Administration, "Operations and Training" requiring the agency to submit a report of justification for the annual target for new reservists in relation to documented emergency requirements that cannot be met from other sources.

Language is included under the Maritime Administration, "Operations and Training" directing the agency to submit an assessment of interoperability among the information technology resources at the fourteen U.S. strategic commercial ports.

Language is included under the Maritime Administration, "Operations and Training" directing the agency to submit a report on the performance of the intermodal system with respect to the efficiency of the most congested ports.

Language is included under the Maritime Administration, "Ship Disposal" directing the agency to submit a report detailing the agency's competitive bid process on ship disposal contracts.

Language is included under the Maritime Administration, "Maritime Guaranteed Loan Account" allowing the agency to draw upon the supplemental appropriation provided in P.L. 108–11 for administrative expenses up to $4,498,000 without certification of such administrative costs by the Department of Transportation Inspector General.

Section 170 allows the Maritime Administration to apply payments received for services as a credit to the Treasury.

Section 171 allows the Maritime Administration to draw upon the supplemental appropriation provided in P.L. 108–11 for administrative expenses up to $4,498,000.

Language is included under Research and Special Programs Administration, "Research and special programs" which would allow up to $1,200,000 in fees collected under 49 U.S.C. 5108(g) to be deposited in the general fund of the Treasury as offsetting receipts.

Language is included under Research and Special Programs Administration, "Research and special programs" that credits certain funds received for expenses incurred for training and other activities.

Language is included under Research and Special Programs Administration, "Emergency preparedness grants" specifying the Secretary of Transportation or his designee may obligate funds provided under this head.

Language is included under Office of Inspector General, "Salaries and expenses" that provides the Inspector General with all necessary authority to investigate allegations of fraud by any person or entity that is subject to regulation by the Department of Transportation. Language is also included under Office of inspector General, "Salaries and expenses" that authorizes the office of Inspector General to investigate unfair or deceptive practices and unfair methods of competition by domestic and foreign air carriers and ticket agents.

Language is included under Surface Transportation Board, "Salaries and expenses" allowing the collection of $1,050,000 in fees established by the Chairman of the Surface Transportation Board; and providing that the sum appropriated from the general fund shall be reduced on a dollar-for-dollar basis as such fees are received.

TITLE II—DEPARTMENT OF THE TREASURY

Language has been included for Departmental Offices, Salaries and Expenses, that provides funds for operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for real properties leased or owned overseas; official reception and representation expenses; unforeseen emergencies of a confidential nature; grants to state and local law enforcement groups to help fight money laundering; and Treasury-wide financial audits and the transfer of these funds.

Language has been included for the Departmentwide Systems and Capital Investments Program that provides funds for the development and acquisition of automated data processing equipment, software, and services; and providing transfer authority.

Language has been included for the Office of Inspector General that provides funds to carry out the provisions of the Inspector General Act of 1978, the hire of vehicles, official travel expenses, and unforeseen emergencies.

Language has been included for the Treasury Inspector General for Tax Administration that provides for the purchase and hire of motor vehicles, services by 5 U.S.C. 3109, travel expenses, and unforeseen emergencies.

Language has been included for the Financial Crime Enforcement Network that provides funds for hire of vehicles and official reception and representation expenses; the travel of non-federal personnel attending conferences or meetings involving financial law enforcement, intelligence, and regulation; the purchase of personal services contracts; and assistance to federal law enforcement agencies with or without reimbursement.

Language has been included for the Financial Management Service that provides multiple year availability for systems modernization funds and funds for official reception and representation expenses.

Language has been included for the Alcohol and Tobacco Tax and Trade Bureau that provides funds for the hire of passenger motor vehicles; official reception and representation expenses; cooperative research and development; and laboratory assistance to state and local agencies with or without reimbursement.

Language has been included for the U.S. Mint that identifies the source of funding for the operations and activities of the U.S. Mint; specifies the level of funding for circulating coinage and protective service capital investments; and provides reimbursement to the General Accounting Office for a contract study.

Language has been included for the Bureau of the Public Debt that provides funds for reception and representation expenses. Language also has been included that provides that appropriations from the General Fund will be reduced as fees are collected, and that a portion of the funds are to be derived from the Oil Spill Liability Trust Fund for administration of the Fund.

Language has been included for the Internal Revenue Service processing, assistance, and management that provides funds for management services, rent and utilities, services authorized by 5 U.S.C. 3109, and official reception and representation expenses. Language also has been included that provides funds for the Tax Counseling for the Elderly program and for low-income taxpayer clinic grants.

Language has been included for Internal Revenue Service tax law enforcement that provides funds for the purchase and hire of vehicles; services authorized by 5 U.S.C. 3109; research; and reimbursement of the Social Security Administration.

Language has been included for Internal Revenue Service information systems that provides fund for the hire of motor vehicles.

Language has been included for Internal Revenue Service business systems modernization that provides for the capital asset acquisition of information technology, including management and related contractual costs of said acquisitions, including contractual costs associated with operation authorized by 5 U.S.C. 3109 and that restricts the use of the funds.

Language has been included for the Internal Revenue Service health insurance tax credit administration to implement the health insurance tax credit included in the Trade Act of 2003 (Public Law 107–210).

Section 201 allows the transfer of 5 percent of any appropriation, made available to the IRS, to any other IRS appropriation with prior Congressional approval.

Section 202 requires the IRS to maintain a training program in taxpayer's rights, dealing courteously with taxpayers, and cross cultural relations.

Section 203 requires the IRS to institute policies and procedures, which will safeguard the confidentiality of taxpayer information.

Section 204 requires the IRS to maintain and improve a 1–800 help line service for taxpayers.

Section 205 allows the Department of the Treasury to purchase uniforms, insurance, and motor vehicles without regard to the general purchase price limitation, and enter into contracts with the State Department for health and medical services for Treasury employees in overseas locations.

Section 206 authorizes transfers, up to 2 percent, between Departmental Offices, Office of the Inspector General, Financial Management Service, Alcohol and Tobacco Tax and Trade Bureau, Financial Crimes Enforcement Network, and the Bureau of the Public Debt appropriations under certain circumstances.

Section 207 authorizes transfers, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 208 prohibits the Department of the Treasury from undertaking a redesign of the $1 Federal Reserve note.

Section 209 provides for transfers from and reimbursements to the Salaries and Expenses appropriation of the Financial Management Service for the purposes of debt collection.

Section 210 requires authorization for the construction and operation of a museum by the United States Mint.

Section 211 establishes a permanent indefinite appropriation for reimbursing financial institutions in their capacity as depositaries and financial agents of the United States.

Section 212 prohibits contracts with certain foreign incorporated entities.

TITLE III—POSTAL SERVICE

The Committee has continued language that prohibits funds made available to the Postal Service from being used to close or consolidate certain post offices, from charging employees of local and child support agencies a fee for information, provides funds for free mail for the blind and overseas voters, and for six day mail delivery and rural delivery of mail at existing levels. The Committee continues language regarding the availability of funds.

TITLE IV—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

The Committee has continued language that mandates that unused amounts of the President's expense allowance will revert to the Treasury and not be taxable to the President and which provides funds for service authorized by 5 U.S.C. 3109, subsistence expenses, hire of vehicles, newspapers, periodicals, teletype news service, travel, and official entertainment expenses. The Committee has continued language making funds available for reimbursement to the White House Communications Agency.

The Committee has included new language that provides funds for the Office of Homeland Security, pursuant to Executive Order 13288.

The Committee has continued language that provides funds for operation and maintenance of the White House for Official entertainment expenses; language specifying the authorized use of funds; language specifying that reimbursable expenses are the exclusive authority of the Executive Residence to incur obligations and receive offsetting collections; language requiring the sponsors of political events to make advance payments; language requiring the national committee of the political party of the President to maintain $25,000 on deposit; language requiring the Executive Residence to ensure that amounts owed are billed within 60 days of a reimbursable event and collected within 30 days of the bill notice; language authorizing the Executive Residence to charge and assess interest and penalties on late payments; language authorizing all reimbursements to be deposited into the Treasury as a miscellaneous receipt; language requiring a report to the Committee on the reimbursable expenses within 90 days of the end of the fiscal year; language requiring the Executive Residence to maintain a system for tracking and classifying reimbursable events; and language specifying that the Executive Residence is not exempt from the requirements of subchapter I or II of chapter 37 of title 31, United States Code.

The Committee has continued language that provides funds for the repair, alteration, and improvement of the Executive Residence at the White House.

The Committee has continued language that provides funds for operation and maintenance of the official residence of the Vice President, the hire of vehicles, official entertainment expenses and provides for the transfer of funds as necessary. The Committee has continued language that enables the Vice President to provide assistance to the President, services authorized by 5 U.S.C. 3109, subsistence, and the hire for vehicles.

The Committee has continued language that provides funds for the expenses of the Council of Economic Advisers.

The Committee has continued language that provides funds for expenses of the Office of Policy Development.

The Committee has continued language that provides funds for expenses of the National Security Council.

The Committee has continued language that provides funds for expenses of the Office and the hire of vehicles and funds for a capital investment plan that provides for the continued modernization of the information technology infrastructure. The Committee has continued and modified language regarding information technology within the Executive Office of the President, requiring the submission of a report that includes a current description of (1) the Enterprise Architecture, as defined in OMB Circular A–130 and Federal Chief Information Officer guidance; (2) the Information Technology (IT) Human Capital Plan; (3) the capital investment plan for implementing the Enterprise Architecture; and (4) the IT capital planning and investment control process. The Committee has continued and modified language requiring that this report be reviewed and approved by OMB and reviewed by the General Accounting Office.

