

DEPARTMENTS OF TRANSPORTATION AND TREASURY
 AND INDEPENDENT AGENCIES APPROPRIATIONS BILL,
 2005

SEPTEMBER 8, 2004.—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. 5025]

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, 2005.

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SUMMARY AND MAJOR RECOMMENDATIONS OF THE BILL

The accompanying bill would provide \$89.9 billion in new budget (obligational) authority for the programs of the departments of Transportation and Treasury and independent agencies, \$1 billion more than requested in the budget and \$495 million below the fiscal year 2004 enacted levels. In all cases, unless otherwise noted, references in this report to fiscal year 2004 enacted levels include an across-the-board reduction of .59 percent specified for all government departments, agencies, and entities in division H, section 168 of Public Law 108–199.

Selected major recommendations in the accompanying bill are:

- Federal-aid highways spending of \$34.6 billion, the same as the House-passed authorization level. This is an increase of \$1 billion over the President’s request and the same increase above the fiscal year 2004 enacted level.
- A total of \$14 billion provided to the Federal Aviation Administration (FAA)—\$171 million over the fiscal year 2004 enacted level and \$55 million over the President’s request. This includes \$3.5 billion for the airport improvement program and \$102 million for essential air service. The bill includes \$9 million above the request for the hire and training of additional air traffic controllers. The bill also extends the current provisions of the war risk insurance program, including current premium price caps, for one additional year.
- The bill provides \$900 million for Amtrak, a level consistent with the President’s budget request. The bill also continues current reforms for Amtrak, including the submission of a financial plan and quarterly reports to the Congress on the implementation of that plan. The bill includes \$500 million for capital improvements and \$60 million to ensure commuter operations continuity.
- Transit program spending totals \$7.249 billion, including over \$1 billion for new fixed guideway systems.
- Under the General Services Administration, the bill provides: \$90.7 million for new border stations to protect our nation’s borders and improve commercial efficiency at the borders; \$314.4 million for a new federal courthouse in Los Angeles, California; and \$2.7 million for design and site acquisition of a new courthouse in San Diego, California.
- The bill increases funding for Treasury’s Financial Crimes Enforcement Network by \$2.8 million.
- The bill provides \$468.5 million to the Office of National Drug Control Policy, including: \$215.4 million for the High Intensity Drug Trafficking Areas program, \$7 million above the President’s request; \$120 million for the National Youth Anti-

Drug Media Campaign; and \$70 million for the Drug-Free Communities program.

- Maintains current law requiring contraceptive coverage under the Federal Employees Health Benefits Program (FEHBP) (except in certain circumstances) and prohibiting the use of funds under FEHBP to pay for an abortion, except where the life of the mother is endangered or in case of rape or incest.
- Subject to certain criteria, the bill establishes a government-wide threshold requiring that any competitive sourcing initiative yield a 10 percent or \$10 million savings for the Federal Government; and
- Prohibits the Treasury Department from implementing or enforcing regulations that permit financial institutions to accept the matricula consular identification.

THE EFFECT OF GUARANTEED SPENDING

Over the objections of the Appropriations and Budget Committees, in 1998 the Transportation Equity Act for the 21st Century (TEA21) 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 (AIR21) 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 have had the effect of prohibiting 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 and to address emerging priorities, such as homeland security and overseas military requirements, within projected budget totals. The reorganization of the Committee in the 108th Congress posed additional challenges in this regard, because funding guarantees for selected transportation programs compete in the budget process against funding for non-transportation agencies such as the Office of National Drug Control Policy, enforcement of anti-terrorism and money laundering activities in the Treasury Department, the Internal Revenue Service, and the General Services Administration. As 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 as well as all non-transportation programs under the jurisdiction of this bill.

Although the funding guarantees in AIR-21 were extended in the Vision-100 Century of Aviation Reauthorization Act last year, the guarantees of TEA-21 expired on September 30, 2003, and the Committee’s recommendations were developed with that under consideration. As reauthorization of our surface transportation programs continues to be 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 could cause both transportation and non-transportation programs across the government to be under

more severe budget pressure, in order to keep the overall budget in balance. The effect of maintaining and enforcing these guarantees would 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 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 resources.

DECLINE IN RELEVANCE OF BUDGET JUSTIFICATION MATERIAL

The Committee is disturbed to note the serious decline in the quality of budget justification material submitted this year. Many of the detailed tables providing breakdowns of requested funds by activity or by office have been discontinued. Discussions of specific increases and decreases to prior funding levels have been minimized or eliminated, along with breakdowns of changes in staffing levels. In the place of critical budget-justifying material, the Committee is provided reams of narrative text expounding on the performance goals and achievements of the various agencies. This requires the Committee to expend unnecessary effort to get the information it needs, and to weed through mountains of information unrelated to the budget in the hope of finding something useful.

The Committee acknowledges the value of performance measurement. Likewise though, the Committee expects the administration to acknowledge that Congressional budget justifications are prepared not for executive officials, but for the use of the Committees on Appropriations. The Committees are less able to meet the administration's requests if they do not come justified with proper financial information. The Committee also believes there is currently much waste in the duplicated printing of performance reports. This year, for example, the Committee received a detailed "Performance and Accountability Report" from the Department of Transportation at the time the President's budget was submitted. Much of this information, however, was reprinted in the budget justifications. This was a waste of printing costs, and crowded out important financial information. Although the Committee traditionally prints the President's budget justifications in their entirety for distribution to the public, this year the Committee has removed hundreds of pages from public printing that were unrelated to justifying the budget request. In one agency alone, this saved the government at least \$9,000 in printing costs.

While the Committee remains interested in receiving performance information, in future budget submissions by the Departments of Transportation and Treasury, and independent agencies covered by this Act, these agencies are directed to refrain from including substantial amounts of performance data within the budget justifications themselves, and to instead revert to the traditional funding information previously provided. Performance-related information may be submitted under separate cover. Secondly, agencies funded in this bill are directed to include, as part of the budget justifications, a breakdown of requested budgetary and staffing resources by office. This should include comparative data showing such resources for the requested year and the two previous fiscal years. If the Office of Management and Budget or individual agen-

cies do not heed the Committee's direction, the Committee will assume that individual budget offices have excess resources that can be applied to other, more critical missions.

TABULAR SUMMARY

A table summarizing the amounts provided for fiscal year 2004 and the amounts recommended in the bill for fiscal year 2005 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 this bill. Pursuant to House rules, each of these hearings was open to the public. The Committee received testimony from cabinet officers, agency heads, inspectors general, and other officials of the executive branch in areas under the bill's jurisdiction. In addition, the Committee has considered written material submitted for the hearing record by Members of Congress, private citizens, local government entities, and private organizations. The bill recommendations for fiscal year 2005 have been developed after careful consideration of all the information available to the Committee.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2005, 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.

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

Appropriation, fiscal year 2004 ¹	\$81,193,000
Budget request, fiscal year 2005 ¹	107,103,000
Recommended in the bill	89,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+7,807,000
Budget request, fiscal year 2005	– 18,103,000

¹Includes the transfer of the Office of Emergency Transportation to the Office of the Secretary as requested in the budget.

COMMITTEE RECOMMENDATION

The bill provides \$89,000,000 for the salaries and expenses of the various offices comprising the Office of the Secretary. The following table compares the fiscal year 2004 enacted level to the fiscal year 2005 budget estimate and the Committee's recommendation by office:

	Fiscal year 2004 enacted ¹	Fiscal year 2005 estimate	House recommended
Immediate office of the secretary	\$2,179,000	\$2,738,000	\$2,219,000
Office of the deputy secretary	690,000	1,070,000	705,000
Office of the executive secretariat	1,426,000	1,500,000	1,456,000
Office of the under secretary of transportation for policy	12,141,000	12,919,000	12,639,000
Board of contract appeals	690,000	801,000	704,000
Official of small and disadvantaged business utilization	1,251,000	1,295,000	1,277,200
Office of the chief information officer	7,396,000	16,742,000	13,000,000
Office of the assistant secretary for governmental affairs	2,268,000	2,587,000	2,315,700
Office of the general counsel	14,985,000	16,920,000	15,394,300
Office of the assistant secretary for budget and programs	8,418,000	8,889,000	8,572,900
Office of the assistant secretary for administration	22,984,000	32,935,000	23,435,700
Office of public affairs	1,889,000	2,034,000	1,982,700
Office of intelligence and security	1,972,000	2,260,000	2,052,900
Office of emergency transportation	2,904,000	4,323,000	3,300,000
Total	81,193,000	107,013,000	89,000,000

¹Includes across the board reduction of .65 percent.

Immediate offices of the secretary and deputy secretary and the executive secretariat.—The recommendation provides an almost 2 percent increase for these offices rather than the 2.4 percent proposed. The recommendation includes individual funding for these offices, as in past years, rather than consolidating them as proposed in the budget request.

Office of the chief information officer.—The Committee recommends \$13,000,000 for activities of the chief financial officer, which represents a 75.8 percent increase above the fiscal year 2004 enacted level instead of the 126.4 percent increase proposed. While this increase may seem generous when compared to the increases provided to other offices of the department, the Committee notes the fiscal year 2005 level is on par with the fiscal year 2003 and 2002 funding levels. The Committee's recommendation includes \$2,285,000 for cyber intelligence and infrastructure protection, \$1,000,000 for common access architecture, \$500,000 for the enterprise security project, \$2,515,000 enterprise architecture implementation, \$2,000,000 for departmental investment and capital plan-

ning, \$500,000 for strategic management, and \$4,200,000 for consolidation and operations support.

Office of the assistant secretary for administration.—The Committee’s recommendation of \$23,435,700 for fiscal year 2005 assumes that the centralized workers’ compensation program, consolidated benefits activities, security investigation costs, rent, and the remediation of DOT facilities will be funded at the budget request level. The Committee recommends a total of \$378,000 for training and recruitment activities and \$68,000 for “electronic business practice” activities to meet the requirements of FedBiz Ops.

Office of emergency transportation.—The Committee approves the request to transfer of this office from the research and special programs administration to the office of the secretary. The Committee recommends a funding level of \$3,300,000, \$396,000 over the fiscal year 2004 level and \$1,023,000 below the budget request. Of the amount provided, \$100,000 is for improvements to the crisis management center’s operational capabilities and \$100,000 is for regional emergency response team training.

Operating plan.—The Committee directs the department to submit an operating plan for fiscal year 2005, signed by the Secretary for review by the Committees on Appropriations of both the House and Senate within 60 days of the bill’s enactment. The operating plan should include funding levels for the various offices, programs and initiatives detailed down to the object class or program element covered in the budget justification and supporting documents or referenced in the House and Senate appropriations reports, and the statement of the managers.

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 2006 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 2003. Further, the department is directed to include in the budget justification funding levels for the prior year, current year, and budget year for all programs, activities, initiatives, and program elements.

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.

OFFICE OF CIVIL RIGHTS

Appropriation, fiscal year 2004	\$8,518,000
Budget request, fiscal year 2005	8,700,000
Recommended in the bill	8,700,000
Bill compared with:	
Appropriation, fiscal year 2004	+182,000
Budget request, fiscal year 2005 .....	.....

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 \$8,700,000 for the office of civil rights, the same as the budget estimate and an increase of \$182,000 above the fiscal year 2004 enacted level.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

Appropriation, fiscal year 2004	\$20,741,000
Budget request, fiscal year 2005	10,800,000
Recommended in the bill	10,800,000
Bill compared with:	
Appropriation, fiscal year 2004	-9,941,000
Budget request, fiscal year 2005 .....	.....

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 \$10,800,000 for transportation planning, research and development, a reduction of \$9,941,000 below the fiscal year 2004 level, but equal to the budget request.

The Committee encourages the department to renew the current memorandum of understanding with Langston University regarding transportation research activities, and expand the scope if possible.

WORKING CAPITAL FUND

Limitation, fiscal year 2004	(\$116,026,000)
Budget request, fiscal year 2005 ¹ .....	.....
Recommended in the bill	(125,000,000)
Bill compared with:	
Limitation, fiscal year 2004	(+8,974,000)
Budget request, fiscal year 2005	(+125,000,000)

¹ Proposed without limitation.

The working capital fund (WCF) was created 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.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$125,000,000 on the working capital fund, \$26,054,000 below the amount estimated in the budget justification. The budget request proposed a limitless program level for the fund in fiscal year 2005. The Committee's recommendation is appropriate considering the funding levels of the operations and administrative accounts.

Modal usage of WCF.—Consistent with past practice, the Committee directs the department, in its fiscal year 2006 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

	<i>Appropriation</i>	<i>Limitation on guaranteed loans</i>
Appropriation, fiscal year 2004	\$895,000	(\$18,367,000)
Budget request, fiscal year 2005	900,000	(18,367,000)
Recommended in the bill	900,000	(18,367,000)
Bill compared to:		
Appropriation, fiscal year 2004	+5,000	(.....)
Budget request, fiscal year 2005		(.....)

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.

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 2004	\$2,982,000
Budget request, fiscal year 2005	3,000,000
Recommended in the bill	3,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+18,000
Budget request, fiscal year 2005	

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 for this program, \$18,000 above the fiscal year 2004 funding level and equal to the budget request.

NEW HEADQUARTERS BUILDING

Appropriation, fiscal year 2004 ¹	\$42,000,000
Budget request, fiscal year 2005	160,000,000
Recommended in the bill	
Bill compared with:	
Appropriation, fiscal year 2004	- 42,000,000
Budget request, fiscal year 2005	- 160,000,000

¹Fiscal year 2004 funds were provided under "General services administration, federal buildings fund."

This appropriation finances fiscal year 2005 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's recommendation includes no new funds in fiscal year 2005 for the new headquarters building. The Committee has still not yet received a satisfactory answer regarding why the Department is not pursuing a government-owned building at half the price instead of the current plan of a long term lease arrangement.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2004	\$51,693,000
Budget request, fiscal year 2005	50,000,000
Recommended in the bill	51,700,000
Bill compared with:	
Appropriation, fiscal year 2004	+7,000
Budget request, fiscal year 2005	+1,700,000

The 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 (FAA) 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.

The fiscal year 2005 budget proposes to fund the EAS program at a total of \$50,000,000, of which \$36,000,000 would come from new overflight fee collections credited to the Airport and Airway Trust fund, and \$14,000,000 from overflight fees previously collected and transferred to this payment account. The Committee finds the budget proposal unrealistic considering that in 2004, a court ruled the imposition of such overflight fees to be illegal and the FAA is currently prohibited from collecting such fees.

The Committee recommends a total program level of EAS in fiscal year 2005 of \$101,700,000, roughly the same level as provided in fiscal year 2004. This funding consists of an appropriation of \$51,700,000, \$14,000,000 from funds carried over from the prior year, and \$36,000,000 to be derived from other funds available to the FAA.

The bill includes a provision (sec. 525) prohibiting the use of funds to implement the EAS local participation program.

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 2004	\$7,486,493,000
Budget request, fiscal year 2005	7,849,000,000
Recommended in the bill	7,726,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+239,507,000
Budget request, fiscal year 2005	-123,000,000

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 \$7,726,000,000 for FAA operations, an increase of \$239,507,000 (3.2 percent) above the level provided for fiscal year 2004 and \$123,000,000 below the President's budget request.

A comparison of the fiscal year 2005 budget estimate to the Committee recommendation by budget activity is as follows:

Budget activity	Fiscal year—	
	2005 estimate	2005 recommended
Air traffic organization	\$6,522,109,000	\$6,160,617,600
Aviation regulation & certification	905,194,000	916,894,000
Research and acquisition	(1)	224,039,000
Commercial space transportation	11,941,000	11,674,000
Financial services	(2)	50,624,000
Human resources	(2)	69,821,600
Region and center operations	(2)	149,569,800
Staff offices	409,756,000	139,302,000
Information services	(2)	38,254,000
Account-wide adjustments		- 34,796,000
Total	7,849,000,000	7,726,000,000

¹ Estimate includes \$224,039,000 under "Air traffic organization".

² Estimate includes such funds under "Staff offices", as follows: Financial services, \$53,624,000; Human resources, \$78,660,000; Region and center operations coordination, \$88,479,000; Office of information services, \$38,254,000.

TRUST FUND SHARE OF FAA BUDGET

The bill derives \$6,002,000,000 of the total appropriation from the airport and airway trust fund. This is the same as the budget estimate. The balance of the appropriation (\$1,724,000,000) will be drawn from the general fund of the Treasury. Under these provisions, 77.7 percent of the FAA's operating costs will be borne by air travelers and industries using those services. The remaining 22.3 percent will be borne by the general taxpayer, regardless of whether they directly utilize FAA services.

STATE OF THE AIRPORT AND AIRWAY TRUST FUND

According to Administration estimates, fiscal year 2005 will continue the recent trend where necessary outlays for FAA programs outstrip the revenues from aviation users deposited into the airport and airway trust fund. The following table compares trust fund revenue to trust fund outlays for the past three fiscal years. As the table indicates, under current estimates the Federal Government is not only spending all the revenues coming into the trust fund, it is going beyond that, and spending down the cash balance. The Administration estimates that, at the end of fiscal year 2005, the unliquidated cash balance in the trust fund will be approximately \$2,875,000,000. This represents a drop of 36.5 percent from the figure two years before.

	Fiscal year 2003	Fiscal year 2004	Fiscal year 2005
Trust fund revenue ¹	\$9,372,000,000	\$10,523,000,000	\$11,241,000,000
Trust fund outlays	9,618,000,000	11,538,000,000	12,667,000,000
Difference	- 246,000,000	- 1,015,000	- 1,426,000,000

¹ Includes excise taxes, offsetting collections, and interest on trust fund cash balance.

AVERAGE STAFFYEAR COST

The Committee continues to be concerned over FAA's high average cost for personnel. In fiscal year 2005, the average full-time equivalent (FTE) staffyear cost at FAA is estimated at \$130,957. This is among the highest of all federal agencies, and has risen 22 percent in the past four years. The Committee believes FAA needs

to continue, as a high priority, its efforts to reform the agency cost structure. These efforts must include business process re-engineering, value activity analysis, facility consolidation, and other options to reduce the agency's personnel costs over the coming years.

SICK LEAVE

The Committee notes that FAA's consumption of sick leave rose in both leave year 2002 and 2003. Currently, the average FAA employee uses 11.2 sick leave days per year, a figure almost 20 percent higher than the government-wide average. Given the severe budget constraints facing the nation, the Committee urges FAA to continue focusing on ways to reduce sick leave, to improve productivity and lessen the need for additional staffing resources in future years.

AIR TRAFFIC SERVICES

The bill provides \$6,160,617,600 for air traffic services. These resources would be managed by FAA's air traffic organization. Recommended adjustments to the budget estimate are listed and described below:

	<i>Amount</i>
Contract tower base program	+\$6,800,000
Contract tower cost-sharing program	+7,000,000
Restoration of Research and Acquisitions office	- 224,039,000
NAS handoff—reduce growth	- 104,000,000
Required navigation performance	- 8,000,000
Management of MOUs and MOAs	- 500,000
Realignment of functions to ARC	- 52,252,400
New controller hires and training	+9,000,000
Aviation weather support training program	+500,000
ATC operational supervisors	+4,000,000

Contract tower program.—The bill includes \$86,000,000, an increase of \$6,800,000 above the budget estimate, to continue the contract tower base program. The President's budget does not reflect the estimate for new contracts being negotiated during fiscal year 2005, or costs to continue operations at an estimated 15 new towers entering the program during fiscal year 2005. Of the funds provided for this program, \$500,000 is to deploy computer-based interactive training systems for controllers at FAA contract towers. In designing the system, FAA should utilize interactive computer-based training and testing systems in use at airports.

In addition, the bill provides \$7,000,000 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. Communities in this program as of May 1, 2004 are shown below:

Airport name	State
King Salmon	AK
Springdale	AR
Laughlin/Bullhead City	AZ
South Lake Tahoe	CA
Macon	GA
Bloomington	IN
Columbus Municipal	IN
Muncie/Delaware County	IN
Garden City	KS
Manhattan	KS

Airport name	State
Jefferson City	MO
Concord	NC
Kinston	NC
Hickory Regional	NC
Lebanon Municipal	NH
Elko	NV
Oneida County	NY
Stillwater	OK
Latrobe	PA
Williamsport/Lycoming County	PA
Grand Strand/Myrtle Beach	SC
McKeller-Sipes (Jackson)	TN
Walla Walla Regional	WA

Restoration of research and acquisition office.—The Committee recommendation restores funding for a separate Office of Research and Acquisition. The President's budget proposed to transfer this funding to the air traffic organization. Inasmuch as not all research and acquisition staffing is related to air traffic services activities, and in recognition that there are separate appropriations for these important activities, the Committee believes the traditional budget structure should be maintained.

Competitive sourcing for flight service stations.—In order to maintain a high level of safety and efficiency in the provision of flight service activities, the Committee urges FAA to ensure that the flight service station competitive sourcing effort require bidders to provide comprehensive and specific customer service standards for providing flight briefings to pilots as well as a process for ongoing customer service monitoring and evaluation.

Required navigation performance.—The budget proposed a large increase to accelerate development of required navigation performance (RNP) criteria, and to publish and validate associated flying procedures. While the Committee supports this effort, given budget constraints and the need to fund other important priorities, the Committee recommends an increase of \$8,156,000 above the fiscal year 2004 level. This results in a reduction to the budget estimate of \$8,000,000.

Management of MOUs and MOAs.—The Committee acknowledges the improvements made over the past year by FAA in managing memoranda of understanding (MOUs) and memoranda of agreement (MOAs) with its labor unions. In recognition that many of these changes are likely to result in reduced operating costs, the Committee bill assumes cost savings of \$500,000 from this effort.

National airspace system handoff.—The Committee recommendation provides a reduction of \$104,000,000 below the budget estimate. The President's budget had proposed an increase of \$183,200,000, a rate which cannot be sustained in the current budgetary situation.

Controller staffing.—According to FAA, the agency's staffing standard estimates that 15,350 air traffic controllers will be required in fiscal year 2005. The President's budget request assumes an end of year staffing level of 15,333, which is sufficient to meet the requirement. However, the Committee believes it prudent to provide an initial down payment on the additional resources expected over the next few years to address controller retirements. The Committee notes that, as older controllers retire and are re-

placed by younger ones, the agency will incur substantial savings that can be used to offset additional requirements. Further, any assumption of a one-to-one replacement of retiring controllers assumes no productivity improvements from procedural changes, facility consolidation, or new technology. The Committee believes the business-like mindset of the new Air Traffic Organization, as well as the unusual flexibility provided to the agency through personnel and procurement reform, will make such productivity improvements a reality and lessen the need for additional personnel. However, in the short-term the Committee believes it necessary to hire some additional controllers and begin their training. The Committee bill includes an additional \$9,000,000 to hire and train additional air traffic controllers. This should be sufficient to hire and train approximately 120 controllers. The Committee directs that the initial training for these personnel be conducted at the FAA Academy. In addition, the Committee bill includes \$4,000,000 to hire an additional 120 air traffic control operational supervisors. This is the same amount as provided for fiscal year 2004. The Committee believes it is important to continue the initiative begun last year to restore the supervisory ranks to a healthy staffing level after several years of severe reductions. In October 1998, FAA had 1,963 air traffic control supervisors. By February 2004, that number had dropped to 1,519. With the additional resources provided last year, FAA intends to build up to the Congressionally-mandated level of 1,726 by the end of this fiscal year. The Committee recommendation would bring this level to 1,846.

Aviation weather support training program.—The recommendation includes \$500,000 to establish an aviation weather support training and test bed program involving two center weather service units, to improve the delivery of weather services and products for air route traffic control centers. This program would explore ways to correct the deficiencies identified in a November 2003 FAA audit by enhancing operational procedures, data dissemination, and coordination between air traffic control personnel and the central weather service unit meteorologists supporting them.

Realignment of functions to Assistant Administrator for Region and Center Operations.—FAA has recently decided to transfer certain activities from the Air Traffic Organization and the Assistant Administrator for Human Resources to the Assistant Administrator for Region and Center Operations. These include certain logistics functions and management of the Center for Management Development, which is being transferred to the FAA Academy in Oklahoma City, OK. These zero-sum transfers are reflected in the bill.

New York/New Jersey airspace redesign.—The Committee directs that, of the funds provided for national airspace redesign, not less than \$5,000,000 shall be allocated to airspace redesign activities in the New York/New Jersey metropolitan area, and these funds shall not be reprogrammed to any other activity except through Congressional reprogramming procedures. These funds shall not be used to prepare an environmental impact statement for the redesign of this airspace, or to conduct any work pursuant to the National Environmental Policy Act or related laws, unless the FAA formally declares noise mitigation to be a primary objective of the redesign project.

Procedures and technologies to improve airspace efficiency and capacity.—The Committee supports and encourages the FAA to: (1)

expeditiously complete the airspace redesign in the Washington, DC region and the Chicago terminal areas; (2) to the extent resources allow, develop and implement RNP/RNAV procedures at key points nationwide such as Denver, San Francisco, Chicago, and Washington Dulles; and (3) continue development of the en route automation modernization (ERAM) program for ultimate deployment to FAA en route centers. The Committee believes each of these improvements will provide significant efficiency and capacity gains in the nation's airspace. The Committee directs FAA to report on the progress of these activities to the House and Senate Committees on Appropriations no later than April 1, 2005.

Core skills training, airways facilities technical workforce.—The Committee believes that basic core skills training and certification for the airway facilities (AF) technical workforce is necessary for the safe operation of the NAS and for the viability of the FAA's modernization program. In the year 2000, FAA recognized the need to establish a core set of information technology skills for the AF technical workforce. The AF training model at that time was determined to be lacking in both structure and efficiency. An analysis of AF technical workforce responsibilities was accomplished in order to identify the core skills required for the performance of individual positions. As a result of this analysis, the FAA agreed to revise training with a focus on timely and efficient delivery and accommodation of NAS modernization. FAA's plan was to provide at least 20 percent of the workforce with core skills training each year. Unfortunately, despite this agreement, less than 40 percent of the current AF workforce has received the training. If FAA had fully implemented the agreement, 80 percent of the workforce would be trained. The Committee believes that possessing a core set of skills will assist the AF technical workforce in their responsibilities, thereby saving the FAA both time and money. The Committee strongly encourages the agency to do whatever is necessary to provide the AF technical workforce with core skills training and certification, and to shift its technical training focus to a de-centralized model, in fiscal year 2005. The Committee agrees with the FAA that this approach will provide the most effective use of resources available with the least impact to NAS operations.

AVIATION REGULATION AND CERTIFICATION

The Committee recommends \$916,894,000 for aviation regulation and certification, an increase of \$11,700,000 above the budget estimate. Recommended adjustments to the budget estimate are listed and described below:

	<i>Amount</i>
Certification of upset training program	+\$500,000
Flight attendant fatigue study	+200,000
Safety and security analytics	+1,000,000
Transfer, Office of System Safety	+10,000,000

Study and certification of upset recovery training.—The Committee recommends \$500,000 for FAA to evaluate and validate state-of-the-art methods of conducting enhanced upset recovery training using centrifuge-based flight simulator technology. The Committee believes FAA should consider the development of aircraft-specific upset recovery procedures using today's simulator technology. Funds in this bill are to conduct human factors experi-

ments at the Civil Aeromedical Institute to verify the benefits of this technology.

Flight attendant fatigue study.—The Committee is concerned about evidence that FAA minimum crew rest regulations may not allow adequate rest time for flight attendants. Especially since the terrorist attacks of September 11, 2001, the nation's flight attendants have been asked to assume a greater role in protecting the safety of air travelers during flight. Current flight attendant duty and rest rules state that flight attendants should have a minimum of nine hours off duty, that may be reduced to eight hours, if the following rest period is ten hours. Although these rules have been in place for several years, they do not reflect the increased security responsibilities since 2001, and only recently have carriers begun scheduling attendants for less than nine hours off. There is evidence that what was once occasional use of the "reduced rest" flexibility is now becoming common practice at some carriers. Because FAA regulations allow the rest period to commence shortly after the aircraft parks at the gate, the eight hour "rest" period also includes the time it takes a flight attendant to get out of the terminal, go through customs if necessary, obtain transportation to a hotel and check in. Due to this situation, it is likely that many flight attendants are performing their duties with no more than 4 to 6 hours of sleep. To better understand the impact of the minimum rest requirements of FAR 121.467 and FAR 135.273, the Committee recommends \$200,000 for a study of flight attendant fatigue. This study should consider professional input from FAA's Civil Aeromedical Institute. The study should be finalized and submitted to the House and Senate Committees on Appropriations no later than June 1, 2005, including the agency's recommendations on potential regulatory revisions.

Safety and security analytics project.—The recommendation includes \$1,000,000 to initiate the safety and security analytics project. Current software is available to analyze electronic text found in descriptions of accidents, incidents, pilot and controller reports, and other databases to determine trends, patterns, and anomalies earlier than using other methods. This technology will help FAA meet its long-term goal of reducing the fatal accident rate among commercial air carriers by focusing on long-term trends rather than specific cases.

Transfer, Office of System Safety.—The Office of System Safety was established in 1996 in response to findings stemming from the crash of ValuJet flight 592 and concerns over the potential impact of suspected unapproved parts in the aviation industry. Given changes in FAA's organizational structure and management since that time, the Committee believes the activities of this office would benefit from being included in, overseen by, and integrated with, the broader day-to-day safety activities of the Office of the Associate Administrator for Regulation and Certification (AVR). The recommendation funds this office at \$10,000,000, a reduction of \$1,437,000 from the budget estimate.

Supplemental oxygen.—The Committee remains concerned that air travelers who require supplemental oxygen during flight face significant barriers to accessibility in air travel, which is at odds with the goals of the Air Carrier Access Act. The Act prohibits discrimination on the basis of disability in air travel, and requires ac-

commodations that make air travel accessible for passengers with disabilities. The Committee is aware that the Research and Special Programs Administration has reviewed portable oxygen concentrator technology and found it to be a non-hazardous medical device and, as such, does not pose a safety or security risk. The Committee encourages FAA to initiate a rulemaking within six months of enactment that would establish rules for the use of portable oxygen concentrators and other oxygen delivery systems by airline patrons.

RESEARCH AND ACQUISITION

The Committee recommends \$224,039,000, the same as the budget estimate and \$8,165,400 (3.8 percent) above the fiscal year 2004 enacted level.

COMMERCIAL SPACE TRANSPORTATION

The Committee recommends \$11,674,000 for the Office of Commercial Space Transportation, a reduction of \$267,000 below the budget estimate. The Committee recommendation reflects the House-passed authorization for this office, which freezes funding at the fiscal year 2004 enacted level. The Committee's recommendation also reflects the fact that this office has had problems obligating funds in a timely manner in past years, and that the number of FAA-licensed launches remained flat in fiscal year 2003, the last full year for which actual data are available.

FINANCIAL SERVICES

The Committee recommends \$50,624,000, a reduction of \$3,000,000 below the budget estimate. The Committee recommendation does not include the requested increase of \$3,000,000 for additional staffing in the office of budget. The Committee believes the office can meet its requirements by re-prioritizing its activities in accord with the Administrator's corporate goals without additional staff, and notes that Financial Services had 10 positions vacant at the time of the Committee's budget hearing this year. Hearing data indicates that Financial Services has 56 positions which are classified as either "executive or management", "management and program analyst", "budget analyst", or "fiscal specialist". The Committee believes this number of positions is sufficient to manage the current workload, even if it requires reallocation of positions within the Financial Services organizational structure.

HUMAN RESOURCES

The Committee recommends \$69,821,600, a reduction of \$8,838,400 below the budget estimate. The reduction reflects the internal realignment of certain activities to region and center operations, as previously discussed.

Worker's compensation.—Last year, the Committee expressed concern over FAA's high payments under the worker's compensation program. The Committee is pleased that, due to greater priority and focus on this issue by top management, the increases in worker's compensation costs are beginning to moderate. A pilot "return to work" project by the FAA Southern Region this year resulted in 35 of 75 reviewed cases either being transitioned to dis-

ability retirement or being offered other employment by the agency. Because of its success, this effort is now being expanded to FAA's two centers and the other regional offices, which should lead to further savings in chargeback year 2005.

REGION AND CENTER OPERATIONS

The Committee recommends \$149,569,800 for region and center operations. The increase of \$61,090,800 reflects the realignment of activities to this budget activity, as previously discussed.

STAFF OFFICES

The Committee recommends \$139,302,000 for staff offices, a reduction of \$270,454,000 below the budget estimate. The recommendation reflects restoration of offices proposed for consolidation in the President's budget (\$259,017,000) and transfer of the Office of System Safety to Aviation Regulation and Certification (-\$11,437,000).

INFORMATION SERVICES

The Committee recommends \$38,254,000 for information services, which is the same as the budget estimate and \$8,849,036 above the fiscal year 2004 enacted level. The additional resources are required to address information security requirements.

ACCOUNTWIDE ADJUSTMENTS

Working capital fund costs.—The recommendation allows \$24,857,000 for working capital fund costs, a reduction of \$5,796,000 below the budget estimate and an increase of \$6,689,000 above the fiscal year 2004 enacted level.

Official time productivity savings.—Despite the Committee's strong encouragement last year, the Committee has seen no evidence that FAA has taken effective steps to bring official time expenditures closer to the government-wide average. Clearly, FAA is heavily unionized, and therefore has a significant need for total hours of official time compared to many other federal agencies. However, this does not explain why FAA would require three times the amount of official time per bargaining unit employee as the government-wide average. It does not explain why FAA's time per employee has increased by over 140 percent in the past 5 years, compared to the government-wide increase of only 5 percent. In fact, FAA has 90 employees who perform no duties for the government other than activities related to official time. The Committee recommends a reduction of \$7,000,000, and assumes the agency will be able to achieve these savings through a more aggressive review of its official time practices. The Committee encourages FAA to work with the Office of Personnel Management to find ways to bring its practices more in line with other federal agencies.

Unfilled executive positions.—The Committee recommends a reduction of \$1,000,000, reflecting the unfilled roster of 16 executive positions in the agency, including 8 which were not under active recruitment at the time of the Committee's budget hearing this year. Past hearing records indicate that, at any given time, the agency is likely to have between 10 and 20 unfilled executive positions. For an agency with 176 executive positions, this level of

openings may not be problematic. However, it does indicate excess costs are being budgeted for positions which are not likely to be filled in the entirety of the fiscal year.

Bureau of Transportation Statistics studies.—The Committee denies the \$2,000,000 requested for aviation statistical studies to be conducted by FHWA's Bureau of Transportation Statistics. It is not clear to the Committee how these studies will be relevant to FAA's mission.

Executive training.—The Committee denies FAA's proposed increase for executive training and development, a reduction of \$3,000,000 below the budget estimate, due to budget constraints and higher priority needs.

Personnel compensation and benefits.—The recommendation includes a reduction of \$16,000,000 in agency-wide personnel compensation and benefits costs due to budget constraints.

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 2005.

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 2004.

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 authorized 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 continue to be conducted by the FAA, and not administratively delegated to the WCF.

Store gift cards and gift certificates.—The bill maintains the limitation in effect for fiscal year 2004 prohibiting FAA from using funds to purchase store gift cards or gift certificates through a government-issued credit card. This provision responds to abuses documented by the U.S. General Accounting Office last year.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2004	\$2,892,831,000
Budget request, fiscal year 2005	2,500,000,000
Recommended in the bill	2,500,000,000
Bill compared with:	
Appropriation, fiscal year 2004	–392,831,000
Budget request, fiscal year 2005 .....	.....

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 \$2,500,000,000 for this program, a decrease of \$392,831,000 (13.5 percent) below the level provided for fiscal year 2004 and the same as the budget estimate. The bill provides that of the total amount recommended, \$2,056,300,000 is available for obligation until September 30, 2007, and \$443,700,000 (the amount for personnel and related expenses) is available until September 30, 2006. These obligation availabilities are consistent with past appropriations Acts and the same as the budget request.

BUDGET PRESENTATION

The Committee has returned the fiscal year 2005 budget presentation to the structure followed through fiscal year 2002. Beginning in fiscal year 2003, the Administration proposed an entirely new budget structure for this account. After testing this structure for the past two years, the Committee finds that it is inferior to the previous structure because it depends on overlapping budget categories and subjective judgments among agency officials concerning a program's predominant purpose. In addition, it more easily obscures when a program is transitioning from development to production or implementation, among other things making it easier for the agency to use production funds to cover developmental cost overruns with little scrutiny. The Committee intends to continue the organizational structure as specified in this bill. To avoid confusion, the Committee encourages the agency to follow this organization in future budget requests.

BUDGET TRANSFER

The Committee rejects FAA's proposal to begin transferring responsibility for certain navigational aids and landing systems to the nation's airports through the Grants-in-Aid for Airports program. The Committee is simply reaffirming a position taken a few

years ago, when the agency was under budgetary pressure and a similar proposal was made. FAA is in a partnership with the nation's airports, and is responsible for providing navigation and landing services. This implies not only the people who conduct those activities, but the equipment necessary to accomplish that mission. The AIP program does not exist to supplement FAA's capital budget. Rather, it exists to provide financial assistance to airports to help them meet their own development needs.

The following table compares the fiscal year 2005 budget estimate to the Committee recommendation for each of the projects funded by this appropriation:

FACILITIES AND EQUIPMENT

Budget line item	Program name	Fiscal year 2005 estimate	Committee recommended
Engineering Development, Test and Evaluation:			
1A01	Advanced Technology Development & Prototyping	\$37,300,000	\$42,400,000
1A02	Safe Flight 21	40,454,000	40,454,000
1A03	Aeronautical Data Link (ADL) Applications	4,000,000	4,000,000
1A04	Next Generation VHF Air/Ground Communications System (NEXCOM)	31,950,000	31,950,000
1A06	Free Flight Phase 2	92,500,000	92,500,000
1A07	Louisville, KY technology demonstration	— — —	3,000,000
1A09	NAS Improvement of System Support Laboratory	1,000,000	1,000,000
1A10	Technical Center Facilities	12,000,000	12,000,000
1A11	Technical Center Building and Plant Support	4,300,000	4,300,000
Total Activity 1		223,504,000	231,604,000
Air Traffic Control Facilities and Equipment:			
2A01	En Route Automation Program	361,200,000	361,200,000
2A02	Next Generation Weather Radar (NEXRAD)	4,900,000	4,900,000
2A03	ATOMS Local Area/Wide Area Network	1,100,000	1,000,000
2A04	Weather and Radar Processor (WARP)	4,700,000	4,700,000
2A05	ARTCC Building Improvements/Plant Improvements	35,000,000	35,000,000
2A06	Voice Switching and Control System (VSCS)	24,100,000	24,100,000
2A07	Air Traffic Management (ATM)	57,000,000	37,500,000
2A08	Critical Telecommunication Support	1,300,000	1,300,000
2A09	Air/Ground Communications Infrastructure	13,500,000	13,500,000
2A11	ATCBI Replacement (ATCBI-6)	15,100,000	15,100,000
2A12	ATC En Route Radar Facilities Improvements	3,000,000	— — —
2A13	En Route Communications and Control Facilities Improvements	1,020,800	1,020,800
2A14	Aviation Weather Services Improvements (CIWS)	4,000,000	4,000,000
2A15	FAA Telecommunications Infrastructure (FTI)	71,150,000	56,000,000
2A16	Guam Center Radar Approach Control (CERAP)—Relocate	2,300,000	2,300,000
2A17	Oceanic Automation System	50,850,000	50,850,000
Subtotal—En Route Programs		650,120,800	612,470,800
2B01	Airport Surface Detection Equipment—Model X (ASDE-X)	51,300,000	51,300,000
2B02	Terminal Doppler Weather Radar (TDWR)	8,000,000	8,000,000
2B03	Terminal Automation Program	21,700,000	35,000,000
2B04	Terminal ATC Facilities Replacement	95,100,000	112,700,000
2B05	ATC/TRACON Facilities Improvement	55,175,800	41,068,900
2B06	Terminal Voice Switch Replacement/Enhanced TVS	10,200,000	10,200,000
2B07	NAS Facilities OSHA and Environmental Standards Compliance	25,500,000	25,500,000
2B08	Houston Area Air Traffic System	12,000,000	12,000,000
2B09	NAS Infrastructure Management System (NIMS)	16,000,000	16,000,000
2B10	ASR-9 SLEP	20,700,000	20,700,000
2B11	Voice Recorder Replacement Program (VRRP)	5,100,000	7,100,000
2B12	Terminal Digital Radar (ASR-11)	107,100,000	75,000,000
2B13	DOD/FAA Facilities Transfer	1,200,000	1,200,000
2B14	Precision Runway Monitors	7,400,000	7,400,000
2B15	Terminal Radar Improvements	1,073,700	1,073,700
2B16	Terminal Communications—Improve	1,129,400	1,129,400

FACILITIES AND EQUIPMENT—Continued

Budget line item	Program name	Fiscal year 2005 estimate	Committee recommended
2B22	Integrated Control and Monitoring System	-- --	3,500,000
	Subtotal—Terminal Programs	438,678,900	428,872,000
2C01	Automated Surface Observing System (ASOS)	7,300,000	7,800,000
2C02	FSAS Operational and Supportability Implementation System (OASIS)	10,200,000	8,000,000
2C03	Weather Message Switching Center Replacement	1,000,000	1,000,000
2C06	Flight Service Station (FSS) Modernization	1,300,000	1,300,000
	Subtotal—Flight Service Programs	19,800,000	18,100,000
2D01	VOR/DME	2,000,000	2,000,000
2D02	Instrument Landing System (ILS) Establishment	5,800,000	25,000,000
2D03	Transponder Landing System (TLS)	-- --	8,400,000
2D05	Runway Visual Range	1,400,000	1,400,000
2D07	Navigation and Landing Aids—Improve	4,408,700	4,408,700
2D08	Approach Lighting System Improvement Program (ALSIP)	5,000,000	17,160,000
2D10	DME Sustainment	1,000,000	1,000,000
2D11	Visual Nav aids (PAPI/REIL)	3,200,000	3,200,000
2D12	Loran-C	-- --	27,226,900
2D13	Instrument Approach Procedures Automation	3,100,000	3,100,000
2D14	Navigation and Landing Aids Service Life Extension Pgm	2,000,000	2,000,000
	Subtotal—Landing and Navigational Aids	27,908,700	94,895,600
2 02	Fuel Storage Tank Replacement and Monitoring	3,000,000	3,000,000
2 02	FAA Buildings and Equipment	11,027,600	11,027,600
2 03	Electrical Power Systems—Sustain/Support	45,000,000	45,000,000
2 03	Air Navigational Aids and ATC Facilities (Local Projects)	2,300,000	2,300,000
2 04	Aircraft Related Equipment Program	12,000,000	12,000,000
2 05	Computer Aided Eng and Graphics (CAEG) Modernization	800,000	800,000
2 06	Airport Cable Loop Systems—Sustained Support	4,600,000	7,100,000
2 06	Programs being rebaselined (ITWS, STARS, WAAS)	228,030,000	190,000,000
	Subtotal—Other ATC Facilities	306,757,600	271,227,600
	Total Activity 2	1,443,266,000	1,425,566,000
	Non-ATC Facilities and Equipment:		
3A01	NAS Management Automation Program (NASMAP)	1,000,000	1,000,000
3A02	Hazardous Materials Management	17,000,000	17,000,000
3A03	Aviation Safety Analysis System (ASAS)	12,900,000	12,900,000
3A04	Logistics Support Systems and Facilities (LSSF)	6,000,000	6,000,000
3A05	Test Equipment—Maintenance Support for Replacement	3,000,000	3,000,000
3A06	National Aviation Safety Data Analysis Center (NASDAC)	1,600,000	1,600,000
3A07	NAS Recovery Communications (RCOM)	10,000,000	10,000,000
3A08	Facility Security Risk Management	40,000,000	40,000,000
3A09	Information Security	8,000,000	8,000,000
	Subtotal—Support Equipment	99,500,000	99,500,000
3B01	Aeronautical Center Infrastructure Modernization	8,500,000	8,500,000
3B02	National Airspace System (NAS) Training Facilities	-- --	6,400,000
3B03	Distance Learning	1,500,000	1,500,000
	Subtotal—Training Equipment & Facilities	10,000,000	16,400,000
	Total Activity 3	109,500,000	115,900,000
	Mission Support:		
4A01	System Engineering and Development Support	30,400,000	28,400,000
4A02	Safety Management System	1,700,000	-- --
4A03	Program Support Leases	42,600,000	42,600,000

FACILITIES AND EQUIPMENT—Continued

Budget line item	Program name	Fiscal year 2005 estimate	Committee recommended
4A04	Logistics Support Services (LSS)	7,900,000	7,900,000
4A05	Mike Monroney Aeronautical Center—Leases	14,200,000	14,200,000
4A06	Transition Engineering Support	35,000,000	35,000,000
4A07	Frequency and Spectrum Engineering	3,600,000	6,100,000
4A08	PCS Moves	1,530,000	1,530,000
4A09	Technical Support Services Contract (TSSC)	43,300,000	43,300,000
4A10	Resource Tracking Program (RTP)	1,500,000	1,500,000
4A11	Center for Advanced Aviation System Development	84,600,000	86,000,000
4A12	NAS Aeronautical Info Management Enterprise System	13,700,000	13,700,000
4A13	DCAA Audits	— — —	3,000,000
	Total Activity 4	280,030,000	283,230,000
	Personnel and Related Expenses:		
5A01	Personnel and Related Expenses	443,700,000	443,700,000
	Total Activity 5	443,700,000	443,700,000
	Total	2,500,000,000	2,500,000,000

ENGINEERING DEVELOPMENT, TEST, AND EVALUATION

The bill includes \$231,604,000 for engineering development, test, and evaluation activities.

Advanced technology development and prototyping.—The Committee recommends \$42,400,000, to be distributed as follows:

	Amount
Runway incursion	\$9,100,000
Aviation system capacity improvement	4,000,000
Separation standards	2,500,000
GA/vertical flight technology	1,500,000
Operational concept validation	2,000,000
NAS requirements development	1,500,000
Domestic RVSM	2,200,000
Safer skies	3,000,000
Lithium technologies to mitigate ASR	1,000,000
Phased array radar technology	4,000,000
Airport research	6,100,000
Fogeye	1,500,000
NAS safety assessment	1,000,000
GPS anti-jam technology	3,000,000
Total	42,400,000

Operations-related studies and analyses.—The Committee believes that three elements of this budget line item are predominantly related to the agency’s ongoing operations, rather than the development of new technologies. These include “aviation system capacity improvement”, “operational concept validation”, and “NAS requirements development”. The Committee reduces funding for these activities (by \$2,500,000, \$1,000,000, and \$500,000, respectively) in recognition that operations funding can be used for these type of studies.

Phased array radar technology.—The bill includes \$4,000,000 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 amount enacted for fiscal year 2004.

Airport-related research.—Of the funds provided, \$1,000,000 is for FAA to enter into cooperative agreements with non-profit research entities to conduct research to develop safer, more durable, more cost-effective airfield pavements.

GPS anti-jam technology.—The Committee recommendation includes \$3,000,000 for FAA to initiate a GPS anti-jam program to reduce or remove GPS system vulnerabilities.

Airport Cooperative Research Program.—The Vision-100 Century of Aviation Reauthorization Act authorized the establishment of a new Airport Cooperative Research Program, to be sponsored by the FAA and managed by the Transportation Research Board of the National Academy of Sciences. The Committee supports this effort, and encourages FAA to identify funds for the activity during fiscal year 2005.

Louisville, KY technology demonstration.—The Committee recommends \$3,000,000 to continue this demonstration program.

AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT

The Committee recommends \$1,425,566,000 for programs and activities designed to establish, replace, modify, or otherwise improve air traffic control facilities and equipment.

Air traffic management.—The Committee recommends \$37,500,000, the same amount as provided for fiscal year 2004 and a reduction of \$19,500,000 below the budget estimate. This large increase has not been forecast in previous capital investment plans. Given declining resources for this appropriation, the Committee believes this new initiative should be deferred.

ATC en route radar facilities.—According to the budget justifications, responsibility for operation and maintenance of FAA’s long-range radar systems are being transferred to the Department of Defense in fiscal year 2005. Because of this, the FAA should not be funding improvements to this system in the coming year. The Committee’s recommendation results in a reduction of \$3,000,000 below the budget estimate.

FAA telecommunications infrastructure (FTI).—The Committee recommendation provides a ten percent increase over the fiscal year 2004 enacted level due to budget constraints. The budget proposed a 38.9 percent increase.

ARTS sustainment.—Today, the air route tracking system (ARTS) is FAA’s predominant automation system at the agency’s largest and most critical terminal radar approach control facilities. Both the newer Common ARTS system and the older ARTS systems at smaller facilities require funds for software and hardware upgrades to meet current safety and efficiency requirements. Despite the need, FAA has historically underfunded this activity, leading to a shortfall of over \$100,000,000 in the past six years alone. In last year’s budget, the Committee began an initiative to address this backlog. The Committee recommendation for fiscal year 2005 continues this effort, providing \$32,300,000 for ARTS sustainment, an increase of \$13,300,000 above the budget estimate.

Terminal air traffic control facilities replacement.—The Committee recommends \$112,700,000 for the replacement of aged air traffic control towers. Funds shall be distributed as follows:

<i>Location</i>	<i>Amount</i>
Cleveland, OH	\$2,025,000

<i>Location</i>	<i>Amount</i>
Dayton, OH	975,000
Toledo, OH	975,000
Abilene, TX	1,260,000
Memphis, TN	10,200,000
Deer Valley, AZ	2,000,000
Manchester, NH	1,800,000
Addison Field, Dallas, TX	1,349,375
Reno, NV	3,000,000
Seattle, WA	1,300,000
Fort Wayne, IN	2,200,000
Port Columbus, OH	700,000
Billings, MT	3,000,000
Savannah, GA	700,000
Roanoke, VA	700,000
Merrimack, NH (Tracon)	834,000
Phoenix, AZ	1,334,800
Dulles International, Chantilly, VA	5,500,000
Newport News, VA	2,000,000
Portland, OR (Tracon)	1,000,000
Orlando, FL (Tracon)	2,710,625
Pensacola, FL (Tracon)	1,133,900
Huntsville, AL	11,000,000
Houston, TX	25,000,000
Jeffco Airport, CO	1,000,000
McCarran International, NV	1,000,000
Montgomery County Airport, TX	1,222,222
North Bend Municipal, OR	2,000,000
Pago Pago, American Samoa	3,000,000
Opa Locka Airport, FL	1,000,000
Spokane International, WA	1,000,000
Sacramento International, CA	3,000,000
Boise International, ID	3,000,000
Kalamazoo/Battle Creek International, MI	2,500,000
Palm Beach International, FL	5,000,000
Albert Whitted Airport, FL	2,280,078
Joplin Regional Airport, MO	4,000,000
Total	112,700,000

Phoenix Sky Harbor International Airport, AZ.—The Committee expects FAA to expeditiously complete the new, fully functional airport traffic control tower and affiliated parking lot at Sky Harbor International Airport in Phoenix, Arizona on budget and without delay.

Chicago air traffic control facility.—The Committee has not approved funding for the first phase of a new terminal ATC facility in Chicago, Illinois, a reduction of \$5,000,000 below the budget request. The agency has not presented any documentation supporting this new project. The Committee notes that, in those cases where airport development requires a new or modified air traffic control tower, it is FAA policy that the airport should bear those costs. The Committee will consider funding for this project when additional justification is submitted.

Instrument landing system establishment.—The recommendation includes \$25,800,000 for establishment of instrument landing systems (ILSs) nationwide. Funding is to be distributed as follows:

<i>Location</i>	<i>Item</i>	<i>Amount</i>
Nationwide	Items in the budget estimate	\$5,800,000
Middleton Municipal Airport, WI	Purchase/install localizer and DME	400,000
Arlington Municipal Airport, TX	Install ILS and MALSR	2,500,000
San Diego International, CA	Upgrade ILS on runway 9	2,500,000
Eugene Airport, OR	Install category I ILS with ALS, PAPI, & REILs	1,250,000
Clay County Regional Airport, MO	Install ILS and MALSR	950,000

Location	Item	Amount
Orlando Executive Airport, FL	Install ILS with MALSRS	1,900,000
Tri-County Airport, Lone Rock, WI	Install localizer, approach lights, and DME	800,000
Swainsboro-Emanuel Airport, GA	Install localizer, glideslope, and MALSRS	1,145,000
Sheboygan County Memorial, WI	Purchase/install ILS	1,000,000
Fond du Lac County Airport, WI	Purchase and install localizer and DME	400,000
Saline County Airport, AR	Purchase and install ILS	1,000,000
Nationwide	National ILS replacement program	6,155,000
Total .....	.....	25,800,000

ATC/Tracon facilities improvement.—The Committee recommends \$41,068,900, a reduction of \$14,106,900 below the budget estimate. The recommendation would reduce funding for STARS facility modifications due to the uncertain status of this program (–\$8,000,000) and reduce funds for consolidation studies due to budget constraints (–\$6,106,900).

Voice recorder replacement program.—The Committee recommends \$7,100,000, an increase of \$2,000,000 above the budget estimate.

Terminal digital radar (ASR-11).—The Committee recommends \$75,000,000, a reduction of \$32,100,000 below the budget estimate and the same amount as enacted for fiscal year 2004.

Integrated control and monitoring system.—The Committee recommends \$3,500,000 for continued procurement and installation of the integrated control and monitoring system (ICMS). FAA is currently using ICMS in Denver, Seattle, Newark, Minneapolis, Salt Lake City, and Phoenix. The agency’s statement to the Committee that it has not “validated a requirement” for ICMS is curious given the widespread approval for use within the national airspace system. The Committee believes this system would offer significant benefits to other operational evolution plan (OEP) airports as well as others with substantial landing aids and lighting systems. The Committee expects the agency to obligate these funds within six months of enactment, and to install such systems at airports with the highest need.

Automated surface observing system.—The recommendation includes \$500,000 for upgrade of the automated weather sensing system (AWSS) at Corona Municipal Airport, CA. The Committee understands FAA has used fiscal year 2004 funds to install a similar system at Ithaca Tompkins Regional Airport, NY.

FSAS operational and supportability implementation system (OASIS).—The Committee recommends \$8,000,000, a reduction of \$2,200,000. Given FAA’s ongoing A-76 competition for flight service station activities, the Committee believes it prudent to proceed more slowly in this area until decisions are announced on who will assume modernization responsibilities in future years.

Loran-C.—The Committee recommendation includes \$27,226,900 for continued modernization of the Loran-C navigation system. The Committee directs that none of these funds be reprogrammed except through the Congressional reprogramming process.

Transponder landing system.—The recommendation includes \$8,400,000 for the transponder landing system (TLS), to be distributed as follows:

Location	Amount
Fulton County Airport, IN	\$2,100,000
McGhee Tyson Airport, TN	2,100,000

<i>Location</i>	<i>Amount</i>
Gatlinburg Pigeon Forge, TN	2,100,000
Ukiah Municipal Airport, CA	2,100,000
Total	8,400,000

Houston area air traffic system (HAATS).—The Committee recommends \$12,000,000, the same as the budget estimate. The current HAATS funding profile includes funds for installation of an ASR-11 surveillance radar system. The Committee directs that HAATS be designed and developed to provide surveillance radar coverage for Easterwood Airport no later than the year 2009. The surveillance radar information will be duplicated for Easterwood Airport tower so aircraft with or without electronic identification equipment can be detected and positively identified prior to entering airport controlled airspace.

Approach lighting system improvement program.—The recommendation includes \$17,160,000 for the approach lighting system improvement program (ALSIP), to be distributed as follows:

<i>Location</i>	<i>Item</i>	<i>Amount</i>
Nationwide	Items in budget estimate	\$5,000,000
North Las Vegas Airport, NV	Runway end identification lights (REILs)	500,000
Nationwide	ALSIP nationwide program	5,000,000
Herbert Smart Airport, GA	Precision approach path indicators	300,000
Washington County Airport, PA	Design/install approach lighting system	1,000,000
Mena Intermountain Airport, AR	Install PAPI	360,000
Nationwide	MALSR nationwide program	5,000,000
Total		17,160,000

Medium-intensity approach lighting system replacement (MALSR).—The Committee provides \$5,000,000 for the MALSR nationwide program, and recommends that FAA continue to procure the latest MALSR equipment that has been approved for use in the national airspace system and in support of small business initiatives.

Cable loop systems.—The increase of \$2,500,000 is for cable loop replacement at Atlanta Hartsfield International Airport, GA.

Programs being rebaselined.—The Committee recommends \$190,000,000 for programs being rebaselined, a reduction of \$38,030,000 below the budget estimate. Given the uncertain approval status of these programs, the Committee believes a lower amount is justified at this time. Once the programs are baselined and justified in detail, the Committee will consider additional funding.

GPS approaches.—The Committee understands that the fiscal year 2005 budget request for the wide area augmentation system includes funds for the development of additional approaches and flight procedures at the nation’s non-part 139 certified airports. The Committee supports this effort, and encourages the agency to maintain or increase the current level of effort in this area.

Integrated terminal weather system (ITWS) prototype, Port Authority of New York and New Jersey.—The Committee understands that FAA intends to utilize \$1,200,000 during fiscal year 2005 to continue operation of the ITWS prototype system by the Port Authority of New York and New Jersey. The Committee believes this system has provided significant benefit to the Authority, and should be maintained throughout the coming fiscal year. If the

agency changes its plans, or is unable to finance the continuation of this system through the end of fiscal year 2005, the Committee expects to be notified in advance of the reasons for such a change.

NON-AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT

The Committee recommends \$115,900,000 for programs to replace, modify, or otherwise improve facilities and equipment not directly related to the provision of air traffic control services in the national airspace system (NAS).

NAS training facilities.—The Committee recommends \$6,400,000 for NAS training facilities. Of the amount provided, \$2,400,000 is to restore funding deleted in the current Capital Investment Plan for upgrade of infrastructure at the FAA Academy, and \$4,000,000 is for the procurement of additional ATC training simulators, as discussed below.

Air traffic control training simulators.—To upgrade their training capabilities, the FAA Academy has currently procured replacement control tower simulators under an existing Air Force contract. The Committee recommendation supports this effort, and includes \$4,000,000, to be managed by the FAA Academy, for the procurement and installation of additional simulators. The deployment of these simulators, at the Academy or at ATC facilities in the field, is left to the discretion of the FAA Academy based upon projected training needs. The Committee believes it is imperative to shorten the training times for new entrant air traffic controllers to reduce training and overtime costs.

MISSION SUPPORT

The Committee recommends \$283,230,000 for mission support activities.

Reprogrammings.—The Committee directs FAA not to reprogram any funding in this appropriation for the FAA Technical Center or the FAA Aeronautical Center which would be used for routine operations and maintenance activities, except through the Congressional reprogramming process. These activities are designated as items of special Congressional interest.

System engineering and development support.—The recommendation allows an increase of 10 percent above the fiscal year 2004 enacted level, compared to the 17.8 percent increase requested.

Safety management system.—The Committee defers this new project due to budget constraints and lack of justification, a reduction of \$1,700,000 below the budget estimate.

Frequency and spectrum engineering.—The Committee recommendation includes \$2,500,000 for the NAS interference, detection, location, and mitigation (IDL) project. This project will enable FAA to more effectively identify radio signals interfering with air traffic control functions and resolve them quickly. Over the past few years, FAA has recorded an average of over 1,500 interference events per year.

Center for advanced systems development.—The recommendation provides \$86,000,000 for the center for advanced systems development, an increase of \$1,400,000 above the budget estimate.

DCAA audit services.—The recommendation includes an additional \$3,000,000 for contract audit services to be provided through the Defense Contract Audit Agency (DCAA). This is the same level

as provided for fiscal year 2004. Despite the Committee’s encouragement in past years, the agency has not obtained an independent DCAA review of contractor proposals and payment requests. In testimony last 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 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.

PERSONNEL AND RELATED EXPENSES

The Committee recommends \$443,700,000 for personnel and related expenses. This appropriation finances the installation and commissioning of new equipment and modernization of FAA facilities.

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 2004	\$118,734,000
Budget request, fiscal year 2005	117,000,000
Recommended in the bill	117,000,000
Bill compared with:	
Appropriation, fiscal year 2004	– 1,734,000
Budget request, fiscal year 2005 .....	.....

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 \$117,000,000, a decrease of \$1,734,000 below the fiscal year 2004 enacted level and the same as the President’s budget request.

A table showing the fiscal year 2004 enacted level, the fiscal year 2005 budget estimate, and the Committee recommendation follows:

RESEARCH, ENGINEERING AND DEVELOPMENT

Program	Fiscal year 2004 enacted	Fiscal year 2005 estimate	Committee recommended
Improve Commercial Aviation Safety:			
Fire research and safety	\$9,668,000	\$5,578,000	\$5,578,000

RESEARCH, ENGINEERING AND DEVELOPMENT—Continued

Program	Fiscal year 2004 enacted	Fiscal year 2005 estimate	Committee recommended
Propulsion and fuel systems	6,607,000	3,672,000	3,672,000
Advanced materials/structural safety	7,223,000	2,197,000	2,197,000
Flight safety/atmospheric hazards	4,568,000	4,119,000	4,119,000
Aging aircraft	20,498,000	18,351,000	18,351,000
Aircraft catastrophic failure prevention	758,000	1,116,000	1,116,000
Flightdeck safety/systems integration	8,344,000	8,294,000	8,294,000
Aviation safety risk analysis	7,851,000	8,640,000	8,640,000
ATC/AF human factors	8,846,000	9,467,000	9,467,000
Aeromedical research	8,830,000	6,660,000	6,600,000
Weather research	20,729,000	20,838,000	20,838,000
Improve Efficiency of the ATC System:			
Weather research	2,982,000	— — —	— — —
National plan for air transportation	— — —	5,100,000	5,100,000
Wake turbulence	— — —	2,296,000	2,296,000
Reduce Environmental Impacts:			
Environment and energy	7,928,000	16,008,000	16,008,000
Improve Mission Efficiency:			
System planning and resource mgmt	497,000	1,275,000	1,275,000
Technical laboratory facilities	3,405,000	3,389,000	3,389,000
Total	118,734,000	117,000,000	117,000,000

Propulsion and fuel systems.—Of the funds provided for propulsion and fuel systems, \$500,000 is for continued research into technologies for modifications to existing general aviation piston engines to enable their safe operation using unleaded aviation fuel.

Aging aircraft.—Of the funds provided for aging aircraft, \$4,000,000 is for research and equipment at the National Institute for Aviation Research at Wichita State University, KS.

Joint Planning and Development Office.—The bill includes \$5,100,000, as requested, for FAA's contribution to the multi-agency Joint Planning and Development Office (JPDO). This office involves the Departments of Defense, Commerce, and Homeland Security, FAA, and the National Aeronautics and Space Administration in developing a national plan for the transformation of air transportation. This plan is expected to establish a vision for the future air transportation system, set national aerospace goals, and provide a forum to engage industry and customer input. It is an advisory committee as defined in the Federal Advisory Committee Act.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(RESCISSION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

	Liquidation of con- tract authorization	Limitation on obliga- tions
Appropriation, fiscal year 2004	\$3,379,940,000	(\$3,379,940,000)
Budget request, fiscal year 2005	2,800,000,000	(3,500,000,000)
Recommended in the bill	3,200,000,000	(3,993,000,000)
Bill compared with:		
Appropriation, fiscal year 2004	– 179,940,000	(+613,060,000)
Budget request, fiscal year 2005	+400,000,000	(+493,000,000)

The bill includes a liquidating cash appropriation of \$3,200,000,000 for grants-in-aid for airports, authorized by the Airport and Airway Improvement Act of 1982, as amended. This funding provides for liquidation of obligations incurred pursuant to contract authority and annual limitations on obligations for grants-in-aid for airport planning and development, noise compatibility and planning, the military airport program, reliever airports, airport program administration, and other authorized activities. This is \$400,000,000 above the amount requested in the President's budget and \$179,940,000 below the level enacted for fiscal year 2004.

LIMITATION ON OBLIGATIONS

The bill includes a limitation on obligations of \$3,993,000,000 for fiscal year 2005. This is \$493,000,000 above the President's budget request and \$613,060,000 above the fiscal year 2004 level.

DISCRETIONARY GRANTS

Within the overall obligation limitation in this bill, funding of \$983,115,000 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
AL	Roundtree Field Airport	Airport improvements.
AL	Atmore Airport	Repair runway.
AL	Montgomery Airport	Renovate terminal building.
AR	Jonesboro Regional Airport	Construct on field airport rescue station and replace runway and taxiway lighting and fixtures.
AR	Baxter County Regional Airport	Development of parallel runway.
AR	Northwest Arkansas Regional Airport ...	Engineering, drainage, and design of parallel taxiway.
AR	Mena Intermountain Municipal Airport	Install PAPI lights.
AZ	Chandler Municipal Airport	Relocation of the heliport, pursuant to the FAR Part 150 noise study for the airport and the approved airport master plan.
AZ	Phoenix Sky Harbor International Airport.	Community noise reduction program; taxiway rehabilitation.
AZ	Williams Gateway Airport	Construct parallel taxiway (taxiway B) and associated drainage, lighting and signage.
CA	March Air Reserve Base	Widening of airport taxiway area.
CA	Castle Airport	Complete tower upgrade for part 139 certification; runway improvements; airfield signage; and various security enhancements.
CA	Crows Landing Air Facility	Repair runways.
CA	Stockton Airport Cargo Center	Various improvements.
CA	San Bernardino International Airport	Various infrastructure improvements, including ongoing hangar repair, electrical supply delivery, and runway improvements.
CA	Southern California Logistics Airport	Ongoing engine runup runway infrastructure improvements.
CA	Nut Tree Airport	Improved airport access, sealing of hangar taxi landings, and improvements to the parking aprons.
CA	San Francisco International Airport	Perimeter security fence; electronic detection.
CA	Schulz Airport	Airport master plan; acquire land for extension of runways.
CA	Robert McNamara Field	Various improvements.
CO	Colorado Springs Airport	Provide ILS instrument approach system to runway 35R.
DE	New Castle Airport	Taxiway rehabilitation.
FL	Gainesville Airport	Phase I of runway extension project, to include taxiway rehabilitation, airfield lighting; fiberoptic cabling, and purchase of an aircraft rescue and firefighting vehicle.
FL	Immokalee Airport	Resurface and repair existing runways.
FL	Miami International Airport	Runway strengthening, including adjacent connector taxiways and paving.
FL	Charlotte County Airport	Runway extension.
FL	Fort Lauderdale-Hollywood International Airport.	Environmental impact statements and financial planning for automated people mover system.

State	Project name	Project description
FL	Orlando International Airport	Elimination of wildlife attractants project.
FL	Orlando Executive Airport	Runway 25 environmental assessment (EA), runway safety area upgrade; precision object free area.
GA	Worth County Regional Airport	Extension of primary runway.
GA	Augusta Regional Airport	Construct new passenger terminal.
GA	Paulding County Airport	Construct runway; aircraft apron; hangar space; terminal/administration building; rotating beacon; land acquisition; preliminary design engineering services for airfield improvements and site clearing for airfield improvements.
GA	Fitzgerald Municipal Airport	Extend runway; precision instrument approach equipment.
GA	St. Marys Airport	Land acquisition, runway construction, weather instruments, fuel farm, and taxiway.
GA	Cherokee County Airport	Extension of current runway to 4,100 feet; provide taxiway and hangar area improvements to comply with FAA standards.
GA	Eastman Airport	Construction of crosswind runway.
GA	Greene County Regional Airport	Extend and widen runway.
IA	Mason City Airport	Bituminous overlay
IA	Fort Dodge Airport	Extend Runway 12/30 by 900 feet.
IA	Fairfield Municipal Airport	New runway and associated improvements.
IL	Waukegan Regional Airport	Environmental impact study for runway extension project.
IL	Aurora Municipal Airport	Construct runway 27 blast pad, ILS runway, and area two general aviation apron and access taxiway.
IL	DuPage Airport	Rehabilitate, widen, relocate, and overlay existing parallel taxiway E, as well as taxiways A and C.
IL	DeKalb Taylor Municipal Airport	Widen taxiway "A" and "C" from 35 feet to 50 feet.
IL	Robinson Airport	Runway widening and extension for jet runway.
IL	Will County Regional Airport	Feasibility study for new airport.
IN	New Castle Airport	Reconstruct runway apron; widen runway; land acquisition; and grade correction.
IN	Richmond Airport	Install edge lighting on runway and adjacent taxiway.
KS	Kansas State University Airport	Apron repair; hangar door repair/replacement.
KS	Forbes Field	Reconstruction and lighting improvements to taxiway B.
KS	Mid-Continent Airport	Implementation of Surface Movement Area/Runway Traffic (SMART) Board Demonstration Project.
KY	Somerses Airport	Kit Cowan Road relocation.
KY	Big Sandy Airport	Begin 500 foot runway extension to a runway landing area of 5500 feet with pavement and surface upgrades; address animal safety and trespassing issues.
KY	Harlan Tucker Guthrie Airport	Secure and install 10,000 feet of fencing.
KY	Williamsburg/Whitley County Airport	Reimbursement for land purchases for airport expansion.
KY	Capital City Airport	Improve runway and taxiway areas.
KY	Henderson City/County Airport	Development of new terminal building.
KY	Louisville International Airport	Various improvements.
LA	Bastrop-Morehouse Memorial Airport	Runway extension; purchase and install ILS; acquire land for runway expansion; and address airport hanger deficiencies.
LA	Monroe Regional Airport	New terminal.
LA	Baton Rouge Airport	Runway 4L drainage/safety improvements: air carrier apron drainage, phase I; category II runway lighting System (category II); airfield drainage, phase II.
LA	Lafayette Regional Airport	Rehabilitation, widening, and strengthening of taxiway bravo; safety zone improvements for runway 4R/22L.
LA	Leesville Airport	Extend runway; parallel taxiway.
LA	Houma-Terrebonne Airport	Upgrade runway, taxiways and apron.
LA	Lake Charles Regional Airport	Various improvements, including drainage, structure replacement, terminal apron pavement rehabilitation; and pavement marking.
MA	Westfield-Barnes Airport	Various improvements.
MD	Baltimore-Washington International Airport	Runway and taxi improvements; snow removal; master plan; environmental study.
MD	Martin State Airport	Various improvements.
ME	Frenchville Airport	Construction of aircraft hangar, complete access road; purchase and remove existing hangars.
MI	Detroit City Airport	Land acquisition and construction of primary replacement runway.
MI	Detroit Metropolitan Airport	Demolition of terminal and construction of new de-icing pad.

State	Project name	Project description
MI	Detroit Metro Airport	Construction of a force main to remove glycol residue from the airfield to the City of Detroit Treatment Facility in accordance with state and federal guidelines; midfield expansion phase II, including apron and taxiways, airfield utilities, fuel hydrant system, and security access control.
MI	Manistee County Blacker Airport	New terminal building.
MI	Oakland County International	Various improvements.
MI	Willow Run Airport	Design, engineer, and construct an airport rescue and fire fighting station.
MI	Kellogg Airport, Battle Creek	Add new parallel runway.
MI	Pellston Regional Airport	Land acquisition for perimeter access road and new entrances; expansion of parking lots; de-icing facility, and new entryway signage.
MN	Marshall Municipal Airport	Extend runways and upgrade lighting systems.
MO	Farmington Missouri Airport	Construct apron, partial parallel and T-hanger taxiways.
MO	Clay County Regional Airport	Installation of ILS, MALSR, and AWOS systems.
MO	Kansas City International Airport	Terminal expansion.
MS	Jackson International Airport	Replacement of carrier apron; repair of connecting taxiways.
MS	Hawkins Field	Runway extension.
MS	Tupelo Airport	Terminal expansion and renovation.
MT	Harve/Hill County Airport	Building repairs.
NC	Halifax-Northampton Regional Airport ..	Install category I instrument landing system (ILS), including localizer, glideslope, approach lighting system, and related components.
NC	Hickory Regional Airport	Rehabilitate main runway (6/24); renovate passenger terminal renovations to federal standards; apron pavement rehabilitation; runway 6/24 re-lighting.
NC	Morganton-Lenoir Airport	Rehabilitate runway pavement; partial parallel taxiway to runway 21; extend apron; partial parallel taxiway between connectors.
NC	Statesville Municipal Airport	Runway extension, establish ILS.
NC	Ashe County Airport	Preliminary work for runway extension, including environmental assessment and initial land acquisition (with obstruction removal).
NC	Mount Airy Municipal Airport	Runway extension, including environmental assessment and initial land acquisition for first phase of construction.
NC	Rowan County Airport	Acquire land in the runway protection zone.
NC	Burlington—Alamance Regional Airport	Site preparation for runway and taxiway.
NC	Harnett County Airport	Runway and parallel taxiway extension; apron expansion/overlay; localizer installation.
NC	Johnston County Airport	Improve runway safety area and land acquisition for runway protection zone and terminal area development.
NC	Albemarle-Stanly County Airport	Runway extension; installation of perimeter fencing; land acquisition; and site preparation for future expansion.
NC	Montgomery County Airport	Runway extension and lighting upgrades.
NC	Concord Regional Airport	Lengthening of the runway from 5,500 feet to 7,400 feet.
NC	Richmond County Airport	Extend runway, install ILS; land acquisition, expand and improve ramp and taxiway.
NC	Currituck County Airport	Expand aircraft parking apron; construct taxiway and access road; repair existing taxiway and apron; and install localizer/DME/outer marker.
NC	Lumberton Municipal Airport	Rehabilitate the primary runway.
NC	Duplin County Airport	Extend the primary runway and build a parallel taxiway.
NC	Brunswick County Airport	Land acquisition and runway extension.
NC	Columbus County Airport	Rehabilitate runway.
NC	Wilmington Airport	Rehabilitate runway.
NC	Person County Airport	Construct runway extension; widen existing RSA; strengthen existing pavement; and complete the parallel taxiway.
NC	Burlington-Alamance Regional Airport ..	Runway lengthening and strengthening.
NC	Andrews-Murphy Airport	Corporate apron expansion and land acquisition.
ND	Hector International Airport	Reconstruct and shorten runway; bring RSA into compliance.
ND	Jamestown Airport	Pavement improvements, including milling off the current surface and resurfacing airline runway 13/31.
NE	Central Nebraska Regional Airport	Pavement repair and replacement, lighting installation.
NM	Santa Teresa Airport	Extension of eastern runway and taxiway to permit larger aircraft.
NY	Oneonta Airport	Tree removal; repair and upgrade of hanger doors; other facility repairs.
NY	Ithaca Tompkins Airport	Relocation of parallel taxiway to meet minimum separation distance between runways.
NY	Plattsburgh International Airport	Develop and construct new terminal.
NY	Niagara Falls International Airport	Construct terminal; modifications to existing terminal area entrance and access roadway; expand east apron; parking.
NY	Rochester Airport	Extend runway.

State	Project name	Project description
NY	Warren County Airport	Refurbishment and building of hangars.
NY	Hancock International Airport	Various improvements, including funding of a double jetbridge.
OH	Springfield-Beckley Municipal Airport ...	Purchase development rights to land; land acquisition.
OH	Erie County-Plum Brook Airport	Initial engineering and design work to construct airport.
OH	Cleveland International Airport	Install and operate new software to ensure effectiveness of flight patterns to reduce aircraft noise.
OH	Akron-Canton Airport	Construction of a de-icing fluid containment facility to collect and dispose of de-icing fluid.
OH	Dayton-Wright Brothers Airport	Acquisition of land, structures, and related professional services to acquire land underneath the approach to runway 20.
OK	Duncan Industrial Park Airport	Construction of new terminal.
OK	Chickasha Airport	Continued funding for runway extension.
OK	Ada Airport	Construction of new terminal.
OK	West Woodward Airport	Runway extension project involving extending runway 17/35 five hundred feet, installing an instrument approach, and connecting the parallel taxiway.
OK	Altus Quartz Mountain Regional Airport	Repair of runway, improvement of taxiway, additional lengthening of the runway, drainage improvements, perimeter fencing and controlled access components.
OK	Sand Springs Pogue Airport	Various improvements.
OK	Tulsa International Airport	Implement recommendations in FAR part 150 study; rehabilitation of taxilanes and taxiway; repave taxiway; rehabilitate TIA taxilanes serving general and business aviation areas of the airport.
OK	Richard L Jones Airport	Construction of drainage project.
OR	Jackson County Airport	Terminal improvements.
OR	Roberts Field	Improvements to taxiway "C".
PA	Philadelphia International Airport	Runway extension for runway 17/35; resurfacing of runway 9R/27L; EIS for airfield capacity enhancement program for runway 17/35.
PA	Quakertown Airport	Widen runway; relocate taxiway.
PA	Pittsburgh International Airport	Phase II of maintenance facility relocation, including funds for site preparation and infrastructure construction.
PA	Arnold Palmer Regional Airport	Extend runway 5-25.
PA	Jimmy Stewart Airport	Runway extension.
PA	University Park Airport	Construct aircraft deicing containment facility to allow simultaneous deicing of multiple aircraft; design/install ILS for runway 6.
SC	Aiken County Municipal Airport	Establish instrument landing system (ILS).
SC	Dillon County Airport	New airport.
SC	Fairfield County Airport	Extend runway; related improvements.
SC	Rock Hill/York County, SC Airport	Feasibility study for runway extension.
SD	Highmore Airport	Construction of new runway, apron, and taxiway.
SD	Spearsfish Airport	Construction of new runway.
TN	Nashville International Airport	Expansion of airport rescue and fire fighting facility; rehabilitation of runway 13/31.
TN	John C. Tune Airport	Improvements to runway safety areas.
TN	Upper Cumberland Regional Airport	Runway extension; parallel taxiway construction.
TN	Memphis International Airport	Design and construct service road structure.
TN	Chattanooga Metropolitan Airport	Rehabilitation of taxiway "A".
TX	Mid-Way Regional Airport	Engineering, design, and land acquisition for runway 18-356 extension.
TX	Montgomery County Airport	Rehabilitate and lengthen secondary runway.
TX	Denton Municipal Airport	Extend the current runway; realign taxiway; and expand apron.
TX	Alliance Airport	Lengthen runway; extend taxiway; relocate FM Road 156; relocate BNSF mainline; extend Eagle Parkway.
TX	Edinburg Airport	Design and engineering for upgrades to add cargo capacity.
TX	Brooks County Airport	Land acquisition for runway extension.
TX	Collin County Regional Airport	Engineering/design for future reconstruction/overlay of parallel taxiway and overlay of runway.
TX	Littlefield Municipal Airport	Refurbish main runway.
TX	Levelland Municipal Airport	Refurbish main runway.
TX	Brownsville-South Padre Island Airport	Engineering costs associated with increasing the runway length from 7,400 to 10,000 feet.
TX	Aransas County Airport	Various improvements.
TX	Scholes International Airport	Engineer/design tower relocation and improve drainage.
TX	A.L. Mangham, Jr. Regional Airport	Improvements to runway 18-36 and runway 15-33 overlays and related improvements.
TX	Angelina County Airport	Update master plan.
UT	Logan Cache Airport	Master plan development.
VA	Virginia Highlands Airport	Environmental assessment; relocation of state route 611; design of a runway extension.

State	Project name	Project description
VA	Blue Ridge Airport	Land acquisition and road relocation associated with expansion of apron.
VA	Breaks Interstate Regional Airport	Complete site selection study and initiate environmental study for new airport.
VA	Mountain Empire Airport	Update of airport master plan.
VA	Newport News/Williamsburg International Airport.	Aircraft parking ramp.
WI	Dane County Regional Airport	Construct second phase of runway 13 safety area, object free space, and approach surface.
WI	Eagle River Union Airport	Pave and extend existing turf crosswind runway to 3400 feet, light the runway, reconstruct and expand existing aprons and taxiways and acquire land for the runway extension.
WI	Menomonie Municipal Airport	Install localizer, approach lights and DME.
WI	La Crosse Municipal Airport	Construct parallel taxiway.
WI	John F. Kennedy Memorial Airport	Security fencing.
WI	L.O. Simenstad Municipal Airport	Reconstruct and extend primary runway to 5000 feet, construct parallel taxiway, install high intensity runway lighting.
WI	Rice Lake Regional Airport	Acquire land, strengthen and extend primary runway 1/19 to 500 feet, widen and extend parallel taxiway, install high intensity runway lighting.
WI	Merrill Airport	Install jet A fuel facility; install fence.
WI	Manitowoc County Airport	Reconstruct runway 17/35 with high intensity lighting (HIL), precision approach path indicator (PAPI), and construction access road to the nav aids and equipment.
WI	Sheboygan County Memorial Airport	Purchase, install, own and maintain an instrument landing system (ILS), to include a localizer with Distance Measuring Equipment, glideslope and locator outer marker, and approach lighting system.
WI	Kenosha Regional Airport	Develop east side hangar area, additional hangar area on west apron, and perimeter road.

San Diego Airport.—The Committee remains concerned that the San Diego Air Transportation Action Plan (ATAP) site selection process continues to target several active military installations which are unavailable for civilian use. Military officials have stated that these facilities are incompatible for joint civilian-military use, and in the case of Marine Corps Air Station Miramar, it is strictly prohibited by law. The Committee is concerned about the expenditure of limited federal resources to study the feasibility of sites which are not available, and prohibits the expenditure of funds to study active military installations or to influence the Department of Defense base closure and realignment process.

ADMINISTRATION

The bill provides that, within the overall obligation limitation, \$69,302,000 is available for administration of the airports program by the FAA, as requested.

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, 2004, the bill allows funds under this limitation to be used for airports to procure and install runway incursion prevention systems and devices.

Small community air service pilot program.—The bill specifies that \$20,000,000 of the total amount limited is available to continue the small community air service pilot program. This is the same funding level as enacted for fiscal year 2004. The bill further specifies that, of the funds provided for this program, \$4,000,000 shall be set aside for airports that have been discontinued from the essential air service (EAS) program since January 1, 2001. These

funds will help those communities address the recent loss of air service and potentially enable them to re-qualify for EAS service at some point in the future. The Committee also believes it is time for an independent review of the status and accomplishments of the small community air service pilot program, and directs the U.S. Government Accountability Office to perform such an assessment. This review should be completed by June 1, 2005, and provided to the House and Senate Committees on Appropriations.

The Committee recommendation includes a rescission of contract authorization of \$758,000,000. The proposed rescission is composed of two parts, both relating to section 107 of AIR-21 (P.L. 106-181). This section specified that, in the event appropriations for the facilities and equipment program were less than authorized in a given fiscal year, additional contract authorization would automatically be made available for the grants-in-aid for airports program. The Committee understands that the legislative committees intended to provide flexibility in meeting the funding guarantees, by allowing the Appropriations Committees to meet the guarantee by providing a single, combined total of funding for the F&E and grants-in-aid programs rather than hitting the precise authorized amounts for each as specified in the authorization Act. Because the Appropriations Committees are not provided an allocation of budget authority for the grants-in-aid program, section 107 provided automatic budget authority for this purpose.

In fiscal year 2004, \$265,000,000 in additional contract authorization was automatically made available by section 107. However, this amount is above the obligation limitation available for that year, and consequently is available for rescission without effect on any grants-in-aid program. In addition, because this bill has met the funding guarantees specified for aviation capital programs in the Vision-100 Act, the bill triggers a section 107 automatic contract authorization of \$493,000,000, and the Congressional Budget Office has scored the bill with that additional amount of budget authority. The Committee believes that is inconsistent with the intent of section 107. However, in order to bring the bill back into the Subcommittee's 302(b) allocation for budget authority, a provision is included which rescinds the additional contract authorization.

GENERAL PROVISIONS—FEDERAL AVIATION ADMINISTRATION

The bill retains a provision (sec. 101) requiring FAA to accept landing systems, lighting systems, and associated equipment procured by airports, subject to certain criteria.

The bill retains, with modification, a provision (sec. 102) limiting the number of technical staff-years at the Center for Advanced Aviation Systems Development. The modification raises the limitation from 350 in fiscal year 2004 to 375 in fiscal year 2005.

The bill retains a provision (sec. 103) prohibiting funds for engineering work related to an additional runway at Louis Armstrong International Airport in New Orleans, Louisiana.

The bill retains a provision (sec. 104) prohibiting FAA from requiring airport sponsors to provide the agency "without cost" building construction, maintenance, utilities and expenses, or space in sponsor-owned buildings, except in the case of certain specified exceptions.

The bill retains a provision (sec. 105) prohibiting funds to change weight restrictions or prior permission rules at Teterboro Airport, Teterboro, New Jersey.

The bill includes a new provision (sec. 106) extending the current terms and conditions of FAA’s aviation insurance program, commonly known as the “war risk insurance” program, for one additional year, from December 31, 2004 to December 31, 2005. Although the underlying program is authorized until March 2008, certain provisions including premium price caps were set to expire at the end of this calendar year. The Committee recommendation preserves the status quo under this program, a savings of \$50,000,000 from the budget estimate. Savings accrue because the bill’s provisions result in additional revenue from insurance premiums, which were assumed to be zero in the budget estimate for fiscal year 2005.

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.

The most recent long-term surface transportation reauthorization act, the Transportation Equity Act for the 21st Century (TEA-21), expired on September 30, 2003. Since that time, Congress has passed several short-term extension bills providing contract authority for FHWA. The current extension will expire on July 31, 2004. Because reauthorization actions have not yet been completed, the Committee has continued the fiscal year 2004 program structure and funding levels as if authorized through fiscal year 2005.

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, fiscal year 2004	(\$335,612,136)
Budget request, fiscal year 2005	(349,594,000)
Recommended in the bill	(346,000,000)
Bill compared with:	
Limitation, fiscal year 2004	(+10,387,846)
Budget request, fiscal year 2005	(-3,594,000)

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.

The Committee recommends a limitation of \$346,000,000. This level is sufficient to fund six additional full time equivalent staff years (FTEs) to oversee major projects, for a total of 2,430 FTEs. The recommended level assumes the following adjustments to the budget request:

Reduce funding for information technology consolidation	-\$750,000
Reduce funding for electronic government	-100,000
Reduce funding for multidisciplinary employee program	-1,600,000
Undistributed reduction	-1,144,000

Reductions from the budget request.—The Committee reduces funding for information technology consolidation (–\$750,000) and electronic government (–\$100,000) due to inadequate justification, and reduces the level of employee training (multidisciplinary employee program) by \$1,600,000, which results in funding at the fiscal year 2003 level. An undistributed reduction of \$1,144,000 is also included to control the growth of the program.

Staff for oversight of major projects.—The Committee provides 6 FTEs for oversight of major projects. The Inspector General has recommended, and the Committee agrees, that FHWA needs to have better oversight of its program, specifically the major projects. Major projects, with a total cost of \$10,000,000 or more, have a history of significant cost overruns and schedule slippage.

LIMITATION ON TRANSPORTATION RESEARCH

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.

Limitation, fiscal year 2004	(\$462,500,000)
Budget request, fiscal year 2005 ¹	—
Recommended in the bill	(478,000,000)
Bill compared with:	
Limitation, fiscal year 2004	(+15,500,000)
Budget request, fiscal year 2005	(+478,000,000)

¹An unspecified amount for fiscal year 2005 is assumed within the federal-aid obligation limitation.

COMMITTEE RECOMMENDATION

The recommendation includes an obligation limitation for transportation research of \$478,000,000 for the following transportation research programs.