The Committee has continued language that provides funds for expenses, the hire of vehicles, carrying out provisions of chapter 35 of 44 U.S.C., directs that funds shall be applied only to items for which appropriations were made, prohibits the review of agricultural marketing orders and the alteration of certain testimony. The Committee has continued language funding a representational allowance and has continued language prohibiting the use of funds for the purpose of OMB calculating, preparing, or approving any tabular or other material that proposes the sub-allocation of budget authority or outlays by the Committees on Appropriations.

The Committee has continued language that provides funds for expenses, research, official reception and representation expenses, participation in joint projects, and allows for the acceptance of gifts. The Committee has continued language providing funds for model state drug law conferences and policy research and evaluation and making these funds available until expended.

The Committee has continued language that provides funds for counternarcotics research and development and the technology transfer program.

The Committee has continued language that provides a certain level of funding for State, local and Federal drug control efforts, and requires obligation of funds within a specified period of time. The Committee continues language regarding the availability of funds.

The Committee has continued language that provides a certain level of funding for the Drug-Free Media Campaign Act, for the Drug-Free Communities Act, and to provide a grant to the National Drug Court Institute, and for the Counterdrug Intelligence Executive Secretariat and the US Anti-Doping Agency. The Committee has continued language providing funding for performance measures development and for membership dues to the World Anti-Doping Agency.

Language is included providing that a minimum amount of Media Campaign funds be spent on advertising time and space.

TITLE V—INDEPENDENT AGENCIES

Language is included under Architectural and Transportation Barriers Compliance Board, "Salaries and expenses" that provides that funds received for publications and training may be credited to the appropriation. The bill contains a number of general provisions that place limitations or funding prohibitions on the use of funds in the bill and which might, under some circumstances, be construed as changing the application of existing law.

The Committee has continued language that provides funds for expenses of the Committee for Purchase.

The Committee has continued language that provides funds for expenses of the Federal Election Commission and specifying a level of funding for internal automated data processing systems and reception and representation expenses.

The Committee has continued language providing that no territory shall receive more than a certain percentage of election reform funds.

Language is included under the Federal Maritime Commission directing the agency to submit a report summarizing current information technology improvement initiatives and the Commission's long-term technology improvement plan.

The Committee has continued language that provides funds for the expenses of the authority, including authorized services, hire of experts and consultants, hire of passenger motor vehicles, and rental of conference rooms in the District of Columbia and elsewhere. The Committee has also continued provisions on compensation for public members of the Federal Service Impasse Panel and of the use of fees charged to participants at labor-management relations conferences.

Language has been included for the General Services Administration Federal Buildings Fund that specifies the conditions under which funds made available can be used and designates certain projects that can be undertaken. Many technical provisions have been included regarding use of funds in the Federal Buildings Fund that are not specifically authorized by law. Language has been included that limits project funds available for construction and repair and alteration of buildings not authorized by law. A more detailed analysis of the Federal Buildings Funds can be found in the General Services Administration chapter of this report.

Language has been included for General Services Administration government-wide policy that provides funds for policy and evaluation activities associated with the management of real and personal property assets and certain administrative services; support responsibilities relating to acquisition, telecommunications, information technology management, and related technology activities; and services authorized by 5 U.S.C. 3109.

Language has been included for General Services Administration operating expenses that provides funds for expenses for activities associated with personal and real property; technology management and activities; information access activities; agency-wide policy direction and management; other support services; and official reception and representation expenses.

Language has been included for the GSA Office of Inspector General that provides funds for information and detection of fraud; and for awards in recognition of efforts that enhance the office.

Language has been included for the GSA electronic government fund that allows these funds to be transferred.

Language has been included for allowances and office staff for former Presidents that allows a portion of these funds to be transferred.

Section 501 provides that costs included in rent received from government corporations for operation, protection, maintenance, upkeep, repair and improvement shall be credited to the Federal Buildings Fund.

Section 502 authorizes the use of funds for the hire of motor vehicles.

Section 503 provides that funds made available for activities of the Federal Buildings Fund may be transferred between appropriations with advance approval of the Congress.

Section 504 prohibits the use of funds for developing courthouse construction requests that do not meet GSA standards and the priorities of the Judicial Conference.

Section 505 provides that no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the requested rent.

Section 506 provides for Information Technology Fund repayment from sponsored projects that realize program savings.

Section 507 permits GSA to pay small claims (up to $250,000) made against the government.

Section 508 prohibits GSA from developing or implementing a mandatory system requiring agencies to use a specific electronic travel solution or the eTravel Service. This limitation is extended to the Department of Transportation.

Section 509 provides the General Services Administration with temporary authority to distribute election reform funds under Title II, subtitle D of the Help America Vote Act.

Section 510 prohibits the establishment of a quick response team processing center in Chattanooga, Tennessee.

The Committee has continued language that provides funds for the Merit Systems Protection Board, including the rental of conference rooms in the District of Columbia and elsewhere, the hire of passenger motor vehicles, and the direct procurement of survey printing.

Language has been included for the Morris K. Udall scholarship and excellence in national environmental policy trust fund that provides for financial audits and provides for transfers related to the Native Nations Institute.

Language has been included for the environmental dispute resolution fund pursuant to the Environmental Policy and Conflict Resolution Act of 1998.

Language has been included for National Archives and Records Administration operating expenses for the hire of passenger motor vehicles; authority to use excess funds for holding storage; and preservation of the records of the Freedmen's Bureau.

Language has been included for the electronic records archive that provides for all direct project costs associated with its development.

Language has been included for repairs and alterations that provides funds for the repair, alteration, and improvement of archives facilities and presidential libraries.

Language has been included for national historical publications and records commission grants that provides for activities authorized by 44 U.S.C. 2504.

The Committee has continued language that provides funds for the Office of Government Ethics, including the rental of conference rooms in the District of Columbia and elsewhere, the hire of passenger motor vehicles, and official reception and representation expenses.

The Committee has continued language that provides for expenses of the Office of Personnel Management, services authorized by 5 U.S.C. 3109, medical examinations under certain conditions, rental of conference rooms, hire of passenger motor vehicles, official reception and representation expenses, advances for reimbursement per diem and/or subsistence allowances for employees affected by Voting Rights Act activities, transfers to appropriate funds, prohibition of funds for the Legal Examining Unit, authority to accept donations for the White House Fellows program, and making funds available until expended for automating retirement record keeping. The Committee has continued language making funding available until expended for a government-wide human resources data network and for a government-wide payroll modernization initiative. The Committee has included new language making funding available for two fiscal years for program evaluation.

The Committee has continued language that provides funds for expenses of the Office, audit of the retirement and insurance programs, and the rental of conference rooms. The Committee has continued language that provides funds for the payment of government contributions.

The Committee has continued language that provides funds for the payment of government contributions.

The Committee has continued language that provides funds for the payment of government contributions.

The Committee has included new language providing for the establishment of a human capital performance fund, contingent upon authorizing legislation. The Committee has included new language allowing the transfer of funds to the appropriate federal agencies. The Committee has included new language providing for the notification and prior approval of the appropriate Congressional subcommittees prior to the obligation or transfer of funds.

The Committee has continued language that provides funds for the Office of Special Counsel, including the payment of fees and expenses for witnesses, rental of conference rooms, and the hire of passenger motor vehicles.

The Committee has continued language for the U.S. Tax Court that provides funds for services authorized by 5 U.S.C. 3109 and language which provides that travel expenses of the judges shall be paid upon written certification of the judge.

The Committee has included language funding the White House Commission on the National Moment of Remembrance.

TITLE VI—GENERAL PROVISIONS-THIS ACT

Section 601. The Committee continues the provision allowing funds for aircraft; motor vehicles; liability insurance; uniforms; or allowances, as authorized by law.

Section 602. The Committee continues the provision requiring pay raises to be funded within appropriated levels in this Act or previous appropriations Acts.

Section 603. The Committee continues the provision limiting appropriations for services authorized by 5 U.S.C. 3109 to the rate for an Executive Level IV.

Section 604. The Committee continues the provision prohibiting funds in this Act for salaries and expenses of more than 110 political and Presidential appointees in the Department of Transportation, and prohibits political and Presidential personnel to be assigned on temporary detail outside the Department of Transportation or an independent agency funded in this Act.

Section 605. The Committee continues the provision prohibiting pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this Act.

Section 606. The Committee continues the provision prohibiting obligations beyond the current fiscal year and prohibits transfers of funds unless expressly so provided herein.

Section 607. The Committee continues the provision limiting consulting service expenditures of public record in procurement contracts.

Section 608. The Committee continues the provision prohibiting funds for the implementation of section 404 of title 23, U.S.C.

Section 609. The Committee continues the provision prohibiting recipients of funds made available in this Act to release personal information, including a social security number, medical or disability information, and photographs from a driver's license or motor vehicle record without express consent of the person to whom such information pertains; and prohibits the Secretary from withholding funds provided in this Act for any grantee if a state is in noncompliance with this provision.

Section 610. The Committee continues the provision allowing funds received by the Federal Highway Administration, Federal Transit Administration, and the Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited to each agency's respective accounts.