<i>Program</i>	<i>Amount</i>
Surface transportation research, development and deployment program	\$105,000,000
Technology deployment program	55,000,000
Training and education	21,000,000
Bureau of transportation statistics	31,000,000
ITS standards, research, operational tests and development	115,000,000
ITS deployment	124,000,000
University transportation research	27,000,000
Total	478,000,000

SURFACE TRANSPORTATION RESEARCH

Within the funds provided for surface transportation research, the Committee recommends the following:

<i>Program</i>	<i>Amount</i>
Environment, planning, and real estate	\$17,000,000
Research and technology program support	8,000,000
International research	500,000
Structures	15,000,000
Safety	12,000,000
Operations	13,000,000
Asset management	2,500,000
Pavements research	16,250,000
Policy research	9,000,000
Long-term pavement project	10,000,000

<i>Program</i>	<i>Amount</i>
Advanced research	1,000,000
R&D strategic planning/performance measures	750,000
Total	105,000,000

Environment, planning, and real estate research.—The environment research and technology program develops improved tools for assessing highway impacts on the environment; techniques for the 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.

International research.—The Committee has provided \$500,000, the level authorized under TEA-21 and continued by the extension Acts for international research activities. FHWA is directed to consult 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 \$15,000,000 for structures research. Funds provided will help FHWA make progress towards its performance goal to reduce deficiencies on NHS bridges 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.

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.

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 pavement 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 \$16,250,000 for pavement research. Pavement 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.

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.

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 and continued by the extension Acts. 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. Concern about these staff increases in general, but particularly when the staffing level exceeded the budget request to Congress, led the Committee to limit BTS staff to a total of 136 in fiscal years 2003 and 2004. The Committee continues this limitation in fiscal year 2005.

ITS STANDARDS, RESEARCH, OPERATIONAL TESTS AND DEVELOPMENT

The Committee recommends the \$115,000,000 provided in TEA–21 for ITS research be allocated in the following manner:

	<i>Amount</i>
Research and development	\$52,000,000
Operational tests	13,500,000
Evaluation	8,000,000
Architecture and standards	18,000,000
Integration	12,000,000
Program support	11,500,000
Total	115,000,000

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.

FEDERAL-AID HIGHWAYS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

	<i>Liquidation of contract authorization</i>	<i>Limitation on obligations</i>
Appropriation, fiscal year 2004	\$34,000,000,000	(\$33,643,326,300)
Budget request, fiscal year 2005	34,000,000,000	(33,643,326,300)
Recommended in the bill	35,000,000,000	(34,641,000,000)
Bill compared with:		
Appropriation, fiscal year 2004	+1,000,000,000	(+997,673,700)
Budget request, fiscal year 2005	+1,000,000,000	(+997,673,700)

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 a liquidating cash appropriation of \$35,000,000,000. This is the required amount to pay the outstanding obligations of the various highway programs at levels provided in this Act and prior appropriations Acts.

The accompanying bill includes language limiting fiscal year 2005 federal-aid highways obligations to \$34,641,000,000, an increase of \$997,673,700 from the fiscal year 2004 enacted level and the budget request.

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 categories of federal-aid spending. The following table indicates estimated obligations by state within the \$34,641,000,000 provided by this Act:

ESTIMATED FY 2005 OBLIGATION LIMITATION

[In thousands of dollars]

State	Estimated FY 2005 formula limitation	FY 2005 minimum guarantee	Appalachian development highways	Total
Alabama	\$532,474	\$37,131	\$48,986	\$618,590
Alaska	263,849	64,273	0	328,122
Arizona	504,343	50,133	0	554,475
Arkansas	371,145	26,175	0	397,320
California	2,825,400	151,288	0	2,976,688
Colorado	396,138	22,202	0	418,340
Connecticut	400,037	46,828	0	446,864
Delaware	134,736	8,554	0	143,290
District of Columbia	132,135	339	0	132,474
Florida	1,338,903	167,866	0	1,506,768
Georgia	982,479	104,328	19,340	1,106,147
Hawaii	152,397	10,390	0	162,787
Idaho	206,372	19,527	0	225,898
Illinois	1,029,186	38,554	0	1,067,740
Indiana	645,653	60,665	0	706,318
Iowa	374,644	10,787	0	385,431
Kansas	365,569	9,808	0	375,377
Kentucky	477,635	27,132	45,099	549,865
Louisiana	460,136	26,899	0	487,035
Maine	160,936	8,153	0	169,089
Maryland	495,909	26,245	7,751	529,904
Massachusetts	576,801	20,202	0	597,003
Michigan	909,211	66,576	0	975,788
Minnesota	442,389	16,199	0	458,588
Mississippi	358,305	17,603	5,415	381,323
Missouri	694,603	31,034	0	725,636
Montana	266,539	32,823	0	299,363
Nebraska	253,316	6,888	0	260,204
Nevada	211,605	17,938	0	229,543
New Hampshire	149,041	9,382	0	158,423
New Jersey	813,296	38,156	0	851,451
New Mexico	279,474	20,945	0	300,419
New York	1,474,617	89,817	10,540	1,574,973
North Carolina	784,369	70,216	28,653	883,238
North Dakota	199,628	10,635	0	210,263
Ohio	985,141	59,262	21,852	1,066,256
Oklahoma	491,146	13,770	0	504,916
Oregon	353,633	16,428	0	370,061
Pennsylvania	1,318,241	59,080	121,302	1,498,623
Rhode Island	180,702	10,627	0	191,329

ESTIMATED FY 2005 OBLIGATION LIMITATION—Continued

[In thousands of dollars]

State	Estimated FY 2005 formula limitation	FY 2005 minimum guarantee	Appalachian development high-ways	Total
South Carolina	473,352	44,185	2,330	519,868
South Dakota	206,695	13,134	0	219,829
Tennessee	592,157	36,330	54,056	682,542
Texas	2,287,137	221,437	0	2,508,574
Utah	242,166	7,665	0	249,831
Vermont	142,562	5,778	0	148,339
Virginia	721,615	55,530	11,316	788,461
Washington	545,861	19,370	0	565,231
West Virginia	240,112	9,781	67,059	316,952
Wisconsin	557,546	54,099	0	611,646
Wyoming	211,445	7,834	0	219,279
Subtotal	29,212,776	2,000,000	443,700	31,656,476
Allocation Reserve				2,984,524
Total				34,641,000

Federal-aid highways funds are made available through the following major programs:

FEDERAL-AID HIGHWAYS ESTIMATED OBLIGATION LIMITATION BY PROGRAMS

[In thousands of dollars]

Programs	FY 2003 Limitation	FY 2004 Est. Limitation	FY 2005 Est. Limitation
Subject to limitation:			
Surface Transportation Program	\$6,926,449	\$7,353,128	\$8,595,933
National Highway System	5,919,355	6,262,224	7,341,075
Interstate Maintenance	4,847,219	5,062,396	6,010,339
Bridge Program	4,141,748	4,349,337	5,161,869
Congestion Mitigation and Air Quality Improvement	1,689,819	1,793,217	2,103,561
Minimum Guarantee	2,000,000	2,000,000	2,000,000
Safety Incentive Grants for Use of Seat Belts	100,145	105,327	110,432
ITS Standards, Research and Development	98,357	103,446	108,460
ITS Deployment	109,086	114,731	120,292
Transportation Research	208,880	217,849	227,707
Federal Lands Highways	772,919	663,936	696,116
National Corridor Planning and Coordinated Border Infrastructure			
Administration	377,313	131,659	138,040
Other Programs	¹ 314,071	¹ 335,612	346,000
High Priority Program	1,538,748	2,790,573	³ 1,109,297
Woodrow Wilson Memorial Bridge (Special)	1,821,583	0	0
Transportation Infrastructure Finance and Innovation	230,467	0	0
Appalachian Development Highway System	50,496	122,254	128,180
	446,645	484,830	443,700
Total Obligation Limitation ²	31,593,300	31,890,519	34,641,000
Emergency Relief Program	78,509	159,580	100,000
Minimum Allocation/Guarantee	512,861	657,253	646,301
Demonstration Projects	128,277	126,187	88,331
Total Exempt Programs, Estimated Obligations	719,647	943,020	834,632
Emergency Relief Supplemental	285,248	252,119	0
Grand Total, Federal-Aid Highways (Direct)	32,598,195	33,085,658	35,475,632

¹ Net of the .65% across-the-board reduction contained in Div. N, Sec. 601 of P.L. 108-7 for FY 2003 and net of the .59% across-the-board reduction contained in Div. H, Sec. 168(b) of P.L. 108-199 for FY 2004. Does not reflect FHWA's share of the WCF reduction.

² Distribution of the obligation limitation for the core programs are estimated.

³ Includes carryover balances related to allocated programs.

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.

All remaining federal funding to complete the initial construction of the interstate system has been provided through previous highway legislation. TEA-21 and the extension Acts provide 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 and the extension Acts, 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; 10 percent for transportation enhancement; 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.

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.

Minimum guarantee.—Under TEA-21 and the extension Acts, 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.

Ferry boats and ferry terminal facilities.—Section 1207 of TEA-21 reauthorized funding for the construction of ferry boats and ferry terminal facilities. TEA-21 also included a new requirement that \$20,000,000 from each of fiscal years 1999 through 2003 be set aside for marine highway systems that are part of the National Highway System for use by the states of Alaska, New Jersey and Washington. The extension Acts continue these set-asides and provide \$38,000,000 for this program.

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. A total of \$26,500,000 is available for this program.

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.

Environmental streamlining.—The Committee recommendation includes a total of \$4,000,000 in fiscal year 2004 for environmental streamlining initiatives within the administrative takedown balances. The Committee directs FHWA to determine the costs associated with the environmental process on a representative sample of projects. Analysis should include information on environmental costs associated with the project itself, such as wetlands mitigation and 4(f); costs associated with preparing the document; and other related costs associated with the time it takes to complete the environmental process.

Inactive obligations.—This Committee has noted that highway investment needs far exceed available resources, and therefore, it is important to ensure that every transportation dollar is put to its highest and best use. However, a March 2004 audit completed by the Inspector General identified \$224,000,000 in inactive obliga-

tions in 10 states. This was the third such audit that identified hundreds of millions in inactive obligations in the states. To ensure that funds are not sitting idle, the Committee requires FHWA to implement the IG's recommendations to more aggressively review inactive obligations. In addition, the Committee directs the Inspector General to review records in 10 additional states to identify inactive obligations associated with completed, reduced in scope, or cancelled projects; and to provide the results of the review to the House and Senate Committees on Appropriations by June 1, 2005.

Benefits of ITS.—The Committee recognizes that well designed intelligent transportation systems (ITS) can play a major role in improving highway safety, relieving traffic congestion, and improving the quality of life of the public. This is particularly true on the I-91 Corridor in western Massachusetts (from the Connecticut border, north to Vermont) where the Commonwealth has embarked on an aggressive program to invest in a high-speed fiber-optic network to realize these benefits.

Rest needs of the motoring public.—The Committee encourages the Federal Highway Administration to consider initiatives that provide for the rest needs of the motoring public without jeopardizing existing small businesses.

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.

Sacramento area transportation.—The Committee is concerned that litigation involving the Shingle Springs Rancheria in El Dorado County, California may cause the Sacramento area's metropolitan transportation plan (MTP) to fall out of compliance with federal clean air requirements. Such a lapse would result in significant transportation project delays and would increase costs for 160 projects in the region. The Committee directs the FHWA to work with the state and regional transportation planners to resolve this issue as quickly as possible.

FEDERAL-AID HIGHWAYS

(RESCISSION)

Rescission, fiscal year 2004	-\$207,000,000
Budget request, fiscal year 2005	-300,000,000
Recommended in the bill	-386,000,000
Bill compared with:	
Rescission, fiscal year 2004	-179,000,000
Budget request, fiscal year 2005	-86,000,000

The bill rescinds \$272,000,000 in contract authority balances from the five core programs. These resources cannot be obligated by the states, as they were apportioned at levels above annual obligation limitations. The Committee directs FHWA to administer the rescission by allowing each state maximum flexibility among the five programs in making these adjustments.

GENERAL PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

The bill includes a provision (sec. 121) that distributes obligation authority among Federal-aid highways programs.

The bill includes a provision (sec. 122) that credits funds received by the Bureau of Transportation Statistics to the Federal-aid highways account.

The bill includes a provision (sec. 123) that amends section 1602 of the Transportation Equity Act for the 21st Century to allow changes to a project in Massachusetts.

The bill includes a provision (sec. 124) that amends P.L. 102-143 to allow changes to projects in New Jersey.

The bill includes a provision (sec. 125) that amends Section 115, division F, title I of Public Law 108-199.

The bill includes a provision (sec. 126) that prohibits funds to require a state or local government to post a traffic control device or variable message sign, or any other type of traffic signs, in a language other than English, except in certain specified situations.

The bill includes a provision (sec. 127) that provides funding for environmental streamlining activities from title 23, section 104(a)(1)(A) "takedown".

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.

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, beginning in fiscal year 2002, Appropriations Acts (P.L. 107-87, P.L. 108-7, and P.L. 108-199) have funded border enforcement and safety related activities associated with implementation of NAFTA, and activities associated with permitting of hazardous materials.

Since TEA-21 expired on September 30, 2003, Congress has passed a series of short-term extension bills providing funding for FMCSA. The current extension will expire on July 31, 2004. Because reauthorization actions have not yet been completed, the Committee has continued the fiscal year 2004 program structure and funding levels as if authorized through fiscal year 2005.

Similar to past years, the authorization Acts leave current on-board personnel severely underfunded, and critical safety programs unauthorized and/or unfunded. TEA-21 and its extensions were not written to allow any adjustments for new national safety and programmatic needs, or even new programs required by the authorization Acts. This inflexibility forces the Committee to either irrespon-

sibly compromise safety by reducing and eliminating important programs, or, as in past years, reduce other programs to find the necessary resources.

MOTOR CARRIER SAFETY
(HIGHWAY TRUST FUND)

LIMITATION ON ADMINISTRATIVE EXPENSES

	<i>Limitation on administrative expenses</i>
Limitation, fiscal year 2004 ¹	(\$175,031,187)
Budget request, fiscal year 2005	(265,000,000)
Recommended in the bill	(248,480,000)
Bill compared with:	
Limitation, fiscal year 2004	(+73,448,813)
Budget request, fiscal year 2005	(- 16,520,000)

¹ Does not include \$64,119,450 provided under Federal Highway Administration appropriation.

The motor carrier safety account provides funding for salaries and operating expenses and for administering motor carrier safety programs and motor carrier research for the Federal Motor Carrier Safety Administration.

Assuming continuation of the TEA-21 authorization level would allow only \$176,070,000 for motor carrier safety. This level would not fund new national safety and programmatic needs, such as emergent safety enforcement on our Southern border due to NAFTA, implementation of authorized safety programs and regulations, and security changes required to protect our nation as a result of the September 11th terrorist attacks. Therefore, the Committee recommends \$248,480,000 for motor carrier safety, a reduction of \$16,520,000 from the budget request.

Of the total provided, \$125,229,000 is for operating expenses and \$8,500,000 is for research and technology initiatives. In response to recent safety and security issues, the Committee provides funding for grant programs under this limitation. This includes \$33,000,000 for southern border state operations grants and northern border state truck inspection grants, \$20,000,000 for state commercial driver's license (CDL) program improvement grants, and \$16,200,000 for new entrant program state grants and administration. These are provided under the administrative account because no flexibility exists to fund these priorities elsewhere.

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

New entrant program	-\$211,000
Administrative infrastructure	- 3,058,000
Working capital fund desktop services	- 327,000
Research and technology	- 2,291,000
Information management	- 8,974,000
Regulatory development	- 143,000
Education and outreach	- 1,513,000
Telephone hotline	- 3,000

A discussion of programs and funding levels follow:

New entrant program.—The interim final rule for the new entrant safety assurance process was published on May 13, 2002, with an effective date of January 2003. 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. This Com-

mittee provides a total of \$33,200,000 in this program, of which \$16,200,000 is funded within the motor carrier safety account, and \$17,000,000 is within the national motor carrier safety program.

This Committee provided funding for this program for the first time in fiscal year 2004. In less than one year, 44 states have implemented a state new entrant program. According to FMCSA, an additional four states plan on limited implementation in fiscal year 2005. Consistent with this success, the Committee continues the program structure that limits federal responsibility to program oversight and to respond to the rare case where a state does not have the authority or ability to implement the program by managing third party contracts.

Therefore, the Committee denies the request of 20 federal FTE for the new entrant program. Because the Committee has not received the report regarding use of new entrant funds requested last year, a total of \$2,000,000 is provided for federal responsibilities associated with the new entrant program. In addition, the Committee limits the number of federal employees associated with this program to 5.5 FTE, or if lower, the current number of personnel on-board. The remaining \$14,200,000 provided under this account shall be provided to states to hire safety auditors and contract personnel as needed.

Administrative infrastructure.—The Committee provides a total of \$7,500,000 to augment its current administrative infrastructure. This level is \$541,000 over the fiscal year 2004 level. The Committee makes a reduction from the request in order to control the growth of this program.

Working capital fund (WCF) desktop services.—The Committee provides \$650,000 for WCF desktop services, a reduction of \$327,000. The Committee has not received adequate justification from the Department regarding its information technology consolidation request.

Research and technology.—The Committee provides \$8,500,000 for research and technology, a reduction of \$2,291,000 from the budget request and \$1,541,000 over the fiscal year 2004 level. Of the amount provided, \$500,000 is for testing and evaluation of a radiation detection device.

Information management.—The Committee provides \$17,000,000 for information management, an increase over last year, but \$8,974,000 lower than the budget request.

Regulatory development.—The Committee provides \$11,000,000 for regulatory development, \$143,000 below the budget request. This level represents an increase of \$1,556,000 from the fiscal year 2004 enacted level.

Education and outreach.—The Committee provides \$2,000,000 for outreach and education. The \$1,751,475 increase above the fiscal year 2004 level is required to fund new initiatives proposed by FMCSA that the Committee believes are important. Within the funding provided, \$500,000 is provided for a program to increase the commercial motor vehicle safety belt usage rate from its dismal 48 percent; \$100,000 is provided to continue the “safety is good business” program; \$150,000 is provided for the new motorcoach transportation service selection, and \$1,250,000 is provided for the household goods outreach program.

Similar to last year, funding for the “share the road safely” program is provided under the National Highway Traffic Safety Administration (NHTSA) appropriation due to FMCSA’s ineffective use of funds over the years for this program. Because this is the final year that the Committee expects NHTSA to manage the “share the road safely” program, the Committee directs FMCSA to provide one FTE, on detail, to NHTSA to help oversee the program and to help promote the program’s seamless transition back to FMCSA in fiscal year 2006.

For each of these initiatives and all other outreach initiatives, FMCSA must first develop a goal, message, and coherent and explicit program strategy that clearly and directly link FMCSA’s outreach and education program initiatives to each program’s goal. FMCSA shall provide information regarding the goals and strategies to the House and Senate Committees on Appropriations by February 10, 2005. The Committee encourages FMCSA to combine its outreach efforts with other interactions it has with motor carrier companies, such as security sensitivity visits, compliance reviews, and safety audits.

Further, the Committee directs the U.S. Government Accountability Office to monitor and evaluate FMCSA’s education and outreach programs, including the non-entrant outreach program, during the development and implementation phases and provide the House and Senate Committees on Appropriations several updates on the status of these programs, including recommendations, as sufficient planning and development progress is being made.

Telephone hotline.—The Committee provides \$375,000 for FMCSA’s telephone hotline, a \$3,000 reduction from the budget request to reflect the assumed authorization level.

Commercial drivers license program.—The Committee includes \$22,000,000, consistent with the budget request, for the commercial drivers license (CDL) program. A total of \$20,000,000 of this funding is from the office of motor carrier safety and \$2,000,000 is from the national motor carrier safety program. This funding is to support safety and security initiatives that improve the accuracy and completeness of driver conviction and disqualification data. Funding is necessary to meet the needs of state computer systems and data reporting improvements, to maintain the central depository of Mexican and Canadian commercial drivers license convictions, and to 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, 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.

Consistent with the IG’s recommendation in an October 2003 audit and a letter dated June 4, 2004, the Committee directs FMCSA to implement procedures that strengthen controls over the process for obtaining a commercial driver’s license. Specifically, the

IG recommends that all CDL applicants demonstrate that they are a U.S. citizen, a permanent legal resident, or are otherwise legally present in the U.S. Although FMCSA has completed a rulemaking requiring CDL drivers with hazardous material endorsements to provide proof of citizenship or lawful permanent residence, it has continued to delay a rulemaking that requires drivers applying for a CDL without a hazardous materials endorsement to provide similar documentation. The Committee is concerned that continued delay will result in increased risk exposure, as 70 percent of the CDLs issued since 1989 do not carry a hazardous material endorsement.

Further, consistent with the IG's recommendation, the Committee directs FMCSA to consider establishing a requirement for social security number (SSN) verification, fingerprinting, or use of digital image exchange when issuing a CDL. Currently, 40 states have established a SSN verification process. The Committee directs FMCSA to encourage states to apply for CDL grants for SSN verification, fingerprinting, or digital image exchange, and to educate states as to each of these system benefits in curtailing fraud and enhancing national security.

Compliance reviews.—The Committee notes the negative effect that the implementation of the new entrant safety assurance program and the security site visits and security components of the compliance reviews adopted since the terrorist attacks of September 11, 2001 have taken on the number of compliance reviews the FMCSA has completed. The number has fallen from a high of 11,340 in 2001 to 8,924 in 2002. This means that more motor carriers are operating either without a safety rating or with an outdated safety rating. The Committee expects the number of reviews to significantly increase as states implement the new entrant program, first funded in fiscal year 2004. The Committee directs FMCSA to submit a report to the House and Senate Committees on Appropriations detailing the reasons for the decline in compliance reviews since 2001, and including specific contributions and the degree of each contribution. In addition, the report should include descriptions of issues or policies that may impact the number of compliance reviews in the future, and a plan to overcome current problems.

SafeStat.—The Committee directs the FMCSA to implement the IG's recommendations in its February 13, 2004 report, "Improvements Needed in the Motor Carrier Safety Status Measurement System." These recommendations are designed to correct the weaknesses in the "SafeStat" data reported by states and motor carriers and improve FMCSA's processes for correcting and disclosing data problems. The IG recommends that FMCSA: (1) revalidate the SafeStat model; (2) improve systems for correcting inaccurate data and tracking of corrective actions; (3) expand cautions on the internet regarding SafeStat's use; and (4) establish a plan to improve and ensure the quality of SafeStat data.

Form M.—The Committee notes that the budget request transfers responsibility of form M from BTS to FMCSA. It is not clear to the Committee how form M is relevant to FMCSA's mission, therefore the request is denied.

NATIONAL MOTOR CARRIER SAFETY PROGRAM
(LIQUIDATION OF CONTRACT AUTHORIZATION)
(LIMITATION ON OBLIGATIONS)
(HIGHWAY TRUST FUND)
(INCLUDING TRANSFER OF FUNDS)

	<i>(Liquidation of con- tract authorization)</i>	<i>(Limitation on obliga- tions)</i>
Appropriation, fiscal year 2004	\$190,000,000	(\$188,879,000)
Budget request, fiscal year 2005	190,000,000	(190,000,000)
Recommended in the bill	190,000,000	(190,000,000)
Bill compared with:		
Appropriation, fiscal year 2004	---	(+1,121,000)
Budget request, fiscal year 2005	---	(---)

The FMCSA's national motor carrier safety program (NMCSP) was authorized by TEA-21, amended by the Motor Carrier Safety Improvement Act of 1999, and continued into 2004 by a series of short-term extension Acts. 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 current authorized level, and is \$1,121,000 greater than the fiscal year 2004 enacted level.

The Committee recommends the following allocation of funds:

	<i>Amount</i>
Motor carrier safety assistance program	\$169,000,000
Basic motor carrier safety grants	133,350,000
Performance-based incentive grant program	7,100,000
High-priority activities ¹	26,450,000
State training and administration	2,100,000
Crash causation (sec. 224(f) MCSIA)	1,000,000
Information systems and strategic safety initiatives	20,000,000
Data analysis and information systems	14,000,000

	<i>Amount</i>
PRISM	5,000,000
Driver programs (CDL grants)	1,000,000

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

ELECTRONIC GOVERNMENT

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2004	
Budget request, fiscal year 2005	\$450,000
Recommended in the bill	
Bill compared with:	
Appropriation, fiscal year 2004	
Budget request, fiscal year 2005	- 450,000

The Committee has not received sufficient justification for the Department regarding its electronic government request. Therefore, the request is denied.

GENERAL PROVISIONS—FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

The bill includes a provision (sec. 141) subjecting funds appropriated in this Act to the terms and conditions of section 350 of Public Law 107–87, including a requirement that the Secretary submit a report on Mexico-domiciled motor carriers.

The bill includes a provision (sec. 142) which prohibits the use of funds in this Act to implement or enforce any provision of the final rule issued on April 16, 2003 as it applies to operators of utility service vehicles.

The bill includes a provision (sec. 143) which prohibits the use of funds in this Act to implement or enforce any hours of service regulations on operators of utility service vehicles. It also clarifies that states are precluded from using FMCSA grant funds for this purpose.

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; (2) the Highway Safety Act; (3) the Motor Vehicle Information and Cost Savings Act (MVICSA); (4) the National Driver Register; (5) the Transportation Equity Act for the 21st Century (TEA–21); and (6) the Transportation Recall Enhancement, Accountability, and Documentation Act (TREAD).

The Transportation Equity Act for the 21st Century is the current authorization for the full range of NHTSA programs. The current extension of this law is scheduled to expire on July 31, 2004. Because conference of the surface reauthorization legislation has not yet been completed, the Committee has continued the fiscal year 2004 program levels as if authorized through fiscal year 2005.

OPERATIONS AND RESEARCH

Appropriation, fiscal year 2004 ¹	(\$224,790,000)
Budget request, fiscal year 2005	233,300,000
Recommended in the bill	223,114,000
Bill compared with:	
Appropriation, fiscal year 2004	- 1,676,000
Budget request, fiscal year 2005	- 10,186,000

¹Derived from the Highway Trust Fund.

COMMITTEE RECOMMENDATION

The Committee recommends new budget authority and obligation limitations for a total program level of \$223,114,000. Of this total, \$129,514,000 is for operations and research from the general fund, \$90,000,000 is for 23 U.S.C. 403 activities from the highway trust fund, and \$3,600,000 is for the national driver register. The funding shall be distributed as follows:

	<i>Amount</i>
Salaries and benefits	\$72,200,000
Travel	1,385,000
Operating expenses	23,572,000
Contract programs:	
Safety performance (rulemaking)	11,183,000
Safety assurance (enforcement)	18,279,000
Highway safety programs	44,465,000
Research and analysis	67,657,000
General administration	679,000
Grant administration reimbursements	- 16,306,000
 Total	 223,114,000

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

Reduce funding for crash causation study	-\$3,200,000
Reduce funding for computer technology increase	- 2,260,000
Increase funding for FARS data collection	+850,000
Increase funding for non-compliant vehicle inspectors	+250,000
Increase funding for national EMS system	+500,000
Reduce funding for harmonization of vehicle safety standards	- 203,000
Reduce funding for workforce planning	- 427,000
Reduce funding for crash avoidance initiative	- 5,000,000
Increase funding for share the road safely	+100,000

OPERATING EXPENSES

Computer support.—The Committee is troubled at the proposed increase in fiscal year 2005 funds for NHTSA's information technology (IT) program. NHTSA is proposing a 50% increase for IT activities, more than any other program under the agency's jurisdiction. The Committee understands that the new activities that are proposed could increase customer support and IT security. However, under the strict fiscal constraints that the entire Federal Government confronts this year, it is imperative that NHTSA prioritize these functions to make the most of its critical funding. Further, to label 30% of these funds as a mandatory increase also concerns the Committee, as it is clearly not a mandatory action to increase funding for computer investment, unless the Congress places this mandatory requirement upon an agency. Therefore, not more than the fiscal year 2004 enacted level, \$2,620,000, of funds provided in this Act may be used for information technology, computer support or E-gov activities.

Administrative grant reimbursements.—The Committee notes with alarm the growing pace in which NHTSA is requesting a reduction from the highway safety grant programs to reimburse the agency for its administrative expenses. In just two years, NHTSA has increased this request by 64%. The Committee reminds NHTSA that increases to grant administration reduce the amount of grant funds that go to the states to improve highway safety, and the Committee will not allow this trend to continue. Funds totaling \$16,306,000, the same as the fiscal year 2004 enacted level, are therefore provided as reimbursements to NHTSA for administering the grant programs.

Harmonization of vehicle safety standards and workforce planning and development.—Due to budget constraints, funding is not provided for the harmonization of vehicle safety standards initiative and the workforce planning and development program.

SAFETY ASSURANCE

Non-compliant vehicle products.—The Committee is aware that the United States is facing a growing number of imports of motor vehicle products, primarily in the lighting sector, that do not meet U.S. federal motor vehicle safety standards. These imports pose a serious risk to highway safety and to the American public. NHTSA has conducted only 24 compliance-related investigations in this area since 1999 (15 of which involved replacement visibility and signaling devices that were imported from overseas markets) and the number of existing product violations in the domestic market is rapidly rising. To assist NHTSA's ongoing enforcement actions against non-compliant vehicle products, the Committee believes it is necessary for NHTSA to hire additional staff to work exclusively in NHTSA's office of vehicle safety compliance. The Committee has provided \$250,000 for an additional two full-time equivalent staff years in fiscal year 2005. NHTSA should move expeditiously to ensure that these positions are filled and shall notify both the House and Senate Committees on Appropriations when hiring is complete.

HIGHWAY SAFETY PROGRAMS

Emergency medical services (EMS).—Effective EMS systems are necessary for post crash injury control; however local EMS systems vary considerably. NHTSA serves as a lead federal agency to ensure continual advancement of the performance of all EMS systems, by providing national leadership and guidance for systems administrators. In October 2001, the GAO published a report on emergency medical services that emphasized the need for consistent information for improving performance at the local level, setting and monitoring national level policy, and improving researchers' ability to assess EMS outcomes. NHTSA has helped to develop a National EMS Information System (NEMSIS), but the next and most important step will be implementation of NEMSIS. The Committee has provided \$500,000 in fiscal year 2005 for NHTSA to begin the implementation of this important program.

Motorcycle-related fatalities.—There was a continuous decline in motorcycle crash fatalities from the mid-1980's through 1997. Since 1997, however, motorcycle fatalities have increased annually, making 2003 the sixth year in a row for an increase in fatalities. New and innovative ideas to approach this issue are urgently need-

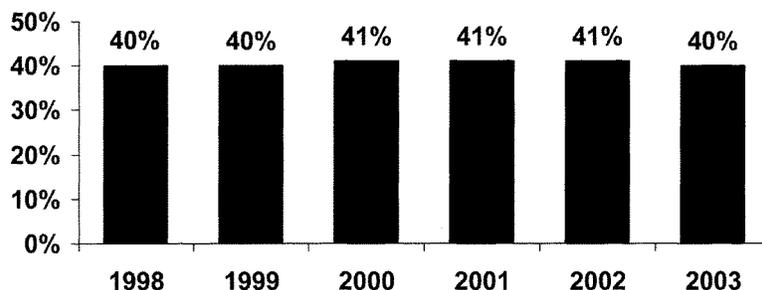
ed, and it is imperative that NHTSA focus more attention on this problem. The Committee has provided \$744,000 under Highway Safety Programs for motorcycle programs. An examination of the effectiveness of motorcycle education should be undertaken by NHTSA in fiscal year 2005, as well as initial studies concerning the possibility of a motorcycle crash causation study.

Share the road safely.—The Consolidated Appropriations Act, 2004, included a legislative provision directing that the share the road safely program be administered by NHTSA for fiscal year 2004 and prohibiting NHTSA from transferring funds to the Federal Motor Carrier Safety Administration for this program. Language was also included that encouraged NHTSA to work with FMCSA and state highway safety representatives to determine the best avenues for educating both the motoring public and commercial motor vehicle drivers, including incorporating such information in driver education courses.

The Committee is aware that internal disputes have been ongoing between NHTSA and FMCSA about the role of each agency under the current structures. The Committee wants it clearly stated that due to NHTSA's experience in educational outreach issues, the Committee directs NHTSA to lead the implementation of this program. FMCSA must work with NHTSA to ensure that FMCSA is learning how NHTSA carries out their campaigns and must detail one position to work with NHTSA staff to assist in the program's implementation and to gain knowledge of NHTSA's educational outreach programs. Assuming FMCSA's cooperation in fiscal year 2005, this should be the final year that NHTSA would administer the program. Funding is provided for this program to NHTSA and the funding shall not be transferred to FMCSA for any reason.

Impaired driving.—The Committee continues to be concerned by the lack of progress to reduce alcohol-related fatalities and injuries on the nation's roadways. According to NHTSA's 2003 Early Assessment Estimates of Motor Vehicle Crashes, alcohol-related fatalities remained essentially unchanged from 2002. Despite the combined efforts of federal and state safety officials, the 2003 data represent the sixth consecutive year with no discernable progress.

Alcohol-Related Traffic Fatalities 1998 – 2003



Therefore, the Committee directs the Department of Transportation Office of Inspector General to explore whether federal and state efforts to reduce alcohol-related fatalities and injuries could be improved. This review should compare the scope and direction of programs and activities conducted by states with the highest and lowest rates of alcohol-related fatalities and the highest and lowest percentages of drinking drivers involved in fatal crashes using a five-year average of fatality data. In particular, the Committee would like a review of: the defining characteristics that constitute an alcohol-related crash; state and federal resources dedicated to reducing alcohol-impaired driving and an analysis of expenditures; state law enforcement efforts, including the use of sobriety checkpoints or other high-visibility enforcement methods; law enforcement officer training standards; the use of paid and earned media; and an overview of current state laws.

Underage drinking.—In division E of the statement of the managers accompanying the Consolidated Appropriations Act, 2004 (Public Law 108–199), the conferees expressed concern about underage drinking trends and the need to take immediate steps to better coordinate federal efforts to address this problem. The report also directed the Secretary of Health and Human Services to establish an Interagency Coordinating Committee on the Prevention of Underage Drinking and to issue an annual report summarizing all federal agency activities concerning this important issue. The Committee emphasizes the magnitude of the underage drinking issue and the importance of remaining active in combating it. The Committee is pleased to see NHTSA taking an active approach to HHS's interagency committee and asks NHTSA to keep both the House and Senate Committees on Appropriations informed of the agency's participation in the committee.

RESEARCH AND ANALYSIS

Crash avoidance initiative.—The NHTSA budget request indicates an increasing emphasis on crash avoidance measures, particularly technologies that reduce the chances of having a vehicle accident or reducing the severity of a crash if it occurs. This emphasis is evident in a \$5,000,000 request in the NHTSA budget proposal for a new crash avoidance initiative and a \$126,000 increase in current crash avoidance programs. Unfortunately, this proposed increase lacks a detailed justification. Budget document statements contain broad generalities that lack specific details of what will actually be accomplished in the next fiscal year and do not substantiate specifically how NHTSA intends to use this research to achieve the stated goal of 1.0 fatalities per 100 million vehicle-miles traveled by 2008. This is especially troubling when programs like crashworthiness and highway safety face steep cuts in the proposed budget. It is imperative that funding is spent on activities that save the most lives and little information has been provided that these types of technologies will achieve this goal. There is also little information in the budget document regarding specific technologies the agency is reviewing or considering, as well as the costs and feasibility for the use of this technology in passenger vehicles. The request of \$5,000,000 for the new initiative is unjustified and is therefore denied.

Fatality analysis reporting system (FARS).—The Committee is aware that the proposed budget for the fatality analysis reporting system (FARS) data collection for fiscal year 2005 is insufficient to pay state FARS analysts for the entire data collection year. As a result, states will be unable to continue to employ well-trained staff. If this occurs, the FARS data collection system would be in jeopardy of not completing the timely and accurate database that supports all of NHTSA's highway safety programs. The Committee is therefore providing an increase of \$850,000 to the base FARS program to ensure that sufficient funding is available to all 50 States, the District of Columbia, and Puerto Rico so that States will be able to continue uninterrupted fatal crash data collection throughout calendar year 2005.

National tire efficiency.—In the statement of the managers accompanying the Consolidated Appropriations Act, 2004 (Public Law 108–199), the conferees directed the Secretary of Transportation, through a contract with the National Academy of Sciences, to develop and perform a national tire fuel efficiency study and literature review to consider the relationship low rolling resistance replacement tires designed for use on passenger cars and light trucks have on fuel consumption and tire wear life. The Committee urges NHTSA to support this very important study.

OPERATIONS AND RESEARCH

Appropriation, fiscal year 2004 ¹	(\$149,657,000)
Budget request, fiscal year 2005	139,300,000
Recommended in the bill	129,514,000
Bill compared to:	
Appropriation, fiscal year 2004	– 20,143,000
Budget request, fiscal year 2005	– 9,786,000

¹Derived from the Highway Trust Fund.

The Committee recommends a total of \$129,514,000 for operations and research funding from the general fund, which is \$9,786,000 below the request.

OPERATIONS AND RESEARCH
(LIQUIDATION OF CONTRACT AUTHORIZATION)
(LIMITATION ON OBLIGATIONS)
(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2004	\$71,575,000
Budget request, fiscal year 2005	90,000,000
Recommended in the bill	90,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+18,425,000
Budget request, fiscal year 2005 .....	.....

The Committee recommends \$90,000,000 from the highway trust fund for authorized activities associated with operations and research.

NATIONAL DRIVER REGISTER
(LIQUIDATION OF CONTRACT AUTHORIZATION)
(LIMITATION ON OBLIGATIONS)
(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2004	\$3,558,000
Budget request, fiscal year 2005	4,000,000
Recommended in the bill	3,600,000
Bill compared to:	
Appropriation, fiscal year 2004	+42,000
Budget request, fiscal year 2005	-400,000

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. The Committee recommends \$3,600,000 from the highway trust fund for activities associated with the national driver register.

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

	<i>Liquidation of con- tract authorization</i>	<i>Limitation on obliga- tions</i>
Appropriation, fiscal year 2004	\$225,000,000	(\$223,673,000)
Budget request, fiscal year 2005	456,000,000	(456,000,000)
Recommended in the bill	225,000,000	(225,000,000)
Bill compared to:		
Appropriation, fiscal year 2004 .....	.....	(+1,327,000)
Budget request, fiscal year 2005	-231,000,000	(-231,000,000)

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 2004 level.

LIMITATION ON OBLIGATIONS

As in past years, the bill includes language limiting the obligations to be incurred under the various highway traffic safety grants programs. These obligations are set 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

The fiscal year 2005 budget submission reflected NHTSA's reauthorization proposal, which restructures the highway safety grant programs into a consolidated program, funded at the combined level of TEA-21 section 402, 410, 405, 411, 2003(b), and 163 and 157 of title 23 of the United States Code. The Committee has continued to fund the 157 and 163 programs at their authorized level, which requires \$122,000,000 from the highway trust fund.

Highway safety formula 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. The national occupant protection survey is also funded within this total. Language is included in the bill that limits funding available for federal grants administration from this program to \$10,000,000.

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 passengers 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 \$2,306,000.

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 previously 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. In addition, \$10,000,000 is to be allocated for national paid media to support national safety belt mobilizations under section 157. Language is included in the bill that limits funding available for federal grants administration from this program to \$1,000,000.

Alcohol-impaired driving incentive grants.—The Committee has funded the section 410 alcohol incentive grant program at \$40,000,000 in fiscal year 2005. This program offers 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 night-time 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 eligibility 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 demonstrating 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. 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 2005 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. 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. In addition, \$20,000,000 under section 163 is to be allocated for national paid media to support national safety belt mobilizations. Language is included in the bill that limits funding available for federal grants administration from this program to \$1,000,000.

Bill language.—The bill maintains language that prohibits the use of funds for construction, rehabilitation, and remodeling costs or for office furnishings or fixtures for state, local, or private build-

ings or structures. Language is also continued that limits the amount available for technical assistance to \$500,000 under section 410.

GENERAL PROVISIONS—NATIONAL HIGHWAY TRAFFIC SAFETY
ADMINISTRATION

The Committee continues a provision (sec. 151) that 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 provides that any state that uses funds for such purposes must submit a report to the Secretary, who in turn is directed to submit the reports to the House and Senate Committees on Appropriations. The provision allocates \$10,000,000 for national paid media to support national safety belt mobilizations under section 157 and \$20,000,000 under section 163 to include: \$7,000,000 to support state impaired driving mobilization enforcement efforts and \$12,000,000 for paid media to support national law enforcement mobilizations on impaired driving. No more than 60% of funds provided for impaired driving media support may go to the thirteen strategic states.

The Committee includes a provision (sec. 152) that directs NHTSA to administer the share the road safety program for fiscal year 2005.

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 serving to rehabilitate and improve the railroad industry's physical plant are also administered by the FRA.

SAFETY AND OPERATIONS

Appropriation, fiscal year 2004	\$130,053,000
Budget request, fiscal year 2005	142,396,000
Recommended in the bill	137,738,000
Bill compared with:	
Appropriation, fiscal year 2004	+7,685,000
Budget request, fiscal year 2005	-4,658,000

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 \$137,738,000 has been allocated to safety and operations, which is a \$7,685,000 increase from the fiscal year 2004 enacted level. Of this total, \$15,350,000 is available until expended. The following adjustments have been made to the budget request:

Deny funding for additional staffing	-\$1,322,000
Deny funding for central training facility	- 550,000
Deny funding for unjustified E-gov initiatives	- 193,000

Reduce funding for track geometry vehicle	-2,000,000
Deny funding for fatigue study	-500,000

Staffing.—The Committee approves funding for eight operating practices inspectors and has included funding totaling \$593,000 for this purpose.

Student inspector trainee program.—Funding for sixteen student inspector trainees is requested for recruitment and succession planning. The Committee denies funding for the trainee program, as it is not fiscally justifiable at this time.

E-gov.—The Committee denies funding for E-gov initiatives initiated by the Office of the Secretary for lack of adequate justification.

Budget justifications.—The Committee has stated that it is troubled by the serious decline in the quality of budget justification material. However, the Committee must note that the Federal Railroad Administration, while including a hundred pages of text regarding performance achievements and goals, has continued to provide breakouts of requested funds by office and activity. The Committee commends FRA for continuing to provide the Committee with justification for their budgetary needs in an appropriate format.

Intermodal Transportation Center at Union Station.—The Committee is aware of the current venture for proposed improvements to the Intermodal Transportation Center (ITC) at Union Station. The modernization of the ITC is to be undertaken in conjunction with the Congressionally-mandated development of the air rights above the rail yard at Union Station. The winning bidder for the air rights purchase was selected and the project has been delayed for nearly two years by protracted negotiations related to the sale. It is the Committee’s understanding that the Federal Railroad Administration, with its fiduciary responsibility for Union Station, has been working for the past year to resolve the issues among the parties, and that some progress has been made to that end. The Committee appreciates the efforts of all involved parties to resolve this matter and encourages these parties to continue working to arrive at a fair solution as expeditiously as possible.

RAILROAD RESEARCH AND DEVELOPMENT

Appropriation, fiscal year 2004	\$33,824,000
Budget request, fiscal year 2005	36,025,000
Recommended in the bill	33,289,000
Bill compared with:	
Appropriation, fiscal year 2004	-535,000
Budget request, fiscal year 2005	-2,736,000

The railroad research and development appropriation finances FRA contract research activities. 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 \$33,289,000, which is a \$2,736,000 decrease from the amount requested.