Section 611. The Committee continues the provision authorizing the Secretary of Transportation to allow issuers of any preferred stock to redeem or repurchase preferred stock sold to the Department of Transportation.

Section 612. The Committee continues the provision prohibiting funds in this Act unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations not less than three full business days before any discretionary grant award, letter of intent, or full funding grant agreement totaling $1,000,000 or more is announced by the department or its modal administration.

Section 613. The Committee continues a provision designating the city of Norman, Oklahoma, to be considered part of the Oklahoma City Transportation Management Area for fiscal year 2004.

Section 614. The Committee continues the provision prohibiting funds for the Office of the Secretary of Transportation to approve assessments or reimbursable agreements pertaining to funds appropriated to the modal administrations in this Act, unless such assessments or agreements have completed the normal reprogramming process for Congressional notification.

Section 615. The Committee continues the provision prohibiting funds in this Act to be transferred without express authority.

Section 616. The Committee includes a new provision allowing funds received from said sources to be credited to appropriations using fair and equitable criteria.

Section 617. The Committee includes a new provision allowing that amounts from improper payments to a third party contractor that are lawfully recovered by the Department of Transportation shall be available to cover expenses incurred in recovery of such payments.

Section 618. The Committee includes a new provision authorizing the transfer of unexpended sums from "Minority Business Outreach" to "Office of the Secretary, Salaries and expenses".

Section 619. The Committee continues the provision prohibiting the use of funds to engage in activities that would prohibit the enforcement of section 307 of the 1930 Tariff Act.

Section 620. The Committee continues the provision concerning employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 621. The Committee continues the provision compliance with the Buy American Act.

Section 622. The Committee continues the provision that fifty percent of unobligated balances may remain available for certain purposes.

Section 623. The Committee continues the provision restricting the use of funds for the White House to request official background reports without the written consent of the individual who is the subject of the report.

Section 624. The Committee continues the provision regarding non-foreign area cost of living allowances.

Section 625. The Committee continues the provision prohibiting the use of funds by any person or entity convicted of violating the Buy American Act.

Section 626. The Committee continues the provision prohibiting the expenditure of funds for abortions under FEHBP or the administrative expenses in connection with any health plan under the FEHBP that provides any benefits or coverage for abortions.

Section 627. The Committee continues the provision for an exemption from Section 626 where the life of the mother is endangered or the pregnancy is the result of an act of rape or incest.

Section 628. The Committee includes a new provision directing the Secretary of Transportation, working with affected states, to develop and implement a Fair Competitive Bid Procedure to assist states in introducing carefully managed competition to demonstrate whether competition will provide higher quality rail service at reasonable prices.

Section 629. The Committee includes a new provision that establishes limitations on the reprogramming of funds made available in this Act.

Section 630. The Committee includes a new provision prohibiting funds to require a state or local government to post a traffic control device or variable message sign, or any other type of traffic sign, in a language other than English, except in certain specified situations.

Section 631. The Committee includes a new provision waiving restrictions on the purchase of non-domestic articles, materials, and supplies in the case of acquisition by the Federal Government of information technology.

Section 632. The Committee includes a new provision providing a sense of the House of Representatives that empowerment zones within cities should have the necessary flexibility to expand to include relevant communities so that empowerment zone benefits are equitably distributed.

Section 633. The Committee includes a new provision providing a sense of the House of Representatives that all census tracts contained in an empowerment zone, either fully or partially, should be equitably accorded the same benefits.

Section 634. The Committee continues the provision prohibiting the use of funds for a proposed rule relating to the determination that real estate brokerage is a financial activity.

TITLE VII—GOVERNMENTWIDE GENERAL PROVISIONS

Section 701 authorizes agencies to pay costs of travel to the United States for the immediate families of Federal employees assigned to foreign duty in the event of a death or a life threatening illness of the employee.

Section 702 requires agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Section 703 establishes price limitations on vehicles to be purchase by the Federal Government.

Section 704 allows funds made available to agencies for travel, to also be used for quarters allowances and cost-of-living allowances.

Section 705 prohibits the government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental U.S.

Section 706 ensures that agencies will have authority to pay GSA bills for space renovation and other services.

Section 707 allows agencies to finance the costs of recycling and waste prevention programs with proceeds for the sale of materials recovered through such programs.

Section 708 provides that funds may be used to pay rent and other service costs in the District of Columbia.

Section 709 prohibits payments to persons filing positions for which they have been nominated after the Senate has voted not to approve the nomination.

Section 710 prohibits interagency financing of groups absent prior statutory approval.

Section 711 authorizes the Postal Service to employ guards and give them the same special policy powers as other federal guards.

Section 712 prohibits the use of funds for enforcing regulations disapproved in accordance with the applicable law of the U.S.

Section 713 limits the pay increase of certain prevailing rate employees.

Section 714 limits the amount of funds that can be used for redecoration of offices under certain circumstances.

Section 715 allows for the interagency funding of national security and emergency telecommunications initiatives.

Section 716 requires agencies to certify that a Schedule C appointment was not created solely or primarily to detail the employee to the White House, with exceptions.

Section 717 requires agencies to administer a policy designed to ensure that all workplaces are free from discrimination and sexual harassment.

Section 718 prohibits the payment of any employee who prohibits, threatens or prevents another employee from communicating with Congress.

Section 719 prohibits Federal training not directly related to the performance of official duties.

Section 720 prohibits the expenditure of funds for implementation of agreements in nondisclosure policies unless certain provisions are included.

Section 721 prohibits propaganda, publicity and lobbying by executive agency personnel in support or defeat of legislative initiatives.

Section 722 prohibits any Federal agency from disclosing an employee's home address to any labor organization, absent employee authorization or court order.

Section 723 prohibits funds from being used to provide non-public information such as mailing or telephone lists to any person or organization outside the government without the approval of the Committees on Appropriations.

Section 724 prohibits the use of funds for propaganda and publicity purposes not authorized by Congress.

Section 725 directs agency employees to use official time in an honest effort to perform official duties.

Section 726 authorizes the use of funds to finance an appropriate share of the Joint Financial Management Improvement Program.

Section 727 authorizes agencies to transfer funds to the Governmentwide Policy account of GSA to finance an appropriate share of the Joint Financial Management Improvement Program and other purposes.

Section 728 permits breastfeeding in a Federal building or on Federal property if the woman and child are authorized to be there.

Section 729 permits interagency funding of the National Science and Technology Council and requires a report on the budget and resources of the council.

Section 730 requires documents involving the distribution of Federal funds to indicate the agency providing the funds and the amount provided.

Section 731 extends the authorization for franchise fund pilots for one year.

Section 732 prohibits the use of funds to monitor personal information relating to the use of Federal internet sites to collect, review, or create any aggregate list that includes certain personally identifiable information.

Section 733 requires health plans participating in the FEHBP to provide contraceptive coverage and provides exemptions to certain religious groups.

Section 734 provides recognition of the U.S. Anti-Doping Agency as the official anti-doping agency.

Section 735 requires a report by the Inspector General detailing policies and procedures for implementing portion of the Rural Development Act, 1972.

Section 736 requires each agency to evaluate the creditworthiness of an individual before issuing the individual a government travel charge card.

Section 737 permits interagency funding of the National Oceanographic Partnership Program Office and the Coastal American program and requires a report on their budget and resources.

Section 738 allows for the extension of the Federal Election Commission's administrative fine program for an additional two years, through the end of calendar 2005.

Section 739 allows for the timely filing of reports with the Federal Election Commission using overnight delivery, priority, or express mail.

Section 740 provides that the adjustment in rates of basic pay for employees under statutory pay systems, including prevailing rate employees, taking effect in fiscal year 2004 shall be an increase of 4.1 percent.

Section 741 requires each agency to report on competitive sourcing activities.

COMPARISON WITH THE BUDGET RESOLUTION

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives requires an explanation of compliance with section 308(a)(1)(A) of the Congressional Budget and Impoundment Control

Act of 1974 (Public Law 93–344), as amended, which requires that the report accompanying a bill providing new budget authority contain a statement detailing how that authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year from the Committee's section 302(a) allocation. This information follows:

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Outlays of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the House Budget Resolution for 2004: Subcommittee on Transportation and Treasury:				
General purpose discretionary	$27,502	$27,501	$71,360	[1] $71,358
Mandatory	17,518	17,518	17,516	17,516

[1] Includes outlays from prior-year budget authority.

FIVE-YEAR OUTLAY PROJECTIONS

In compliance with section 308(a)(1)(B) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill as provided to the Committee by the Congressional Budget Office:

	[In millions of dollars]
Projection of outlays associated with the recommendation:	
2004	[2] $47,349
2005	7,034
2006	2,550
2007	1,508
2008 and future years	1,656

[2] Excludes outlays from prior-year budget authority.

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, the Congressional Budget Office has provided the following estimates of new budget authority and outlays provided by the accompanying bill for financial assistance to state and local governments:

[In millions of dollars]

	Budget authority amount of bill	Outlays amount of bill
Financial assistance to State and local governments for 2004	$1,965	$10,671

RESCISSIONS

Pursuant to the provisions of clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following table is submitted describing the rescissions recommended in the accompanying bill:

Federal Highway Administration	$137,000,000

Full Committee Votes

Pursuant to the provisions of clause 3(b) of rule XIII of the Rules of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 1

Date: July 24, 2003.