The recommendation assumes the following reductions to the budget request:

Deny funding for high-speed/freight configurable locomotive simulator	-\$500,000
Deny funding for discontinued fiscal year 2004 programs	-2,236,000

Grade crossing accidents.—Accidents at grade crossings account for the second highest number of fatalities in the railroad industry and motorist behaviors are clearly a major factor. Yet few resources have been directly targeted to understanding why motorists make bad decisions at grade crossings. The Committee supports FRA’s accident causation and driver behavior projects and has provided \$500,000 for research on human factors issues at grade crossings.

RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM

TEA-21 established 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 2005.

The Committee has included bill language that directs Amtrak to make full payment of all principal and interest to the Federal Railroad Administrator in satisfaction of the Corporation’s July 3, 2002 direct loan within 30 days of enactment of this Act.

The Committee has not included bill language requested by FRA authorizing FRA to charge and collect a fee from applicants for a direct loan or guaranteed loan.

NEXT GENERATION HIGH-SPEED RAIL

Appropriation, fiscal year 2004	\$37,179,000
Budget request, fiscal year 2005	10,000,000
Recommended in the bill	11,000,000
Bill compared with:	
Appropriation, fiscal year 2004	-26,179,000
Budget request, fiscal year 2005	+1,000,000

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 \$11,000,000 for the next generation high-speed rail program, which is a \$1,000,000 increase to the budget request. Total program funding is allocated as follows:

	Committee rec- ommendation
Train control systems:	
North American joint PTC project	\$4,000,000
Train control-TTC	1,000,000
Non-electric locomotives:	
Advanced locomotive propulsion system	700,000
Prototype non-electric locomotive	800,000
Diesel multiple units compliance and demonstration	1,000,000
Grade crossing and innovative technologies:	
Mitigating hazards	1,000,000
Low-cost technologies	1,000,000
Track and structures	1,000,000
Total	11,000,000

Diesel multiple units (DMU) compliance and demonstration program.—There is an interest from both commuter and intercity rail passenger service providers to use diesel multiple units on commuter and future high-speed rail corridors. Until recently, this form of rail technology had not been produced in the United States since the Federal Railroad Administration issued passenger equipment safety regulations. The Committee has provided \$1,000,000 to validate the compliance of diesel multiple units with existing passenger car safety standards and to make a grant to up to two public bodies for the purpose of initiating a demonstration in daily revenue service of a compliant DMU during calendar years 2004 and 2005. 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 safety standards and for the acquisition of DMUs (through a conventional competitive procurement process) 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. In making the grant award decision, FRA shall consider among its criteria: the extent that the award would develop or facilitate the domestic rail passenger car manufacturing industry and the extent that it is compatible with DMU technology acquired pursuant to the fiscal year 2003 appropriation. Nothing shall preclude FRA from making funds available to the recipient of the fiscal year 2004 award.

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 the funds distributed under this program for fiscal year 2005:

\$700,000 shall be used to mitigate grade crossing hazards on Assembly Street in Columbia, South Carolina;

\$1,650,000 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;

\$1,500,000 shall be used to mitigate grade crossing hazards for a rail crossing in the City of Spartanburg, South Carolina;

\$650,000 shall be used for a grade crossing rail relocation in Auburn, Maine; and

\$750,000 shall be used for grade crossing safety improvements in Transportation Center CorridorOne, Harrisburg, Pennsylvania.

Magnetic levitation technologies.—Section 1218 of TEA–21 established a magnetic levitation deployment program to be administered by the FRA. In fiscal year 2004, the Committee requested that FRA perform a cost-benefit comparison report of magnetic levitation to other modes of travel. Although FRA has not completed the report, early indications show that the costs far outweigh the benefits of this program. FRA has not requested support in their fiscal year 2005 request for maglev technologies, and the Committee has provided no funding.

PENNSYLVANIA STATION REDEVELOPMENT PROJECT
(TRANSFER OF FUNDS)

In the early 1990s, conditions at Pennsylvania Station in New York coupled with projected growth in passenger traffic prompted Amtrak to consider alternatives for expanding Pennsylvania Station. The station, located beneath the Madison Square Garden Arena, had no practical alternative for growth except to expand across the street to the underutilized Farley Post Office Building, situated above the railroad tracks and passenger platforms serving Pennsylvania Station.

In 1992, Amtrak recommended that the Farley Building be redeveloped to accommodate new Amtrak facilities, at an estimated cost of \$315,000,000. As plans developed, more than one-third of the Farley Building was slated for conversion into a new railroad passenger station and new retail space, and the existing Pennsylvania Station was to be renovated to include additional retail services and support facilities. Amtrak was to shift its operations to the Farley Building, while the Long Island Rail Road and the New Jersey Transit Corporation would continue to operate from Pennsylvania Station.

In fiscal year 2000, the Congress provided a \$60,000,000 advance appropriation to the Federal Railroad Administration, appropriated over a three-year period for a final amount of \$59,827,000, specifically for the renovation of the Farley Building in anticipation of Amtrak's move to the Postal Service facility. Of this funding, \$20,000,000 was provided in fiscal year 2001 specifically for fire and life safety initiatives. Given the continuous local changes in the leadership, scope, and financial outlook of the project in New York, the Federal Railroad Administration has not obligated any of these funds to date, leaving a large balance in the Treasury.

The latest twist to the new station's chronicle is that after years of delays in New York, Amtrak is now declining to move to the new building. Completion dates for the project have come and gone; from initial anticipation of completion by 1999 to a date now estimated in 2010. Costs have continued to skyrocket, from a total expected cost of \$315,000,000 in 1992 to a cost now estimated to be over \$1,000,000,000.

To Amtrak's credit, it is reluctant to move to this new building as it appears that Pennsylvania Station Redevelopment Corporation (PSRC) is going to require Amtrak to pay annual rent for the new space. Amtrak currently owns Pennsylvania Station, although it is leased, but pays no rent. Given the financial outlook Amtrak faces, the railroad is quite reasonably saying that it does not want to incur new obligations. The Committee commends Amtrak for re-

alizing that incurring new and recurring financial requirements is not in the best interests of the company, as the Committee has ardently and consistently emphasized this message to Amtrak over a period of years. The Committee strongly urges Amtrak to fully weigh all current options before agreeing to any actions that would increase temporary or long-term fiscal obligations for the railroad at Penn Station.

The purpose for the initial appropriation—for Amtrak’s move to the Farley Building—now looks as if it will not be achieved, and there are far more pressing fiscal constraints that the Committee currently faces for which this funding can be utilized. Given the unpredictable nature of the current situation and a possible collapse of the project in New York, together with the difficult fiscal constraints the Committee faces this year, a provision has been included in the bill that transfers the unobligated balances from fiscal year 2002 and 2003 of \$39,827,000. Portions of these funds have remained unobligated for up to three fiscal years. The \$20,000,000 appropriation for fire and life safety initiatives appropriated in fiscal year 2001 is still available for obligation for those purposes. The City of New York has requested funding from the Committee this year for many capital transportation projects that are either currently under construction or are scheduled to begin construction within the next year. Therefore, the funding is to be transferred to the Federal Transit Administration’s Capital Investment Grants and allocated to the New York Long Island Rail Road East Side Access project.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

(AMTRAK)

Appropriation, fiscal year 2004	\$1,217,773,000
Budget request, fiscal year 2005	900,000,000
Recommended in the bill	900,000,000
Bill compared to:	
Appropriation, fiscal year 2004	– 317,773,000
Budget request, fiscal year 2005 .....	.....

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. Operations began 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 and operate free of government assistance.

STATUS OF AMTRAK

This summer, Americans who travel by train can ride without having to fear, as they did in June 2003, that Amtrak may be out of business by Labor Day. Although Amtrak continues to operate with substantial losses each and every day at the expense of Amer-

ican taxpayers, the railroad is finally approaching a place of financial accountability where accounting is not done behind closed doors, but in cooperation with, and oversight of, the Department of Transportation. This greater transparency has created an environment where Amtrak is not threatening to shut down train operations every few months, which, for the travelers who use Amtrak, should produce relief.

This progress has been made with the passage of the last two appropriations Acts and DOT's management and oversight. As a result of increased DOT involvement through the grant-making process, better financial controls are in place. This has been a substantial achievement that could not have been accomplished without the cooperation of both the Department of Transportation and Amtrak.

Even though progress has been made at reining in Amtrak's accounting measures, a decrease has not been achieved in the large taxpayer subsidization that Amtrak continues to digest. Few people would argue that Amtrak has been either a transportation or financial success. After over 30 years of operation and an expenditure of over \$40 billion in federal subsidies, Amtrak still only provides one half of one percent of all intercity transportation, with half of Amtrak's passenger trips taking place in the Northeast Corridor. Appropriations subsidies have risen by 71.2 percent in five years. In the same time period, ridership has increased by 11.6 percent, facilitated by "buy one, get one free" ticket offers, or ticket sales like those seen in April, where tickets could be purchased from Washington, DC to Orlando, FL for \$17.10.

Nevertheless, the Committee is facing almost the exact funding situation for Amtrak as it did at this time last year. The Administration has included a request of \$900 million for Amtrak operating and capital grants for fiscal year 2005. Amtrak has again asked for \$1.8 billion from Congress for activities that it claims it needs. Amtrak continues the rhetoric heard for two years now that any appropriation less than \$1.8 billion is a "shut down level". There continues to be no serious attempts to reauthorize Amtrak, so the appropriation remains an unauthorized one. So the same situation is presented again: to provide an amount of financial assistance to a railroad that is not authorized and where the concurrent budget requests are almost \$1 billion apart.

COMMITTEE RECOMMENDATION

The Committee recommends \$900,000,000 for grants to Amtrak in fiscal year 2005, consistent with the budget request. Of this total, not less than \$500,000,000 is provided for capital improvements to Amtrak's Northeast Corridor and other general capital improvements. Beginning 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, on numerous occasions, has 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". Funding is provided to the Secretary of Transportation, subject to the grant oversight and management reforms. Amtrak has had to pace itself on expenditures, with DOT oversight, to ensure that their

funding would last throughout the fiscal year. These reforms promise financial accountability for Amtrak, and as a result, the Committee bill retains them for fiscal year 2005.

Capital grants.—The Secretary is directed to continue to ensure 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 2005 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 2005. 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 the Department submits its fiscal year 2006 budget request to Congress, 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 2005, the Secretary must continue to vouch for the accuracy of Amtrak's financial information. As a member of the Board of Directors, this is a reasonable expectation of the Secretary. This must be in the form of a signed letter that accompanies the operating and capital plans that must be submitted to the House and Senate Committees on Appropriations. 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 annual 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 current or future material 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 ensure 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 continue to approve all variations to the base operating and capital plans according to the Department's reprogramming process.

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 the reasons for such deviation;
- 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.

Capital asset valuation.—The Committee is disturbed that there is currently no verifiable method that gives clear details describing the avoidable and fully allocated costs for each Amtrak train route. It is difficult to comprehend that this is not possible for a railroad that has been in operation for over 30 years. Further, as the Congress continues to look at ways to improve and reform Amtrak, it is essential that this information be available.

Therefore, the Secretary is directed to retain a third-party consultant to perform a comprehensive valuation of Amtrak's capital assets, especially those valuable assets in the Northeast Corridor. This valuation shall then be used to develop, to the Secretary's satisfaction, a methodology for determining a definition of an Amtrak route and the avoidable and fully allocated costs of each route. Once this methodology is complete, Amtrak shall then apply that methodology in compiling an annual report to Congress on the

avoidable and fully allocated costs of each of Amtrak's train routes. The Secretary may use up to \$4,000,000 for these purposes.

The Secretary and FRA should ensure that the House and Senate Committees on Appropriations are kept apprised of this process, from the retention of consultants to the methodology to be used in the assessments. At the completion of this appraisal, the Department should prepare a comprehensive report to the House and Senate Committees on Appropriations, the House Transportation and Infrastructure Committee and the Senate Commerce, Science, and Transportation Committee.

State-assisted intercity rail service.—The Secretary, working with affected states, is directed to continue the development and implementation of 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 \$2,500,000 from Amtrak operating grant funds to make grants to the states for implementation of this provision. The Secretary should administer the process, monitor its progress, and ensure frequent updates to the House and Senate Committees on Appropriations.

Fiscal year 2006 budget request.—The Committee is troubled that Amtrak, in statute, may submit an annual budget request to both the Congress and the Department of Transportation for yearly appropriations, without any type of third-party oversight or opinion. Amtrak is one of a small number of private, for-profit corporations that is afforded this authority. The Committee is concerned that Amtrak may continue to ask for more and more Federal dollars every year, without constraints or a third-party review for accuracy of information or validation of need. Therefore, a provision has been included that prohibits Amtrak from submitting a concurrent budget submission and directs the railroad to submit the budget request through the Department of Transportation's normal budget request process.

Amtrak reform proposals.—The Committee is aware of current proposals that are under review to restructure Amtrak by separating infrastructure operations from transportation operations. These proposals would include a private sector infrastructure management organization to manage the railroad infrastructure. The Committee encourages an ongoing dialogue with regard to this proposal.

GENERAL PROVISIONS—FEDERAL RAILROAD ADMINISTRATION

The Committee continues a provision (sec. 161) that requires the Secretary of Transportation to continue development and implementation of 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 Committee includes a provision (sec. 162) that allows for FRA to provide reimbursement to employees for home internet connections related to safety inspections.

The Committee includes a provision (sec. 163) that prohibits Amtrak from submitting a concurrent budget submission and directs the railroad to submit the budget request through the Department of Transportation's normal budget request process.

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 specific portions of programs.

Authorization for the programs funded by the Federal Transit Administration is contained in the Transportation Equity Act for the 21st Century (TEA-21). The extension of this law will expire on July 31, 2004. Because a conference of the surface transportation reauthorization legislation has not yet been completed, the Committee has continued the fiscal year 2004 program levels as if authorized through fiscal year 2005.

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 expired on September 30, 2003.

ADMINISTRATIVE EXPENSES

	<i>Appropriation (gen- eral fund)</i>	<i>Limitation on obliga- tions (trust fund)</i>	<i>Total funding</i>
Appropriation, fiscal year			
2004	\$15,011,000	\$60,044,000	\$75,055,000
Budget request, fiscal year			
2005	79,931,000	0	79,931,000
Recommended in the bill	15,100,000	60,400,000	75,500,000
Bill compared to:			
Appropriation, fiscal			
year 2004	+89,000	+356,000	+445,000
Budget request, fiscal			
year 2005	-64,831,000	+60,400,000	-4,431,000

COMMITTEE RECOMMENDATION

The Committee recommends a total appropriation of \$75,500,000 for FTA's salaries and expenses. The recommendation is a \$455,000 increase from the fiscal year 2004 enacted level. The recommendation is comprised of an appropriation of \$15,100,000 from the general fund and \$60,400,000 from limitations on obligations from the mass transit account of the highway trust fund.

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

Office of the administrator	\$424,565
Office of chief counsel	4,061,000
Office of civil rights	2,750,000
Office of communicaitons & congressional affairs	1,200,000
Office of budget and policy	6,700,000
Office of planning and environment	4,000,000
Office of program management	7,600,000
Office of administration	6,715,000
Central account	19,557,000
Regional offices	19,982,000
National transit database	2,500,000

The administrator is authorized to transfer funding between offices. Any transfers totaling more than three percent of the initial appropriation from this account must be approved by the House and Senate Committees on Appropriations. No new positions have been approved.

The Committee has found it increasingly difficult to work with the FTA Region 4 office, located in Atlanta, Georgia. No more than \$2,000,000 is provided for this office in fiscal year 2005.

E-gov.—The Committee denies funding for E-gov initiatives by the Office of the Secretary for lack of adequate justification.

Budget justifications.—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. The Committee directs FTA to submit its fiscal year 2006 congressional budget justification for administrative expenses itemized by office, with material detailing salaries and expenses, staffing increases, and programmatic initiatives of each office. The initiatives for each should be clearly stated, and include a justification for each new position or full-time equivalent, should FTA seek any next year.

Staff resources.—FTA is directed to take all means necessary to limit unnecessary staff resources or expenses on technical assistance to projects that are not advancing in the new starts pipeline or that are not seeking a full funding grant agreement. FTA shall

provide a breakout of staff resources spent per new fixed guideway project in the fiscal year 2006 budget request.

Office of research, demonstration, and innovation.—In the Committee's fiscal year 2004 Transportation and Treasury Appropriations report, the Committee expressed concern with the effectiveness of the office of research, demonstration, and innovation and directed FTA to submit a report to the House and Senate Committees on Appropriations on the activities of the office, including all expenditures for the past three fiscal years and planned expenditures for fiscal year 2005. This report was due by September 30, 2003.

This vital report has not yet been provided to the House Committee on Appropriations and the Committee is very troubled by this lack of responsiveness. In the past, the Committee had difficulty receiving the annual report on new starts in a timely manner and was forced to place a monetary incentive in the annual appropriations bill to compel FTA to deliver this report by the required date. Therefore, the Committee directs FTA to produce the report no later than October 1, 2004. Because FTA has been unable to explain the activities of this office or the absence of this report, no funding has been provided for the office of research, demonstration, and innovation.

Transit security.—FTA has been praised for taking an early lead in transit security issues in the wake of the increased terrorist threat following September 11, 2001. With funding provided in a supplemental appropriations Act, FTA conducted a number of security-related activities such as security assessments of transit agencies, outreach conferences, and technical assistance to transit agencies.

In June 2003, after creation of the Department of Homeland Security (DHS), the Deputy Secretary of Transportation, the Secretary's designated liaison with Transportation Security Administration (TSA), wrote a letter to the U.S. General Accounting Office about DOT's reorganization of internal security responsibilities and the division of responsibilities with DHS. In this letter, the Deputy Secretary stated:

The Department of Transportation recognizes that the Department of Homeland Security's Transportation Security Administration has primary responsibility for transportation security policy. DOT now plays only a supporting role, assisting DHS as requested with implementation of security policies, and as allowed by DOT statutory authorities and available resources.

The letter continues:

As TSA works to strengthen its capabilities beyond aviation . . . DOT has continued for now a few of our pre-existing programmatic efforts. For example, we continue to work with transit operators and state transportation executives to inform and educate them regarding security awareness and best practices to enhance security. These efforts are not policy-making activities. Instead, they are intended during the transition to augment and complement TSA's work, as the new agency continues to grow its staff, programs, and experiences in working with diverse transportation sectors. In

the months ahead, DOT's role in security educational efforts will likely decrease.

Despite the clear policy statement enunciated by the Deputy Secretary, this limited role is apparently not the course that FTA has set upon. FTA lacks statutory authority for the regulation of transit security, yet the agency continues to try to grow their security functions, sometimes at the expense of their core safety activities. FTA is attempting to blend these one-time security initiatives immediately after the terrorist attacks of September 11, 2001, with their more traditional activities, such as training, public awareness, and emergency preparedness drills.

The Aviation and Transportation Security Act and enabling statutes creating the TSA make clear that transportation security capital improvements, operational oversight, and security policy matters are properly the jurisdiction and responsibility of the Department of Homeland Security. Yet, the Committee continues to see FTA attempting to establish itself as the lead federal agency in the transit security arena and to institutionalize this role for the foreseeable future. FTA's own website states that they have "undertaken an aggressive nationwide security program", and that the agency "is enhancing its strategies and moving forward to further enhance transit security . . . We will continue many of our current programs, and add new initiatives to meet a variety of needs that we have identified . . ."

Since fiscal year 2003, FTA has increased their request for administrative and research activities related to security by \$1,000,000, an increase of 50%. Safety, FTA's stated primary goal, saw a slight increase in funding from fiscal year 2003; however, administrative and research functions of mobility, FTA's secondary goal, has decreased from \$238,000,000 in fiscal year 2003 to \$86,000,000 in the fiscal year 2005 request.

In April 2003, a new office of transit safety and security (TSS) was created administratively by detail of FTA employees and new hires to play a supporting role in the transition of handing over programmatic efforts to the TSA. This office was created without the benefit of a reprogramming request to the House and Senate Committees on Appropriations. Prior to the terrorist attacks of September 11, 2001, the safety and security office which was within the office of program management totaled 8 full-time equivalent staff years. Today, TSS has 12 FTEs. In addition, FTA is requesting a 25% increase in funding for this office for fiscal year 2005. Meanwhile, the overall FTA program has seen an increase of only 1.5% since 2003. FTA requests no growth for the overall program in fiscal year 2005.

A further example of FTA's attempts was seen in April 2004, when FTA submitted a reprogramming request to reorganize their current office structure. Within this request was a proposal to institutionalize a new, and supposedly temporary office, of transit safety and security as a separate office within FTA. The Secretary later withdrew this reprogramming request; however, it is clear that FTA, by seeking to hire new positions related to security oversight and seeking permanent responsibilities with regard to security policy, is attempting to exercise control in transit security matters that should be within the jurisdiction of TSA.

The Committee believes that FTA should retrench its plans and defer to the expertise of TSA and DHS in security matters. To ensure that this occurs, bill language has been included that prohibits FTA from taking any steps to make the office of transit safety and security a permanent separate office at FTA. Funds for this office are also limited to no more than the fiscal year 2004 enacted level and no new positions are to be hired or added for the office of safety and security. In addition, the Committee directs the Office of Inspector General to perform an audit of FTA's efforts to enlarge its responsibility for transit security and FTA efforts, if any, to turn over these responsibilities to TSA since 2003.

Project management oversight activities.—The Committee 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 \$3,000,000 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 numerous major transit projects and FTA activities, which the Committee has found invaluable. The Committee anticipates that the Inspector General will continue such oversight activities in fiscal year 2005.

Antideficiency Act violations.—In February 2002, the Office of Inspector General released its fiscal year 2001 financial statement audit, which involved a negative obligation balance in FTA's accounting records. The material weakness was a result of improper accounting for obligations by FTA from the mass transit account of the highway trust fund. DOT, in cooperation with the OIG, began an immediate investigation to determine the extent of the obligations. The balance of this over-obligation is \$76,818,457. To correct this problem, the Committee includes a provision that will allow the restoration of obligational authority to formula grants funds that were reduced due to this deficiency.

To help prevent a recurrence of this type of incident, FTA shall report to the House and Senate Committees on Appropriations detailing how the agency has modified its accounting procedures and practices to ensure that this type of accounting violation will not occur in the future. In addition, the Office of Inspector General shall perform a review of FTA's new procedures and report to the House and Senate Committees on Appropriations on the sufficiency of these procedures.

Transit agency advertising.—The Committee remains concerned that transit agencies accepting federal grant funds may be providing their advertising space to organizations that encourage the public to break the law. While the Committee supports the efforts of many transit agencies to prevent ads that promote marijuana use, the Committee remains concerned that the opportunity exists nationwide for transit properties to run similar advertising. Therefore, the bill includes a provision (section 174) that prohibits Federal transit grantees from obligating or expending funds that would otherwise be available in the Act, if the grantee is involved directly or indirectly with any activity, including displaying or permitting

to be displayed advertisements on its land, equipment, or in its facilities, that promotes the legalization or medical use of substances listed in schedule I of section 202 of the Controlled Substances Act.

Full funding grant agreements (FFGAs).—TEA-21, as amended, requires that the FTA notify the House and Senate Committees on Appropriations as well as the House Committee on Transportation and Infrastructure and the Senate Committee on Banking sixty days before executing a full funding grant agreement. In its notification to the House and Senate Committees on Appropriations, the Committee directs the FTA to include the following: (1) a copy of the proposed full funding grant agreement; (2) the total and annual federal appropriations required for that project; (3) yearly and total federal appropriations that can be reasonably planned or anticipated for future FFGAs for each fiscal year through 2005; (4) a detailed analysis of annual commitments for current and anticipated FFGAs against the program authorization; (5) an evaluation of whether the alternatives analysis made by the applicant fully assessed all viable alternatives; (6) a financial analysis of the project's cost and sponsor's ability to finance the project, which shall be conducted by an independent examiner and which shall include an assessment of the capital cost estimate and the finance plan; (7) the source and security of all public- and private-sector financial instruments; (8) the project's operating plan, which enumerates the project's future revenue and ridership forecasts; and (9) a listing of all planned contingencies and possible risks associated with the project.

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

FTA has not done all it can to keep the House and Senate Committees on Appropriations apprised of new start project development and progression, despite Congressional direction to do so in the Consolidated Appropriations Act, 2004. FTA is directed to submit a monthly new start project update to the Committees, detailing the status of each project, including all projects with a full funding grant agreement, as well as those projects with at least a rating of "recommended" that are in the new starts pipeline. This update must include FTA's plans and specific milestone schedules for advancing projects, especially those within two years of a proposed full funding grant agreement. In addition, the Committee directs FTA to formally notify the Committees thirty days before any project in the new starts process is given approval by FTA to advance to preliminary engineering or final design.

Interpreting Congressional intent.—The Committee reiterates to FTA that it is improper for the agency to take actions changing the Congressionally approved scope of programs and projects 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.

FORMULA GRANTS

	<i>Appropriation (gen- eral fund)</i>	<i>Limitation on obligations (trust fund)</i>	<i>Total funding</i>
Appropriation, fiscal year 2004	\$763,270,000	(\$3,053,080,000)	\$3,816,350,000
Budget request, fiscal year 2005		(5,622,871,000)	5,622,871,000
Recommended in the bill	767,800,000	(3,271,200,000)	4,039,000,000
Bill compared to:			
Appropriation, fiscal year 2004	+4,530,000	(+218,120,000)	+222,650,000
Budget request, fiscal year 2005	-600,000,000	(-2,351,671,000)	-1,583,871,000

Formula grants to states and local agencies funded under the Federal Transit Administration fall into four categories: urbanized area formula grants; clean fuels formula grants; formula grants and loans for special needs of elderly individuals and individuals with disabilities; and formula grants for other than urbanized areas. 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.

COMMITTEE RECOMMENDATION

The accompanying bill provides \$4,039,000,000 for transit formula grants. The recommended level is comprised of an appropriation of \$767,800,000 from the general fund and \$3,271,200,000 from limitations on obligations from the mass transit account of the highway trust fund.

The proposed increase in the set-aside for project oversight is denied for the second year. Within the total funding level, the Committee recommendation includes the following distribution:

Urbanized areas	\$3,633,249,556
Elderly and disabled	95,452,801
Non-urbanized areas	253,347,643
Over-the-road bus accessibility program	6,950,000
Clean fuels program	50,000,000
Alaska Railroad	4,825,700

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 systems, extensions, or busways. The Committee continues to assert that local project sponsors of new rail systems, extensions, or busways must use these formula 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 grant apportionments for alternatives analysis and PE&D activities of proposed new systems.

Intercity bus service.—The Committee is concerned that the significant cutbacks in intercity bus service in the midwest and upper midwest have created a situation in which many small communities are completely lacking intercity mass transportation options.

Current law requires each state to spend 15 percent of its annual apportionment of federal non-urbanized funds to support rural intercity bus service unless the state's governor certifies that the state's intercity bus needs are adequately met. As noted in a 2002 report by the Transit Cooperative Research Program, however, many states have struggled to find effective ways to support and improve rural intercity bus transportation.

The Committee directs the Federal Transit Administration, in light of this dire situation, to conduct a study of the problem of dwindling intercity bus service, especially in rural areas, and report, no later than 120 days after enactment of this Act, to the House and Senate Committees on Appropriations with recommendations as to how this problem could be addressed by Congress.

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

FEDERAL TRANSIT ADMINISTRATION FISCAL YEAR 2005 APPORTIONMENTS FOR FORMULA PROGRAMS (BY STATE)

State	Section 5307 urbanized area	Section 5311 nonurbanized area	Section 5310 elderly & persons with disabilities	State total
Alabama	\$16,026,947	\$7,047,234	\$1,666,431	\$24,740,612
Alaska	8,701,049	982,218	246,907	9,930,174
American Samoa		161,118	60,666	221,784
Arizona	46,993,959	3,437,908	1,740,358	52,172,225
Arkansas	8,320,310	5,097,662	1,081,700	14,499,672
California	619,843,992	10,832,851	10,025,258	640,702,101
Colorado	49,748,556	3,060,550	1,219,292	54,028,398
Connecticut	47,511,545	1,566,623	1,186,130	50,264,298
Delaware	6,503,619	710,288	366,052	7,579,959
District of Columbia	73,002,417		319,583	73,322,000
Florida	175,037,059	7,065,182	6,405,102	188,507,343
Georgia	71,105,819	8,932,701	2,419,965	82,458,485
Guam		435,353	159,073	594,426
Hawaii	27,923,813	1,056,357	496,260	29,476,430
Idaho	6,003,209	1,940,871	474,714	8,418,794
Illinois	231,698,777	7,541,991	3,721,071	242,961,839
Indiana	37,017,699	7,507,493	1,971,553	46,496,745
Iowa	13,462,611	5,094,515	1,029,884	19,587,010
Kansas	10,441,732	4,163,801	926,049	15,531,582
Kentucky	19,616,229	6,960,383	1,538,409	28,115,021
Louisiana	31,055,154	5,437,128	1,531,764	38,024,046
Maine	3,224,120	2,702,506	556,458	6,483,084
Maryland	73,093,521	2,809,527	1,626,840	77,529,888
Massachusetts	132,356,435	2,007,868	2,151,181	136,515,484
Michigan	70,770,930	9,448,839	3,100,018	83,319,787
Minnesota	45,079,088	6,208,721	1,437,088	52,724,897
Mississippi	5,339,482	6,087,796	1,084,712	12,511,990
Missouri	39,805,155	7,043,508	1,884,107	48,732,770
Montana	2,718,093	1,878,594	399,347	4,996,034
N. Mariana Islands	711,778	21,165	61,628	794,571
Nebraska	8,754,778	2,548,340	623,516	11,926,634
Nevada	25,312,276	905,403	756,131	26,973,810
New Hampshire	4,888,768	1,923,472	476,917	7,289,157
New Jersey	227,188,569	1,857,665	2,728,834	231,775,068
New Mexico	9,556,730	2,690,500	685,575	12,932,805
New York	576,216,434	9,763,731	6,432,842	592,413,007
North Carolina	39,193,280	12,060,239	2,703,405	53,956,924
North Dakota	3,217,458	1,156,975	321,363	4,695,796
Ohio	91,590,192	11,366,748	3,620,564	106,577,504
Oklahoma	15,204,028	5,531,772	1,270,452	22,006,252
Oregon	38,354,098	4,064,498	1,179,647	43,598,243

FEDERAL TRANSIT ADMINISTRATION FISCAL YEAR 2005 APPORTIONMENTS FOR FORMULA PROGRAMS (BY STATE)—Continued

State	Section 5307 urbanized area	Section 5311 nonurbanized area	Section 5310 elderly & persons with disabilities	State total
Pennsylvania	158,469,006	11,446,071	4,268,928	174,184,005
Puerto Rico	45,323,072	933,444	1,472,720	47,729,236
Rhode Island	9,643,547	338,034	482,363	10,463,944
South Carolina	14,803,868	6,013,162	1,455,331	22,272,361
South Dakota	2,472,209	1,575,600	351,580	4,399,389
Tennessee	29,858,712	7,662,190	2,017,346	39,538,248
Texas	206,665,925	17,030,965	5,960,693	229,657,583
Utah	30,262,999	1,364,199	619,088	32,246,286
Vermont	1,099,143	1,415,869	304,131	2,819,143
Virgin Islands .....	.....	305,446	152,248	457,694
Virginia	56,397,524	6,651,608	2,126,107	65,175,239
Washington	99,617,056	4,472,397	1,812,341	105,901,794
West Virginia	5,211,988	3,637,072	822,095	9,671,155
Wisconsin	41,213,731	7,090,231	1,657,423	49,961,385
Wyoming	1,454,819	1,034,523	263,561	2,752,903
Subtotal	3,615,083,308	252,080,905	95,452,801	3,962,617,014
Oversight	18,166,248	1,266,738	.....	19,432,986
Total	3,633,249,556	253,347,643	95,452,801	3,982,050,000
Over-the-Road Bus Program .....	.....	.....	.....	6,950,000
Clean Fuels .....	.....	.....	.....	50,000,000
Grand Total .....	.....	.....	.....	4,039,000,000

Note:—Alaska 5307 amount includes \$4,825,700 to Alaska Railroad for improvements to passenger operations.

UNIVERSITY TRANSPORTATION RESEARCH

	<i>Appropriation (gen- eral fund)</i>	<i>Limitation on obliga- tions (trust fund)</i>	<i>Total funding</i>
Appropriation, fiscal year			
2004	\$1,193,000	(\$4,772,000)	\$5,965,000
Budget request, fiscal year			
2005	- - -	(- - -)	- - -
Recommended in the bill	1,200,000	(4,800,000)	6,000,000
Bill compared to:			
Appropriation, fiscal			
year 2004	+7,000	(+28,000)	+35,000
Budget request, fiscal			
year 2005	+1,200,000	(+4,800,000)	+6,000,000

Grants for university transportation research are awarded to non-profit institutions of higher learning by the Research and Special Programs Administration (RSPA) using funds appropriated to FTA. This program focuses on the transfer of knowledge relevant to national, state, and local transit issues, and builds the professional capacity of the transportation workforce.

COMMITTEE RECOMMENDATION

The accompanying bill provides a total of \$6,000,000 for university transportation research.

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

TRANSIT PLANNING AND RESEARCH

	<i>Appropriation (gen- eral fund)</i>	<i>Limitation on obliga- tions (trust fund)</i>	<i>Total funding</i>
Appropriation, fiscal year			
2004	\$25,051,000	(\$100,205,000)	\$125,256,000
Budget request, fiscal year			
2005	- - -	(- - -)	- - -
Recommended in the bill	25,200,000	(100,800,000)	126,000,000
Bill compared to:			
Appropriation, fiscal			
year 2004	+149,000	(+595,000)	+744,000
Budget request, fiscal			
year 2005	+25,200,000	(+100,800,000)	+126,000,000

The transit planning and research program provides financial assistance to states for statewide planning and other technical assistance activities, planning support for metropolitan areas, nonurbanized areas, research, development and demonstration projects, fellowships for training in the public transportation field, university research, and human resource development.

COMMITTEE RECOMMENDATION

The accompanying bill provides \$126,000,000 for transit planning and research.

The recommended level is comprised of an appropriation of \$25,200,000 from the general fund and \$100,800,000 from limitations on obligations from the mass transit account of the highway trust fund.

The bill contains language specifying the following program recommendations:

Metropolitan planning	\$60,386,000
State planning	12,614,000
National planning and research	35,500,000
Transit cooperative research	8,250,000
National transit institute	4,000,000
Rural transportation assistance	5,250,000

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

Project ACTION	\$2,000,000
National Technical Assistance Center for Senior Transportation	2,000,000
CALSTART/WestStart Advanced Transit Technology	2,000,000
Transportation Research Program, Wichita State University	1,000,000
Community Transportation Association of America Joblinks	500,000
PVTA Electric Bus	640,000
Automation Alley BuSolutions	550,000
Oklahoma Transportation Center	2,000,000
Advanced Transportation Technology Institute	125,000
Northern Wisconsin Rural Transportation Study	60,000
Center for Transportation and the Environment	125,000
Hennepin County Community Works	1,200,000

TRUST FUND SHARE OF EXPENSES
(LIQUIDATION OF CONTRACT AUTHORIZATION)
(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2004	\$5,812,702,000
Budget request, fiscal year 2005	5,951,877,000
Recommended in the bill	6,047,200,000
Bill compared with:	
Appropriation, fiscal year 2004	+234,498,000
Budget request, fiscal year 2005	+95,323,000

This account provides the portion of funds for each of FTA's programs derived from the Mass Transit Account of the Highway Trust Fund. For fiscal year 2005, the Committee has provided \$6,047,200,000 for liquidation of contract authorization.

CAPITAL INVESTMENT GRANTS

	<i>Appropriation (gen- eral fund)</i>	<i>Limitation on obliga- tions (trust fund)</i>	<i>Total funding</i>
Appropriation, fiscal year 2004	\$623,798,000	(\$2,495,191,000)	\$3,118,989,000
Budget request, fiscal year 2005	1,234,192,000	(329,006,000)	1,563,192,000
Recommended in the bill	342,647,000	(2,510,000,000)	2,852,647,000
Bill compared to:			
Appropriation, fiscal year 2004	-281,151,000	(+14,809,000)	-266,342,000
Budget request, fiscal year 2005	-891,545,000	(+2,180,994,000)	+1,289,455,000

The transit capital investment program provides capital assistance for three primary activities: new and replacement buses and facilities; modernizing existing rail systems; and new fixed guideway systems. Eligible recipients for capital investment funds are public bodies and agencies (transit authorities and other state and local public bodies and agencies thereof) including states, municipalities, other political subdivisions of states; public agencies and instrumentalities of one or more states; and certain public corporations, boards, and commissions established under state law. Buses and bus facilities funds are allocated on a discretionary basis, as are new starts funds. Fixed guideway modernization funds are allocated by statutory formula to urbanized areas with rail systems that have been in operation for at least seven years.

COMMITTEE RECOMMENDATION

The accompanying bill provides a total of \$2,852,647,000 to be available for capital investment grants.

The recommended level is comprised of an appropriation of \$342,647,000 from the general fund, which includes \$39,827,000 transferred from the Federal Railroad Administration, and \$2,510,000,000 from a limitation on obligations from the mass transit account of the highway trust fund.

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

	<i>Amount</i>
Bus and bus facilities	\$607,400,000
Fixed guideway modernization	1,214,400,000

New starts	<i>Amount</i> 1,030,827,000
Total	2,852,647,000

Availability of section 5309 funds.—In past years, the Committee has included bill language that permits the administrator to reallocate discretionary new start and bus and bus facilities funds from projects which remain unobligated after three years. However, as stated in the Consolidated Appropriations Act, 2004, the Committee remains concerned with the increasing number of project funds that are not obligated in a three-year period and consequently become available for reallocation. As of June 2004, over \$155,000,000 in bus and bus facilities funding for 146 projects from fiscal year 2002 remains unobligated, which is over one-quarter of the total funds originally made available for these purposes. Meanwhile, over \$350,000,000 from fiscal year 2003 remains unobligated, over half of the total funding originally made available for that year. Oversight of grant funds is a vital function of FTA. Likewise, so is adequate planning and forecasting. When funds are committed to one project, only to lie idle, it deprives other projects and delays those projects needlessly. In addition, transit agencies are urged not to seek discretionary grants where the work cannot be completed within a three-year time period. Transit agencies must work with FTA to obligate grant funds promptly. Last year, the conferees directed FTA to set new goals for the timeliness of grant obligations. The Committee has not yet been notified by FTA what these new goals are or how the agency plans to meet them.

Consistent with past years, the Committee directs FTA to reprogram funds from recoveries and previous appropriations that have remained available since fiscal year 2002. For those projects where Congress extends the availability of funds that remain unobligated after three years, such funds are extended. FTA is reminded that they must notify the House and Senate Committees on Appropriations 15 days prior to any such reallocation, consistent with reprogramming guidelines.

BUSES AND BUS FACILITIES

The accompanying bill provides \$607,400,000 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.

The Committee directs FTA not to reallocate funds provided in the Department of Transportation and Related Agencies Appropriations Act, 2002, or previous Acts for the following bus and bus facilities projects:

- Anaheim Resort transit project, CA
- Attleboro intermodal facilities, MA
- Binghamton Intermodal Transportation Center, NY
- Bronx Zoo Intermodal Transportation Facility, NY
- Brookhaven multi-modal facility, MS
- Cab Care paratransit facility, MO
- City of Monrovia natural gas vehicle fueling facility, CA
- Costa Mesa CNG facility, CA
- County of Amador bus replacement, CA

County of Calaveras bus fleet replacement, CA
 Greater Minnesota Transit Authority bus, paratransit and transit hub, MN
 Greater New Haven Transit District CNG vehicle project, CT
 Hershey intermodal transportation center, PA
 Indiana bus consortium buses and bus facilities
 Wilkes-Barre Intermodal Facility, PA
 King County Transit Oriented Development Projects, WA
 Leslie County parking structure, KY
 Livermore Amador Valley Transit Authority buses and facility, CA
 Macon terminal intermodal station, GA
 Memphis International Airport intermodal facility, TN
 Merrimack Valley Regional Transit Authority (Amesbury) buses and bus facilities, MA
 Metro transit buses and bus facilities, MN
 MetroWest buses and bus facilities, MA
 Missouri Pacific Depot, MO
 Monterey-Salinas Transit facility, CA
 Montgomery County intermodal facility, PA
 North County Transit District, CA
 Oglala Sioux Tribe buses and bus facilities, SD
 Pasadena Area Rapid Transit System, CA
 Pelham trolley, NY
 Salem/Beverly intermodal Center, MA
 San Bernardino CNG/LNG buses, CA
 Sierra Madre Villa & Chinatown intermodal transportation centers, CA
 Southeastern Pennsylvania Transportation Authority trackless trolleys, PA
 Springfield Union Station intermodal facility, MA
 Statewide buses and bus facilities, MD
 Statewide buses and bus facilities, NC
 Statewide buses and bus facilities, TN
 Station Plaza commuter parking lot, NY
 Sullivan County Coordinated Public Transportation Service bus facility, NY
 Sullivan County buses, bus facilities and related equipment, NY
 Sunline Transit hydrogen refueling station, CA
 TALTRAN intermodal center, FL
 Tompkins consolidated area transit center, NY
 Transportation hub at the Village of Indian Hills, CA

The Committee makes these exceptions based on FTA information that these funds are likely to be awarded by the fourth quarter of fiscal year 2004 or soon thereafter.

Alameda-Contra Costa Transit District, California.—Amounts made available in fiscal year 2004 to Alameda-Contra Costa Transit District, California, for expansion buses shall be available for rapid bus improvements.

Barry County Transit, Michigan.—Amounts made available in fiscal year 2004 to Barry County Transit for replacement maintenance equipment shall be available for bus diagnostic equipment, service equipment, and computer hardware, software, and related equipment.

Cab Car, St. Louis, Missouri.—Funds made available in fiscal year 2002 for Cab Care, St. Louis, Missouri, shall be made available for St. Louis Metro Transit Agency, St. Louis, Missouri. The availability for such funds for obligation shall be extended through fiscal year 2005.

Clinton County Transit, Michigan.—Amounts made available in fiscal year 2004 to Clinton County Transit, Michigan for a bus purchase shall be available for the purchase of scheduling software.

Manistee County Transportation, Inc.—Amounts made available in fiscal year 2004 to Manistee County Transportation, Inc. for replacement buses shall be made available for a replacement service truck and facility renovations.

Detroit, Michigan buses and bus facilities.—Funds provided to Detroit, Michigan for transfer terminal facilities under buses and bus facilities in Public Law 106–109 and Public Law 108–199 may be available to Detroit for the replacement, rehabilitation, or construction of bus-related facilities.

Philadelphia, Regional Transportation System for Elderly and Disabled.—The Department of Transportation and Related Agencies Appropriations Act, 1999, provided \$750,000 for the Philadelphia, Regional Transportation System for Elderly and Disabled. The Committee understands that the original grant recipient has been unable to use the funds provided. Therefore, the Committee directs that the Southeastern Pennsylvania Transportation Authority (SEPTA) shall serve as grant recipient and administering agency for the purpose of carrying out the original intent of this project.

Greater New Haven Transit District.—The Department of Transportation and Related Agencies Appropriations Act, 2002 provided \$1,000,000 for the Greater New Haven Transit District CNG vehicle project. The Committee directs that these funds shall be used for alternative fuel vehicles for the Greater New Haven Transit District.

City of Monrovia, California.—Amounts made available to the City of Monrovia, California, for a natural gas vehicle fueling facility in fiscal year 2002 shall be made available for the construction of a bus transit facility along the Gold Line Foothill Extension. Funds shall be extended for obligation for one year.