Measure: Departments of Transportation and Treasury and Independent Agencies Appropriations Bill, FY 2004.

Motion by: Mr. Olver.

Description of motion: To maintain the Transportation Enhancement set-aside under the Surface Transportation Program and ensure that funds could only be used for that program.

Results: Rejected 29 yeas to 33 nays.

Members Voting Yea

Mr. Berry
Mr. Bishop
Mr. Boyd
Mr. Clyburn
Mr. Cramer
Ms. DeLauro
Mr. Dicks
Mr. Edwards
Mr. Farr
Mr. Fattah
Mr. Hinchey
Mr. Hoyer
Mr. Jackson
Ms. Kaptur
Mr. Kennedy
Mr. Kilpatrick
Mr. LaHood
Mrs. Lowey
Mr. Mollohan
Mr. Moran
Mr. Obey
Mr. Olver
Mr. Price
Mr. Rothman
Ms. Roybal-Allard
Mr. Sabo
Mr. Serrano
Mr. Simpson
Mr. Visclosky

Members Voting Nay

Mr. Aderholt
Mr. Bonilla
Mr. Crenshaw
Mr. Culberson
Mr. Cunningham
Mr. Doolittle
Mrs. Emerson
Mr. Frelinghuysen
Mr. Goode
Ms. Granger
Mr. Hobson
Mr. Istook
Mr. Kingston
Mr. Kirk
Mr. Knollenberg
Mr. Kolbe
Mr. Latham
Mr. Lewis
Mr. Nethercutt
Mr. Peterson
Mr. Regula
Mr. Rogers
Mr. Sherwood
Mr. Sweeney
Mr. Taylor
Mr. Tiahrt
Mr. Vitter
Mr. Walsh
Mr. Wamp
Dr. Weldon
Mr. Wicker
Mr. Wolf
Mr. Young

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses	87,574	108,931	93,577	+6,003	-15,354
Immediate Office of the Secretary	(2,211)	---	(2,212)	(+1)	(+2,212)
Immediate Office of the Deputy Secretary	(809)	---	(841)	(+32)	(+841)
Immediate office of the Secretary and Deputy Secretary	---	---	---	---	---
Office of the General Counsel	(15,657)	---	(15,560)	(-97)	(+15,560)
Office of the Assistant Secretary for Policy	---	---	---	---	---
Office of the Assistant Secretary for Aviation and International Affairs	---	---	---	---	---
Office of the Under Secretary for Transportation Policy	(12,452)	---	(12,717)	(+265)	(+12,717)
Office of the Assistant Secretary for Budget and Programs	(8,375)	---	(8,630)	(+255)	(+8,630)
Office of the Assistant Secretary for Governmental Affairs	(2,453)	---	(2,518)	(+65)	(+2,518)
Office of the Assistant Secretary for Administration	(29,071)	---	(28,882)	(-189)	(+28,882)
Office of Public Affairs	(1,926)	---	(1,982)	(+56)	(+1,982)
Executive Secretariat	(1,391)	---	(1,447)	(+56)	(+1,447)
Board of Contract Appeals	(611)	---	(730)	(+119)	(+730)
Office of Small and Disadvantaged Business Utilization	(1,304)	---	(1,268)	(-36)	(+1,268)
Office of Intelligence and Security	---	---	(225)	(+225)	(+225)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Office of the Chief Information Officer..........	(13,187)	---	(16,565)	(+3,378)	(+16,565)
Transfer to Homeland Security....................	(-1,873)	---	---	(+1,873)	---
Subtotal..	(87,574)	---	(93,577)	(+6,003)	(+93,577)
Office of civil rights..............................	8,643	8,569	8,569	-74	---
Transportation planning, research, and development....	20,864	10,836	8,336	-12,528	-2,500
Working capital fund................................	(131,766)	---	(116,715)	(-15,051)	(+116,715)
Minority business resource center program............	894	900	900	+6	---
(Limitation on guaranteed loans).................	(18,367)	(18,367)	(18,367)	---	---
Minority business outreach..........................	2,981	3,000	3,000	+19	---
New headquarters building...........................	---	45,000	45,000	+45,000	---
Payments to air carriers (Airport & Airway Trust Fund)	51,761	---	---	-51,761	---
Reimbursement for general aviation losses, DCA airport	---	---	---	---	---
Total, Office of the Secretary.................	172,717	177,236	159,382	-13,335	-17,854
Federal Aviation Administration					
Operations..	7,023,070	7,590,648	7,532,000	+508,930	-58,648
Payments to air carriers (Airport & Airway Trust Fund)	---	---	63,000	+63,000	+63,000
Facilities & equipment (Airport & Airway Trust Fund)..	2,961,645	2,916,000	2,900,000	-61,645	-16,000
Rescission (Airport and Airway Trust Fund)........	-20,000	---	---	+20,000	---
Subtotal, F&E.................................	2,941,645	2,916,000	2,900,000	-41,645	-16,000
Research, engineering, and development (Airport and Airway Trust Fund)................................	147,485	100,000	108,000	-39,485	+8,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Grants-in-aid for airports (Airport and Airway Trust Fund):					
(Liquidation of contract authorization)	(3,100,000)	(3,400,000)	(3,425,000)	(+325,000)	(+25,000)
(Limitation on obligations)	(3,377,900)	(3,400,000)	(3,425,000)	(+47,100)	(+25,000)
(Small community air service pilot program)	(20,000)	---	---	(-20,000)	---
Subtotal, Grants-in-aid	(3,377,900)	(3,400,000)	(3,425,000)	(+47,100)	(+25,000)
Aviation insurance revolving fund	---	---	---	---	---
Total, Federal Aviation Administration	10,132,200	10,606,648	10,603,000	+470,800	-3,648
(Limitations on obligations)	(3,377,900)	(3,400,000)	(3,425,000)	(+47,100)	(+25,000)
Rescissions	-20,000	---	---	+20,000	---
Rescissions of contract authority	---	---	---	---	---
Subtotal	(13,510,100)	(14,006,648)	(14,028,000)	(+517,900)	(+21,352)
Federal Highway Administration					
Limitation on administrative expenses	(314,071)	(338,834)	(359,458)	(+45,387)	(+20,624)
(Border enforcement program)	(106,897)	---	---	(-106,897)	---
Federal-aid highways (Highway Trust Fund):					
(Limitation on obligations)	(27,653,143)	(29,293,948)	(33,385,000)	(+5,731,857)	(+4,091,052)
Revenue aligned budget authority	---	---	---	---	---
RABA transfer to FMCSA	---	---	---	---	---
Miscellaneous additional limitations on obligations	(3,940,157)	---	---	(-3,940,157)	---
Subtotal (limitations on obligations) (HTF)	(31,593,300)	(29,293,948)	(33,385,000)	(+1,791,700)	(+4,091,052)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
(Exempt obligations)	(884,329)	(931,297)	(931,297)	(+46,968)	---
(Liquidation of contract authorization)	(32,000,000)	(30,000,000)	(34,000,000)	(+2,000,000)	(+4,000,000)
Miscellaneous appropriations (rescission)	-5,609	---	---	+5,609	---
Miscellaneous rescission of contract authority	-250,000	---	-137,000	+113,000	-137,000
Public Private Partnerships (Highway Trust Fund)	---	---	---	---	---
Federal aid highways (Highway trust fund)	---	---	400,000	+400,000	+400,000
Appalachian development highway system	186,778	---	---	-186,778	---
Total, Federal Highway Administration	186,778	---	400,000	+213,222	+400,000
(Limitations on obligations)	(31,593,300)	(29,293,948)	(33,385,000)	(+1,791,700)	(+4,091,052)
(Exempt obligations)	(884,329)	(931,297)	(931,297)	(+46,968)	---
Rescissions	-5,609	---	---	+5,609	---
Rescissions of contract authority	-250,000	---	-137,000	+113,000	-137,000
Net total, FHWA	(32,408,798)	(30,225,245)	(34,579,297)	(+2,170,499)	(+4,354,052)
Federal Motor Carrier Safety Administration					
Motor carrier safety (limitation on administrative expenses) (limitation on obligations)	(116,700)	(224,406)	(236,753)	(+120,053)	(+12,347)
National motor carrier safety program (Highway Trust Fund):					
(Liquidation of contract authorization)	(190,000)	(222,594)	(190,000)	---	(-32,594)
(Limitation on obligations)	(188,765)	(222,594)	(190,000)	(+1,235)	(-32,594)
RABA transfer from FHWA	---	---	---	---	---
Border inspection station construction (Highway Trust fund)	---	---	47,000	+47,000	+47,000
Total, Federal Motor Carrier Safety Admin	---	---	47,000	+47,000	+47,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
(Limitations on obligations)................	(305,465)	(447,000)	(426,753)	(+121,288)	(-20,247)
National Highway Traffic Safety Administration					
Operations and research...............................	137,389	126,058	134,178	-3,211	+8,120
Operations and research (Highway trust fund):					
(Liquidation of contract authorization)...........	(72,000)	(88,452)	(72,000)	---	(-16,452)
(Limitation on obligations).......................	(71,532)	(88,452)	(72,000)	(+468)	(-16,452)
National Driver Register (Highway trust fund).........	1,987	3,600	3,600	+1,613	---
Subtotal, Operations and research..............	(210,908)	(218,110)	(209,778)	(-1,130)	(-8,332)
Highway traffic safety grants (Highway Trust Fund):					
(Liquidation of contract authorization)...........	(225,000)	(447,000)	(225,000)	---	(-222,000)
(Limitation on obligations):					
Highway safety programs (Sec. 402)............	(163,928)	(387,000)	(165,000)	(+1,072)	(-222,000)
Occupant protection incentive grants (Sec. 405)..................................	(19,870)	---	(20,000)	(+130)	(+20,000)
Alcohol-impaired driving countermeasures grants (Sec. 410)...........................	(39,740)	---	(40,000)	(+260)	(+40,000)
Emergency medical services grants (Sec. 407)......	---	(10,000)	---	---	(-10,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
State traffic safety info system improvement grants (Sec. 412)	---	(50,000)	---	---	(-50,000)
Subtotal, limitation on obligations	(223,538)	(447,000)	(225,000)	(+1,462)	(-222,000)
Total, National Highway Traffic Safety Admin.	139,376	129,658	137,778	-1,598	+8,120
(Limitations on obligations)	(295,070)	(535,452)	(297,000)	(+1,930)	(-238,452)
Total budgetary resources	(434,446)	(665,110)	(434,778)	(+332)	(-230,332)
Federal Railroad Administration					
Safety and operations	116,600	131,175	130,922	+14,322	-253
Railroad research and development	29,134	35,025	28,225	-909	-6,800
Pennsylvania Station Redevelopment project (advance appropriation	19,870	---	---	-19,870	---
Next generation high-speed rail	30,252	23,200	28,250	-2,002	+5,050
Alaska Railroad rehabilitation	21,857	---	---	-21,857	---
Grants to the National Railroad Passenger Corporation	1,043,175	900,000	900,000	-143,175	---
Total, Federal Railroad Administration	1,260,888	1,089,400	1,087,397	-173,491	-2,003

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Federal Transit Administration					
Administrative expenses	14,505	76,500	14,500	-5	-62,000
Administrative expenses (Highway Trust Fund, Mass Transit Account) (limitation on obligations)	(58,020)	---	(58,000)	(-20)	(+58,000)
Subtotal, Administrative expenses	(72,525)	(76,500)	(72,500)	(-25)	(-4,000)
Formula grants	762,809	---	767,800	+4,991	+767,800
Formula grants (Highway Trust Fund) (limitation on obligations)	(3,051,237)	(5,615,406)	(3,071,200)	(+19,963)	(-2,544,206)
Subtotal, Formula grants	(3,814,046)	(5,615,406)	(3,839,000)	(+24,954)	(-1,776,406)
University transportation research	1,192	---	1,200	+8	+1,200
University transportation research (Highway Trust Fund, Mass Transit Acct) (limitation on obligations)	(4,769)	---	(4,800)	(+31)	(+4,800)
Subtotal, University transportation research	(5,961)	---	(6,000)	(+39)	(+6,000)
Transit planning and research	24,043	---	24,200	+157	+24,200
Transit planning and research (Highway Trust Fund, Mass Transit Account) (limitation on obligations)	(97,164)	---	(97,800)	(+636)	(+97,800)
Flexible funding	---	---	---	---	---
Subtotal, Transit planning and research	(121,207)	---	(122,000)	(+793)	(+122,000)
Rural transportation assistance	(5,216)	---	(5,250)	(+34)	(+5,250)
National transit institute	(3,974)	---	(4,000)	(+26)	(+4,000)
Transit cooperative research	(8,196)	---	(8,250)	(+54)	(+8,250)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Metropolitan planning	(59,993)	---	(60,386)	(+393)	(+60,386)
State planning	(12,532)	---	(12,614)	(+82)	(+12,614)
National planning and research	(31,295)	---	(31,500)	(+205)	(+31,500)
Subtotal, Transit planning and research	(121,206)	---	(122,000)	(+794)	(+122,000)
Trust fund share of expenses (Highway Trust Fund) (liquidation of contract authorization)	(5,781,000)	(320,594)	(5,807,020)	(+26,020)	(+5,486,426)
Capital investment grants	603,253	1,213,500	599,280	-3,973	-614,220
Capital investment grants (Highway Trust Fund, Mass Transit Account) (limitation on obligations)	(2,413,013)	(320,594)	(2,507,220)	(+94,207)	(+2,186,626)
Flexible funding	---	---	---	---	---
Subtotal, Capital investment grants	(3,016,266)	(1,534,094)	(3,106,500)	(+90,234)	(+1,572,406)
Fixed guideway modernization	(1,214,400)	---	(1,214,400)	---	(+1,214,400)
Buses and bus-related facilities	(607,200)	---	(677,700)	(+70,500)	(+677,700)
New starts	(1,214,400)	---	(1,214,400)	---	(+1,214,400)
Subtotal	(3,036,000)	---	(3,106,500)	(+70,500)	(+3,106,500)
Job access and reverse commute grants (Highway Trust Fund, Mass Transit Account)	29,805	---	17,000	-12,805	+17,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
(limitation on obligations)	(119,220)	---	(68,000)	(-51,220)	(+68,000)
Subtotal, Job access and reverse commute grants	(149,025)	---	(85,000)	(-64,025)	(+85,000)
Total, Federal Transit Administration	1,435,607	1,290,000	1,423,980	-11,627	+133,980
(Limitations on obligations)	(5,743,423)	(5,936,000)	(5,807,020)	(+63,597)	(-128,980)
Total budgetary resources, FTA	(7,179,030)	(7,226,000)	(7,231,000)	(+51,970)	(+5,000)
Saint Lawrence Seaway Development Corporation					
Operations and maintenance (Harbor Maintenance Trust Fund)	13,994	14,400	14,700	+706	+300
Maritime Administration					
Maritime security program	98,058	98,700	98,700	+642	---
Operations and training	92,093	104,400	105,897	+13,804	+1,497
Ship disposal	11,088	11,422	14,000	+2,912	+2,578
Vessel operations revolving fund	---	---	---	---	---
Maritime Guaranteed Loan (Title XI) Program Account:					
Administrative expenses	4,099	4,498	---	-4,099	-4,498
Supplemental appropriations (P.L. 108-11)	25,000	---	---	-25,000	---
Total, Maritime Administration	230,338	219,020	218,597	-11,741	-423

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Research and Special Programs Administration					
Research and special programs	40,714	51,000	47,018	+6,304	-3,982
Pipeline safety:					
Pipeline Safety Fund	56,370	48,336	55,054	-1,316	+6,718
Oil Spill Liability Trust Fund	7,423	18,741	9,000	+1,577	-9,741
Subtotal, Pipeline safety program (incl reserve)	63,793	67,077	64,054	+261	-3,023
Emergency preparedness grants:					
Emergency preparedness fund	199	200	200	+1	---
Limitation on emergency preparedness fund	(14,300)	---	(14,300)	---	(+14,300)
Total, Research and Special Programs Admin	104,706	118,277	111,272	+6,566	-7,005
Office of Inspector General					
Salaries and expenses	54,912	55,000	55,000	+88	---
Surface Transportation Board					
Salaries and expenses	19,324	19,521	19,521	+197	---
Offsetting collections	-1,000	-1,050	-1,050	-50	---
Total, Surface Transportation Board	18,324	18,471	18,471	+147	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Bureau of Transportation Statistics					
Office of airline information (Airport & Airway Trust Fund)	---	3,971	---	---	-3,971
Net total, title I, Department of Transportation	13,474,231	13,722,081	14,139,577	+665,346	+417,496
Appropriations	(13,749,840)	(13,722,081)	(14,276,577)	(+526,737)	(+554,496)
Emergency	---	---	---	---	---
Offsets for new user fees	---	---	---	---	---
Rescissions	(-25,609)	---	---	(+25,609)	---
Rescission of contract authority	(-250,000)	---	(-137,000)	(+113,000)	(-137,000)
(By transfer)	---	---	---	---	---
(Transfer authority)	---	---	---	---	---
(Limitations on obligations)	(41,315,158)	(39,612,400)	(43,340,773)	(+2,025,615)	(+3,728,373)
(Exempt obligations)	(884,329)	(931,297)	(931,297)	(+46,968)	---
Net total budgetary resources	(55,673,718)	(54,265,778)	(58,411,647)	(+2,737,929)	(+4,145,869)
Transportation discretionary total	13,474,231	13,722,081	14,139,577	+665,346	+417,496

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE II - DEPARTMENT OF THE TREASURY					
Departmental Offices	157,669	166,875	175,809	+18,140	+8,934
Department-wide systems and capital investments programs	36,653	36,928	36,653	---	-275
Office of Inspector General	11,092	---	12,792	+1,700	+12,792
Treasury Inspector General for Tax Administration	124,198	---	128,034	+3,836	+128,034
Treasury Inspector General	---	134,949	---	---	-134,949
Air Transportation Stabilization Program Account	6,002	2,538	2,538	-3,464	---
Treasury Building and Annex Repair and Restoration	28,744	25,000	25,000	-3,744	---
Expanded Access to Financial Services	1,987	---	---	-1,987	---
Financial Crimes Enforcement Network	51,416	57,571	57,571	+6,155	---
Interagency Law Enforcement:					
Interagency crime and drug enforcement	106,877	---	---	-106,877	---
Financial Management Service	220,634	228,606	228,558	+7,924	-48
Alcohol and Tobacco Tax and Trade Bureau	79,480	80,000	80,000	+520	---
Bureau of the Public Debt	188,833	173,698	173,652	-15,181	-46
Payment of government losses in shipment	1,000	500	500	-500	---
Internal Revenue Service:					
Processing, Assistance, and Management	3,930,064	4,074,694	4,037,834	+107,770	-36,860
Tax Law Enforcement	3,849,884	4,227,808	4,221,408	+371,524	-6,400
Information Systems	1,621,833	1,670,039	1,628,739	+6,906	-41,300