Sacramento Area Council of Governments (SACOG).—Last year, the Committee provided funding to the Sacramento Area Council of Governments (SACOG) for its regional blueprint plan. The Committee has since heard concerns that the Council is using this plan to undermine its member jurisdictions' locally-adopted land use plans. The Committee strongly supports local control and disapproves of any effort by SACOG to condition the allocation of federal funding for any project on compliance with its blueprint or any other regional land-use plan that is in any way inconsistent with a member jurisdiction's locally-adopted land use plans.

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 2004
	2004	2005 estimate	
Alaska	\$2,039,405	\$2,115,870	\$76,465
Arizona	2,300,373	2,361,176	60,803
California	144,938,975	147,724,101	2,785,126
Colorado	3,041,909	3,126,150	84,241
Connecticut	40,667,777	40,942,085	274,308
District of Columbia	48,962,813	50,261,990	1,299,177
Florida	17,746,299	18,197,629	451,330
Georgia	26,718,394	27,429,753	711,359

FEDERAL TRANSIT ADMINISTRATION, SECTION 5309 FIXED GUIDEWAY MODERNIZATION
 APPORTIONMENTS—Continued

State	Fiscal year		Change from fiscal year 2004
	2004	2005 estimate	
Hawaii	1,118,490	1,150,273	31,783
Illinois	133,443,961	134,603,901	1,159,940
Indiana	8,621,999	8,713,586	91,587
Louisiana	2,843,412	2,855,997	12,585
Maryland	27,828,336	28,254,850	426,514
Massachusetts	74,035,320	74,715,321	680,001
Michigan	591,335	608,258	16,923
Minnesota	5,993,572	6,144,908	151,336
Missouri	4,221,411	4,328,750	107,339
New Jersey	103,066,218	103,893,255	827,037
New York	365,168,115	368,538,253	3,370,138
Ohio	17,658,039	17,826,760	168,721
Oregon	4,181,173	4,293,510	112,337
Pennsylvania	100,605,056	101,222,045	616,989
Puerto Rico	2,252,934	2,310,745	57,811
Rhode Island	80,773	82,724	1,951
Tennessee	284,836	294,402	9,566
Texas	9,982,228	10,253,005	270,777
Virginia	16,135,255	16,559,531	424,276
Washington	22,120,743	22,684,306	563,563
Wisconsin	744,588	762,866	18,278
Total Apportioned	1,187,393,739	1,202,256,000	14,862,261
Oversight (1 percent)	11,993,876	12,144,000	150,124
Grand Total	1,199,387,615	1,214,400,000	15,012,385

NEW STARTS

The accompanying bill provides \$1,030,827,000 for the new starts program. Funds from the general fund are supplemented with \$39,827,000 from a Federal Railroad Administration transfer included in this Act.

These funds are available for preliminary engineering, right-of-way acquisition, project management, oversight, and construction of new systems and extensions.

The Committee directs FTA not to reallocate funds provided in the Department of Transportation and Related Agencies Appropriations Act, 2002 or previous Acts for the following new start projects:

- Des Moines, Iowa-DSM Bus Feasibility Project
- Dulles Corridor Project, VA
- Johnson County, Kansas-Kansas City, Missouri-I-35 Commuter Rail Project
- Kenosha-Racine-Milwaukee Rail Extension Project, WI
- Maryland (MARC) Commuter Rail Improvements Projects
- Minneapolis-Rice, Minnesota, Northstar Corridor Commuter Rail Project
- Northeast Indianapolis, Indiana, Downtown Corridor Project
- Philadelphia SEPTA Cross County Metro Project, PA
- Philadelphia, Pennsylvania-Schuylkill Valley Metro Project
- Puget Sound, Washington, RTA Sounder Commuter Rail Project
- Raleigh, North Carolina Triangle Transit Project
- Stockton, California, Altamont Commuter Rail 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 2004 or soon thereafter.

New starts rating and evaluation process.—Transit use is important in a number of the nation's major urban centers. However,

many cities have built or are building systems that are overpriced or underutilized. A better process implemented by FTA for the new starts program and a more aggressive management of the existing process by FTA may prevent wasteful spending. The Committee has encouraged FTA to continually and consistently improve the evaluation and decision-making process for the new starts process. All parties involved, including FTA, the Congress, and local transit agencies, need to be able to assess projects based on a capable ratings and evaluation system, and the FTA needs to be more adept at weeding out projects that do not relieve the most congestion, move the most people and have the greatest cost-benefit ratio. As part of the Committee's work, the Office of Inspector General was asked to perform an audit of FTA's evaluation process in fiscal year 2004. The Committee continues to direct FTA to develop a new starts process that better emphasizes cost-effectiveness and congestion relief.

Reducing congestion on the roads must be one of the most critical elements for justification of building a new fixed guideway system or extending a current one. Congestion has spread to more cities and has become more pervasive. According to the latest Texas Transportation Institute report, annual delays suffered by the average driver due to traffic congestion have increased by four hours over the last five years. The vast majority of federal transit funding is paid for by American taxpayers who purchase gasoline, and it is imperative that FTA be able to measure how spending this funding on transit will, in fact, benefit those taxpayers. The IG's audit has found that highway congestion benefits were largely missing from FTA's evaluation process. This is unacceptable. The IG has recommended a joint evaluation be conducted by the Federal Highway Administration and the FTA, with the goal of understanding the extent to which transit provides highway congestion relief. This should be a critical departmental initiative in the next year. Therefore, the Committee directs FTA and FHWA to immediately begin this review and, beginning on October 1, 2004, FTA shall report to the House and Senate Committees on Appropriations by the first of every month on the progress. By June 1, 2005, FTA, using the information and data collection proposals from this review, should submit a final report to the House and Senate Committees on Appropriations showing how congestion relief could be implemented as an evaluation procedure and rating in the new starts process.

Ridership estimates are also very important in supporting project justification. According to the IG, there have been notable problems with locally developed ridership forecasts over the years. This has presented problems for FTA in evaluating the user benefits of proposed projects, even preventing FTA from rating some projects. The obvious benefits of a project will fall short if ridership estimates are not materially attained. According to the IG's audit, FTA has improved its ability to identify problems with ridership forecasts; however, without more reliable and up-to-date ridership analysis, project justification will continue to be problematic. The Committee directs FTA to continue to identify these issues. In addition, the Committee directs FTA to ensure that, as projects progress through planning and development phases, forecasts reflect changes in scope and service levels and any other factors that materially impact ridership.

A separate measurement that FTA uses in a new start project evaluation is the land use rating, which targets economic development opportunities around the project. The IG has found that in some cases, even if a project has received a low cost-effectiveness rating, a high land use rating could result in a total project rating of medium. Therefore, FTA may be promoting projects where the cost effectiveness does not support continuation of the project, yet possible development opportunities around the project may allow it to continue forward. This is the case in six of FTA's recommended projects for fiscal year 2005. Positive secondary benefits of a new rail line should not be able to change the measurement of its cost-effectiveness. In evaluating projects, the direct transportation benefits need to be the most significant measurements. To local communities, it is understandable that non-transportation criteria may be important in local decision-making. However, before the local community decides to seek scarce federal transportation funding for the project, they must be able to emphasize the direct transportation benefits that the project will demonstrate. FTA is directed to perform a review of this ratings imbalance and report to the House and Senate Committees on Appropriations by December 10, 2004, on how this balance could be better reflected in FTA's process. This report should include an analysis of every project in the new starts pipeline that compares a land use rating to their cost effectiveness rating and the project's overall rating.

As local communities develop their own preferred transportation alternatives, the Committee must insist that these communities use federal standards and procedures in their local analysis if they are to seek federal transportation funding through the new starts program. Further, FTA shall not approve the entry of any project into preliminary engineering if the project's alternatives analysis does not clearly espouse the federal new starts criteria and standards, by showing that the project will attract and move more riders, at lower cost, than other transportation alternatives. FTA is directed to work with FHWA to ensure that proper procedures are in place whereby FTA can distinguish the criteria which place the federal benefits of a transit alternative above those of other projects. FTA shall report to the House and Senate Committees on Appropriations by June 1, 2005, on the implementation of this direction.

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 49 FFGAs have been signed or recommended in Presidential budgets. The number of potential new starts projects continues to expand rapidly, outpacing realistic federal funding capabilities. There are currently 27 projects with existing full funding grant agreements and another 38 projects in preliminary engineering, final design, or otherwise proposed for funding, which collectively are seeking \$24.3 billion in Federal funding. In addition, FTA is tracking approximately 140 current transit capital investment planning studies. However, the funds available for new starts projects over the next six years can support only a small fraction of these projects. For example, the House-passed reauthorization bill designated a total of \$9.5 billion for new starts for fiscal years 2004 through 2009. Of

the \$9.5 billion, the bill provides \$3.1 billion for the 27 transit projects with existing full funding grant agreements. This leaves \$6.4 billion to fund other projects over the reauthorization period. Of this amount, \$4.0 billion is proposed for the six projects FTA recommended for multi-year grant agreements in the fiscal year 2005 annual new starts report. If these projects are approved, only \$2.4 billion would be left to fund the \$17.2 billion in estimated costs for the 32 projects remaining in the pipeline.

As this demand continues to outstrip available resources, the Committee has had to make difficult decisions in this area. The Committee recommendation for new starts projects for fiscal year 2005 adheres to the following guidelines: (1) The Committee has tried to fund every project that has a current FFGA, at the scheduled amount as set in the grant agreement; (2) Specific allocations have been provided for other new start projects, with priority given to those projects that are farthest along in the new starts process. No funding has been provided for projects that have received a rating in the annual new starts report that is lower than “recommended”; (3) 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. Less funding, or in some instances, no funding has been provided for those projects in preliminary engineering or final design that have a federal share above sixty percent. The Committee agrees with the administration that statutory law should be changed to prohibit a federal share of no more than fifty 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; (4) The Committee has continued to provide no funding for projects currently in the alternatives analysis phase, as in previous years, due to budget constraints. 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 funds.

In total, the \$1,030,827,000 provided in this Act, together with \$157,914,105 in unobligated bus and bus facilities funds and new start funds, is to be distributed as follows:

<i>Project name</i>	<i>Amount</i>
Atlanta, Georgia, North Springs Extension	\$260,000
Baltimore, Maryland, Central Light Rail Double Track	29,010,000
Chicago, Illinois, Douglas Branch Reconstruction	85,000,000
Chicago, Illinois, Metra Commuter Rail Expansions and Extensions	52,000,000
Chicago, Illinois, Ravenswood Line Extension	40,000,000
Denver, Colorado, Southeast Corridor LRT	80,000,000
Fort Lauderdale, Florida, South Florida Commuter Rail Upgrades	11,210,000
Las Vegas, Nevada, Resort Corridor Fixed Guideway Project	36,800,000
Los Angeles, California, Eastside Light Rail Transit Project	60,000,000
Los Angeles, California North Hollywood Extension	660,000
Minneapolis, Minnesota, Hiawatha Light Rail Project	33,110,000
New Orleans, Louisiana, Canal Street Corridor Project	16,460,000
New York, New York Long Island Rail Road East Side Access	92,000,000
Northern New Jersey Hudson-Bergen Light Rail MOS 1	310,000
Northern New Jersey Hudson-Bergen Light Rail MOS 2	100,000,000
Northern New Jersey Newark-Elizabeth Rail Line MOS 1	1,340,000
Phoenix, Arizona, Central Phoenix/East Valley Light Rail	69,000,000
Pittsburgh, Pennsylvania, Stage II Light Rail	1,121,000
Portland, Oregon, Interstate Max Light Rail Extension	23,480,000
Salt Lake City, Utah, CBD to University LRT	1,130,000

<i>Project name</i>	<i>Amount</i>
Salt Lake City, Utah, Medical Center Extension	8,680,000
San Diego, California, Mission Valley East Light Rail Extension	81,640,000
San Diego, California, Oceanside-Escondido Rail Corridor	55,000,000
San Francisco, California, BART Extension to San Francisco Inter- national Airport	100,000,000
San Juan, Puerto Rico, Tren Urbano Rapid Transit System	54,820,000
Seattle, Washington, Central Link Initial Segment	80,000,000
St. Louis, Missouri, Metrolink St. Clair Extension	60,000
Washington, DC/MD, Largo Metrorail Extension	75,430,000

Dulles corridor project.—The Committee has directed FTA not to reallocate funding totaling \$87,300,000 provided in the Department of Transportation and Related Agencies Appropriations Act, 2002 and previous Acts for the Dulles Corridor Project. The Committee takes special note that this project is important to its region and the Committee continues to anticipate further consideration and attention to this project.

New starts report.—The Committee is satisfied with the timely submission of FTA's fiscal year 2005 annual report on new starts projects, although the document is still being delivered as a loose-leaf copy instead of a formal document submission. TEA-21 required this report to be submitted in conjunction with the budget, yet for several years, 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 2004 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 continue to improve the timeliness of the official report's delivery and urges FTA to work to complete the finalized document in a more prompt manner.

San Juan, Puerto Rico, Tren Urbano project.—The construction of the San Juan, Puerto Rico Tren Urbano project is almost complete. This project has seen many difficulties since its inception. In March 1996, FTA entered into the initial FFGA for the Tren Urbano project. Since 1996, the project budget has almost doubled. The revenue operation date has been delayed three times in three years and the date when it may open is still unclear. A recovery plan was implemented in November 2001 to address management and construction quality issues. The construction of the project is now 98% complete; however, there are 196 significant safety and performance issues. Of these, 74 are classified as safety-critical and should be resolved before Tren Urbano opens for passenger service. Further, construction problems and contract irregularities surround the project. Until the problematic construction and safety-related issues can be corrected in cooperation with the project's contractor, the system does not appear to be safe for passenger transport. The Puerto Rico Highway and Transportation Authority has correctly delayed the operational launch of the rail system due to these issues.

The Office of Inspector General has remained closely involved in the oversight of this project and the Committee commends the OIG for their persistence in ensuring that this project is safe for public use and that any illegalities that have occurred are duly resolved. The Committee encourages the OIG to continue their diligent work

in monitoring this project and to keep the House and Senate Committees on Appropriations apprised of any new developments.

The Committee is troubled that the Federal Transit Administration's oversight program was not able to distinguish the difficulties this project was facing at critical construction points. The Committee expects that FTA has learned critical lessons from this project in recognizing the signs of critical obstacles or breakdowns during a project's inception and construction phases and expects that the agency has incorporated the lessons-learned into the oversight process. FTA is directed to monitor this project more diligently and ensure that any future recovery plans ensure the correction of all safety-related issues prior to the opening of this rail system.

JOB ACCESS AND REVERSE COMMUTE GRANTS

	<i>Appropriation (general fund)</i>	<i>Limitation on obligations (trust fund)</i>	<i>Total funding</i>
Appropriation, fiscal year			
2004	\$24,853,000	(\$99,410,000)	\$124,263,000
Budget request, fiscal year			
2005	- - -	(- - -)	- - -
Recommended in the bill	50,000,000	(100,000,000)	150,000,000
Bill compared to:			
Appropriation, fiscal			
year 2004	+25,147,000	(+590,000)	+25,737,000
Budget request, fiscal			
year 2005	+50,000,000	(+100,000,000)	+150,000,000

The purpose of the job access and reverse commute grant program is to develop services designed to transport welfare recipients and low income individuals to and from jobs and to develop transportation services for residents of urban centers and rural and suburban areas to suburban employment opportunities.

COMMITTEE RECOMMENDATION

For fiscal year 2005, the job access and reverse commute (JARC) grants program is funded at a total level of \$150,000,000, with \$50,000,000 derived from the general fund and \$100,000,000 derived from the mass transit account of the highway trust fund.

GENERAL PROVISIONS—FEDERAL TRANSIT ADMINISTRATION

The Committee continues a provision (sec. 171) exempting previously made transit obligations from limitations on obligations.

The Committee continues a provision (sec. 172) allowing funds for discretionary grants of the Federal Transit Administration for specific projects, except for fixed guideway modernization projects, not obligated by September 30, 2007, and other recoveries to be used for other projects under 49 U.S.C. 5309.

The Committee continues a provision (sec. 173) allowing transit funds appropriated before October 1, 2004 which remain available for expenditure to be transferred.

The Committee continues a provision (sec. 174) that modifies the calculation of the non-New Starts share of funding for the San Francisco Muni Third Street Light Rail Project and states that if the new calculation results in a "not recommended" rating, funds provided may not be obligated.

The Committee continues a provision (sec. 175) prohibiting Federal transit grantees from obligating or expending funds after October 1, 2004, that would otherwise be available in the Act, if the grantee is involved directly or indirectly with any activity, including displaying or permitting to be displayed advertisements on its land, equipment, or in its facilities, that promotes the legalization or medial use of substances listed in schedule I of section 202 of the Controlled Substance Act.

The Committee includes a provision (sec. 176) that allows the restoration of obligation authority to formula grant funds that were reduced due to FTA violations of the Antideficiency Act.

The Committee includes a provision (sec. 177) that allows unobligated funds made available to the Oklahoma Transit Association in Public Law 108-11 to instead be made available to the Metropolitan Tulsa Transit Authority and the Central Oklahoma Transportation and Parking Authority for any project or activity authorized under the JARC program.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

Appropriation, fiscal year 2004	\$14,315,040
Budget request, fiscal year 2005	15,900,000
Recommended in the bill	15,900,000
Bill compared with:	
Appropriation, fiscal year 2004	+1,584,960
Budget request, fiscal year 2005	---

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 \$15,900,000 to fund the operations and maintenance of the corporation, which is equal to the requested amount, and \$1,584,960 above the fiscal year 2004 level. Within the funds provided, \$1,500,000 shall be for the concrete replacement project at the Eisenhower and Shell Locks. 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 general language under this heading is the same as the

language provided in previous years. Continuation of this language in addition to that under the operations and maintenance appropriation 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 sources of funding not designated for the harbor maintenance trust fund by Public Law 99-662—derived primarily from prior-year revenues received in excess of costs, unused borrowing authority, and miscellaneous income—for emergency purposes.

MARITIME ADMINISTRATION

The Maritime Administration (MARAD) is responsible for programs that strengthen the U.S. maritime industry in support of the nation’s security and economic needs, as authorized by the Merchant Marine Act, 1936. MARAD’s mission is to promote the development and maintenance of an adequate, well-balanced United States merchant marine, sufficient to carry the Nation’s domestic waterborne commerce and a substantial portion of its waterborne foreign commerce, and capable of serving as a naval and military auxiliary in time of war or national emergency. MARAD, working with the Department of Defense (DOD), helps provide a seamless, time-phased transition from peacetime to wartime operations, while balancing the defense and commercial elements of the maritime transportation system. MARAD establishes DOD’s prioritized use of ports and related intermodal facilities during DOD mobilizations to ensure the smooth flow of military cargo through commercial ports. MARAD also manages the Maritime Security Program, the Voluntary Intermodal Sealift Agreement Program and the Ready Reserve Force, which assure DOD access to commercial and strategic sealift and associated intermodal capability. Further, MARAD’s education and training programs through the U.S. Merchant Marine Academy and six state maritime schools help provide skilled U.S. merchant marine officers.

MARITIME SECURITY PROGRAM

Appropriation, fiscal year 2004	\$98,117,670
Budget request, fiscal year 2005	98,700,000
Recommended in the bill	98,700,000
Bill compared with:	
Appropriation, fiscal year 2004	+582,330
Budget request, fiscal year 2005 .....	.....

COMMITTEE RECOMMENDATION

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 continue to administer the program with support and consultation of 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. The Committee's recommendation provides funding for payments to U.S. carriers for 47 ships, limited to \$2,100,000 per ship, per year. The recommendation will provide the necessary resources for the operation of the MSP through fiscal year 2005.

OPERATIONS AND TRAINING

Appropriation, fiscal year 2004	\$106,365,718
Budget request, fiscal year 2005	109,300,000
Recommended in the bill	106,400,000
Bill compared with:	
Appropriation, fiscal year 2004	+34,282
Budget request, fiscal year 2005	-2,900,000

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$106,400,000 to fund programs under the operations and training account of MARAD, an increase of \$34,282 above the fiscal year 2004 appropriation and \$2,900,000 below the budget request. Funds provided for this account are to be distributed as follows:

[In thousands of dollars]

Activity	Fiscal year 2005 re- quest	Committee recommended
U.S. Merchant Marine Academy:		
Salary and Benefits	\$23,753	\$23,753
Midshipmen Program	6,303	6,303
Instructional Program	3,448	3,448
Program Direction and Administration	2,945	2,945
Maintenance, Repair, & Operating Requirements	6,327	6,327
Capital Improvements	13,138	13,138
Subtotal, USMMA	55,914	55,914
State Maritime Schools:		
Student Incentive Payments	1,200	1,200
Direct Schoolship Payments	1,200	1,200
Schoolship Maintenance and Repair	8,090	8,090
Subtotal, State Maritime Academies	10,490	10,490
MARAD Operations:		
Base Operations	36,560	36,560
Enterprise Architecture & IT Security Upgrades	150	150
DOT Working Capital Fund (IT Consolidation)	5,926	3,200
GSA Space	94	94
DOT electronic government	166	100
Subtotal, MARAD Operations	42,896	40,104
Total, Operations and Training	109,300	106,400

Under the United States Merchant Marine Academy, the Committee recommendation includes \$55,914,000 for the operation and maintenance of the U.S. Merchant Marine Academy (USMMA), consistent with the budget request. Of these amounts, the Committee recommendation includes \$13,138,000 for the USMMA's major design and construction projects, consistent with the facilities master plan. Under the State Maritime Schools, the Committee recommendation includes \$10,490,000 for the six State Maritime Schools (SMS), consistent with the budget request. The Com-

mittee provides \$106,400,000 for MARAD operations, a reduction of \$2,900,000 from the budget request. This level will support the current number (888) of full-time equivalent staff years (FTEs), consistent with the budget request after correcting for errors in the budget justifications. Within the operations total, the Committee provides a total of \$3,450,000 for IT related activities. Of this total, the Committee provides \$3,200,000 for DOT working capital fund (information technology consolidation), a reduction of \$2,726,000 from the budget request; \$100,000 for electronic government, a reduction of \$66,000 from the budget request; and \$150,000 to complete enterprise architecture and IT security and infrastructure enhancements, consistent with the budget request. Although total information technology funding is below the request level, the Committee reduced funding due to lack of sufficient justification. Further, the Committee notes that the fiscal year 2005 level is \$618,000 higher than last year's level.

SHIP DISPOSAL

Appropriation, fiscal year 2004	\$16,115,355
Budget request, fiscal year 2005	21,616,000
Recommended in the bill	19,116,000
Bill compared with:	
Appropriation, fiscal year 2004	+3,000,645
Budget request, fiscal year 2005	-2,500,000

The ship disposal program provides resources to dispose of obsolete merchant-type vessels in the National Defense Reserve Fleet (NDRF), which the Maritime Administration is required by law to dispose of by the end of 2006. There are currently 145 vessels located in three fleet sites in the NDRF, designated as obsolete. In fiscal year 2003, MARAD removed two ships for disposal and projects that it will remove another 20 in 2004 and 15 in 2005. These vessels pose a significant environmental threat due to the presence of hazardous substances such as asbestos and solid and liquid polychlorinated biphenyls (PCBs). The list includes a nuclear ship, the SAVANNAH, which contains remnants of a nuclear reactor.

COMMITTEE RECOMMENDATION

The Committee recommends \$19,116,000 for ship disposal, \$2,500,000 below the budget request, and \$3,000,645 above the fiscal year 2004 enacted level. Within the funds provided for ship disposal, the Committee provides \$2,000,000 to begin the decommissioning process for the SAVANNAH, consistent with the budget request.

The Committee encourages MARAD to continue to seek a comprehensive solution to the challenging problem of disposing of the obsolete vessels of the NDRF and to first focus on the vessels with the lowest hull condition rating. MARAD's application of various disposal options will provide the best value to the taxpayer while ensuring the swift, responsible removal of obsolete NDRF vessels that threaten the environment. The Committee supports international disposal of vessels to the extent that similar standards of domestic disposal are applied at international facilities. Further, the Committee notes the recent increased competitiveness of domestic scrapping operations and encourages MARAD to promote

aggressive competition among the domestic scrapping industry and international disposal facilities for funds appropriated for disposal.

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM
(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2004	\$4,471,462
Budget request, fiscal year 2005	4,764,000
Recommended in the bill	4,764,000
Bill compared with:	
Appropriation, fiscal year 2004	+292,538
Budget request, fiscal year 2005	

The maritime guaranteed loan account as provided for by title XI of the Merchant Marine Act of 1936, provides for guaranteed loans for purchasers of ships from the U.S. shipbuilding industry and for modernization of U.S. shipyards. Funds for administrative expenses for the title XI program are appropriated to this account, and then transferred by reimbursement to operations and training to be obligated and outlaid.

As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantee commitments made in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a net present value basis; the administrative expenses are estimated on a cash basis.

COMMITTEE RECOMMENDATION

The Committee notes that MARAD is in the process of implementing the Inspector General's recommendations to the Title XI program and has developed and established internal policies consistent with the recommendations. The Committee provides \$4,764,000 for the program, and approves the request of 3 FTE to improve administration and oversight of the Title XI loan process, as recommended by the IG.

SHIP CONSTRUCTION
(RESCISSION)

Rescission, fiscal year 2004	-\$4,107,056
Budget request, fiscal year 2005	
Recommended in the bill	-1,979,000
Bill compared with:	
Rescission, fiscal year 2004	-2,128,056
Budget request, fiscal year 2005	-1,979,000

The Committee rescinds \$1,979,000 from the ship construction account. This account is currently inactive except for determinations regarding the use of vessels built under the program, final settlement of open contracts, and closing of financial accounts.

GENERAL PROVISIONS—MARITIME ADMINISTRATION

The bill continues a provision (sec. 185) that authorizes the Maritime Administration to furnish utilities and services and make repairs to any lease, contract, or occupancy involving government

property under the control of MARAD and rental payments shall be covered into the Treasury as miscellaneous receipts.

The bill continues a provision (sec. 186) that prohibits obligations incurred during the current year from construction funds in excess of the appropriations contained in this Act or in any prior appropriations Act.

The bill includes a new provision (sec. 187) that prohibits funding for implementation or award concerning the national defense tank vessel construction assistance program request for proposals issued by the Maritime Administration on February 20, 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 jurisdictions include hazardous materials, pipelines, international standards, 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.

Reorganization of transportation research programs.—As stated above, the diverse jurisdictions of the Research and Special Programs Administration were authorized in statute just twelve years ago. This spring, the Department of Transportation gave notice to the appropriate Congressional committees of an initiative to reorganize this agency. As part of the proposal, the Research and Special Programs Administration would be abolished and reinvented as the Research and Technology Innovation Administration, an entity built around the Department's Volpe National Transportation Systems Center and devoted to transportation research and development.

The status of this proposal is still being examined internally within the administration and no formal reorganization proposals have been submitted to the Congress. However, despite this status, DOT did submit an amendment in the budget request for fiscal year 2005 that would transfer the funding for the office of emergency transportation to the office of the secretary. This transfer is approved. However, in addition, the Committee considers it worthwhile to comment on two important aspects of the initial proposal that may invite consequences that could be detrimental to the programs.

First, the Committee does not consider it wise to merge RSPA's office of pipeline safety with the Federal Railroad Administration, an existing administration governing a mode judged by DOT to be most similar to pipelines. The Committee believes the pending reorganization plan that calls for the regulation of the safety of pipelines to become the responsibility of the Federal Railroad Administration will diminish the Department's effectiveness and ability to adequately carry out its pipeline safety function. The pipeline safety program has made progress in gathering strength and credibility in the last five years. Loss of this momentum through a transfer to a subordinate position in a substantially different program such as that of FRA would be a very serious concern for the Committee.

In addition, the proposal is not likely to be budget neutral, as the services now provided by RSPA’s administration to OPS would have to be provided by FRA and replicating these services within FRA could increase the cost of the merger by an estimated 5–10%.

Second, the initial proposal would move the office of hazardous materials safety to the Secretary’s office of policy. Organizationally, placement of an operating administration under an assistant secretary in the office of the secretary, rather than an Administrator with operational authority, is unmatched and could lend the program to politicization. There is also no authorization or infrastructure in OST for field offices, enforcement, or training operations. The funding for this program, however, raises perhaps the most serious concern. As proposed, the hazmat office would lose its direct Congressional appropriation and would be financed through an assessment on the Department’s modal administrations. The Committees on Appropriations have long deemed assessments by OST on the modal administrations to constitute shifts of appropriated funds that must go through reprogramming procedures. Moreover, this funding scheme will hamper Congressional oversight of this program. Clearly, hazmat’s loss of control over its funding and program priorities, combined with the politics of attempting to manage a regulatory program as a staff function of OST, could frustrate effective program delivery.

Regulatory backlog and NTSB recommendations.—Historically, RSPA has had an extensive regulatory backlog, which was of great concern to the Committee. In addition, RSPA’s Office of Pipeline Safety had a substantial number of outstanding recommendations from the National Transportation Safety Board (NTSB). Although, RSPA still has a sizeable amount of work that needs to be done, the agency is making strides at improving these items. The Committee directs RSPA to remain vigilant in addressing regulatory backlogs and closing NTSB recommendations.

RESEARCH AND SPECIAL PROGRAMS

Appropriation, fiscal year 2004 ¹	\$42,825,000
Budget request, fiscal year 2005	48,613,000
Recommended in the bill	46,790,000
Bill compared with:	
Appropriation, fiscal year 2004	+3,965,000
Budget request, fiscal year 2005	– 1,823,000

¹Excludes \$2,904,000 appropriated for the office of emergency transportation.

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 \$46,790,000. Budget and staffing data for this appropriation are as follows:

	Fiscal year 2005 estimate	Recommended in the bill
Hazardous materials safety	\$25,486,000	\$24,909,000
(Positions)	155	149
Research and technology	2,597,000	2,459,000
(Positions)	10	9
Program support	20,530,000	19,422,000
(Positions)	70	65
Total, Research and Special Programs	48,613,000	46,790,000
(Positions)	235	223

HAZARDOUS MATERIALS SAFETY

Spent nuclear fuel and high-level radioactive waste shipments.—The budget requests seven new positions for operational, planning, communication, enforcement and legal challenges regarding shipments of spent nuclear fuel (SNF) and high-level radioactive waste (HLW), to Yucca Mountain, Nevada. These shipments are not likely to begin in this budget cycle, and due to the fiscal constraints of the fiscal year 2005 budget, the Committee does not believe it wise to invest in funding for the hiring of employees that may have little to do at this time. The Committee has provided one of these positions and associated half-year costs.

In addition, RSPA has requested \$500,000 to review and analyze transport regulations governing SNF and HLW in anticipation of the future transport of these materials. While the Department of Energy's expectations for these shipments by 2010 is significant, they will only account for less than one percent of all hazmat shipments. The Committee recognizes the importance of safety on America's transportation infrastructure as this increase begins, but continues to question the fervor with which RSPA is addressing it. Funding of \$250,000 is provided for these activities.

RSPA is reminded that the majority of the work of the hazardous materials safety office should be to reduce deaths and disruptions due to incidents every day, not five years from now. There are far greater needs for ensuring that current regulations are being followed and future rulemakings are getting their due attention.

Hazardous materials regulations compliance.—RSPA is requesting four new positions to help ensure compliance with current hazmat regulations. These positions are approved and half-year funding associated with these positions has been provided.

Training and outreach.—The fiscal year 2004 Committee's report included language encouraging RSPA to continue to work with the Cooperative Hazardous Materials Enforcement Development program (COHMED) to enhance RSPA's coordination of compliance services. The Committee continues to urge RSPA to reassess the decision to discontinue this partnership and recommend that RSPA provides the same level of support as it had prior to 2003.

RESEARCH AND TECHNOLOGY

Hydrogen fuels research.—RSPA has requested funding for one new position for a hydrogen fuel engineer, plus contract support for hydrogen fuels research and development. Due to budget constraints, funding for this position is denied. Contract support funding of \$75,000 has been provided.

PROGRAM SUPPORT

Administrative support.—A total of five new positions are requested in fiscal year 2005 to provide accounting, financial support and administrative support. The Committee approves two new positions to support RSPA's administrative structure and financial support and half-year funding has been provided. The contracting officer position is expressly denied.

Information technology activities.—In continuing their activities to improve RSPA's information technology infrastructure, the agency requests funding for three positions and contract funding. Funding for two positions and \$750,000 for contracting support has been provided.

In addition, the Committee's fiscal year 2004 report requested 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. RSPA should continue to relay this information. However, more detail should be provided the overall schedule of these upgrades, funds that have been obligated to date by activity, and funds anticipated for future needs.

Administrative costs for new positions.—Consistent with the new positions that have been provided, \$310,000 is provided for associated administrative costs.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

	<i>(Pipeline safety fund)</i>	<i>(Oil spill liability trust fund)</i>	<i>Total</i>
Appropriation, fiscal year 2004	\$52,991,000	\$12,923,000	\$65,914,000
Budget estimate, fiscal year 2005	51,073,000	19,000,000	70,073,000
Recommended in the bill ...	54,466,000	14,000,000	68,466,000
Bill compared with:			
Appropriation, fiscal year 2004	+1,082,000	+1,077,000	+2,552,000
Budget estimate, fiscal year 2005	+3,393,000	-5,000,000	-1,607,000

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 \$68,466,000 to continue pipeline safety operations, research and development, and state grants-in-aid in fiscal year 2005. The bill specifies that of the total appropriation, \$14,000,000 shall be derived from the oil spill liability trust fund and \$54,466,000 shall be from the pipeline safety fund.

State one-call grants.—The Consolidated Appropriations Act, 2004 (Public Law 108–199) denied a proposed decrease to the State one-call grants program, providing \$994,000 for these activities. The conferees agreed that these grants are an important tool in reducing the number of pipeline incidents.

The office of pipeline safety, however, only provided \$886,000 for these grants in fiscal year 2004, a clear disparity from the intent of the conferees. Therefore, the Committee provides \$1,000,000 in fiscal year 2005 for these grants, an increase of \$114,000 above the budget request. The Committee directs that no less than \$1,000,000 of the funds provided is for this purpose and reminds the agency that in the future, programs of special Congressional interest must go through the appropriate reprogramming procedures if there is a proposed variation to the appropriated amount.

Pipeline safety staffing.—The staffing levels of the office of pipeline safety (OPS) have seen a dramatic increase over the last three fiscal years, with the addition of twenty-seven new positions. OPS is requesting twelve new positions for fiscal year 2005. Budgetary constraints make it impossible to let this office continue to grow at such an astonishing rate. Therefore, the Committee approves the addition of two new pipeline inspectors, one of which shall be for Houston, Texas, where over 50% of the major pipeline operators are headquartered. All other proposed positions are denied.

Information and analysis.—OPS requests funding to modify information systems to receive and store data from new types of pipeline inspections. Funding totaling \$150,000 is provided for this purpose.

Oil spill liability trust fund.—The Committee continues to be concerned with the significant increases 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 exclusively 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 2006 budget justification should adequately address this issue, containing an itemization of how these funds are being allocated within OPS.

Pipeline damage prevention.—The Common Ground Alliance is a nonprofit organization dedicated to shared responsibility in, and the promotion of, damage prevention. The effectiveness of this all volunteer organization can be seen in its over 100 members and 21 regional alliances. Results are clearly evident by the 8 damage pre-

vention recommendations that the National Transportation Safety Board has recently closed. The Committee encourages this important organization to continue to promote effective damage prevention practices around the nation.

In addition, it is evident that localities have many opportunities to take actions to protect pipelines and their citizens if they understand pipeline risks and how they are controlled. The National Association of State Fire Marshals are well suited to assist OPS with promoting improved community emergency planning and facilitating resolution of environmental repair permit concerns.

EMERGENCY PREPAREDNESS GRANTS
(EMERGENCY PREPAREDNESS FUND)

	<i>(Emergency prepared- ness fund)</i>	<i>(Emergency prepared- ness grant program)</i>	<i>Total</i>
Appropriation, fiscal year			
2004	\$199,000	(\$14,300,000)	\$14,499,000
Budget estimate, fiscal year			
2005	200,000	(14,300,000)	14,500,000
Recommended in the bill	200,000	(14,300,000)	14,500,000
Bill compared with:			
Appropriation, fiscal			
year 2004	+1,000	.....	+1,000
Budget estimate, fiscal			
year 2005 .....	.....	.....	.....

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

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

Appropriation, fiscal year 2004	\$55,670,000
Budget request, fiscal year 2005	59,000,000
Recommended in the bill	58,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+2,330,000
Budget request, fiscal year 2005	-1,000,000

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$58,000,000 for activities of the Office of Inspector General. Due to budget constraints in the fiscal year 2005 bill, this is \$1,000,000 below the amount requested in the budget estimate. 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 \$7,974,000 from other agencies in this bill, as noted below:

Federal Highway Administration	\$3,524,000
Federal Transit Administration	3,000,000
Federal Aviation Administration	1,200,000
National Transportation Safety Board	250,000

Funding is sufficient to finance 435 full-time equivalent (FTE) staff years in fiscal year 2005, for an increase of 5 FTE.

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.

SURFACE TRANSPORTATION BOARD

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 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.

SALARIES AND EXPENSES

Appropriation, fiscal year 2004 ¹	\$19,406,000
Budget request, fiscal year 2005 ²	20,521,000
Recommended in the bill ³	20,771,000
Bill compared with:	
Appropriation, fiscal year 2004	+1,365,000
Budget request, fiscal year 2005	+250,000

¹Of this total, \$1,050,000 is offset through the collection of user fees.

²Assumes collection of \$1,050,000 in user fees, to offset the appropriation as the fees are collected throughout the fiscal year.

³Assumes collection of \$1,250,000 in user fees, to offset the appropriation as the fees are collected throughout the fiscal year.

COMMITTEE RECOMMENDATION

The Committee recommends a total appropriation of \$20,771,000, an increase of \$250,000 above the budget request. Included in the recommended amount is an estimated \$1,250,000 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.

The Committee is aware that an error was made in the communication between the DOT office of budget and the Surface Transportation Board regarding the Board's fiscal year 2005 budget request. The Department informed the Board that the request would be \$20,621,000; however, the budget appendix lists the amount of \$20,521,000, leaving a gap of \$100,000. The Committee is troubled that communication from the Secretary's budget office was inaccurate and urges the office to increase the oversight over this process so that these types of needless errors do not occur again in the future. The Committee has provided \$100,000 in this appropriation.

Spent nuclear fuel and radioactive waste transport.—In April 2004, the Department of Energy announced that its preferred mode to transport radioactive materials to the Yucca Mountain depository in Nye County, Nevada, will be heavily dependent on rail. The Department of Energy has also announced its intent to prepare an environmental impact statement (EIS) that is necessary for the construction and operation of this new rail line. In May, the Department of Energy requested the participation of the Surface Transportation Board in this EIS process, as the Board must review all new common carrier rail construction lines. Currently, the Board has limited resources to successfully participate in this EIS, as it is estimated to require twenty-five percent of the Board's environmental staff. Therefore, the Committee has provided an additional \$150,000 for the Board's expenses as it participates in this EIS process. In addition, the Board shall submit to the House and Senate Committees on Appropriations a complete list of expenses related to this process by November 1, 2005.

Travel.—The Committee notes that the travel budget for the Surface Transportation Board has increased substantially over a two-year period, jumping from \$41,000 in fiscal year 2003 to a request of \$87,000 in fiscal year 2005. In addition, during the majority of this time period, there have been two vacancies, the Vice Chairman and the Commissioner. The Committee is concerned that the travel budget under the current Board Chairman has doubled and insists that the Board look closely at the obligation of these expenses.

User fees.—Current statutory authority, under 31 U.S.C. 9701, grants the Board the authority to collect user fees. The Committee believes that \$1,250,000 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.

GENERAL PROVISIONS—DEPARTMENT OF TRANSPORTATION

The Committee continues the provision (sec. 188) allowing the Department of Transportation to use funds for aircraft; motor vehicles; liability insurance; uniforms; or allowances, as authorized by law.

The Committee continues the provision (sec. 189) limiting appropriations for services authorized by 5 U.S.C. 3109 to the rate for an Executive Level IV.

The Committee continues the provision (sec. 190) prohibiting funds in this Act for salaries and expenses of more than 106 political and Presidential appointees in the Department of Transportation, and prohibits political and Presidential personnel assigned on temporary detail outside the Department of Transportation.

The Committee continues the provision (sec. 191) prohibiting funds for the implementation of section 404 of title 23, U.S.C.

The Committee continues the provision (sec. 192) prohibiting recipients of funds made available in this Act from releasing personal information, including social security number, medical or disability information, and photographs from a driver's license or motor vehicle record, without express consent of the person to whom such information pertains; and prohibits the withholding of funds provided in this Act for any grantee if a state is in noncompliance with this provision.

The Committee continues the provision (sec. 193) allowing funds received by the Federal Highway Administration, Federal Transit Administration, and the Federal Railroad Administration from

states, counties, municipalities, other public authorities, and private sources to be used for expenses incurred for training may be credited to each agency's respective accounts.

The Committee continues the provision (sec. 194) authorizing the Secretary of Transportation to allow issuers of any preferred stock to redeem or repurchase preferred stock sold to the Department of Transportation.

The Committee continues the provision (sec. 195) prohibiting funds in Title I of this Act for issuance of any grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations not less than three full business days before any discretionary grant award, letter of intent, or full funding grant agreement totaling \$1,000,000 or more is announced by the department or its modal administrations.

The Committee continues a provision (sec. 196) for the Department of Transportation allowing funds received from rebates, refunds, and similar sources to be credited to appropriations.

The Committee continues a provision (sec. 197) allowing amounts from improper payments to a third party contractor that are lawfully recovered by the Department of Transportation to be available to cover expenses incurred in recovery of such payments.

The Committee continues a provision (sec. 198) allowing the Secretary of Transportation to transfer unexpended sums from "Office of the secretary, salaries and expenses" to "Minority business outreach".

The Committee continues the provision (sec. 199) 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.

TITLE II—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2004	\$175,070,000
Budget request, fiscal year 2005	185,041,000
Recommended in the bill	177,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+1,930,000
Budget request, fiscal year 2005	-8,040,000

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; rep-

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 \$177,000,000 for departmental offices, salaries and expenses, an increase of \$1,930,000 above the fiscal year 2004 enacted level and a decrease of \$8,040,000 below the budget request. The Committee has reinstated the statutory travel limitation due to the tardiness of the report required in last year's report 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, \$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.

The Committee's recommendation reduces the funds available for official representation and reception expenses to \$75,000, bringing the department's funding level in line with other departments. The Secretary is to distribute this amount department wide.

The Committee's recommendation assumes the following changes to the fiscal year 2005 budget request: -\$288,883 from economic policy; -\$988,664 from international affairs; -\$503,513 from tax policy; -\$337,793 from domestic policy; -\$2,359,910 from management and CFO programs; -\$1,080,738 from executive direction; -\$2,481,499 from administration; and -\$639,000 from the proposed FASAB and JFMIP transfer from OMB. The Committee has restored funds to OMB for this purpose.

In fiscal year 2004, the conferees provided the department with an increase of \$6,100,000 to accommodate the transfer of employees from the Department of the Treasury to the Department of Homeland Security, with the understanding that the increase was a one-time accommodation. Both the House and Senate Committees on Appropriations directed the department to submit a report detailing how the department would reach the post-transfer target FTE level, with the Senate report due by March 1, 2004. After repeated inquiries, the department finally submitted a report on June 3, 2004 with the basic message that the department planned to annualize the "one-time" increase and create another new terrorist financing office; one that was not even included in the fiscal year 2005 budget request. This action is completely contrary to the direction of the 2004 appropriation.