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Business systems modernization	363,621	429,000	429,000	+65,379	---
Health Insurance Tax Credit Administration	69,545	35,000	35,000	-34,545	---
Subtotal	9,834,947	10,436,541	10,351,981	+517,034	-84,560
Total, title II, Department of the Treasury	10,849,532	11,343,206	11,273,088	+423,556	-70,118
Appropriations	10,849,532	11,343,206	11,273,088	+423,556	-70,118
Emergency funding	---	---	---	---	---
Rescissions	---	---	---	---	---
TITLE III - POSTAL SERVICE					
Payment to the Postal Service Fund	28,811	29,000	29,000	+189	---
Advance appropriation, FY 2002/2003	47,309	31,014	31,014	-16,295	---
Advance appropriation, FY 2004	30,812	36,521	36,521	+5,709	---
Total, title III, Postal Service:					
Fiscal year 2002/2003	76,120	60,014	60,014	-16,106	---
Fiscal year 2004	30,812	36,521	36,521	+5,709	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE IV - EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT					
Compensation of the President and the White House Office:					
Compensation of the President	450	---	450	---	+450
Salaries and Expenses	50,385	---	66,057	+15,672	+66,057
Office of Homeland Security	19,272	---	---	-19,272	---
Executive Residence at the White House:					
Operating Expenses	12,149	---	12,501	+352	+12,501
White House Repair and Restoration	1,192	---	4,225	+3,033	+4,225
Council of Economic Advisers	3,739	---	4,000	+261	+4,000
Office of Policy Development	3,230	---	4,109	+879	+4,109
National Security Council	7,770	---	9,000	+1,230	+9,000
Office of Administration	90,910	---	82,826	-8,084	+82,826
The White House	---	183,770	---	---	-183,770
Office of Management and Budget	61,988	77,417	62,772	+784	-14,645
Office of National Drug Control Policy:					
Salaries and expenses	26,284	27,290	28,790	+2,506	+1,500
Counterdrug Technology Assessment Center	47,688	40,000	40,000	-7,688	---
Subtotal	73,972	67,290	68,790	-5,182	+1,500

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Federal Drug Control Programs:					
High Intensity Drug Trafficking Areas Program	224,879	206,350	226,350	+1,471	+20,000
Other Federal Drug Control Programs	221,749	250,000	230,000	+8,251	-20,000
Unanticipated Needs	993	1,000	1,000	+7	---
Special Assistance to the President and the Official Residence of the Vice President:					
Salaries and Expenses	4,040	4,461	4,461	+421	---
Operating expenses	322	331	331	+9	---
Total, title IV, Executive Office of the President and Funds Appropriated to the President	777,040	790,619	776,872	-168	-13,747
Appropriations	777,040	790,619	776,872	-168	-13,747
Rescission	---	---	---	---	---
TITLE V - RELATED AGENCIES					
Architectural and Transportation Barriers Compliance Board:					
Salaries and expenses	5,160	5,401	5,401	+241	---
National Transportation Safety Board:					
Salaries and expenses	71,979	71,480	76,679	+4,700	+5,199
Emergency fund	---	600	600	+600	---
Committee for Purchase From People Who Are Blind or Severely Disabled	4,628	4,629	4,725	+97	+96
Federal Election Commission	49,542	50,440	50,440	+898	---
Election Assistance Commission:					
Salaries and expenses	2,000	10,000	5,000	+3,000	-5,000
Election reform programs	833,000	490,000	495,000	-338,000	+5,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Federal Labor Relations Authority	28,762	29,611	29,611	+849	---
Federal Maritime Commission	16,591	18,471	18,471	+1,880	---
General Services Administration:					
Federal Buildings Fund:					
Appropriations	373,269	217,000	247,350	-125,919	+30,350
Limitations on availability of revenue:					
Construction and acquisition of facilities	(717,488)	(400,568)	(406,168)	(-311,320)	(+5,600)
Repairs and alterations	(951,529)	(1,012,729)	(1,010,454)	(+58,925)	(-2,275)
Installment acquisition payments	(178,960)	(169,745)	(169,745)	(-9,215)	---
Rental of space	(3,113,211)	(3,388,187)	(3,308,187)	(+194,976)	(-80,000)
Building Operations	(1,526,459)	(1,608,708)	(1,608,708)	(+82,249)	---
Subtotal, limitations	(6,487,647)	(6,579,937)	(6,503,262)	(+15,615)	(-76,675)
Repayment of Debt	(79,685)	(54,256)	(54,256)	(-25,429)	---
Rental income to fund	---	---	---	---	---
Total, Federal Buildings Fund	373,269	217,000	247,350	-125,919	+30,350
(Limitations)	(6,567,332)	(6,634,193)	(6,557,518)	(-9,814)	(-76,675)
Policy and Citizen Services	65,873	---	---	-65,873	---
Governmentwide policy	---	74,031	56,383	+56,383	-17,648
Operating Expenses	72,027	85,083	79,110	+7,083	-5,973
Office of Inspector General	37,670	39,169	39,169	+1,499	---
Electronic Government (E-Gov) Fund	4,968	45,000	1,000	-3,968	-44,000
Allowances and Office Staff for Former Presidents	3,317	3,393	3,393	+76	---
Election Reform Reimbursements	14,902	---	---	-14,902	---
Election Reform Payments	650,000	---	---	-650,000	---
Total, General Services Administration	1,222,026	463,676	426,405	-795,621	-37,271

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Merit Systems Protection Board:					
Salaries and Expenses	31,819	35,503	32,877	+1,058	-2,626
Limitation on administrative expenses	2,609	---	2,626	+17	+2,626
Morris K. Udall Foundation:					
Morris K. Udall Trust Fund	1,983	372	1,300	-683	+928
Environmental Dispute Resolution Fund	1,300	700	1,300	---	+600
National Archives and Records Administration:					
Operating expenses	248,251	294,105	255,191	+6,940	-38,914
Electronic records archive	---	---	35,914	+35,914	+35,914
Reduction of debt	-7,186	-7,810	-7,810	-624	---
Repairs and Restoration	14,116	6,458	6,458	-7,658	---
National Historical Publications and Records Commission: Grants program	6,458	5,000	10,000	+3,542	+5,000
Total, National Archives and Records Admin	261,639	297,753	299,753	+38,114	+2,000
Office of Government Ethics	10,488	10,738	10,738	+250	---
Office of Personnel Management:					
Salaries and Expenses	128,644	118,748	119,498	-9,146	+750
Limitation on administrative expenses	120,006	135,914	126,854	+6,848	-9,060
Office of Inspector General	1,509	1,498	1,498	-11	---
Limitation on administrative expenses	10,815	14,427	14,427	+3,612	---
Government Payment for Annuitants, Employees Health Benefits	6,853,000	7,219,000	7,219,000	+366,000	---
Government Payment for Annuitants, Employee Life Insurance	34,000	35,000	35,000	+1,000	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Payment to Civil Service Retirement and Disability Fund	9,410,000	9,987,000	9,987,000	+577,000	---
Human Capital Performance Fund	---	500,000	2,500	+2,500	-497,500
Total, Office of Personnel Management	16,557,974	18,011,587	17,505,777	+947,803	-505,810
Office of Special Counsel	12,368	13,504	13,504	+1,136	---
United States Tax Court	37,063	40,187	40,187	+3,124	---
White House Commission on the National Moment of Rememberance	248	250	250	+2	---
Total, title V, Independent Agencies	19,151,179	19,554,902	19,020,644	-130,535	-534,258

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Title VI - General Provisions, This Act					
Surface transportation projects (Sec. 330)............	90,011	---	---	-90,011	---
Excess stabilization resources (rescission) (Sec. 333)	-90,000	---	---	+90,000	---
LRFA program (rescission) (Sec. 343)..................	-690	---	---	+690	---
Iowa rail infrastructure rehab project (Sec. 343).....	686	---	---	-686	---
Misc. highway projects (Highway Trust Fund)(Sec. 344).	283,147	---	---	-283,147	---
Value pricing pilot project (rescission) (Highway Trust Fund) (Sec. 364)..............................	-8,000	---	---	+8,000	---
Aviation ops sustainment-Midway Island (Sec. 371).....	3,477	---	---	-3,477	---
Pennsylvania Avenue improvements......................	---	---	15,000	+15,000	+15,000
Total, General provisions.......................	278,631	---	15,000	-263,631	+15,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Grand total	44,637,545	45,507,343	45,321,716	+684,171	-185,627
Appropriations	(44,933,723)	(45,439,808)	(45,391,181)	(+457,458)	(-48,627)
Emergency	---	---	---	---	---
Offset for new user fees	---	---	---	---	---
Rescissions	(-124,299)	---	---	(+124,299)	---
Rescission of contract authority	(-250,000)	---	(-137,000)	(+113,000)	(-137,000)
(By transfer)	---	---	---	---	---
(Transfer authority)	---	---	---	---	---
(Limitation on obligations)	(41,315,158)	(39,612,400)	(43,340,773)	(+2,025,615)	(+3,728,373)
(Rescissions of limitations on obligations)	---	---	---	---	---
(Exempt obligations)	(884,329)	(931,297)	(931,297)	(+46,968)	---
Net total budgetary resources	(86,837,032)	(86,051,040)	(89,593,786)	(+2,756,754)	(+3,542,746)
Discretionary total	26,903,488	26,975,843	26,208,786	-694,702	-767,057