The Committee suggests that since the terrorist financing and financial crimes office is less than one year old, having been created at the department's suggestion through the fiscal year 2004 appropriation, the department might explore ways the current office, and some well-placed detailed Treasury employees, could meet the

needs of the department rather than creating yet another new office. Since the Committee has yet to receive adequate information on any new terrorism office, has not received an official budget amendment from the administration, and did not appropriate funds for a terrorism office outside of the terrorist financing and financial crimes office, the Committee assumes that no new office has been created.

The Committee notes that the banking and financial services industry report to a wide number of regulators, including eight major federal independent regulatory agencies, other minor federal regulators, and state regulatory agencies responsible for enforcing banking and security statutes. The Committee is aware that the statutes provide the regulatory agencies with a measure of authority to act expeditiously and autonomously with respect to an institution or a set of institutions under their jurisdiction. The Committee recognizes that the diversity of agencies and their autonomy can present challenges for having unified oversight of the banking and financial services industry.

The Committee wants to ensure that existing regulatory protocols and intelligence assets are adequately coordinated and deployed to maximize enforcement of the Bank Secrecy Act and the USA PATRIOT Act. The Committee considers it important that enforcement of these statutes involve coordinated action by regulators and the intelligence community from across a broad spectrum of disciplines, where oversight responsibility has not been consolidated in one single authority. Rather, experts in diverse fields should work together to provide oversight.

The Committee encourages the Department of the Treasury, working with other departments and agencies with jurisdiction, including the Department of Homeland Security and Department of Justice, to explore developing and instituting centralized inter-agency examination procedures that capitalize on the existing experience of federal regulators for enforcement of the Bank Secrecy Act and the USA PATRIOT Act. The goal is to attain effective cross-agency protocols that leverage on-hand agency assets, avoid duplication of effort, and stove-piped rigid examinations that only serve to impose increased regulatory burden on the banking and financial services industry.

The Committee is aware of the need for secure internet communication in the department in order to prevent cyber attacks and identity theft. The Committee supports implementing fully 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.

The U.S. Treasury's October 2003 Report to Congress on China's currency policy, as mandated by the Exchange Rates and International Economic Policy Coordination Act of 1988, leaves unanswered questions regarding the state of China's current policy, and the effects of those policies on manufacturing businesses. The Committee directs the Secretary of the Treasury to provide to the House and Senate Committees on Appropriations, within 60 days of the enactment of this Act, a plan to address Chinese currency

policies if China does not adopt a flexible exchange rate by September 30, 2005. The report should include an update of the October 3, 2003 report and the April 2004 report by including the import and export data provided by China regarding all of its trading partners including the United States.

The Committee is aware that until the year 2000, imported homeopathic medicines were consistently classified by the Customs Service as medicaments. Several letter rulings reflect this longstanding and uniform practice. The Committee is also aware that starting in 2000, the Customs Service reversed itself and began to classify these medicaments as alcoholic beverages or as food. Although the Customs Service has been transferred from the Department of the Treasury to the Department of Homeland Security, the Treasury Department retains the authority to overturn Customs' classification decisions. The Committee urges the Treasury Department to use its authority to review this matter and to give strong consideration to upholding past precedence in the classification of imported homeopathic medicines.

The Committee recognizes the prominence placed on economic and financial issues at the Organization for Economic Cooperation and Development in Paris, France, and recommends that the Department of the Treasury maintain a senior staff presence attached to the United States Mission in Paris. Over the years, there has been an erosion in the presence of the Treasury Department at the United States Mission, but the importance of the issues involved necessitate that this trend now cease and that a senior position be established.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2004	\$36,185,000
Budget request, fiscal year 2005	36,072,000
Recommended in the bill	36,072,000
Bill compared with:	
Appropriation, fiscal year 2004	- 113,000
Budget request, fiscal year 2005 .....	.....

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 \$36,072,000 for department-wide systems and capital investments programs, the same as the budget request and a decrease of \$113,000 below the fiscal year 2004 funding level.

The Committee is aware that new technology providing a vulnerability management solution is nearing completion of the evaluation process by the National Institute of Standards and Technology so as to receive Common Criteria evaluation at EAL3. This appliance-based technology runs a hardened operating system and communicates through encryption using unique digital certificates for authentication and by performing the continuous monitoring requirement specified by NIST SP 800-37, section 2.7. It further fa-

ilitates common operating environment policy through host-baselining and alerts. In an effort to better prove its effectiveness in meeting vulnerability standards of the department and the IRS, the Committee strongly urges the department to use available funds to demonstrate this technology.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$12,923,000
Budget request, fiscal year 2005	14,158,000
Recommended in the bill	16,500,000
Bill compared with:	
Appropriation, fiscal year 2004	+3,577,000
Budget request, fiscal year 2005	+2,342,000

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 \$16,500,000 for the Office of Inspector General, an increase of \$3,577,000 above the fiscal year 2004 enacted level and an increase of \$2,342,000 above the budget request. The increase is for additional audit capability in the areas of regulation responsibility and the on-going audit of the Treasury building renovation project. The bill includes \$2,000,000 for official travel expenses, and up to \$100,000 for unforeseen emergencies.

Treasury building and annex repair and restoration project.—The Committee notes that since inception, \$234,800,000 has been appropriated for this project. For fiscal year 2004, the Treasury Inspector General was directed to conduct an audit of the Treasury Building renovation and restoration contracts. As part of the Committee's ongoing oversight of major capital projects, the Committee directs the Treasury Inspector General to continue audit coverage of the project during fiscal year 2005. That audit shall include, but is not limited to, the inspection of the Treasury Building to the extent deemed necessary by the Treasury Inspector General to determine whether the renovation work conformed to applicable building codes. The Treasury Inspector General is authorized to use a contracted independent inspector for this purpose to be selected and supervised by the Treasury Inspector General. The inspection cost shall be paid from the "Treasury building and annex repair and restoration" appropriation in an amount not to exceed \$2,000,000.

In addition, the audit should identify existing Treasury employees in a decision-making position, who did not promptly vacate the Treasury building to temporary office space as directed during any rehabilitation phase. The Committee has learned that Treasury pays over \$1,000,000 in rent monthly for temporary office space to handle the employees displaced during construction. Any time those employees chose not to move despite the construction efforts, the department assumed additional costs in both excess rent and construction delays. The Committee directs that any fiscal year 2005 pay increase be withheld from identified employees in order to make an effort to recoup the lost costs. The Inspector General shall submit the results of its audit work to the Committee no later than July 1, 2005.

FinCon audit.—The Committee directs The Department of the Treasury’s Inspector General to provide the Committee with a status report no later than May 2, 2005 detailing the Financial Crimes Enforcement Network’s progress in establishing the Office of Compliance, as outlined by the Department and the Financial Crimes Enforcement Network. The report should include an assessment of FTE sufficiency to conduct an effective Bank Secrecy Act compliance program as well as the level of cooperation being achieved in implementing the planned memoranda of agreements with the federal regulatory agencies charged with examination and enforcement responsibilities for Bank Secrecy Act compliance.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION
SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$127,279,000
Budget request, fiscal year 2005	129,126,000
Recommended in the bill	129,126,000
Bill compared with:	
Appropriation, fiscal year 2004	+1,847,000
Budget request, fiscal year 2005 .....	.....

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 \$129,126,000 for the Treasury Inspector General for Tax Administration, an increase of \$1,847,000 above the fiscal year 2004 enacted level and equal to the budget request.

AIR TRANSPORTATION STABILIZATION PROGRAM

Appropriation, fiscal year 2004	\$2,523,000
Budget request, fiscal year 2005	2,800,000
Recommended in the bill	2,000,000
Bill compared with:	
Appropriation, fiscal year 2004	- 523,000
Budget request, fiscal year 2005	- 800,000

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 \$2,000,000 for the air transportation stabilization program, a decrease of \$523,000 below the fiscal year 2004 enacted level and \$800,000 below the budget request. The Committee’s recommendation is based on the fact that the program activities planned for fiscal year 2005 are reduced greatly from previous years.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2004	\$24,853,000
Budget request, fiscal year 2005	20,316,000
Recommended in the bill	20,316,000
Bill compared with:	
Appropriation, fiscal year 2004	- 4,537,000
Budget request, fiscal year 2005 .....	.....

This appropriation funds the repairs, selected improvements, and construction necessary to renovate and maintain the main Treasury Building, the Treasury annex, and other Treasury buildings.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$20,316,000 for Treasury Building and Annex Repair and Restoration (T-BARR), a decrease of \$4,537,000 below the fiscal year 2004 enacted level and the same as the budget request. The requested and proposed funding level should be the final year of funding for this project. The Committee included a provision in this account allowing for the transfer of up to \$2,000,000 to be merged with the Office of Inspector General for the purpose of expenses related to the T-BARR audit.

The Committee has directed the Inspector General to continue with the T-BARR audit initiated by a direction in the fiscal year 2004 report. Based on preliminary findings, the Committee directs a complete investigation into the entire T-BARR project.

The Committee notes that the original intention of this project, and in fact the title of this account, assume that the Treasury annex building would be repaired and restored. However, the Committee is unaware of any construction activities underway or com-

pleted as related to this property. The Committee directs the department to provide a report on the funds and progress made to repair and restore the Treasury annex building from funds made available under this heading in this or prior fiscal years, the extent that those repairs have addressed fully the infrastructure needs and safety concerns of the building, and what future year funding requirements will be needed to finish the project.

EXPANDED ACCESS TO FINANCIAL SERVICES

(RESCISSION)

Rescission, fiscal year 2004	
Budget request, fiscal year 2005	-\$4,000,000
Recommended in the bill	-4,000,000
Bill compared with:	
Rescission, fiscal year 2004	-4,000,000
Budget request, fiscal year 2005	

The Committee recommends a cancellation of \$4,000,000 from unobligated balances of the expanded access to financial services fund, the same as the budget request. This rescission was not included in fiscal year 2004.

VIOLENT CRIME REDUCTION PROGRAM

(RESCISSION)

Rescission, fiscal year 2004	
Budget request, fiscal year 2005	-\$1,000,000
Recommended in the bill	-1,000,000
Bill compared with:	
Rescission, fiscal year 2004	-1,000,000
Budget request, fiscal year 2005	

The Committee recommends a cancellation of \$1,000,000 from unobligated balances of the violent crime reduction program, the same as the budget request. This rescission was not included in fiscal year 2004.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$57,231,000
Budget request, fiscal year 2005	64,502,000
Recommended in the bill	64,502,000
Bill compared with:	
Appropriation, fiscal year 2004	+7,271,000
Budget request, fiscal year 2005	---

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 \$64,502,000 for the financial crimes enforcement network, an increase of \$7,271,000 above the fiscal year 2004 enacted level and the same as the budget request. The Committee gives FinCEN full flexibility to determine the funding allocation across fiscal year 2005 activities as described in the budget justification. FinCEN is to provide details of the allocation in the 2005 operating plan.

While the Committee recognizes the potential value of the work of FinCEN, the Committee also recognizes that the authorizing committees of jurisdiction are contemplating a new structure for enforcing security regulations. Until a decision is made, the Committee recommends limited growth for this program.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$227,210,000
Budget request, fiscal year 2005	230,930,000
Recommended in the bill	230,930,000
Bill compared with:	
Appropriation, fiscal year 2004	+3,720,000
Budget request, fiscal year 2005 .....	.....

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 \$230,930,000 for the Financial Management Service, an increase of \$3,720,000 above the fiscal year 2004 enacted level and the same as the budget request. The bill includes up to \$9,220,000 for information systems modernization initiatives and up to \$2,500 for official reception and representation expenses.

The Committee directs FMS in cooperation with the Office of Management and Budget to submit a report by March 31, 2005 detailing the various other financial management and fund distribution programs and initiatives underway, primarily those that are operating as a franchise fund or enterprise program.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$79,528,000
Budget request, fiscal year 2005	81,942,000
Recommended in the bill	82,542,000
Bill compared with:	
Appropriation, fiscal year 2004	+3,014,000
Budget request, fiscal year 2005	+600,000

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 \$82,542,000 for the Alcohol and Tobacco Tax and Trade Bureau, an increase of \$3,014,000 above the fiscal year 2004 enacted level and \$600,000 above the budget 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. The Committee's recommendation includes additional funds to start the process of creating a stand-alone information technology infrastructure in light of the pending system separation from the Bureau of Alcohol, Tobacco, and Firearms and the Department of Homeland Security.

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 81-656, 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 2003 through 2005:

	2003 (actual)	2004 (estimate)	2005 (estimate)
Total revenue	\$518,085,000	\$539,000,000	\$587,000,000
Revenue from currency	469,642,000	495,000,000	555,000,000
Revenue from stamps	37,513,000	38,000,000	26,000,000
Other revenue	10,930,000	6,000,000	6,000,000
Cost of operations	530,191,000	539,000,000	587,000,000
Net revenue ¹ (to Treasury)	-12,106,000		

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.

The Committee supports the Bureau of Engraving and Printing (BEP) in its efforts to redesign the \$20 and \$50 notes and encourages the BEP to move expeditiously to enhance the anti-counterfeiting features of higher denomination bills, such as \$100 notes. The \$100 bank note is the most counterfeited in the world and could benefit by advanced features that are already on the Euro and the British Pound, such as the optically variable devices that will make the note significantly more difficult to counterfeit. The Committee requests that the BEP report to the Committee within 90 days of enactment the status of any \$100 note redesign plans.

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 \$41,100,000, an increase of \$448,000 above the fiscal year 2004 spending level and the same as the level included in the budget request. The following table provides basic information on the revenues, costs, and products of the Mint for fiscal years 2003 through 2005:

	Circulating coins	Commemorative quarters	Numismatic coins	Protection
2003 (actual):				
Number of coins	9.1 billion	2.5 billion	24 million	
Cost of operations	\$157 million	\$195 million	\$454 million	\$35 million.
Revenue	\$320 million	\$618 million	\$471 million	
Net revenue (to Treasury)	\$319 million	\$618 million	\$470 million	(\$35 million).
2004 (est.):				
Number of coins	13.0 billion	2.8 billion	22 million	
Cost of operations	\$220 million	\$211 million	\$452 million	\$38 million.
Revenue	\$406 million	\$694 million	\$499 million	
Net revenue (to Treasury)	\$406 million	\$694 million	\$493 million	(\$38 million).

	Circulating coins	Commemorative quarters	Numismatic coins	Protection
2005 (est.):				
Number of coins	13.0 billion	3.1 billion	22 million	
Cost of operations	\$222 million	\$218 million	\$459 million	\$41 million.
Revenue	\$439 million	\$775 million	\$505 million	
Net revenue (to Treasury).	\$439 million	\$775 million	\$500 million	(\$41 million).

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

Appropriation, fiscal year 2004	\$172,627,000
Budget request, fiscal year 2005	175,166,000
Recommended in the bill	175,166,000
Bill compared with:	
Appropriation, fiscal year 2004	+2,539,000
Budget request, fiscal year 2005	

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 \$175,166,000 for administering the public debt, an increase of \$2,539,000 above the fiscal year 2004 enacted level and the same as the budget request. The bill includes up to \$2,000,000 for systems modernization.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

Appropriation, fiscal year 2004	\$4,009,205,000
Budget request, fiscal year 2005	4,148,403,000
Recommended in the bill	4,071,824,000
Bill compared with:	
Appropriation, fiscal year 2004	+62,619,000
Budget request, fiscal year 2005	-76,579,000

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 \$4,071,824,000 for processing, assistance, and management, an increase of \$62,619,000 above the fiscal year 2004 enacted level and a decrease of \$76,579,000 below the budget request. The Committee's recommendation includes \$7,500,000 in support of low-income tax clinics and \$4,100,000 for the tax counseling for the elderly program. The IRS has flexibility in determining how to allocate the funds in this account in relation to the budget request. The Committee directs the IRS to submit an operating plan for all of its accounts, as a part of the plan submitted by the Department of the Treasury, detailing the fiscal year 2005 funding levels for activities

in comparison to the fiscal year 2004 levels and the 2005 budget request.

Electronic tax filing and the free file alliance.—The Committee reaffirms its position that the free file alliance 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. Program implementation must be carried out in a manner that protects the privacy of the taxpayer's return data, continues software service independent from the government, and does not require citizens to purchase other products or services from free file participants. The IRS should work in cooperation with the tax preparation 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.

The Committee is encouraged by the recent memorandum of understanding between the IRS and the alliance for addressing privacy concerns and reporting aggregate, and not individual, tax filer data. However, the Committee notes that four providers listed on the IRS free file web site claim that no income restrictions are necessary for free file services, and one provider claims to have a floor income of \$100,000 to qualify for free file services. The Committee directs the IRS to report in not less than 60 days after enactment of this act on the criteria which enables these providers to be included in the free file program.

IRS workforce re-alignment.—The IRS has several personnel realignment initiatives underway, and Committee is seeking comprehensive information regarding planned reductions in force (RIF) affecting 1,600 case processing and insolvency employees, 2,200 submission processing center employees, 780 modernization and information technology services employees, and 260 transitional processing center employees. Unfortunately, the department's initial responses to the Committee have been less than adequate. The Committee therefore directs the Commissioner to refrain from further RIF actions until submitting a report not earlier than May 2, 2005, and not later than May 13, 2005 on the planned actions. The report must include a detailed cost analysis of the savings expected from the RIFs including the anticipated increase in productivity resulting from the consolidations; administrative costs associated with the planned RIFs; the costs necessary to modify the work and accommodate any planned new hires; the cost of hiring and training new employees to do the same work that is currently being performed by the current employees; and a detailed qualitative description of the type of training that will be given to the new hires. The Commissioner is directed to provide an analysis of how productivity and service will remain constant for the employees and taxpayers affected by the change, including a description of any productivity gap during transition; and an analysis of how the productivity of revenue agents and officers will be affected by the removal of support staff.

Should the IRS move forward with RIF, the Committee directs the IRS to use all available tools to minimize involuntary separations, including: providing preference to those employees targeted

by the RIF for other vacancies for which they are qualified within the IRS, Treasury Department or other federal agency in their location; implementing a hiring freeze for IRS vacancies in locations undergoing a RIF for 90 days after the RIF announcement to allow targeted employees to apply for an appropriate vacancy; providing bump and retreat rights as set out in 5 CFR 351, with competitive areas being defined broadly; providing training or retraining for employees so they can move into other positions within the IRS; actively seeking authorization for voluntary early retirement authority and voluntary separation incentive payments, which should be offered as widely as possible in the geographic locations affected so that employees who cannot afford to leave voluntarily can move into positions vacated by those who can; and making available the maximum six months of career transition assistance program benefits to all IRS employees described in the above paragraph affected by a RIF.

TAX LAW ENFORCEMENT

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2004	\$4,171,244,000
Budget request, fiscal year 2005	4,564,350,000
Recommended in the bill	4,278,107,000
Bill compared with:	
Appropriation, fiscal year 2004	+106,863,000
Budget request, fiscal year 2005	-286,243,000

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 \$4,278,107,000 for tax law enforcement, an increase of \$106,863,000 above the fiscal year 2004 enacted level and a decrease of \$286,243,000 below the budget request. The IRS has flexibility in determining how to allocate the funds in this account in relation to the budget request. The bill includes up to \$1,000,000 for research and up to \$10,000,000 to reimburse the Social Security Administration.

The Committee encourages the IRS to investigate and incorporate private industry solutions into its earned income tax credit (EITC) enforcement efforts to combat fraud and other filing error. The Committee is aware of private industry initiatives that apply innovative software and data mining and correlation techniques to readily detect “same child, dual claim” conditions at the point of submission and before any payments have been made, which have the potential to save billions of dollars annually in EITC fraud and erroneous claims. Such initiatives make a series of applications that continually access and extract dependent child information

from specific state and federal systems (e.g.; MEDICAID, subsidized housing programs, transitional employment assistance, food stamp programs, foster children programs, etc.) which then correlate, edit, and aggregate this information into a database for analysis to automatically verify the child information contained in the EITC return and search for patterns that are indicative of any emerging fraudulent situation. The Committee directs the IRS to report on the feasibility of using private industry solutions for EITC compliance, and updated information on the EITC pre-certification pilot program, not less than 90 days after enactment of this Act.

The Committee encourages the IRS to conduct a pilot program, approximately one year in length, employing commercially proven molecular marking and program tracking information management database technologies for the identification of the taxable status of diesel fuel, compliance enforcement of diesel fuel status categories and the associated recovery of fuel taxes.

The Committee notes that the IRS has not achieved a significant level of progress administering the program using actuarial software and related expertise to assist in audits involving tax reserves and other situations requiring actuarial expertise. The Committee encourages the IRS to facilitate the implementation of the program into coordinated examinations.

INFORMATION SYSTEMS

Appropriation, fiscal year 2004	\$1,581,575,000
Budget request, fiscal year 2005	1,641,768,000
Recommended in the bill	1,622,093,000
Bill compared with:	
Appropriation, fiscal year 2004	+40,518,000
Budget request, fiscal year 2005	-19,675,000

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 \$1,622,093,000 for information systems, an increase of \$40,518,000 above the fiscal year 2004 enacted level and a decrease of \$19,675,000 below the budget request. Of the amounts provided, \$200,000,000 is available until September 30, 2006. The IRS has flexibility in determining how to allocate the funds in this account in relation to the budget.

BUSINESS SYSTEMS MODERNIZATION

Appropriation, fiscal year 2004	\$387,699,000
Budget request, fiscal year 2005	285,000,000
Recommended in the bill	285,000,000
Bill compared with:	
Appropriation, fiscal year 2004	-102,699,000
Budget request, fiscal year 2005 .....	.....

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 \$285,000,000 for business systems modernization, a decrease of \$102,699,000 from the fiscal year 2004 enacted level and the same as the budget 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 2004	\$34,794,000
Budget request, fiscal year 2005	34,841,000
Recommended in the bill	34,841,000
Bill compared with:	
Appropriation, fiscal year 2004	+47,000
Budget request, fiscal year 2005 .....	.....

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 \$34,841,000 for health insurance tax credit administration, an increase of \$47,000 above the fiscal year 2004 enacted level and the same as the budget 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 limiting funds for the purchase of law enforcement vehicles unless the purchase is consistent with vehicle management principles.

Section 209. The Committee continues the provision that prohibits the Department of the Treasury from undertaking a redesign of the \$1 Federal Reserve note.

Section 210. The Committee continues the provision that provides for transfers from and reimbursements to “Financial management service, salaries and expenses” for the purposes of debt collection.

Section 211. The Committee continues the provision extending the life of the franchise funds.

Section 212. The Committee continues the provision extending the life of Treasury’s franchise fund.

Section 213. The Committee includes a new provision allowing electronic transfers to be included under the protection of the Check Forgery Insurance Fund.

Section 214. The Committee continues the provision that requires Congressional approval for the construction and operation of a museum by the United States Mint.

Section 215. The Committee includes a new provision prohibiting funds in this Act from being used to merge the United States Mint and the Bureau of Engraving and Printing without the approval of the House and Senate committees of jurisdiction.

Section 216. The Committee includes a new provision prohibiting the Secretary from publishing, implementing, administering, or enforcing regulations permitting financial institutions to accept the matricula consular as a valid form of identification.

TITLE III—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, United States Code.

COMPENSATION OF THE PRESIDENT

Appropriation, fiscal year 2004	\$450,000
Budget request, fiscal year 2005 ¹	450,000
Recommended in the bill	450,000
Bill compared with:	
Appropriation, fiscal year 2004 .....	.....
Budget request, fiscal year 2005 .....	.....

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 as appropriated in fiscal year 2004 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 2004	\$68,760,000
Budget request, fiscal year 2005 ¹	63,698,000
Recommended in the bill	59,525,000
Bill compared with:	
Appropriation, fiscal year 2004	-9,235,000
Budget request, fiscal year 2005	-4,173,000

¹Proposed in a consolidated appropriation titled "The White House".

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 \$59,525,000 for the White House Office, a reduction of \$4,173,000 below the amounts requested by the President. The Committee's recommendation transfers funding for the Homeland Security Council (HSC) to a separate appropriation, providing the same budgetary treatment as the National Security Council.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE
OPERATING EXPENSES

Appropriation, fiscal year 2004	\$12,427,000
Budget request, fiscal year 2005 ¹	12,760,000
Recommended in the bill	12,760,000
Bill compared with:	
Appropriation, fiscal year 2004	+333,000
Budget request, fiscal year 2005 .....	.....

¹Proposed in a consolidated appropriation titled "The White House".

These funds provide for the care, maintenance, and operation of the Executive Residence, including official and ceremonial functions of the President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$12,760,000 for the operating expenses of the Executive Residence, an increase of \$333,000 from the amounts appropriated in fiscal year 2004 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 in fiscal year 2004.

WHITE HOUSE REPAIR AND RESTORATION

Appropriation, fiscal year 2004	\$4,200,000
Budget request, fiscal year 2005 ¹	1,900,000
Recommended in the bill	1,900,000
Bill compared with:	
Appropriation, fiscal year 2004	-2,300,000
Budget request, fiscal year 2005	

¹Proposed 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 \$1,900,000 for White House Repair and Restoration, a decrease of \$2,300,000 below the amount enacted in fiscal year 2004 and the same as the amount requested by the President. These funds will finance design and replacement of existing cooling towers and associated equipment (\$1,700,000); potential Presidential transition costs, such as staff overtime, moving and packing items for the outgoing First Family, and setting up living quarters for the incoming First Family (\$100,000); and funds for family quarters redecoration (\$100,000). It is traditional for the last two items to be included in budgets during the year of a Presidential election.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$4,475,000
Budget request, fiscal year 2005 ¹	4,040,000
Recommended in the bill	4,040,000
Bill compared with:	
Appropriation, fiscal year 2004	-435,000
Budget request, fiscal year 2005	

¹Proposed 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 \$4,040,000 for the Council of Economic Advisers, a decrease of \$435,000 from the amount enacted in fiscal year 2004 and the same as requested by the President. The decrease mainly reflects the realignment of GSA rental payments to the Office of Administration as part of the enterprise services program.

OFFICE OF POLICY DEVELOPMENT
SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$4,085,000
Budget request, fiscal year 2005 ¹	3,592,000
Recommended in the bill	2,267,000
Bill compared with:	
Appropriation, fiscal year 2004	-1,818,000
Budget request, fiscal year 2005	-1,325,000

¹Proposed 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 \$2,267,000 for the office of policy development, a decrease of \$1,818,000 below the amount enacted in fiscal year 2004 and \$1,325,000 below the amount requested by the President. The reduction reflects current unobligated balances in this account appropriated as far back as fiscal year 2000. These resources can be applied to fiscal year 2005 requirements.

NATIONAL SECURITY COUNCIL
SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$10,489,000
Budget request, fiscal year 2005 ¹	8,932,000
Recommended in the bill	8,932,000
Bill compared with:	
Appropriation, fiscal year 2004	-1,557,000
Budget request, fiscal year 2005	

¹Proposed 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 \$8,932,000 for the National Security Council, a decrease of \$1,557,000 below the amount appropriated in fiscal year 2004 and the same as requested by the President. Most of the reduction from the fiscal year 2004 enacted levels involves a realignment of GSA rental payments and other costs to the Office of Administration as part of the enterprise services program. The number of full-time equivalent staffyears remains at the fiscal year 2004 enacted level of 71.

HOMELAND SECURITY COUNCIL

Appropriation, fiscal year 2004 ¹	\$7,231,000
Budget request, fiscal year 2005 ²	4,173,000
Recommended in the bill	2,475,000
Bill compared with:	
Appropriation, fiscal year 2004	-4,756,000
Budget request, fiscal year 2005	-1,700,000

¹Funded as a separate set-aside in the bill under "White House Office, Salaries and expenses".

²Proposed in a consolidated appropriation titled "The White House".

The Committee recommends \$2,475,000 for the Homeland Security Council (HSC), a reduction of \$1,700,000 below the budget estimate. The Committee recommendation would transfer funding for the Homeland Security Council to a separate appropriation, similar to the treatment for the National Security Council and other policy-related offices. The recommended reduction reflects the unobligated balance in this account, which can be partially applied to offset fiscal year 2005 activities.

The Committee is disturbed that White House officials have failed to provide to the Committee a definitive request for HSC staffing or budgetary resources for fiscal year 2005. Information providing for the hearing record states that the fiscal year 2005 budget includes "approximately" 40 full-time equivalent staffyears for direct HSC hires and 26 detailees, for a total of 66 staff. This estimate, although approximate, would be significantly above the level of onboard staff as of May 2004. In future years, the Committee expects the Executive Office of the President to be able to provide budget-quality estimates rather than approximations. The Committee is also concerned about the relatively high travel budget of this office, and the high proportion that is applied to travel within the Washington, DC metropolitan area. The Committee will work with the Homeland Security Council to reduce these administrative costs over the coming year.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$82,337,000
Budget request, fiscal year 2005 ¹	85,676,000
Recommended in the bill	92,696,000
Bill compared with:	
Appropriation, fiscal year 2004	+10,359,000
Budget request, fiscal year 2005	-7,020,000

¹Proposed 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 \$92,696,000 for the Office of Administration, an increase of \$10,359,000 above the amount appropriated in fiscal year 2004 and a decrease of \$7,020,000 below the amount requested by the President.

Enterprise services program.—The budget estimate for fiscal year 2005 did not reflect program savings, estimated at \$800,000 a year,

from the core enterprise pilot program (now called the enterprise services program). Under the Administration’s proposal, these savings would be “reinvested” into unspecified initiatives. The Committee’s recommendation reduces the budget estimate by \$400,000 in consideration of these savings.

Engineering and technical assistance.—The Committee recommendation deletes the \$405,000 proposed for “analysis and consulting service in support of EOP core business process improvement” and the \$520,000 included for “system engineering and technical assistance”. These initiatives are unaffordable at this time due to budget constraints.

Restoring OMB to the enterprise services program.—The Committee bill restores OMB to the enterprise services program, a transfer of \$8,345,000 from the OMB appropriation to this appropriation. The Committee continues to believe that that is appropriate for the Office of Administration to make rental payments and pay other administrative expenses for EOP offices in this bill, including the Office of Management and Budget.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$66,763,000
Budget request, fiscal year 2005	76,565,000
Recommended in the bill	67,759,000
Bill compared with:	
Appropriation, fiscal year 2004	+996,000
Budget request, fiscal year 2005	–8,806,000

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 \$67,759,000 for the Office of Management and Budget (OMB), an increase of \$996,000 above the amount appropriated in fiscal year 2004 and \$8,806,000 below the amount requested by the President. Recommended adjustments to the budget estimate are listed and discussed below:

	<i>Amount</i>
Staffing adjustment	–\$1,000,000
Restoration of FASAB and JFMIP transfer	+639,000
FEA PMO staffing	–100,000
Restoration of fiscal year 2004 transfer	–8,345,000

Staffing adjustment.—The fiscal year 2005 budget estimate assumes a continuation of staffing at the fiscal year 2004 full-time equivalent level of 510. However, the Committee’s review of hearing data indicate that OMB has requested excess funds for staffing for at least the past two years. Last year, the Committee was advised that the fiscal year 2004 request of 510 FTE would involve no new staff, but simply extend the fiscal year 2003 staffing level into fiscal year 2004. However, the agency only consumed 491 FTE in fiscal year 2003, indicating that their fiscal year 2004 budget estimate was more than needed to maintain a constant staffing level. The same appears true in the fiscal year 2005 budget request, which requests a “continuation” of the 510 FTE assumed for fiscal

year 2004. Actual on board levels at the agency as of June 1, 2004 are 499. The Committee's recommendation assumes 500 FTE, a reduction of 10 below the budget estimate.

Restoration of FASAB and JFMIP transfer.—The budget estimate proposed to transfer OMB's portion of funding for the Financial Accounting Standards Advisory Board and the Joint Financial Management Improvement Program to the Department of the Treasury, even though OMB would retain "lead responsibility" for these activities. The Committee believes budget and program accountability and control should go together wherever possible. As OMB wishes to keep the lead responsibility for these activities, the Committee retains these funds in OMB's budget.

Federal enterprise architecture program management office.—Committee hearing data indicate that OMB's Federal enterprise architecture program management office has only one staff person assigned to it, a senior executive service member on detail from the National Aeronautics and Space Administration. The Committee is not convinced that a one-person program management office will be able to have any appreciable impact on the development of government-wide information technology policy. The Committee believes this detail position should return to the host agency and the office should be closed.

Restoration of fiscal year 2004 transferred funds.—The reduction of \$8,345,000 reflects the transfer of funds to the Office of Administration, as previously discussed.

Reception and representation expenses.—Once again this year, the bill limits reception and representation (R&R) 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. In fiscal year 2002, OMB used \$1,424.38 from this appropriation. Fiscal year 2003 costs were \$453.28. In the first nine months of fiscal year 2004, there were no expenses.

Paperwork reduction.—The Committee notes with interest OMB's April 2004 report stating that federal agencies succeeded in reducing the amount of time the public spends filling out government paperwork by 1.5 percent in 2003, compared to the previous year. The Committee, however, is concerned that this simply represents streamlining of the federal paperwork filing system, rather than a substantive reduction in regulatory burdens on industries that pose barriers to economic productivity. The Committee requests that OMB provide, within 90 days of enactment, a report detailing its blueprint and master plan for realizing substantive reductions in regulatory burdens on industries, which, if achieved, will result in true savings regardless of system efficiencies. The report should identify regulatory areas with the greatest time, cost and volume burden, and note how OMB's blueprint and master plan addresses these areas for substantive reduction. The Committee recommends that OMB first direct its reduction efforts at regulations where the greatest gain can be achieved with the least effort.

The Committee considers paperwork reduction to be especially crucial in the area of health care, where onerous paperwork requirements often significantly elevate the cost of delivering care without comparable health benefits being delivered to patients. The Committee strongly encourages OMB to give priority attention to the health care area for reducing the paperwork burden on hos-

pitals and physicians and their staffs generated by the over 130,000 pages of regulations controlled by the Centers for Medicare and Medicaid Services alone, not counting the 29 other agencies with health care jurisdiction. Consistent with the Committee's recommendations on the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill, 2005, OMB is urged to convene and coordinate the government-wide task force that includes industry representatives to examine the original intent of the underlying laws, as well as the regulations spawned by those laws, and determine where regulations could be coordinated and simplified to reduce costs and regulatory burdens while continuing to protect patients.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$27,832,000
Budget request, fiscal year 2005	27,609,000
Recommended in the bill	28,109,000
Bill compared with:	
Appropriation, fiscal year 2004	+277,000
Budget request, fiscal year 2005	+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 \$28,109,000 for the Office of National Drug Control Policy (ONDCP), a \$500,000 increase from the President's request.

Funding is directed as follows:

Operations	\$25,759,000
Policy Research	1,350,000
PDFA methamphetamine demand reduction	1,000,000

Methamphetamine demand reduction.—The Committee provides an additional \$1,000,000 above the budget request for the Partnership for a Drug Free America for their efforts in reducing the demand and abuse of methamphetamine.

Staffing.—ONDCP requested 5 additional FTE for fiscal year 2005. The Committee approves the requested FTE, but additional funding has not been provided due to budget constraints.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

Appropriation, fiscal year 2004	\$41,752,000
Budget request, fiscal year 2005	40,000,000
Recommended in the bill	30,000,000
Bill compared with:	
Appropriation, fiscal year 2004	– 1,752,000
Budget request, fiscal year 2005	

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 \$30,000,000 for the Counterdrug Technology Assessment Center, a decrease of \$10,000,000 from the President's request. Included in the appropriation are \$7,000,000 for Demand Reduction Research and Development, \$3,000,000 for Supply Reduction Research and Development, and \$20,000,000 for the Technology Transfer Program.

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

Appropriation, fiscal year 2004	\$225,015,000
Budget request, fiscal year 2005	208,350,000
Recommended in the bill	215,350,000
Bill compared with:	
Appropriation, fiscal year 2004	- 9,665,000
Budget request, fiscal year 2005	+ 7,000,000

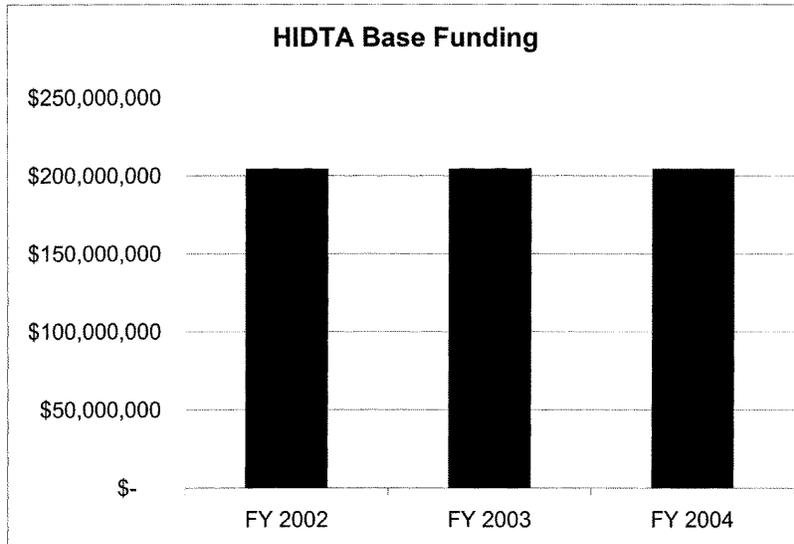
The High Intensity Drug Trafficking Areas (HIDTA) Program was established by the Director of ONDCP pursuant to section 1005 of the Anti-Drug Abuse Act of 1988, and now as reauthorized by section 707 of the Office of National Drug Control Policy Act of 1998 to provide assistance to Federal and State and local law enforcement entities operating in those areas most adversely affected by drug trafficking.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$215,350,000 for the HIDTA Program, an increase of \$7,000,000 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, and to fund new HIDTAs as appropriate. The Committee directs that no less than \$208,000,000 of its appropriation shall be for base funding for the HIDTA program. Recommended funding levels are as follows:

HIDTA base allocation	\$208,000,000
Discretionary funds for new countries	3,000,000
Discretionary funds for CPOT	2,350,000
Audit	2,000,000

The HIDTA program serves to enhance and coordinate drug control effects among local, State, and Federal law enforcement agencies in order to eliminate or reduce drug trafficking, and the Committee supports a vigorous HIDTA program. To achieve its mission, the HIDTA program must continue to enhance individual and national performance and work to develop a system that enhances the synchronization of drug control efforts. In recent years however, the funding for the nation's HIDTAs has remained fairly stagnant. Funding for the HIDTA program has increased annually, yet more funding every year has gone to discretionary programs to the detriment of base HIDTA funding, as shown on the following graph:



The HIDTA program has proven to be an efficient and successful program. The Committee reminds ONDCP that without the nation's base HDTAs, the discretionary program would be for naught. Therefore, the Committee has included an increase of \$3,750,000 for funding for the base HIDTA program. The Committee continues to direct that HDTAs existing in fiscal year 2005 shall receive funding at least equal to the fiscal year 2004 initial allocation level, which does not include funding provided through the CPOT initiative.

The Committee 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 North Texas, Appalachian, Central Florida, Central Valley, and Lake County HDTAs; and expansion of the Gulf Coast HIDTA (Rapides, Calcasieu, and Lafourche parishes, Louisiana).

The Committee recognizes the strong pressure to add new HDTAs and expand those currently existing, and underscores the need for performance-based management to ensure that HDTAs 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 2004	\$227,649,000
Budget request, fiscal year 2005	235,000,000
Recommended in the bill	195,000,000
Bill compared with:	
Appropriation, fiscal year 2004	- 32,649,000
Budget request, fiscal year 2005	- 40,000,000

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$195,000,000 for Other Federal Drug Control Programs, a decrease of \$40,000,000 from the President's request. The recommended appropriation includes the following:

National Youth Anti-Drug Media Campaign	\$120,000,000
Drug Free Communities Support Program	70,000,000
U.S. Anti-Doping Agency	1,500,000
Counterdrug Intelligence Executive Secretariat	1,000,000
National Drug Court Institute	500,000
Performance Measures Development	1,000,000
National Alliance For Model State Drug Laws	500,000
World Anti-Doping Agency (WADA) Membership Dues	500,000
Subtotal, Other Federal Drug Control Programs	195,000,000

USADA.—The Committee directs ONDCP to ensure that the release of funds to the U.S. Anti-Doping Agency (USADA) follow the grant timeline and application processes normally required of grant recipients. ONDCP shall not expedite the release of these funds unless ONDCP submits a justification for approval to the House and Senate Committees on Appropriations.

Public service announcements.—The Committee is aware that there are a number of government-sponsored public service campaigns. GAO is directed to conduct a study regarding the nature of these campaigns, to include a review of the following: the federal agencies and other participants involved; the basis and purpose of these sponsorships; the annual and cumulative federal government and other participant costs for each campaign; the target audiences, media employed, and results achieved for each campaign. GAO should report to the House and Senate Committees on Appropriations no later than June 1, 2005.

UNANTICIPATED NEEDS

Appropriation, fiscal year 2004	\$993,000
Budget request, fiscal year 2005	1,000,000
Recommended in the bill	1,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+7,000
Budget request, fiscal year 2005	

These funds enable the President to meet unanticipated exigencies in support of the national interest, security, or defense. Expenditures from this account may be authorized only by the President.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,000,000, which is \$7,000 more than appropriated in fiscal year 2004 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 2004	\$4,435,000
Budget request, fiscal year 2005	4,571,000
Recommended in the bill	4,571,000
Bill compared with:	
Appropriation, fiscal year 2004	+136,000
Budget request, fiscal year 2005 .....	.....

These funds support the official duties and functions of the Office of the Vice President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,571,000 for the Office of the Vice President, an increase of \$136,000 above the amount enacted for fiscal year 2004 and the same as requested by the President.

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2004	\$329,000
Budget request, fiscal year 2005 ¹	333,000
Recommended in the bill	333,000
Bill compared with:	
Appropriation, fiscal year 2004	+4,000
Budget request, fiscal year 2005 .....	.....

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 \$333,000 for the Operating Expenses of the Vice President's residence, an increase of \$4,000 above the amount enacted in fiscal year 2004 and the same as requested by the President.

TITLE IV—INDEPENDENT AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS
COMPLIANCE BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$5,401,000
Budget request, fiscal year 2005	5,686,000
Recommended in the bill	5,686,000
Bill compared with:	
Appropriation, fiscal year 2004	+285,000
Budget request, fiscal year 2005 .....	.....
Senate reported level .....	.....

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 func-

tions 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 \$5,686,000 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 2004	\$73,065,356
Budget request, fiscal year 2005	74,425,000
Recommended in the bill	76,925,000
Bill compared with:	
Appropriation, fiscal year 2004	+3,859,644
Budget request, fiscal year 2005	+2,500,000

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. In addition, the NTSB operates the NTSB Academy in Ashburn, Virginia, which was completed in August 2003.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$76,925,000 for salaries and expenses of the National Transportation Safety Board, an increase of \$3,859,644 above the fiscal year 2004 enacted level and \$2,500,000 above the budget request. An increase over the request is provided to allow NTSB to fund eleven of its FTE currently on-board plus an additional five new FTE, for a total of 426 FTE.

Further, the Committee is aware of NTSB's shortage of accident investigators. The 2004 level of 235 investigators is 45 below the fiscal year 2001 level. In the area of the Office of Aviation Safety, the effect has been minimal for the past several years only because there has not been a major airline accident. However, the affect in 2005 is intensifying—NTSB will not be able to launch investigators to all civil aviation accidents involving fatalities in fiscal 2005. Therefore, the Committee requires the additional funds provided over the request to be used to hire accident investigators.

SALARIES AND EXPENSES

(RESCISSION)

Rescission, fiscal year 2004	
Budget request, fiscal year 2005	-\$8,000,000
Recommended in the bill	-8,000,000
Bill compared with:	
Appropriation, fiscal year 2004	-8,000,000
Budget request, fiscal year 2005	

COMMITTEE RECOMMENDATION

The Committee recommends a rescission of \$8,000,000 from funds provided in P.L. 106-246 for the investigation of Egypt Air 990 and Alaska Air 261 accidents. The Board has determined the causes of these accidents and the funding is no longer required.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$50,938,000
Budget request, fiscal year 2005	52,159,000
Recommended in the bill	52,159,000
Bill compared with:	
Appropriation, fiscal year 2004	+1,221,000
Budget request, fiscal year 2005	

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 \$52,159,000 for the Federal Election Commission (FEC), an increase of \$1,221,000 over amounts appropriated in fiscal year 2004 and the same as the budget request. The Committee has added a new provision prohibiting the FEC from accepting reports and filings in any form other than electronically.

ELECTION ASSISTANCE COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2004	\$1,193,000
Budget request, fiscal year 2005	20,000,000
Recommended in the bill	15,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+13,807,000
Budget request, fiscal year 2005	-5,000,000

The Election Assistance Commission was established by the Help America Vote Act of 2002 (HAVA) 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 \$15,000,000 for the Election Assistance Commission, an increase of \$13,807,000 above the fiscal year 2004 enacted level and \$5,000,000 below the budget request. Of the amount provided, \$5,000,000 is made available to the Commission to address the desperate need for research and standardization of election systems, of which not less than \$2,500,000 is to be transferred to the National Institute for Standards and Technology for activities authorized under HAVA.

The Commission has a number of requirements and activities set forth in HAVA intended to assist states and voters in the area of election reform. The Committee directs the Commission to first address standards and technology issues as related to voting equipment. Billions of dollars have already been disseminated to the States for voting equipment, and yet no standards exist for what technology meets the needs of States and voters. Second, the Commission was directed by HAVA to create the Help America Vote Foundation and provide grants to various organizations working to increase voter participation. At this time, the Committee is unaware that any nominations to the Foundation have gone forward, nor have any grants directed last year's report been obligated. The Committee directs the Commission to complete these mandated tasks before September 30, 2005. To help the Commission remain focused on the aforementioned activities, and others as authorized under HAVA, the Committee has included a provision prohibiting the Commission from using funds available under this heading to lobby for a change to the general election date.

ELECTION REFORM PROGRAMS

Appropriation, fiscal year 2004	\$1,491,150,000
Budget request, fiscal year 2005	30,000,000
Recommended in the bill	- - -
Bill compared with:	
Appropriation, fiscal year 2004	- 1,491,150,000
Budget request, fiscal year 2005	- 30,000,000

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 recommendation does not include funds for Election Reform Programs, a decrease of \$1,491,150,000 from the fiscal year 2004 enacted level and \$30,000,000 below the budget request. The Committee notes that the Election Assistance Commission was not created until January 2004, and the research and standards portions of the Help America Vote Act of 2002 are still not underway or implemented. It is the Committee's recommendation to wait on additional reform funds until voting technology standards are in place.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$29,436,000
Budget request, fiscal year 2005	29,673,000
Recommended in the bill	29,673,000
Bill compared with:	
Appropriation, fiscal year 2004	+237,000
Budget request, fiscal year 2005	

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 \$29,673,000 for the Federal Labor Relations Authority, an increase of \$237,000 above the fiscal year 2004 enacted level and the same as the budget request.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$18,362,021
Budget request, fiscal year 2005	19,496,000
Recommended in the bill	19,362,000
Bill compared with:	
Appropriation, fiscal year 2004	+999,979
Budget request, fiscal year 2005	-134,000

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. The Commission's five members are appointed by the President with the advice and consent of the Senate. While FMC'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 USC app. 1710 et seq), the Foreign Shipping Practices Act of 1988 (46 USC app. 1701 et seq), and section 19 of the Merchant Marine Act, 1920 (46 USC app. 876).

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$19,362,000 for the Federal Maritime Commission, an increase of \$1,133,979 (6.2 percent) above the fiscal year 2004 level and equal to the budget request for fiscal year 2005.

GENERAL SERVICES ADMINISTRATION
FEDERAL BUILDINGS FUND

Appropriations:	
Appropriation, fiscal year 2004	\$443,369,000
Budget request, fiscal year 2005	0
Recommended in the bill	0
Bill compared with:	
Appropriation, fiscal year 2004	- 443,639,000
Budget request, fiscal year 2005 .....	.....
Limitations on Availability of Revenue:	
Limitation on availability, fiscal year 2004 enacted to date ...	(6,758,208,000)
Limitation on availability, budget estimate, fiscal year 2005	(7,173,724,000)
Recommended in the bill	(6,996,741,000)
Bill compared with:	
Availability limitation, fiscal year 2004 to date	(+238,533,000)
Availability limitation, fiscal year 2005 estimate	(- 176,983,000)

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

Similar to the budget request, the Committee's recommendation does not include a direct appropriation to the Federal Buildings Fund, a decrease of \$443,369,000 below the fiscal year 2004 enacted level for direct appropriations. However, the Committee recommends a limitation of \$6,996,741,000 for the fund, an increase of \$238,533,000 above the fiscal year 2004 enacted level and \$176,983,000 below the budget request.

CONSTRUCTION AND ACQUISITION

Limitations on Availability of Revenue:	
Limitation on availability, fiscal year 2004 enacted to date ...	(\$708,268,000)
Limitation on availability, budget estimate, fiscal year 2005	(650,223,000)
Recommended in the bill	(522,251,000)
Bill compared with:	
Availability limitation, fiscal year 2004 to date	(- 186,017,000)
Availability limitation, fiscal year 2005 estimate	(- 127,972,000)

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$522,251,000 for construction and acquisition, a decrease of \$186,017,000 below the fiscal year 2004 enacted level and \$127,972,000 below the budget request. Changes to the budget request include a decrease of \$14,054,000 for the proposed design of a new Federal Bureau of Investigation facility in Los Angeles, California; a decrease of \$53,170,000 for the proposed purchase of 10 West Jackson Boulevard in Chicago, Illinois; and a decrease of \$60,714,000 from the budget request of \$63,462,000 for the proposed construction of a

United States Courthouse in El Paso, Texas. Funds are provided for the on-going design and site acquisition of the El Paso courthouse. The Committee's recommendations are made without prejudice.

The Committee directs GSA to continue its collaboration with the Administrative Office of the Courts and the Office's 5-year plan and priority ranking recommendations. 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. The Committee expects that this ranking sufficiently reflects all security concerns and caseload demands as well as any extenuating circumstances.

REPAIRS AND ALTERATIONS

Limitations on Availability of Revenue:	
Limitation on availability, fiscal year 2004 enacted to date ...	(\$991,300,000)
Limitation on availability, budget estimate, fiscal year 2005	(980,222,000)
Recommended in the bill	(931,211,000)
Bill compared with:	
Availability limitation, fiscal year 2004 to date	(- 60,089,000)
Availability limitation, fiscal year 2005 estimate	(- 49,011,000)

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$931,211,000 for repairs and alterations, a decrease of \$60,089,000 below the fiscal year 2004 enacted level and \$49,011,000 below the budget request.

The Committee's recommendation does not propose to delete any projects included in the fiscal year 2005 budget request. Rather, the Committee recommends a reduction to the limitation in order to inspire GSA to better manage their extensive buildings portfolio. The General Accounting Office has reported an alarming amount of vacant or underutilized space held by GSA (GAO-03-747, "Federal Real Property"). By better portfolio management, GSA would have funds available in the fund in order to meet the repair and maintenance needs of buildings actually in use by the government. The Committee directs GSA to embark on the projects included in the budget request in priority order, starting with those projects that address safety and health needs and moving next to the projects with completed designs.

In addition to the projects proposed in the fiscal year 2005 budget request, the Committee has added an additional project in the District of Columbia. The Committee recommends \$2,000,000 from repair and alterations to move the steam distribution system at 17th and E Streets Northwest.

INSTALLMENT ACQUISITION PAYMENTS

Limitations on Availability of Revenue:	
Limitation on availability, fiscal year 2004 enacted to date ...	(169,745,000)
Limitation on availability, budget estimate, fiscal year 2005	(\$161,442,000)
Recommended in the bill	(\$161,442,000)
Bill compared with:	
Availability limitation, fiscal year 2004 to date	(- 8,303,000)
Availability limitation, fiscal year 2005 estimate .....	.....

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$161,442,000 for installation acquisition payments, a decrease of \$8,303,000 below the fiscal year 2004 enacted level and the same as the budget request.

RENTAL OF SPACE

Limitations on Availability of Revenue:	
Limitation on availability, fiscal year 2004 enacted to date ...	(\$3,280,187,000)
Limitation on availability, budget estimate, fiscal year 2005	(3,672,315,000)
Recommended in the bill	(3,672,315,000)
Bill compared with:	
Availability limitation, fiscal year 2004 to date	(+392,128,000)
Availability limitation, fiscal year 2005 estimate .....	.....

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$3,672,315,000 for rental of space, an increase of \$392,128,000 above the fiscal year 2004 enacted level and the same as the budget request.

BUILDING OPERATIONS

Limitations on Availability of Revenue:	
Limitation on availability, fiscal year 2004 enacted to date ...	(\$1,608,708,000)
Limitation on availability, budget estimate, fiscal year 2005	(1,709,522,000)
Recommended in the bill	(1,709,522,000)
Bill compared with:	
Availability limitation, fiscal year 2004 to date	(+100,814,000)
Availability limitation, fiscal year 2005 estimate .....	.....

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$1,709,522,000 for building operations, an increase of \$100,814,000 above the fiscal year 2004 enacted level and the same as the budget request.

GENERAL ACTIVITIES

GOVERNMENT-WIDE POLICY

Appropriation, fiscal year 2004	\$56,050,000
Budget request, fiscal year 2005	62,100,000
Recommended in the bill	62,100,000
Bill compared with:	
Appropriation, fiscal year 2004	+6,050,000
Budget request, fiscal year 2005 .....	.....

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 \$62,100,000 for government-wide policy, an increase of \$6,050,000 above the fiscal year 2004 enacted level and the same as the budget request.

The Committee directs GSA to continue the recent diligence and oversight to strengthen and improve the integrity of the Federal Technology Service's program. Actions already taken by GSA on

the order of employee terminations and initiating investigative audits in other regions demonstrates GSA's commitment to fixing the program. The Committee directs GSA to report 90 days after enactment on the extent and progress GSA has made to audit the Federal Technology Service and other similar GSA programs in all regions, what weaknesses have been identified, and what corrective actions GSA has taken to remedy the situation agency wide.

The Committee is concerned about reports that GSA, in contracting-out the Federal Procurement Data System, may have reduced public access and made that access more expensive, especially through the Freedom of Information Act. The Committee urges GSA to ensure that the contract does not render any information available prior to the contract award unavailable under the current contract, including the full data. The Committee urges GSA to move quickly to free public access via the agency's website.

OPERATING EXPENSES

Appropriation, fiscal year 2004	\$87,590,000
Budget request, fiscal year 2005	82,175,000
Recommended in the bill	82,175,000
Bill compared with:	
Appropriation, fiscal year 2004	-5,415,000
Budget request, fiscal year 2005	

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 \$82,175,000 for operating expenses, a decrease of \$5,415,000 below the fiscal year 2004 enacted level and the same as the budget request. The Committee's recommendation includes \$300,000 for continuation of the web wise kids project and \$150,000 for public service recognition week.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2004	\$38,938,000
Budget request, fiscal year 2005	42,351,000
Recommended in the bill	42,351,000
Bill compared with:	
Appropriation, fiscal year 2004	+3,413,000
Budget request, fiscal year 2005	

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 \$42,351,000 for the Office of Inspector General, an increase of \$3,413,000 above the fiscal year 2004 enacted level and the same as the budget request.

ELECTRONIC GOVERNMENT (E-GOV) FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2004	\$2,982,000
Budget request, fiscal year 2005	5,000,000
Recommended in the bill	5,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+2,018,000
Budget request, fiscal year 2005	

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 \$5,000,000 for the electronic government fund, an increase of \$2,018,000 above the fiscal year 2004 enacted level and the same as the budget request.

The Committee's recommendation does not include a general provision proposed in the fiscal year 2005 budget request allowing the Office of Management and Budget (OMB) to use \$40,000,000 of surplus funds in the General Supply Fund to finance OMB's list of e-gov initiatives across government. First, the Committee will not relinquish oversight over the development and procurement of information technology projects of the various agencies under its jurisdiction. Second, if the General Supply Fund is running a \$40,000,000 or greater surplus, the Committee directs GSA to evaluate the pricing structure of its services to federal agencies to determine if GSA is overcharging its federal clients. Third, if OMB seeks funding for an initiative under its direction, OMB should request those funds under its own appropriation complete with a comprehensive budget justification.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriation, fiscal year 2004	\$3,373,000
Budget request, fiscal year 2005	3,449,000
Recommended in the bill	3,449,000
Bill compared with:	
Appropriation, fiscal year 2004	+76,000
Budget request, fiscal year 2005	

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 \$3,449,000 for allowances and office staff of former Presidents, an increase of \$76,000 above the fiscal year 2004 enacted level and the same as the budget request. The following table describes the distribution of the funds:

FISCAL YEAR 2005 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	\$96	\$0	\$480
Personnel Benefits	22	2	33	51	78	0	186
Benefits for Former Presidents	182	182	182	182	189	20	937
Travel	44	2	2	54	44	0	146
Rental Payments to GSA	105	102	147	175	460	0	989
Communications, Utilities and Miscellaneous Charges:							
Telephone	15	10	18	14	54	0	111
Postage	9	15	5	13	10	2	54
Printing	5	5	6	14	8	0	38
Other Services	38	79	45	66	146	0	374
Supplies and Materials	17	5	9	14	15	0	60
Equipment	6	7	2	34	5	0	54
Total Obligations	539	505	545	713	1,105	22	3,429

In addition to the amounts in the above table, \$20,000 is provided for infrastructure contingency planning.

EXPENSES, PRESIDENTIAL TRANSITION

Appropriation, fiscal year 2004	
Budget request, fiscal year 2005	\$7,700,000
Recommended in the bill	7,700,000
Bill compared with:	
Appropriation, fiscal year 2004	+7,700,000
Budget request, fiscal year 2005	

This appropriation provides for costs associated with the orderly transfer of executive leadership in accordance with the Presidential Transition Act of 1963. Funds for these activities are requested only in a presidential election year.

COMMITTEE RECOMMENDATION

The Committee recommends \$7,700,000 for the expenses associated with a presidential transition, the same as the budget request. No funds were requested or appropriated for this purpose in fiscal year 2004.

The Committee's recommendation also includes the provision proposed in the budget request allowing \$1,000,000 of the amount appropriated to remain available for training and briefings of incoming appointees associated with the second term of an incumbent President. The remaining \$6,700,000 would be returned to the general fund of the Treasury.

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 401. 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 402. The Committee continues the provision providing authority for the use of funds for the hire of motor vehicles.

Section 403. The Committee continues the provision providing that funds made available for activities of the Federal Buildings Fund may be transferred between appropriations with advance approval of the Congress.

Section 404. The Committee continues the provision prohibiting the use of funds for developing courthouse construction requests that do not meet GSA standards and the priorities of the Judicial Conference.

Section 405. 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 406. The Committee continues the provision that permits GSA to pay small claims (up to \$250,000) made against the government.

Section 407. The Committee includes a new provision proposed in the budget request allowing the sale of the Middle River Depot at Middle River, Maryland.

Section 408. The committee includes a new provision proposed in the budget request allowing contracts to be used for property studies, deed inspection, and relocation expenses.

Section 409. The Committee includes a new provision allowing the GSA to convey property and retain the proceeds in the Federal Buildings Fund.

Section 410. The Committee includes a new provision allowing for the sale of property in Nahant, Massachusetts.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$32,683,000
Budget request, fiscal year 2005	37,303,000
Recommended in the bill	34,683,000
Bill compared with:	
Appropriation, fiscal year 2004	+2,000,000
Budget request, fiscal year 2005	-2,620,000

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 \$34,683,000 for the Merit Systems Protection Board (MSPB), an increase of \$2,000,000 above the amount appropriated in fiscal year 2004 and

a decrease of \$2,620,000 below the budget request. The decrease from the budget 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 proposed in the budget request as this proposal has not been adequately justified. The Committee has instead made available the amount of no more than \$2,620,000 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 2004	\$1,984,000
Budget request, fiscal year 2005	--
Recommended in the bill	1,984,000
Bill compared with:	
Appropriation, fiscal year 2004 .....	.....
Budget request, fiscal year 2005	+1,984,000

COMMITTEE RECOMMENDATION

The Committee recommends \$1,984,000 for the activities of the Morris K. Udall Foundation, an amount equal to the fiscal year 2004 enacted level. The Committee also continues bill language to allow a percentage of the appropriation to be used for the Native Nations Institute.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriation, fiscal year 2004	\$1,301,000
Budget request, fiscal year 2005	700,000
Recommended in the bill	1,301,000
Bill compared with:	
Appropriation, fiscal year 2004 .....	.....
Budget request, fiscal year 2005	+701,000

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 \$1,301,000 for the Environmental Dispute Resolution Fund, an amount equal to the fiscal year 2004 enacted level.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

Appropriation, fiscal year 2004	\$255,185,000
Budget request, fiscal year 2005	266,945,000
Recommended in the bill	264,185,000
Bill compared with:	
Appropriation, fiscal year 2004	+9,000,000
Budget request, fiscal year 2005	-2,760,000

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 \$264,185,000 for the operating expenses of NARA, an increase of \$9,000,000 above the fiscal year 2004 enacted level and \$2,760,000 below the budget request. The Committee's recommendation includes funds to reimburse the Reagan library for NARA's costs associated with the funeral.

ELECTRONIC RECORDS ARCHIVE

Appropriation, fiscal year 2004	\$35,702,000
Budget request, fiscal year 2005	\$35,914,000
Recommended in the bill	\$35,914,000
Bill compared with:	
Appropriation, fiscal year 2004	+212,000
Budget request, fiscal year 2005	

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 \$212,000 above the fiscal year 2004 enacted level and the same as the budget request. A portion of the funds, \$22,000,000, is made available for three years.

As stated in the Committee's report for fiscal year 2004, 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 2004	\$13,627,000
Budget request, fiscal year 2005	6,182,000
Recommended in the bill	7,182,000
Bill compared with:	
Appropriation, fiscal year 2004	-6,445,000
Budget request, fiscal year 2005	+1,000,000

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 \$7,182,000 for repairs and restoration, a decrease of \$6,445,000 below the fiscal year 2004 enacted level and \$1,000,000 over the budget request. The Committee's recommendation includes \$500,000 for technical assistance to the Nixon library to help prepare for the transfer of documents to that library and \$750,000 for technical assistance to address maintenance issues at the Roosevelt library in New York.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION
GRANTS PROGRAM

Appropriation, fiscal year 2004	\$9,941,000
Budget request, fiscal year 2005	3,000,000
Recommended in the bill	3,000,000
Bill compared with:	
Appropriation, fiscal year 2004	6,941,000
Budget request, fiscal year 2005 .....	.....

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 \$3,000,000 for the National Historical Publications and Research Commission grants program, a decrease of \$6,941,000 below the fiscal year 2004 enacted level and the same as the budget request.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$10,675,000
Budget request, fiscal year 2005	11,238,000
Recommended in the bill	11,238,000
Bill compared with:	
Appropriation, fiscal year 2004	+563,000
Budget request, fiscal year 2005 .....	.....

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 \$11,238,000 for the Office of Government Ethics, an increase of \$563,000 above the enacted fiscal year 2004 level and the same as the budget request.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$118,793,000
Budget request, fiscal year 2005	131,238,000
Recommended in the bill	120,444,000
Bill compared with:	
Appropriation, fiscal year 2004	+1,651,000
Budget request, fiscal year 2005	- 10,847,000

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 Government-wide 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 \$120,444,000 for the Office of Personnel Management, an increase of \$1,651,000 above the enacted fiscal year 2004 level and \$10,847,000 below the budget request.

The Committee's recommendation includes \$2,000,000 for the enterprise human resources integration project; \$6,615,000 for e-payroll; \$800,000 for e-human resources information system project; \$2,000,000 for e-clearance; and \$3,000,000 for the recruitment one stop program as proposed in the budget request. The recommendation also provides \$128,462,000 from appropriate trust funds to OPM.

The Committee's recommendation makes the following changes to the budget request:

- Human Capital—Performance Culture under Strategic Human Resources Policy should not exceed the fiscal year 2004 level of \$5,779,000 (–\$892,000 and –2 FTE from the request).
- “Providing advice to agencies” under Human Capital Leadership Merit Systems Accountability should not exceed the fiscal year 2004 level of \$16,813,000 for salaries and expenses (–\$536,000 and –5 FTE from the request). The Committee suggests subtracting funds from activities related to the “Promote Public Trust in the Federal Workforce” initiative.
- The Compliance Program under Human Capital Leadership Merit Systems Accountability should not exceed the 2004 level of \$16,472,000 (–\$901,000 and –6 FTE from the request).
- Management Strategy is funded at \$46,247,000 (–\$5,000,000). The Subcommittee's recommendation does not include \$5,000,000 as proposed to finance the performance measurement and program evaluation strategy and spending plan.
- E-gov initiative fees are not funded (–\$1,028,000). The Subcommittee has provided requested funds for the e-gov initiatives relevant to OPM's mission.
- Completion of the current retirement readiness project (+\$250,000).
- Expansion of the retirement readiness project to non-federal government employees (+\$500,000).

The Committee allows the Director some flexibility to allocate the remaining funds across the proposals included in the fiscal year 2005 budget request. The Committee directs the office to submit an operating plan for fiscal year 2005, signed by the director for review by the Committees on Appropriations of both the House and Senate within 60 days of the bill's enactment. The operating plan should include funding levels for the various offices, programs and initiatives covered in the budget justification and supporting documents referenced in the House and Senate appropriations reports, and the statement of the managers.

The Committee finds that the budget justification materials are severely lacking in any real detail about the programs proposed or underway at OPM and the resources involved. Many of the verbose descriptions in the budget justification did not provide concrete in-

formation on the programs, activities and funding requirements and changes to OPM's work.

The Committee directs OPM to include with the "Annual Report on Locality-Based Comparability Payments for the General Schedule" in fiscal year 2005 and all future fiscal years a report comparing the total pay and non-pay compensation packages of the Federal workforce and the private sector.

The Committee welcomes the decision by OPM to make health savings accounts a part of the benefits package available to federal employees.

The Committee directs the OPM director to respond to the formal request of by the Butner Low Security Correctional Institution regarding its petition on the Central Carolina/Richmond-Petersburg wage area within 30 days of enactment of this Act.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2004	\$1,489,000
Budget request, fiscal year 2005	1,627,000
Recommended in the bill	1,627,000
Bill compared with:	
Appropriation, fiscal year 2004	+138,000
Budget request, fiscal year 2005 .....	.....

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 \$1,627,000 for the Office of Inspector General of the Office of Personnel Management, an increase of \$138,000 from the fiscal year 2004 enacted level and the same as the budget request.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriation, fiscal year 2004	\$7,219,000,000
Budget request, fiscal year 2005	8,135,000,000
Recommended in the bill	8,135,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+916,000,000
Budget request, fiscal year 2005 .....	.....

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.

Not later than 30 days after the enactment of this Act, the Committee directs OPM to report on the number of FEHBP plans that are currently offering acupuncture services on a voluntary basis. Additionally, the Committee directs OPM to submit a report not later than 3 months after enactment of this Act on the projected cost of negotiating acupuncture as a standard benefit in all FEHBP contracts, including current workers and retirees, for calendar year 2006, with employee cost-sharing at the same rates as other medical benefits in each plan.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES LIFE
INSURANCE

Appropriation, fiscal year 2004	\$35,000,000
Budget request, fiscal year 2005	35,000,000
Recommended in the bill	35,000,000
Bill compared with:	
Appropriation, fiscal year 2004 .....	.....
Budget request, fiscal year 2005 .....	.....

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 2004	\$9,987,000,000
Budget request, fiscal year 2005	9,772,000,000
Recommended in the bill	9,772,000,000
Bill compared with:	
Appropriation, fiscal year 2004	- 215,000,000
Budget request, fiscal year 2005 .....	.....

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 2004	\$994,000
Budget request, fiscal year 2005	\$300,000,000
Recommended in the bill	12,514,000
Bill compared with:	
Appropriation, fiscal year 2004	+11,520,000
Budget request, fiscal year 2005	-287,486,000

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 \$12,514,000 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 2004	\$13,424,000
Budget request, fiscal year 2005	15,449,000
Recommended in the bill	15,449,000
Bill compared with:	
Appropriation, fiscal year 2004	+2,025,000
Budget request, fiscal year 2005	

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 \$15,449,000 for the Office of Special Counsel, an increase of \$2,025,000 above the fiscal year 2004 enacted level and the same as the budget request.

UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

The Postal Service is funded almost entirely by Postal rate payers rather than tax payers. 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. Congress does not provide funds for either general operations or capital investments.

Appropriation, fiscal year 2004	\$65,135,000
Budget request, fiscal year 2005	61,709,000
Recommended in the bill	61,709,000
Bill compared with:	
Appropriation, fiscal year 2003	- 3,426,000
Budget request, fiscal year 2004 .....	.....

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$61,709,000 in fiscal year 2005 for Payment to the Postal Service Fund, an amount equal to the President's request. A balance of \$36,521,000 of fiscal year 2005 funds reflects the advance appropriation for free mail for the blind and overseas voters for fiscal year 2005 provided in the Treasury and General Government Appropriations Act for fiscal year 2004.

The Committee has provided an advance appropriation for fiscal year 2006 for free mail for the blind and overseas voters; this is the same amount requested by the President. However, the Committee has concerns with the new process implemented this year by the Office of Management and Budget (OMB). In past years, the OMB would use the Postal Service's audit figures to base the advance appropriation request for free mailings for the blind and overseas voters. However, this year it appears that OMB simply took the average appropriation over a series of years to derive the President's request, apparently for the sole reason that the Postal Service's audit figures were higher than in previous years. This new system could produce funding amounts that may be either significantly lower or higher than actual sums that the Postal Service needs. Providing less than the Postal Service needs will only compound their financial burdens, something that the Committee has strongly urged the Postal Service to try and repair. In addition, the Committee would certainly not want to provide more funding than the Postal Service actually needs for these activities. The Committee is concerned that OMB's new use of averages in determining the amount for free mail is inaccurate and the Committee urges OMB to continue to use Postal Service audit figures in the future.

Emergency preparedness.—The Committee is concerned that OMB, in its fiscal year 2005 budget request, has not given attention to the safety and security of our nation's mail system and protections for postal employees against terrorist threats. In fiscal

year 2002, Congress provided a total of \$587,000,000 to improve mail safety and security and to replace or repair postal facilities destroyed or damaged in New York City as a result of the September 11, 2001 terrorist attacks. The Postal Service has, in addition, spent \$384,000,000 of its own revenues on safety improvements and cleanup, with still more expenditures necessary for the full deployment of the Biohazard Detection System and the Ventilation and Filtration System. The Committee therefore directs OMB to report to the House and Senate Committees on Appropriations within 90 days of enactment of this Act detailing the estimated amount of Federal funding that may be necessary to complete the Postal Service's work to secure the nation's mail system.

Princeville, Alabama.—The Committee recommends that the United States Postal Service, working with local officials and community leaders, evaluate the need for a post office in Princeville, Alabama. The Committee directs the Postal Service to report its findings to the House and Senate Committees on Appropriations upon completion of the evaluation.

Vendor licensing.—The Committee commends the Postal Service for previously recognizing inefficiencies in its vendor licensing process associated with the system it uses for employee purchases of uniforms. However, the Committee is troubled to learn that, though the vendor licensing process was halted in 1996, eight years later no updated process for licensing new vendors has been established. This failure has resulted in unnecessarily limiting employees to purchasing their uniforms from a small number of vendors, many of which may be inconveniently located or more expensive. The Committee directs the USPS to report to the House and Senate Committees on Appropriations within 60 days of enactment of this Act on a definitive plan for licensing uniform vendors, a timeline for the plan's implementation and an indication of how and when new vendors will be added to the Uniform Program.

Lynwood and Sauk Village, Illinois.—The Committee recommends that the United States Postal Service evaluate the need for the communities of Lynwood, Illinois and Sauk Village, Illinois to establish a new 604 ZIP Code for these two communities to share. It is the Committee's understanding that no new resources or facilities would be needed to approve this change. The Committee directs the Postal Service to report its findings to the House and Senate Committees on Appropriations upon completion of the evaluation.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	\$40,187,000
Budget request, fiscal year 2005	41,180,000
Recommended in the bill	41,180,000
Bill compared with:	
Appropriation, fiscal year 2004	+993,000
Budget request, fiscal year 2005 .....	.....

The U.S. Tax Court operates to handle trials and adjudication of controversies involving deficiencies in income, estate, and gift taxes. The Court also has jurisdiction to determine deficiencies in certain excise taxes to issue declaratory judgments in the areas of

qualifications of retirement plans, exemption of charitable organizations; and to decide certain cases involving disclosure of tax information by the Commissioner of Internal Revenue.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$40,180,000 for the U.S. Tax Court, an increase of \$993,000 above the fiscal year enacted level.

TITLE V—GENERAL PROVISIONS, THIS ACT

Section 501. The Committee continues the provision requiring pay raises to be funded within appropriated levels in this Act or previous appropriations Acts.

Section 502. The Committee continues the provision prohibiting pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this Act.

Section 503. The Committee continues the provision prohibiting obligations beyond the current fiscal year and prohibits transfers of funds unless expressly so provided herein.

Section 504. The Committee continues the provision limiting consulting service expenditures of public record in procurement contracts.

Section 505. The Committee continues the provision designating the city of Norman, Oklahoma, to be considered part of the Oklahoma City Transportation urbanized area for fiscal year 2005.

Section 506. The Committee continues the provision prohibiting funds in this Act to be transferred without express authority.

Section 507. 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 508. The Committee continues the provision concerning employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 509. The Committee continues the provision concerning compliance with the Buy American Act.

Section 510. The Committee continues the provision of purchasing American-made equipment and products under financial assistance authorization.

Section 511. The Committee includes a provision prohibiting a person affixing a label bearing "Made in America", that is not made in the United States.

Section 512. The Committee continues the provision providing that fifty percent of unobligated balances may remain available for certain purposes.

Section 513. The Committee includes a provision providing that funds used by the Executive Office of the President not be used to request any official background investigation from the Federal Bureau of Investigation.

Section 514. The Committee includes a provision requiring that cost accounting standards not apply to a contract under the Federal Health Benefits Program.

Section 515. The Committee continues a provision regarding non-foreign area cost of living allowances.

Section 516. The Committee continues a provision prohibiting the use of funds by any person or entity convicted of violating the Buy American Act.

Section 517. The Committee continues the provision prohibiting the expenditure of funds for abortions under the FEHBP.

Section 518. 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 519. The Committee modifies a provision specifying reprogramming procedures by subjecting the establishment of new offices and reorganizations to the reprogramming process.

Section 520. The Committee continues 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 521. The Committee continues a 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 522. The Committee continues a provision 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 523. 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 524. The Committee includes a provision expressing the Sense of the Congress that the Department of Transportation should consider programs to reimburse general aviation ground support services at Ronald Reagan Washington National Airport, and airports within fifteen miles of Ronald Reagan Washington National Airport, for their financial losses due to government actions following the terrorist attacks of September 11, 2001. This is similar to a provision enacted for fiscal year 2004.

Section 525. The Committee continues the provision prohibiting the use of funds to implement an Essential Air Service (EAS) local Cost Share Participation pilot program.

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 601. 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 602. 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 603. The Committee continues the provision regarding price limitations on vehicles to be purchased by the Federal Government.

Section 604. The Committee continues the provision allowing funds made available to agencies for travel, to also be used for quarter allowances and cost-of-living allowances.

Section 605. 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 606. The Committee continues the provision ensuring that agencies will have authority to pay GSA bills for space renovation and other services.

Section 607. 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 608. The Committee continues the provision providing that funds may be used to pay rent and other service costs in the District of Columbia.

Section 609. 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 610. The Committee continues the provision prohibiting interagency financing of groups absent prior statutory approval.

Section 611. 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 612. 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 613. The Committee continues the provision limiting the pay increases of certain prevailing rate employees.

Section 614. The Committee continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Section 615. The Committee continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Section 616. 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 617. 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 618. The Committee continues the provision prohibiting the payment of any employee who prohibits, threatens or prevents another employee from communicating with Congress.

Section 619. The Committee continues the provision prohibiting Federal training not directly related to the performance of official duties.

Section 620. The Committee continues the provision prohibiting the expenditure of funds for implementation of agreements in non-disclosure policies unless certain provisions are included.

Section 621. The Committee continues the provision prohibiting propaganda, publicity and lobbying by executive agency personnel in support or defeat of legislative initiatives.

Section 622. 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 623. 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 624. The Committee continues the provision prohibiting the use of funds for propaganda and publicity purposes not authorized by Congress.

Section 625. The Committee continues the provision directing agency employees to use official time in an honest effort to perform official duties.

Section 626. 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 627. 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 628. The Committee continues the provision, to prohibit any department or agency from using appropriated funds to independently contract with private companies to provide online employment applications and processing services.

Section 629. 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 630. 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 631. 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 632. The Committee extends the authorization period for agency franchise funds by striking "October 1, 2004" and inserting "October 1, 2005", as requested.

Section 633. 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 634. The Committee continues the provision requiring health plans participating in the FEHBP to provide contraceptive coverage and provides exemptions to certain religious plans.

Section 635. The Committee continues the provision providing recognition of the U.S. Anti-Doping Agency as the official anti-doping agency.

Section 636. The Committee continues the provision prohibiting funds from being expended for the purchase of a product or service offered by Federal Prison Industries, Inc. unless the agency deter-

mines the products to constitute the best value to the buying agency.

Section 637. The Committee continues a 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 638. The Committee continues a provision allowing funds for official travel to be used by departments and agencies, if consistent with OMB and Budget Circular A-126, to participate in the fractional aircraft ownership pilot program.

Section 639. The Committee includes a provision providing that funds not be used to implement or enforce regulations for locality pay inconsistent with recommendations of the Federal Salary Council.

Section 640. The Committee continues a provision requiring the head of each Federal agency to submit a report to Congress on the amount of acquisitions made by the agency from entities that manufacture the articles, materials, or supplies outside of the United States.

Section 641. The Committee continues a provision prohibiting funds for implementation of OPM regulations limiting detailees to the Legislative Branch, and implementing limitations on the Coast Guard Congressional Fellowship Program.

Section 642. The Committee includes a new provision eliminating the ten year limitations period applicable to the offset of federal non-tax payments, as requested.

Section 643. The Committee includes a new provision, as requested, permitting the Secretary of Health and Human Services to match information, provided by the Secretary of the Treasury with respect to persons owing delinquent debt to the Federal Government, with information contained in the HHS National Directory of New Hires.

Section 644. The Committee includes a new provision, as requested, allowing for the offset of federal tax refunds to collect delinquent state unemployment compensation overpayments.

Section 645. The Committee includes a provision providing that the adjustment in rates of basic pay for employees under statutory pay systems, including prevailing rate employees, taking effect in fiscal year 2005 shall be an increase of 3.5 percent, subject to certain definitions and restrictions as stated.

Section 646. The Committee includes a new provision regarding conditions for converting an activity or function of an executive agency to contractor performance under provisions of OMB circular A-76.

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 the rule XXIII 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:

APPROPRIATIONS 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 Highway Administration: Federal-aid Highway Program	2004	\$26,433,750	\$33,643,326	\$34,641,000
Federal Motor Carrier Safety Administration:				
Motor Carrier Safety Operations and Programs	2004	175,031	175,031	248,480
Motor Carrier Safety Grants	2004	190,000	188,879	190,000
National Highway Traffic Safety Administration:				
Operations & Research—General Fund				129,514
Operations & Research—Trust Fund	2003	72,000	71,532	90,000
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	1998	N/A	N/A	137,738
Railroad Safety	1998	90,739	57,050	33,289
Grants to the National Passenger Railroad Corporation	2002	955,000	826,476	900,000
Federal Transit Administration:				
Administrative Expenses	2004	56,290		75,500
Formula Grants	2004	2,862,262		767,800
University Transportation Research	2004	4,473		1,200
Transit Planning and Research	2004	93,942		25,200
Job Access and Reverse Commute	2004	93,196		50,000
Capital Investment Grants	2004	2,339,241		642,647
Major Capital Investment Grants				1,563,198
Formula Grants and Research				5,622,871
Research and Special Programs:				
Research and Special Programs (Hazardous Materials Safety)	1997	19,670	15,268	46,790
Emergency Preparedness Grants	1998	21,250	7,970	14,300
Surface Transportation Board	1998	12,000	13,850	20,771
Title II—Department of the Treasury				
Department-Wide Systems and Capital Investments	N/A	N/A	N/A	36,072
Air Transportation Stabilization Program	N/A	N/A	N/A	2,000
Treasury Building and Annex Repair and Restoration	N/A	N/A	N/A	20,316
Financial Crimes Enforcement Network	N/A	N/A	N/A	64,502
Alcohol and Tobacco Tax and Trade Bureau	N/A	N/A	N/A	82,542

APPROPRIATIONS NOT AUTHORIZED BY LAW—Continued

[Dollars in thousands]

	Last year of authorization	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
Title III—Executive Office of the President				
Compensation of the President	1999	(1)	N/A	450
White House Office, Salaries and Expenses	1978	(1)	N/A	59,525
Executive Residence, Operating Expenses	1978	(1)	N/A	12,760
Executive Residence, White House Repair and Restoration	1978	(1)	N/A	1,900
Council of Economic Advisors	1978	(1)	N/A	4,040
Office of Policy Development	1978	(1)	N/A	2,267
National Security Council	1978	(1)	N/A	8,932
Office of Administration	1978	(1)	N/A	92,696
Office of Management and Budget	2003	(1)	N/A	67,759
Unanticipated Needs	1978	(1)	N/A	1,000
Special Assistance to the President, Salaries and Expenses	1978	(1)	N/A	4,571
Special Assistance to the President, Operating Expenses	1978	(1)	N/A	333
Office of National Drug Control Policy (ONDCP): ..		(1)	N/A	
ONDCP, Salaries and Expenses	2004	N/A	N/A	28,109
ONDCP, Salaries and Expenses, Model State Drug Laws	N/A	N/A	N/A	N/A
ONDCP, Counterdrug Technology Assessment Center, Counterdrug Research and Development	2004	N/A	N/A	N/A
ONDCP, Counterdrug Technology Assessment Center, Technology Transfer	2004	N/A	N/A	N/A
ONDCP, High Intensity Drug Trafficking Areas Program	2004	(1)	N/A	215,350
ONDCP, Other Federal Drug Control (except Drug-Free Communities)	2004	12,800	13,917	5,000
ONDCP, Other Federal Drug Control, Media Campaign	2004	145,000	144,145	120,000
Title IV—Independent Agencies				
Federal Election Commission	1981	9,400	9,662	52,159
General Services Administration:				
Federal Building Fund	N/A	N/A	N/A	N/A
Construction and Acquisition	N/A	N/A	N/A	355,754
Repairs and Alterations	N/A	N/A	N/A	519,372
Office of Government Ethics	1999	(1)	N/A	11,238
OPM, Human Capital Performance Fund	N/A	N/A	N/A	2,100

¹ Such sums as may be necessary.

TRANSFER 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 Transportation, Federal Railroad Administration, a portion of unobligated balances is transferred to Federal Transit Administration.

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 Department-wide Systems and Capital Investments Programs, \$36,072,000 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 Department of Treasury Building and Annex Repair and Restoration, \$2 million to the Office of Inspector General for audit costs.

Under Independent Agencies, a number of transfers are allowed: (1) the GSA Allowances and Office Staff for Former Presidents account may transfer such sums as necessary to the Department of the Treasury for certain pension benefits, (2) the GSA Electronic Government Fund may transfer \$5,000,000 to federal departments in pursuit of program goals, (3) certain trust funds may transfer money to the Office of Personnel Management (OPM) and its Inspector General, (4) OPM may transfer \$21,000,000 from the Human Capital Performance Fund to other federal departments and agencies, and (5) the Civil Service Retirement and Disability Fund may transfer money to the Merit System Protection Board.

Under the Election Assistance Commission, \$2,500,000 to the National Institutes of Standards and Technology.

Under general provisions:

Title I, Sec. 172. 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. 173. The Committee continues the provision that allows transit funds appropriated before October 1, 2003, 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 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 italic, existing law in which no change is proposed is shown in roman):

TITLE 49, UNITED STATES CODE

* * * * *

SUBTITLE V—RAIL PROGRAMS

* * * * *

PART C—PASSENGER TRANSPORTATION

* * * * *

CHAPTER 243—AMTRAK

* * * * *

§ 24315. Reports and audits

(a) * * *

[(b) AMTRAK GENERAL AND LEGISLATIVE ANNUAL REPORT.—(1) Not later than February 15 of each year, Amtrak shall submit to the President and Congress a complete report of its operations, activities, and accomplishments, including a statement of revenues and expenditures for the prior fiscal year. The report—

[(A) shall include a discussion and accounting of Amtrak's success in meeting the goal of section 24902(b) of this title; and

[(B) may include recommendations for legislation, including the amount of financial assistance needed for operations and capital improvements, the method of computing the assistance, and the sources of the assistance.

[(2) Amtrak may submit reports to the President and Congress at other times Amtrak considers desirable.]

(b) AMTRAK ANNUAL REPORT AND BUDGET REQUEST.—(1) Not later than February 15 of each year, Amtrak shall submit to the President and Congress a complete report of its operations, activities, and accomplishments, including a statement of revenues and expenditures for the prior fiscal year. The report—

(A) shall include a discussion and accounting of Amtrak's success in meeting the goal of section 24902(a) of this title; and

(B) may include recommendations for other legislation.

(2) Not later than May 1 of each year, Amtrak's Board of Directors shall submit to the Secretary of Transportation Amtrak's budget request for the fiscal year commencing 17 months later.

(3) The Secretary shall annually submit to Congress a budget request for Amtrak as part of the President's annual budget request to Congress.

(4) Amtrak shall not submit to Congress any request for funding unless such request has been approved by the Secretary of Transportation.

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SUBTITLE VII—AVIATION PROGRAMS

* * * * *

PART A—AIR COMMERCE AND SAFETY

* * * * *

SUBPART III—SAFETY

* * * * *

CHAPTER 443—INSURANCE

* * * * *

§ 44302. General authority

(a) * * *

* * * * *

(f) EXTENSION OF POLICIES.—

(1) IN GENERAL.—The Secretary shall extend through [August 31, 2004, and may extend through December 31, 2004,] *December 31, 2005* the termination date of any insurance policy that the Department of Transportation issued to an air carrier under subsection (a) and that is in effect on the date of enactment of this subsection on no less favorable terms to the air carrier than existed on June 19, 2002; except that the Secretary shall amend the insurance policy, subject to such terms and conditions as the Secretary may prescribe, to add coverage for losses or injuries to aircraft hulls, passengers, and crew at the limits carried by air carriers for such losses and injuries as of such date of enactment and at an additional premium comparable to the premium charged for third-party casualty coverage under such policy.

* * * * *

(g) AIRCRAFT MANUFACTURERS.—

(1) IN GENERAL.—The Secretary [may provide] *shall make available* to an aircraft manufacturer insurance for loss or damage resulting from operation of an aircraft by an air carrier and involving war or terrorism.