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Scorekeeping adjustments:					
Pipeline safety (OSLTF)	-57,000	-49,000	-55,000	+2,000	-6,000
TASC adjustments (Sec. 348)	-12,600	---	---	+12,600	---
Bureau of The Public Debt (Permanent)	151,000	154,000	154,000	+3,000	---
Federal Reserve Bank reimbursement fund	137,000	122,000	122,000	-15,000	---
US Mint revolving fund	---	---	---	---	---
Sallie Mae	993	1,000	1,000	+7	---
Federal buildings fund	993	44,211	-64,000	-64,993	-108,211
Advance appropriations:					
Postal service, FY 2004	-30,812	-36,521	-36,521	-5,709	---
Adjustment for GSA transfer to Homeland Security	-438,701	-424,211	-424,211	+14,490	---
Total, adjustments	-249,127	-188,521	-302,732	-53,605	-114,211
Grand total (including scorekeeping)	44,388,418	45,318,822	45,018,984	+630,566	-299,838
Appropriations	(44,715,408)	(45,287,808)	(45,124,970)	(+409,562)	(-162,838)
Emergency	---	---	---	---	---
Offset for new user fees	---	---	---	---	---
Rescissions	(-124,299)	---	---	(+124,299)	---
Rescission of contract authority	(-250,000)	---	(-137,000)	(+113,000)	(-137,000)
(By transfer)	---	---	---	---	---
(Transfer authority)	---	---	---	---	---
(Limitations on obligations)	(41,315,158)	(39,612,400)	(43,340,773)	(+2,025,615)	(+3,728,373)
(Rescissions of limitations on obligations)	---	---	---	---	---
(Exempt obligations)	(884,329)	(931,297)	(931,297)	(+46,968)	---
Net grand total budgetary resources	(86,587,905)	(85,862,519)	(89,291,054)	(+2,703,149)	(+3,428,535)
Total, (including adjustments)	44,388,418	45,318,822	45,018,984	+630,566	-299,838

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Amounts in this bill	(44,637,545)	(45,507,343)	(45,321,716)	(+684,171)	(-185,627)
Scorekeeping adjustments	(-249,127)	(-188,521)	(-302,732)	(-53,605)	(-114,211)
Prior year outlays	---	---	---	---	---
Total mandatory and discretionary	44,388,418	45,318,822	45,018,984	+630,566	-299,838
Mandatory	(16,586,450)	(17,517,500)	(17,517,950)	(+931,500)	(+450)
Prior year outlays	---	---	---	---	---
Total mandatory	(16,586,450)	(17,517,500)	(17,517,950)	(+931,500)	(+450)
Discretionary	(27,801,968)	(27,801,322)	(27,501,034)	(-300,934)	(-300,288)
Prior year outlays	---	---	---	---	---
Total discretionary	(27,801,968)	(27,801,322)	(27,501,034)	(-300,934)	(-300,288)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
RECAP BY FUNCTION					
Mandatory	16,586,450	17,517,500	17,517,950	+931,500	+450
Prior year (outlays only)	---	---	---	---	---
Total, Mandatory	16,586,450	17,517,500	17,517,950	+931,500	+450
Discretionary:					
Highway category	---	---	447,000	+447,000	+447,000
(Limitation on obligations)	(32,193,835)	(30,276,400)	(34,108,753)	(+1,914,918)	(+3,832,353)
Prior year (outlays only)	---	---	---	---	---
Total, Highway category	(32,193,835)	(30,276,400)	(34,555,753)	(+2,361,918)	(+4,279,353)
Highway category budget scoring	---	---	447,000	+447,000	+447,000
Mass Transit category	1,435,607	1,290,000	1,423,980	-11,627	+133,980
(Limitation on obligations)	(5,743,423)	(5,936,000)	(5,807,020)	(+63,597)	(-128,980)
Prior year (outlays only)	---	---	---	---	---
Total, Mass Transit category	(7,179,030)	(7,226,000)	(7,231,000)	(+51,970)	(+5,000)
Mass Transit category budget scoring	1,435,607	1,290,000	1,423,980	-11,627	+133,980
General purpose discretionary:					
Defense discretionary	98,058	98,700	98,700	+642	---
Prior year (outlays only)	---	---	---	---	---
Total, Defense (050)	98,058	98,700	98,700	+642	---
Nondefense discretionary	26,268,303	26,412,622	25,531,354	-736,949	-881,268

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Prior year (outlays only)	---	---	---	---	---
Total, Nondefense	26,268,303	26,412,622	25,531,354	-736,949	-881,268
Total, General purpose discretionary	26,366,361	26,511,322	25,630,054	-736,307	-881,268
Total, Discretionary	27,801,968	27,801,322	27,501,034	-300,934	-300,288
Total, Mandatory and discretionary	44,388,418	45,318,822	45,018,984	+630,566	-299,838

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2003
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
DISCRETIONARY 302(b) ALLOCATION					
TOTAL discretionary (including mass transit and highway BA)	27,801,968	27,801,322	27,501,034	-300,934	-300,288
TOTAL 302(b) discretionary allocation	21,062,200	---	27,502,000	+6,439,800	+27,502,000
TOTAL Over/under discretionary allocation	6,739,768	27,801,322	-966	-6,740,734	-27,802,288

ADDITIONAL VIEWS OF HONORABLE DAVID R. OBEY AND HONORABLE JOHN W. OLVER

The bill reported out by the Transportation, Treasury and Independent Agencies Subcommittee would have devastated transportation programs in cities across the nation. Under the terms of the Subcommittee reported bill, fifteen communities across the nation in areas such as Altoona, PA, Jamestown, NY, Burlington, IA and Johnstown, PA, stood to lose both their passenger rail service and their commercial air service on the same day. Thousands of other communities, including several of the fifteen who would lose air and rail service, could also lost funding for transportation enhancement projects such as bike and pedestrian trails, streetscape renovations and rail-to-trail conversions.

The bill adopted by the Committee is certainly an improvement over the original Transportation. Treasury and Independent Agencies Subcommittee reported bill. However, serious and significant problems remain that will need to be addressed as the process moves forward.

Specifically,

- The Amtrak funding level threatens to either bankrupt the nation's passenger rail system or put it on a path to bankruptcy by denying capital and structural improvements that are necessary to ensure the safety and reliability of the system.
- Transportation enhancement projects lose the funding guarantee that was put in place a dozen years ago.
- Funds are not provided, as requested by the Bush Administration, to begin hiring additional Air Traffic Controllers in advance of the eminent wave of retirements.
- New IRS enforcement resources are disproportionately tilted toward cracking down on the working poor while too few resources are requested or attacking other high-yielding tax schemes like offshore accounts and credit cards, corporate tax avoidance and individual expatriates.

AMTRAK

Amtrak is funded at $900 million, $250 million, or almost 22%, below the fiscal year 2003 level and only half of what Amtrak says is necessary to ensure reliable service and to begin to address the years of neglect of capital priorities.

At the $900 million funding level contained in the committee bill, Amtrak will teeter on the brink of bankruptcy for another year. Potentially even worse, without the funding needed to address the capital backlog, Amtrak will continue to be one catastrophe—such as a bridge or switch failure—away from an event that could shut down Amtrak operations and impact the operations of commuter rail trains that run on Amtrak's bridges and tracks in the Northeast corridor.

No one should believe the Committee reported funding level for Amtrak is sufficient. Transportation Inspector General Mead recently wrote of a $900 million funding level, "Because there would not be any funds remaining for other capital investments, operational reliability likely would suffer without substantial funding from other sources. None of the backlog of capital needs could be addressed at this funding level."

The report accompanying the bill says that "for over thirty years, Amtrak has operated in the red at the expense of American taxpayers." This flawed argument is based on the idea that national passenger transportation systems are supposed to turn a profit. To argue that Amtrak should "make a profit" is inconsistent with expectations we hold for other modes of transportation and unreasonable given privatization efforts that have failed in other countries.

The report also argues for reducing the number of routes Amtrak currently operates. But, the report does not mention that reducing routes to only those that have a potential of becoming "profitable" would most likely result in the layoff of 10,000-12,000 of Amtrak's current workforce, with first year severance obligations totalling as much as $1 billion. These severance costs would continue for several years.

In the correspondence mentioned above, Transportation Inspector General Mead recently pointed out that these severance payments would have to be met through an "external" source of financing. Without an external source of additional funds, Amtrak's only option would be to declare bankruptcy.

Amtrak is widely supported by Members of Congress and the general public. Recently more than 220 House Members from both parties signed a letter supporting full funding for Amtrak. The Amtrak reauthorization bill also provides full funding at the Amtrak request level of $1.8 billion. The public supports Federal funding for a national rail passenger system as well. A Washington Post poll taken last Summer found 71% support for continued or increased Federal funding of Amtrak.

Even a recent George Will column supporting Amtrak and the efforts of Amtrak's new President David Gunn said "support for Amtrak is strong among all regions, ages, education levels and income groups."

Given the broad support and the overwhelming needs, it is important to cast aside the myths about Amtrak that are perpetuated in the Committee report. In order to balance the critical needs of Amtrak with limited resources for which all programs must compete, $1.4 billion should be provided for Amtrak in fiscal year 2004. This funding level will allow Amtrak to begin to address the backlog of capital needs and to shore up vital components of the infrastructure.

TRANSPORTATION ENHANCEMENTS

The Committee reported bill eliminates funding specifically dedicated for Transportation Enhancements (TE) that has been in existence since 1991 when ISTEA was enacted. The TE program was designed to help communities expand transportation choices.

Congress, in both ISTEA and TEA-21, determined that a small portion—about 2%—of our $31+ billion highway program should go to TE projects. TE funds can be used for safe bicycle and pedestrian facilities, the conversion to trails of abandoned railroad rights of way, renovating streetscapses, scenic routes, beautification, and other investments that increase recreation opportunity and access.

The bill adopted by the Committee would eliminate the dedicated funding Congress provided to TE projects over the past twelve years. This is contrary to the request of the Bush Administration which proposed to continue the TE programs in its' highway reauthorization proposal.

The States of Wyoming, Alaska, Arkansas, Minnesota, Vermont, North Dakota, Oklahoma, New Hampshire and Delaware have obligated the most TE funding from 1998 to 2003. All of these states have obligated more than 90% of the TE funding they received, exceeding the nation-wide averages for all of the core highway programs. To date bicycle and pedestrian facilities, combined with rail-trails, comprise over half of the state TE obligations.

A 2000 report determined that TE projects have both social and economic benefits. For example, a Union Station rehabilitation project in Meridian, Mississippi funded by TE, was determined to have spurred $10 million in private investment in the depot district. The Kentucky Cabinet for Economic Development estimated that visitors to the River Heritage Museum, funded by TE, will bring in $20.1 million to the Paducah area over five years.

The American Association of State Highway and Transportation Officials (AASHTO) recently said in support of TE funding, "This program is popular with many States because it contributes to projects that add to the quality of life and directly affects projects in localities. To date over fifteen thousand projects which range from bike paths to historic bridges have been built at the community level. It is one of the most popular TEA-21 programs."

The future of the TE program is more appropriately left to the Authorizing Committee, as it debates the highway reauthorization. That is where Members should address any issues they have with this program.

An amendment Mr. Olver offered in Committee to keep funding for the TE program as it is today was defeated by a vote of 33-29. We continue to believe that Section 114 of the Committee bill should be removed so that funding continues to be dedicated for these vital TE projects.

AIR TRAFFIC CONTROLLERS

The Committee passed bill fails to provide $14 million requested by the Administration for the hiring of 328 additional air traffic controllers. This decision is short-sighted given the rash of Air Traffic Controller (ATC) retirements that are expected in the next few years.

Because of the large scale hiring of ATC's that took place during the 1980's, a bubble of ATC's are about to become eligible for retirement in the next few years. The recent GAO study entitled "Air Traffic Control: FAA Needs to Better Prepare for Impending Wave of Controller Attrition" found that controller retirements will increase dramatically beginning in 2003 and continuing through 2010.

The Committee report argues that we should not be concerned about eminent retirements because “Attrition in the controller workforce has been very low for the past five years,” and that “This trend does not provide compelling evidence of an impending surge in retirements.” However, it is important to remember that the demographics of the workforce dictate that attrition rates would be low until 2003 when the post-strike ATC hires began to reach retirement eligibility. On this point, the GAO report said “approximately 5,000 controllers may leave in the next 5 years, a figure that is more than two times higher than that for the past 5 years.”

Because of the length and complexity of training, it is important to begin hiring now to address the eminent wave of retirements. Funding for hiring new Air Traffic Controllers should be provided at the administration’s request level of $14 million.

MISPLACED TAX COMPLIANCE RESOURCES

It is common knowledge that we continue to lose an increasing amount of tax revenues each year because of tax avoidance schemes. The difference between revenues collected and revenues lost each year due to tax avoidance schemes is often referred to the “tax gap.”

At the same time we’re seeing increased non-compliance, we’ve had fewer and fewer revenue officers and agents dedicated to compliance activities. Since 1996, the number of Revenue Agents has dropped from 14,949 to 11,752 in 2002. The number of Collections Revenue Officers has dropped from 5,537 in 1996 to 3,495 in 2002.

The previous IRS Commissioner summed it up quite well when he said that under funding the IRS enforcement efforts “is systemically undermining one of the most important foundations of the American economy” and that “basically, the demands and resources are going in the opposite direction.” He also said that another $2 billion was needed annually to staff up the IRS to meet the real enforcement needs.

Clearly, stronger enforcement measures are needed. It is estimated that the Treasury loses $132 billion per year from individual taxpayers, $70 billion form offshore accounts, and $46 billion from corporations through non-compliance and tax avoidance schemes.

That is why it is particularly appalling that while enforcement has slipped in areas such as those mentioned above, the IRS has decided to go after the working poor for alleged overpayments in the EITC program, which are quite small by comparison.

The IRS budget proposes a new $100 million initiative aimed at EITC error rates and only $133 million for all other new compliance initiatives. That is about a 70% increase to the EITC compliance account and a 3% increase to the tax enforcement account. That is certainly a disproportionate use of resources.

Additionally, without any new authority or approval from Congress, the IRS is moving rapidly to implement sweeping changes that could adversely impact the lives of millions of hard working, low income Americans. Under the IRS’ new $100 million EITC pre-certification initiative, certain filers subject to pre-certification will be required to provide a new form and documents in summer or fall months to avoid delay or denial of their EITC the following year.

The IRS has estimated that between 75%–85% of all EITC-eligible filers currently claim the credit each year. This is an admirable participation rate when compared to other federal programs and we should take every step possible to ensure comparable participation rates are maintained.

At the time the pre-certification initiative was proposed, the IRS had no way of estimating the impact of this proposal on EITC participation rates. And, this additional paperwork burden will come at a time in the year when low-income tax preparation sites and commercial tax preparers are generally not open to provide assistance.

Currently the IRS is undertaking a pilot of the pre-certification proposal using 45,000 EITC claimants. As part of the evaluation of the pilot, the IRS must ensure that any steps taken to reduce overpayments do not negatively impact the current participation rate. If the IRS finds that the pre-certification requirements discourage participation among eligible claimants, we feel strongly that the $100 million provided for the pre-certification initiative should be withheld until corrections and improvements can be implemented.

OTHER CONCERNS AND CONCLUSION

In addition to the concerns outlined above, this bill contains too little funding for job Access and Reverse Commute programs that help the working poor get to and from their jobs. Specifically, the bill only provides $85 million, $65 million below the fiscal year 2003 enacted level. Furthermore, no funding is provided in this bill for courthouse construction despite the nearly $1 billion, multi-year backlog of construction needs at sites across the nation.

In conclusion, many changes are needed to address the critical problems that remain in the Committee reported bill. We will continue to seek the improvements outlined above as this bill moves through the Congress.

DAVE OBEY.
JOHN OLVER.

ADDITIONAL VIEWS OF THE HONORABLE MARTIN OLAV SABO

Across the federal government, the experienced workforce is fast graying and approaching retirement age. Nowhere is this concern more evident than in Federal Aviation Administration air traffic control (ATC) services.

Over a number of years, I have closely monitored this FAA workforce and urged the FAA and General Accounting Office to analyze trends and making policy recommendations to ensure viable federal ATC operations for years to come. The safety consequences of an inadequate ATC workforce are simply unacceptable.

According to the most recent GAO analysis of FAA air traffic control needs, thousands of the FAA's more than 20,000 air traffic controllers will be eligible for retirement by 2011.

Of the 8,200 en-route air traffic controllers, many are already eligible for retirement. By 2006, 26 percent of these en-route controllers will be eligible to retire. By 2011, that percentage will increase to 65.

It takes time and resources to train experienced and trustworthy workers in this critical, high stress job. We must take the long view to ensure an adequate supply of quality air traffic controllers, regardless of whether the commercial aviation industry is experiencing a short-term economic downturn.

A very cost-effective source for well-trained en-route air traffic controllers is the Mid-America Aviation Resource Consortium. Not only is the MARC program the only post-graduate school in the country specializing in training en-route air traffic controllers, it has a fine reputation of recruiting women and minorities into this workforce. Further, the federal retention rate for MARC en-route controller graduates is very high.

For 13 years, the committee explicitly funded the MARC program. Unfortunately, that support is absent from the bill this year. Therefore, I offered an amendment in full committee to provide $2 million to continue operations support for the MARC school.

During committee discussion, the Chairman noted a distinction between air traffic controllers' eligibility for retirement and actual retirements. There is room for honest debate about the retirement rate. However, no one should dispute that there is a bow wave of retirements coming for FAA air traffic controllers, and we will continue to need to train new ones in the near and long term.

The MARC air traffic control school is a great success story—for Minnesota and the nation. It cost-effectively trains talented young men and women to keep us safe every time we fly.

While I withdrew my amendment in committee, it would be shortsighted to allow this vital program to lapse, and I will continue to press for MARC funding as the bill moves forward.

MARTIN OLAV SABO.

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