* * * * *

§ 44303. Coverage

(a) * * *

(b) AIR CARRIER LIABILITY FOR THIRD PARTY CLAIMS ARISING OUT OF ACTS OF TERRORISM.—For acts of terrorism committed on or to an air carrier during the period beginning on September 22, 2001, and ending on December 31, ~~2004~~ 2005, the Secretary may certify that the air carrier was a victim of an act of terrorism and in the Secretary’s judgment, based on the Secretary’s analysis and conclusions regarding the facts and circumstances of each case, shall not be responsible for losses suffered by third parties (as referred to in section 205.5(b)(1) of title 14, Code of Federal Regulations) that exceed \$100,000,000, in the aggregate, for all claims by such parties arising out of such act. If the Secretary so certifies, the air carrier shall not be liable for an amount that exceeds \$100,000,000, in the aggregate, for all claims by such parties arising out of such act, and the Government shall be responsible for any liability above such amount. No punitive damages may be awarded against an air carrier (or the Government taking responsibility for an air carrier under this subsection) under a cause of action arising out of such act. The Secretary ~~may~~ shall extend the provisions of this subsection to an aircraft manufacturer (as defined in section 44301) of the aircraft of the air carrier involved.

* * * * *

CONSOLIDATED APPROPRIATIONS ACT, 2004

(Division F of Public Law 108–199)

* * * * *

DIVISION F—DEPARTMENTS OF TRANSPORTATION AND TREASURY, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2004

AN ACT Making appropriations for the Departments of Transportation and Treasury, and independent agencies for the fiscal year ending September 30, 2004, and for other purposes.

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Transportation and Treasury and independent agencies for the fiscal year ending September 30, 2004, and for other purposes, namely:

TITLE I

DEPARTMENT OF TRANSPORTATION

* * * * *

SEC. 115. Notwithstanding any other provision of law, from the available unobligated balances under the programs for which funds are authorized under sections 1101(a)(1), 1101(a)(2), 1101(a)(3), 1101(a)(4), and 1101(a)(5) of Public Law 105–178, as amended, of each State for which a project or projects in such State identified under this section in the statement of managers accompanying this Act shall be made available for necessary expenses to carry out

such project: *Provided*, That the amount identified for each such project shall be made available from the State's unobligated balance in any of the five specified programs for which the project would be eligible, such selection to be at the option of the State: *Provided further*, That if a project is not otherwise eligible for funding under one of the five programs, then such project shall be deemed eligible and shall be funded from the unobligated balance of funds made available for the program for which funds are authorized under section 1101(a)(4) of Public Law 105-178, as amended, but not including funds set aside pursuant to section 133(d) of title 23, United States Code: *Provided further*, That funds made available under this section may, at the request of a State, be transferred by the Secretary to another Federal agency to carry out a project funded under this section, such funds to be then administered by the procedures of the Federal agency to which such funds may be transferred: *Provided further*, That all funds made available for obligation under this section shall be available in the same manner as though such funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share payable on account of any program, project, or activity carried out with funds made available under this heading shall be 100 percent and such funds shall remain available for obligation until expended: *Provided further*, That all funds made available in this section shall be subject to any limitation on obligations for Federal-aid highways and highway safety construction programs set forth in this Act or any other Act: *Provided further*, That notwithstanding any other provision of law and the preceding clauses of this provision, the Secretary of Transportation may use amounts made available by this section to make grants for any surface transportation project otherwise eligible for funding under title 23 or title 49, United States Code.

* * * * *

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
89.	Massachusetts	【Construct I-495/Route 2 interchange east of existing interchange to provide access to commuter rail station, Littleton】 <i>Ayer commuter rail station improvements, land acquisition and parking improvements</i>	3.15

No.	State	Project description	(Dollars in millions)
*	*	* * * *	*

SECTION 403 OF THE GOVERNMENT MANAGEMENT REFORM ACT OF 1994

(Public Law 103-356)

SEC. 403. FRANCHISE FUND PILOT PROGRAMS.

(a) * * *

* * * * *

(f) **TERMINATION.**—The provisions of this section shall expire on October 1, **[2004]** *2005*.

SECTION 122 OF THE ACT OF THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

(Public law 105-119)

SEC. 122. (a) * * *

* * * * *

(g)(1) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary of the Treasury is authorized to establish, for a period of **[6 years]** *7 years* from date of enactment of this provision, a personnel management demonstration project providing for the compensation and performance management of not more than a combined total of 950 employees who fill critical scientific, technical, engineering, intelligence analyst, language translator, and medical positions in the Bureau of Alcohol, Tobacco and Firearms.

* * * * *

TREASURY DEPARTMENT APPROPRIATIONS ACT, 1997

TITLE I—DEPARTMENT OF THE TREASURY

* * * * *

TREASURY FRANCHISE FUND

There is hereby established in the Treasury a franchise fund until **[October 1, 2004]** *October 1, 2005* to be available for expenses and equipment necessary for the maintenance and operation of such financial and administrative support services as the Secretary determines may be performed more advantageously as central services: *Provided*, That any inventories, equipment, and other assets pertaining to the services to be provided by such fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made for the purpose of providing capital, shall be used to capitalize such fund: *Provided further*, That such fund shall be reimbursed or credited with the payments, including advanced payments, from applicable appropriations and funds

available to the Department and other Federal agencies for which such administrative and financial services are performed, at rates which will recover all expenses of operation, including accrued leave, depreciation of fund plant and equipment, amortization of Automatic Data Processing (ADP) software and systems, and an amount necessary to maintain a reasonable operating reserve, as determined by the Secretary: *Provided further*, That such fund shall provide services on a competitive basis: *Provided further*, That an amount not to exceed 4 percent of the total annual income to such fund may be retained in the fund for fiscal year 1997 and each fiscal year thereafter, to remain available until expended, to be used for the acquisition of capital equipment and for the improvement and implementation of Treasury financial management, ADP, and other support systems: *Provided further*, That no later than 30 days after the end of each fiscal year, amounts in excess of this reserve limitation shall be deposited as miscellaneous receipts in the Treasury.

* * * * *

TITLE 31, UNITED STATES CODE

* * * * *

SUBTITLE III—FINANCIAL MANAGEMENT

* * * * *

CHAPTER 33—DEPOSITING, KEEPING, AND PAYING MONEY

* * * * *

SUBCHAPTER II—PAYMENTS

* * * * *

§ 3333. Relief for payments made without negligence

[(a)(1) The Secretary of the Treasury is not liable for a payment made by the Secretary or depository in due course and without negligence, of a—

[(A) check, draft, or warrant drawn on the Treasury or the depository; and

[(B) debt obligation guaranteed or assumed by the United States Government.]

(a)(1) The Secretary of the Treasury is not liable for a payment made by the Secretary or depository in due course and without negligence, of—

(A) a check, draft, or warrant drawn on the Treasury or the depository;

(B) an electronic payment issued by the Treasury or the depository; and

(C) a debt obligation guaranteed or assumed by the United States Government.

* * * * *

(3) *The amount of the relief shall be charged to the Check Forgery Insurance Fund (31 U.S.C. 3343). A recovery or repayment of a loss for which replacement is made out of the fund shall be credited to the fund and is available for the purposes for which the fund was established.*

* * * * *

CHAPTER 37—CLAIMS

* * * * *

SUBCHAPTER II—CLAIMS OF THE UNITED STATES GOVERNMENT

* * * * *

§ 3716. Administrative offset

(a) * * *

* * * * *

[(e) This section does not apply—

[(1) to a claim under this subchapter that has been outstanding for more than 10 years; or

[(2) when a statute explicitly prohibits using administrative offset or setoff to collect the claim or type of claim involved.]

(e)(1) Notwithstanding any other provision of law (including 42 U.S.C. 407 and 1383(d)(1), 30 U.S.C. 923(b), and 45 U.S.C. 231(m), regulation, or administrative limitation, no limitation shall terminate the period within which an offset may be initiated or taken pursuant to this section.

(2) This section does not apply when a statute explicitly prohibits using administrative offset or setoff to collect the claim or type of claim involved.

* * * * *

SECTION 572 OF TITLE 40, UNITED STATES CODE

§ 572. Real property

(a) IN GENERAL.—

(1) * * *

(2) PAYMENT OF EXPENSES FROM THE FUND.—

(A) AUTHORITY.—From the fund described in paragraph (1), the Administrator may obligate an amount to pay the following direct expenses incurred for the use of excess property and the disposal of surplus property under this subtitle:

(i) * * *

(ii) *Costs of environmental and historic preservation services, highest and best use of property studies, utilization of property studies, deed compliance inspection, and the expenses incurred in a relocation.*

* * * * *

SECTION 453 OF THE SOCIAL SECURITY ACT

FEDERAL PARENT LOCATOR SERVICE

SEC. 453. (a) * * *

* * * * *

(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

(1) * * *

* * * * *

(7) INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN FEDERAL DEBT COLLECTION.—

(A) FURNISHING OF INFORMATION BY THE SECRETARY OF THE TREASURY.—*The Secretary of the Treasury shall furnish to the Secretary, on such periodic basis as determined by the Secretary of the Treasury in consultation with the Secretary, information in the custody of the Secretary of the Treasury for comparison with information in the National Directory of New Hires, in order to obtain information in such Directory with respect to persons—*

(i) who owe delinquent nontax debt to the United States; and

(ii) whose debt has been referred to the Secretary of the Treasury in accordance with 31 U.S.C. 3711(g).

(B) REQUIREMENT TO SEEK MINIMUM INFORMATION.—*The Secretary of the Treasury shall seek information pursuant to this section only to the extent necessary to improve collection of the debt described in subparagraph (A).*

(C) DUTIES OF THE SECRETARY.—

(i) INFORMATION DISCLOSURE.—The Secretary, in cooperation with the Secretary of the Treasury, shall compare information in the National Directory of New Hires with information provided by the Secretary of the Treasury with respect to persons described in subparagraph (A) and shall disclose information in such Directory regarding such persons to the Secretary of the Treasury in accordance with this paragraph, for the purposes specified in this paragraph. Such comparison of information shall not be considered a matching program as defined in 5 U.S.C. 552a.

(ii) CONDITION ON DISCLOSURE.—The Secretary shall make disclosures in accordance with clause (i) only to the extent that the Secretary determines that such disclosures do not interfere with the effective operation of the program under this part. Support collection under section 466(b) of this title shall be given priority over collection of any delinquent federal nontax debt against the same income.

(D) USE OF INFORMATION BY THE SECRETARY OF THE TREASURY.—*The Secretary of the Treasury may use information provided under this paragraph only for purposes of collecting the debt described in subparagraph (A).*

(E) DISCLOSURE OF INFORMATION BY THE SECRETARY OF THE TREASURY.—

(i) PURPOSE OF DISCLOSURE.—The Secretary of the Treasury may make a disclosure under this subpara-

graph only for purposes of collecting the debt described in subparagraph (A).

(ii) *DISCLOSURES PERMITTED.*—Subject to clauses (iii) and (iv), the Secretary of the Treasury may disclose information resulting from a data match pursuant to this paragraph only to the Attorney General in connection with collecting the debt described in subparagraph (A).

(iii) *CONDITIONS ON DISCLOSURE.*—Disclosures under this subparagraph shall be—

(I) made in accordance with data security and control policies established by the Secretary of the Treasury and approved by the Secretary;

(II) subject to audit in a manner satisfactory to the Secretary; and

(III) subject to the sanctions under subsection (l)(2).

(iv) *ADDITIONAL DISCLOSURES.*—

(I) *DETERMINATION BY SECRETARIES.*—The Secretary of the Treasury and the Secretary shall determine whether to permit disclosure of information under this paragraph to persons or entities described in subclause (II), based on an evaluation made by the Secretary of the Treasury (in consultation with and approved by the Secretary), of the costs and benefits of such disclosures and the adequacy of measures used to safeguard the security and confidentiality of information so disclosed.

(II) *PERMITTED PERSONS OR ENTITIES.*—If the Secretary of the Treasury and the Secretary determine pursuant to subclause (I) that disclosures to additional persons or entities shall be permitted, information under this paragraph may be disclosed by the Secretary of the Treasury, in connection with collecting the debt described in subparagraph (A), to a contractor or agent of either Secretary and to the Federal agency that referred such debt to the Secretary of the Treasury for collection, subject to the conditions in clause (iii) and such additional conditions as agreed to by the Secretaries.

(v) *RESTRICTIONS ON REDISCLOSURE.*—A person or entity to which information is disclosed under this subparagraph may use or disclose such information only as needed for collecting the debt described in subparagraph (A), subject to the conditions in clause (iii) and such additional conditions as agreed to by the Secretaries.

(F) *REIMBURSEMENT OF HHS COSTS.*—The Secretary of the Treasury shall reimburse the Secretary, in accordance with subsection (k)(3), for the costs incurred by the Secretary in furnishing the information requested under this paragraph. Any such costs paid by the Secretary of the Treasury shall be considered costs of implementing 31 U.S.C. 3711(g) in accordance with 31 U.S.C. 3711(g)(6)

and may be paid from the account established pursuant to 31 U.S.C. 3711(g)(7).

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INTERNAL REVENUE CODE OF 1986

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Subtitle F—Procedure and Administration

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CHAPTER 61—INFORMATION AND RETURNS

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Subchapter B—Miscellaneous Provisions

* * * * *

SEC. 6103. CONFIDENTIALITY AND DISCLOSURE OF RETURNS AND RETURN INFORMATION.

(a) * * *

* * * * *

(1) DISCLOSURE OF RETURNS AND RETURN INFORMATION FOR PURPOSES OTHER THAN TAX ADMINISTRATION.—

(1) * * *

* * * * *

(10) DISCLOSURE OF CERTAIN INFORMATION TO AGENCIES REQUESTING A REDUCTION UNDER SUBSECTION [(C), (D), OR (E)] (C), (D), (E) OR (F) OF SECTION 6402.—

(A) Return information from internal revenue service.—

The Secretary may, upon receiving a written request, disclose to officers and employees of any agency seeking a reduction under subsection [(c), (d), or (e)] (c), (d), (e) or (f) of section 6402 and to officers and employees of the Department of Labor in connection with a reduction under subsection (f) of section 6402 and to officers and employees of the Department of the Treasury in connection with such reduction—

(i) * * *

* * * * *

(B) RESTRICTION ON USE OF DISCLOSED INFORMATION.—

Any officers and employees of an agency receiving return information under subparagraph (A) shall use such information only for the purposes of, and to the extent necessary in, establishing appropriate agency records, locating any person with respect to whom a reduction under subsection [(c), (d), or (e)] (c), (d), (e) or (f) of section 6402 is sought for purposes of collecting the debt with respect to which the reduction is sought, or in the defense of any litigation or administrative procedure ensuing from a reduc-

tion made under subsection [(c), (d), or (e)] (c), (d), (e) or (f) of section 6402. Any return information disclosed with respect to section 6402(e) shall only be disclosed to officers and employees of the State agency requesting such information.

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CHAPTER 65—ABATEMENTS, CREDITS, AND REFUNDS

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Subchapter A—Procedure in General

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SEC. 6402. AUTHORITY TO MAKE CREDITS OR REFUNDS

(a) **GENERAL RULE.**—In the case of any overpayment, the Secretary, within the applicable period of limitations, may credit the amount of such overpayment, including any interest allowed thereon, against any liability in respect of an internal revenue tax on the part of the person who made the overpayment and shall, subject to subsections [(c), (d), and (e),] (c), (d), (e) and (f), refund any balance to such person.

* * * * *

(d) **COLLECTION OF DEBTS OWED TO FEDERAL AGENCIES.**—

(1) * * *

(2) **PRIORITIES FOR OFFSET.**—Any overpayment by a person shall be reduced pursuant to this subsection after such overpayment is reduced pursuant to subsection (c) with respect to past-due support collected pursuant to an assignment under section 402(a)(26) of the Social Security Act [and before such overpayment is reduced pursuant to subsection (e)] and before such overpayment is reduced pursuant to subsections (e) and (f) and before such overpayment is credited to the future liability for tax of such person pursuant to subsection (b). If the Secretary receives notice from a Federal agency or agencies of more than one debt subject to paragraph (1) that is owed by a person to such agency or agencies, any overpayment by such person shall be applied against such debts in the order in which such debts accrued.

* * * * *

(f) **COLLECTION OF PAST-DUE, LEGALLY ENFORCEABLE STATE UNEMPLOYMENT COMPENSATION DEBTS.**—

(1) **IN GENERAL.**—Upon receiving notice from any State that a person owes a past-due, legally enforceable State unemployment compensation debt to such State, the Secretary shall, under such conditions as may be prescribed by the Secretary—

(A) reduce the amount of any overpayment payable to such person by the amount of such unemployment compensation debt;

(B) pay the amount by which such overpayment is reduced under subparagraph (A) to such State and notify

such State of such person's name, taxpayer identification number, address, and the amount collected; and

(C) notify the person making such overpayment that the overpayment has been reduced by an amount necessary to satisfy a past-due, legally enforceable State unemployment compensation debt. If an offset is made pursuant to a joint return, the notice under subparagraph (B) shall include the names, taxpayer identification numbers, and addresses of each person filing such return.

(2) **PRIORITIES FOR OFFSET.**—Any overpayment by a person shall be reduced pursuant to this subsection—

(A) after such overpayment is reduced pursuant to—

(i) subsection (a) with respect to any liability for any internal revenue tax on the part of the person who made the overpayment;

(ii) subsection (c) with respect to past-due support;

(iii) subsection (d) with respect to any past-due, legally enforceable debt owed to a Federal agency; and

(B) before such overpayment is credited to the future liability for any Federal internal revenue tax of such person pursuant to subsection (b). If the Secretary receives notice from a State or States of more than one debt subject to paragraph (1) and/or subsection (e) that is owed by a person to such State or States, any overpayment by such person shall be applied against such debts in the order in which such debts accrued.

(3) **NOTICE; CONSIDERATION OF EVIDENCE.**—No State may take action under this subsection until such State—

(A) notifies the person owing the past-due legally enforceable State unemployment compensation debt that the State proposes to take action pursuant to this section;

(B) gives such person at least 60 days to present evidence that all or part of such liability is not past-due or not legally enforceable;

(C) considers any evidence presented by such person and determines that an amount of such debt is past-due and legally enforceable; and

(D) satisfies such other conditions as the Secretary may prescribe to ensure that the determination made under subparagraph (C) is valid and that the State has made reasonable efforts to obtain payment of such unemployment compensation debt.

(4) **PAST-DUE, LEGALLY ENFORCEABLE STATE UNEMPLOYMENT COMPENSATION DEBT.**—For purposes of this subsection, the term “past-due, legally enforceable State unemployment compensation debt” means overpayments of unemployment compensation assessed under the law of a State certified by the Secretary of Labor pursuant to section 3304 of the Internal Revenue Code, which have become final under State law and remain uncollected.

(5) **REGULATIONS.**—The Secretary shall issue regulations prescribing the time and manner in which States must submit notices of past-due, legally enforceable State unemployment compensation debt and the necessary information that must be contained in or accompany such notices. The regulations shall

specify the minimum amount of debt to which the reduction procedure established by paragraph (1) may be applied. The regulations may require States to pay a fee to the Secretary, which may be deducted from amounts collected, to reimburse the Secretary for the cost of applying such procedure. Any fee paid to the Secretary pursuant to the preceding sentence shall be used to reimburse appropriations which bore all or part of the cost of applying such procedure. The regulations may include a requirement that States submit notices of past-due, legally enforceable State unemployment compensation debt to the Secretary via the Secretary of Labor in accordance with procedures established by the Secretary of Labor. Such procedures may require States to pay a fee to the Secretary of Labor to reimburse the Secretary of Labor for the costs of applying this subsection. Any such fee shall be established in consultation with the Secretary of the Treasury. Any fee paid to the Secretary of Labor may be deducted from amounts collected and shall be used to reimburse the appropriation account which bore all or part of the cost of applying this subsection.

(6) *ERRONEOUS PAYMENT TO STATE.*—Any State receiving notice from the Secretary that an erroneous payment has been made to such State under paragraph (1) shall pay promptly to the Secretary, in accordance with such regulations as the Secretary may prescribe, an amount equal to the amount of such erroneous payment (without regard to whether any other amounts payable to such State under such paragraph have been paid to such State).

[(f)] (g) *REVIEW OF REDUCTIONS.*—No court of the United States shall have jurisdiction to hear any action, whether legal or equitable, brought to restrain or review a reduction authorized by subsection [(c), (d) or (e)] (c), (d), (e) or (f). No such reduction shall be subject to review by the Secretary in an administrative proceeding. No action brought against the United States to recover the amount of any such reduction shall be considered to be a suit for refund of tax. This subsection does not preclude any legal, equitable, or administrative action against the Federal agency or State to which the amount of such reduction was paid or any such action against the Commissioner of Social Security which is otherwise available with respect to recoveries of overpayments of benefits under section 204 of the Social Security Act.

[(g)] (h) *FEDERAL AGENCY.*—For purposes of this section, the term “Federal agency” means a department, agency, or instrumentality of the United States, and includes a Government corporation (as such term is defined in section 103 of title 5, United States Code).

[(h)] (i) *TREATMENT OF PAYMENTS TO STATES.*—The Secretary may provide that, for purposes of determining interest, the payment of any amount withheld under subsection [(c) or (e)] (c), (e) or (f) to a State shall be treated as a payment to the person or persons making the overpayment.

[(i)] (j) *CROSS REFERENCE.*—

For procedures relating to agency notification of the Secretary, see section 3721 of title 31, United States Code.

[(j)] (k) *REFUNDS TO CERTAIN FIDUCIARIES OF INSOLVENT MEMBERS OF AFFILIATED GROUPS.*—Notwithstanding any other provi-

sion of law, in the case of an insolvent corporation which is a member of an affiliated group of corporations filing a consolidated return for any taxable year and which is subject to a statutory or court-appointed fiduciary, the Secretary may by regulation provide that any refund for such taxable year may be paid on behalf of such insolvent corporation to such fiduciary to the extent that the Secretary determines that the refund is attributable to losses or credits of such insolvent corporation.

[(k)] (l) EXPLANATION OF REASON FOR REFUND DISALLOWANCE.— In the case of a disallowance of a claim for refund, the Secretary shall provide the taxpayer with an explanation for such disallowance.

* * * * *

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 carries 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, the Secretary of the Treasury 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 limitations 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" 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, "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 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 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 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 \$7,000,000 for the contract tower cost sharing program and \$4,000,000 for additional air traffic control supervisors.

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 new applicants of the second career training program.

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 from being used to operate a manned auxiliary flight service station in the contiguous United States.

Language is included under the Federal Aviation Administration, "Operations" that prohibits funds for conducting and coordinating activities on aeronautical charting and cartography through the Transportation Administrative Service Center.

Language is included under 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 obligations in excess of \$3,993,000,000.

Language is included under Federal Aviation Administration, “Grants-in-aid for airports” that provides not more than \$69,302,000 for administration.

Language is included under the Federal Highway Administration, “Limitation on Administrative Expenses” that provides a 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.

Section 121 distributes an obligation authority among Federal-aid highway programs.

Section 122 provides that funds received by the Bureau of Transportation Statistics may be credited to the Federal aid highways account.

Section 123 amends section 1602 of the Transportation Equity Act for the 21st Century to allow changes to a project in Massachusetts.

Section 124 amends P.L. 102–143 to allow changes to projects in New Jersey.

Section 125 amends Public Law 108–199.

Section 126 prohibits funds to require a state or local government to post a traffic control device or variable message sign, or any other type of traffic signs in a language other than English, except in certain specified situations.

Section 127 provides funding for environmental streamlining activities from the 104(a)(1)(A) “takedown”.

Language is included under the Federal Highway Administration, “Federal-aid Highways” that rescinds contract authority.

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.

Section 141 subjects funds appropriated 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.

Section 142 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-9702350) as it applies to operators of utility service vehicles.

Section 143 prohibits the use of funds in this Act to implement hour of service regulations as it applies to operators of utility service vehicles. It also precludes states from using Federal grant funds for this purpose.

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.

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.

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 Federal Railroad Administration, "Grants to the National Railroad Passenger Corporation" that provides quarterly apportionment for funding.

Language is included under Federal Transit Administration, "Administrative expenses" that reimburses \$3,000,000 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, "Administrative expenses" reducing funds for each day that the annual report on new starts is not submitted to Congress.

Section 171 exempts previously made transit obligations from limitations on obligations.

Section 172 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 173 allows transit funds appropriated before October 1, 2003, that remain available for expenditure to be transferred.

Language is included that provides funding for Saint Lawrence Seaway Development Corporation, and specifies an amount for the concrete replacement project at Eisenhower and Snell Locks.

Section 191 prohibits obligations incurred during the current year from construction funds in excess of the appropriations and limitation contained in this Act or in any prior appropriation Act.

Section 192 allows the Maritime Administration to furnish utilities and services and make repairs to any lease, contract, or occupancy involving government property under the control of MARAD and rental payments shall be covered into the Treasury as miscellaneous receipts.

Section 193 prohibits funding for the national defense tank vessel construction assistance program authorized in P.L. 108-136 if any component of the vessel is constructed in a foreign shipyard.

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 \$1,250,000 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.

Section 185. The Committee continues the provision allowing the Department of Transportation to use funds for aircraft; motor vehicles; liability insurance; uniforms; or allowances, as authorized by law.

Section 186. 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 187. The Committee continues the provision prohibiting funds in this Act for salaries and expenses of more than 106 political and Presidential appointees in the Department of Transportation, and prohibits political and Presidential personnel assigned on temporary detail outside the Department of Transportation.

Section 188. The Committee continues the provision prohibiting funds for the implementation of section 404 of title 23, U.S.C.

Section 189. The Committee continues the provision prohibiting recipients of funds made available in this Act from releasing personal information, including social security number, medical or disability information, and photographs from a driver's license or motor vehicle record, without express consent of the person to whom such information pertains; and prohibits the withholding of funds provided in this Act for any grantee if a state is in non-compliance with this provision.

Section 190. The Committee continues the provision allowing funds received by the Federal Highway Administration, Federal Transit Administration, and the Federal Railroad Administration from states, counties, municipalities, other public authorities, and private sources to be used for expenses incurred for training may be credited to each agency's respective accounts.

Section 191. 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 192. The Committee continues the provision prohibiting funds in Title I of this Act for issuance of any grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations not less than three full business days before any discretionary grant award, letter of intent, or full funding grant agreement totaling \$1,000,000 or more is announced by the department or its modal administrations.

Section 193. The Committee continues a provision for the Department of Transportation allowing funds received from rebates, refunds, and similar sources to be credited to appropriations.

Section 194. The Committee continues a provision allowing amounts from improper payments to a third party contractor that are lawfully recovered by the Department of Transportation to be available to cover expenses incurred in recovery of such payments.

Section 195. The Committee continues a provision allowing the Secretary of Transportation to transfer unexpended sums from "Office of the secretary, salaries and expenses" to "Minority business outreach".

Section 196. 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.

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; 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.

Language has been included for the Alcohol and Tobacco Tax and Trade Bureau that provides funds for the hire of passenger motor vehicles, 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 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 funds for the hire of motor vehicles.

Language has been included for Internal Revenue Service business systems modernization that provides for the capital asset ac-

quisition 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.

TITLE III—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 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 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 hire of vehicles and funds for a capital investment plan that provides for the continued modernization of the information technology infrastructure. The Committee has 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 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 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 continues language previously included in Title IV of the bill that provides funds for necessary expenses in support of interagency projects that enable the Federal Government to expand its ability to conduct activities electronically through the development and implementation of innovative uses of the Internet and other electronic methods. The Committee continues language that allows funds to be transferred, upon condition, and to be 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.

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.

TITLE IV—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 Federal Election Commission and specifying a level of funding for internal automated data processing systems and reception and representation expenses.

The Committee has included language prohibiting employees of the Election Assistance Commission from lobbying for changing the Federal election date.

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.

The committee has continued language that provides funds for the 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.

The Committee has continued language that provides funds for the review and declassification of documents, the hire of passenger vehicles, and language that authorizes the Archivist to use excess funds available from the amount borrowed for construction of the National Archives facility for expenses necessary to provide storage for holdings. The Committee continues language specifying funds for the electronic records archive and making a portion of these funds available until September 30, 2005.

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 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 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 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 trust 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 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 payment of fees and expenses for witnesses, rental of conference rooms, and the hire of passenger motor vehicles.

The Committee has continued language that provides funds for services authorized by 5 U.S.C. 3109 and language which provides that travel expenses of judges shall be paid upon written certification of the judge.

TITLE V—GENERAL PROVISIONS, THIS ACT

Section 501. The Committee continues the provision requiring pay raises to be funded within appropriated levels in this Act or previous appropriations Acts.

Section 502. The Committee continues the provision prohibiting pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this Act.

Section 503. The Committee continues the provision prohibiting obligations beyond the current fiscal year and prohibits transfers of funds unless expressly so provided herein.

Section 504. The Committee continues the provision limiting consulting service expenditures of public record in procurement contracts.

Section 505. 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 2005.

Section 506. The Committee continues the provision prohibiting funds in this Act to be transferred without express authority.

Section 507. 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 508. The Committee continues the provision concerning employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 509. The Committee continues the provision concerning compliance with the Buy American Act.

Section 510. The Committee continues the provision of purchasing American-made equipment and products under financial assistance authorization.

Section 511. The Committee includes a provision prohibiting a person affixing a label bearing "Made in America", that is not made in the United States.

Section 512. The Committee continues the provision providing that fifty percent of unobligated balances may remain available for certain purposes.

Section 513. The Committee includes a provision providing that funds used by the Executive Office of the President not be used to request any official background investigation from the Federal Bureau of Investigation.

Section 514. The Committee includes a provision requiring that cost accounting standards not apply to a contract under the Federal Health Benefits Program.

Section 515. The Committee continues a provision regarding non-foreign area cost of living allowances.

Section 516. The Committee continues a provision prohibiting the use of funds by any person or entity convicted of violating the Buy American Act.

Section 517. The Committee continues the provision prohibiting the expenditure of funds for abortions under the FEHBP.

Section 518. 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 519. The Committee modifies a provision specifying reprogramming procedures by subjecting the establishment of new offices and reorganizations to the reprogramming process.

Section 520. The Committee continues 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 521. The Committee continues a 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 522. The Committee continues a 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 523. 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 VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 601. 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 602. 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 603. The Committee continues the provision regarding price limitations on vehicles to be purchased by the Federal Government.

Section 604. The Committee continues the provision allowing funds made available to agencies for travel, to also be used for quarter allowances and cost-of-living allowances.

Section 605. 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 606. The Committee continues the provision ensuring that agencies will have authority to pay GSA bills for space renovation and other services.

Section 607. The Committee continues the provision allowing agencies to finance the costs of recycling and waste prevention pro-

grams with proceeds from the sale of materials recovered through such programs.

Section 608. The Committee continues the provision providing that funds may be used to pay rent and other service costs in the District of Columbia.

Section 609. 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 610. The Committee continues the provision prohibiting interagency financing of groups absent prior statutory approval.

Section 611. 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 612. 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 613. The Committee continues the provision limiting the pay increases of certain prevailing rate employees.

Section 614. The Committee continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Section 615. The Committee continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Section 616. 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 617. 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 618. The Committee continues the provision prohibiting the payment of any employee who prohibits, threatens or prevents another employee from communicating with Congress.

Section 619. The Committee continues the provision prohibiting Federal training not directly related to the performance of official duties.

Section 620. The Committee continues the provision prohibiting the expenditure of funds for implementation of agreements in non-disclosure policies unless certain provisions are included.

Section 621. The Committee continues the provision prohibiting propaganda, publicity and lobbying by executive agency personnel in support or defeat of legislative initiatives.

Section 622. 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 623. 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 624. The Committee continues the provision prohibiting the use of funds for propaganda and publicity purposes not authorized by Congress.

Section 625. The Committee continues the provision directing agency employees to use official time in an honest effort to perform official duties.

Section 626. 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 627. 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 628. The Committee continues the provision, to prohibit any department or agency from using appropriated funds to independently contract with private companies to provide online employment applications and processing services.

Section 629. 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 630. 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 631. 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 632. The Committee extends the authorization period for agency franchise funds by striking "October 1, 2004" and inserting "October 1, 2005", as requested.

Section 633. 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 634. The Committee continues the provision requiring health plans participating in the FEHBP to provide contraceptive coverage and provides exemptions to certain religious plans.

Section 635. The Committee continues the provision providing recognition of the U.S. Anti-Doping Agency as the official anti-doping agency.

Section 636. The Committee continues the provision prohibiting funds from being expended for the purchase of a product or service offered by Federal Prison Industries, Inc. unless the agency determines the products to constitute the best value to the buying agency.

Section 637. The Committee continues a 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 638. The Committee continues a provision allowing funds for official travel to be used by departments and agencies, if consistent with OMB and Budget Circular A126, to participate in the fractional aircraft ownership pilot program.

Section 639. The Committee includes a provision providing that funds not be used to implement or enforce regulations for locality pay inconsistent with recommendations of the Federal Salary Council.

Section 640. The Committee continues a provision requiring the head of each Federal agency to submit a report to Congress on the amount of acquisitions made by the agency from entities that manufacture the articles, materials, or supplies outside of the United States.

Section 641. The Committee continues a provision prohibiting funds for implementation of OPM regulations limiting detailees to the Legislative Branch, and implementing limitations on the Coast Guard Congressional Fellowship Program.

Section 642. The Committee includes a new provision eliminating the ten year limitations period applicable to the offset of federal non-tax payments, as requested.

Section 643. The Committee includes a new provision, as requested, permitting the Secretary of Health and Human Services to match information, provided by the Secretary of the Treasury with respect to persons owing delinquent debt to the Federal Government, with information contained in the HHS National Directory of New Hires.

Section 644. The Committee includes a new provision, as requested, allowing for the offset of federal tax refunds to collect delinquent state unemployment compensation overpayments.

Section 645. The Committee includes a new provision regarding conditions for converting an activity or function of an executive agency to a contractor performance under provisions of OMB Circular A-76.

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 2005: Subcommittee on Transportation and Treasury:				
General purpose discretionary	25,320	25,319	68,993	68,992
Mandatory	18,261	18,261	18,262	18,262

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:		
2005		48,707
2006		21,779
2007		8,485
2008		3,669
2009 and future years		4,584

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	774	11,583

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 Aviation Administration	\$758,000,000
Federal Highway Administration	386,000,000
National Transportation Safety Board	8,000,000

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call 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 22, 2004.

Measure: Transportation, Treasury and Related Agencies Appropriations Bill, FY 2005.

Motion by: Mr. Pastor.

Description of motion: To strike section 216 of the bill relating to Treasury Department regulations allowing financial institutions to accept the matricula consular card as a form of identification.

Results: Rejected—yeas 25; nays 26.

Members Voting Yea

Mr. Berry
 Mr. Cramer
 Ms. DeLauro
 Mr. Dicks
 Mr. Edwards
 Mr. Farr
 Mr. Fattah
 Mr. Hinchey
 Mr. Hoyer
 Mr. Jackson
 Ms. Kaptur
 Mr. Kennedy
 Ms. Kilpatrick
 Mr. Kolbe
 Mr. LaHood
 Mr. Latham
 Mr. Moran
 Mr. Obey
 Mr. Olver
 Mr. Pastor
 Mr. Price
 Mr. Rothman
 Mr. Sabo
 Mr. Serrano
 Mr. Walsh

Members Voting Nay

Mr. Bonilla
 Mr. Boyd
 Mr. Crenshaw
 Mr. Culberson
 Mr. Doolittle
 Mrs. Emerson
 Mr. Frelinghuysen
 Mr. Goode
 Ms. Granger
 Mr. Istook
 Mr. Kingston
 Mr. Knollenberg
 Mr. Lewis
 Mrs. Northup
 Mr. Peterson
 Mr. Regula
 Mr. Rogers
 Mr. Sherwood
 Mr. Simpson
 Mr. Tiahrt
 Mr. Vitter
 Mr. Wamp
 Dr. Weldon
 Mr. Wicker
 Mr. Wolf
 Mr. Young

ROLLCALL NO. 2

Date: July 22, 2004.

Measure: Transportation, Treasury, and Related Agencies Appropriations Bill, FY 2004.

Motion by: Mr. Sabo.

Description of motion: To amend the report relating to transit security responsibilities.

Results: Rejected—yeas 24; nays 31.

Members Voting Yea

Mr. Berry
 Mr. Bishop
 Mr. Boyd
 Mr. Clyburn
 Ms. DeLauro
 Mr. Dicks
 Mr. Edwards
 Mr. Farr
 Mr. Fattah
 Mr. Hinchey
 Mr. Hoyer
 Mr. Jackson
 Ms. Kaptur
 Mr. Kennedy
 Ms. Kilpatrick
 Mr. Moran
 Mr. Obey
 Mr. Olver
 Mr. Pastor
 Mr. Price
 Mr. Rothman
 Mr. Sabo
 Mr. Serrano
 Mr. Visclosky

Members Voting Nay

Mr. Bonilla
 Mr. Crenshaw
 Mr. Culberson
 Mr. Doolittle
 Mrs. Emerson
 Mr. Frelinghuysen
 Mr. Goode
 Ms. Granger
 Mr. Hobson
 Mr. Istook
 Mr. Kingston
 Mr. Knollenberg
 Mr. Kolbe
 Mr. LaHood
 Mr. Latham
 Mr. Lewis
 Mr. Nethercutt
 Mrs. Northup
 Mr. Peterson
 Mr. Rogers
 Mr. Sherwood
 Mr. Simpson
 Mr. Sweeney
 Mr. Tiahrt
 Mr. Vitter
 Mr. Walsh
 Mr. Wamp
 Dr. Weldon
 Mr. Wicker
 Mr. Wolf
 Mr. Young

ROLLCALL NO. 3

Date: July 22, 2004.

Measure: Transportation, Treasury, and Related Agencies Appropriations Bill, FY 2005.

Motion by: Mr. Sabo.

Description of motion: To amend the report relating to air traffic controller staffing and training, including the requirement that \$2,000,000 be designated for training at a specified facility in Minnesota.

Results: Rejected—yes 24; nays 32.

Members Voting Yea

Mr. Berry
 Mr. Bishop
 Mr. Boyd
 Mr. Clyburn
 Ms. DeLauro
 Mr. Dicks
 Mr. Edwards
 Mr. Farr
 Mr. Fattah
 Mr. Hinchey
 Mr. Hoyer
 Mr. Jackson
 Ms. Kaptur
 Mr. Kennedy
 Ms. Kilpatrick
 Mr. Moran
 Mr. Obey
 Mr. Olver
 Mr. Pastor
 Mr. Price
 Mr. Rothman
 Mr. Sabo
 Mr. Serrano
 Mr. Visclosky

Members Voting Nay

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. Knollenberg
 Mr. Kolbe
 Mr. LaHood
 Mr. Latham
 Mr. Lewis
 Mr. Nethercutt
 Mrs. Northup
 Mr. Peterson
 Mr. Regula
 Mr. Rogers
 Mr. Sherwood
 Mr. Sweeney
 Mr. Tiahrt
 Mr. Vitter
 Mr. Walsh
 Mr. Wamp
 Dr. Weldon
 Mr. Wicker
 Mr. Wolf
 Mr. Young

ROLLCALL NO. 4

Date: July 22, 2004.

Measure: Transportation, Treasury, and Related Agencies Appropriations Bill, FY 2005.

Motion by: Mr. Hoyer.

Description of motion: To specify the government-wide adjustment in rates of basic pay for federal employees in fiscal year 2005.

Results: Adopted—yeas 42; nays—16.

Members Voting Yea

Mr. Berry
 Mr. Bishop
 Mr. Bonilla
 Mr. Boyd
 Mr. Clyburn
 Mr. Cramer
 Mr. Crenshaw
 Mr. Cunningham
 Ms. DeLauro
 Mr. Dicks
 Mr. Edwards
 Mrs. Emerson
 Mr. Farr
 Mr. Fattah
 Mr. Frelinghuysen
 Mr. Goode
 Ms. Granger
 Mr. Hinchey
 Mr. Hobson
 Mr. Hoyer
 Mr. Jackson
 Ms. Kaptur
 Mr. Kennedy
 Ms. Kilpatrick
 Mr. Kolbe
 Mr. LaHood
 Mr. Latham
 Mr. Moran
 Mr. Nethercutt
 Mr. Obey
 Mr. Olver
 Mr. Pastor
 Mr. Price
 Mr. Regula
 Mr. Rothman
 Mr. Sabo
 Mr. Serrano
 Mr. Sweeney
 Mr. Visclosky
 Mr. Walsh
 Mr. Wolf
 Mr. Young

Members Voting Nay

Mr. Culberson
 Mr. Dolittle
 Mr. Istook
 Mr. Kingston
 Mr. Knollenberg
 Mr. Lewis
 Mrs. Northup
 Mr. Peterson
 Mr. Rogers
 Mr. Sherwood
 Mr. Simpson
 Mr. Tiahrt
 Mr. Vitter
 Mr. Wamp
 Dr. Weldon
 Mr. Wicker

ROLLCALL NO. 5

Date: July 22, 2004.

Measure: Transportation, Treasury, and Related Agencies Appropriations Bill, FY 2005.

Motion by: Ms. DeLauro.

Description of motion: To prohibit contracts with a foreign corporation which was an acquiring corporation in a corporate expatriation transaction, or with any corporation which was a member of the same controlled group of corporations as defined in section 1563(a) of the Internal Revenue Code of 1986, with certain exceptions and specified definitions of legal terms.

Results: Rejected—yeas 26; nays 29.

Members Voting Yea

Mr. Berry
 Mr. Bishop
 Mr. Clyburn
 Mr. Cramer
 Mr. DeLauro
 Mr. Edwards
 Mr. Farr
 Mr. Fattah
 Mr. Goode
 Mr. Hinchey
 Mr. Hoyer
 Mr. Jackson
 Mr. Kaptur
 Mr. Kennedy
 Mr. Kilpatrick
 Mr. Latham
 Mr. Northup
 Mr. Obey
 Mr. Olver
 Mr. Price
 Mr. Rothman
 Mr. Sabo
 Mr. Serrano
 Mr. Sherwood
 Mr. Visclosky
 Mr. Wamp

Members Voting Nay

Mr. Bonilla
 Mr. Crenshaw
 Mr. Culberson
 Mr. Cunningham
 Mr. Dicks
 Mr. Doolittle
 Mr. Frelinghuysen
 Ms. Granger
 Mr. Hobson
 Mr. Istook
 Mr. Kingston
 Mr. Knollenberg
 Mr. Kolbe
 Mr. LaHood
 Mr. Lewis
 Mr. Moran
 Mr. Nethercutt
 Mr. Peterson
 Mr. Regula
 Mr. Rogers
 Mr. Simpson
 Mr. Sweeney
 Mr. Tiahrt
 Mr. Vitter
 Mr. Walsh
 Dr. Weldon
 Mr. Wicker
 Mr. Wolf
 Mr. Young

ROLLCALL NO. 6

Date: July 22, 2004.

Measure: Transportation, Treasury, and Related Agencies Appropriations Bill, FY 2005.

Motion by: Mr. Hoyer.

Description of motion: To amend the report relating to the Equal Employment Opportunity Commission's Annual Report on the Federal Workforce, and Executive Order 13163, as they concern the number of people with disabilities in the Federal workforce.

Results: Rejected—yeas 24; nays 33.

Members Voting Yea

Mr. Berry
 Mr. Bishop
 Mr. Boyd
 Mr. Clyburn
 Ms. DeLauro
 Mr. Dicks
 Mr. Edwards
 Mr. Farr
 Mr. Fattah
 Mr. Hinchey
 Mr. Hoyer
 Mr. Jackson
 Ms. Kaptur
 Mr. Kennedy
 Ms. Kilpatrick
 Mr. Moran
 Mr. Obey
 Mr. Olver
 Mr. Pastor
 Mr. Price
 Mr. Rothman
 Mr. Sabo
 Mr. Serrano
 Mr. Visclosky

Members Voting Nay

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. Knollenberg
 Mr. Kolbe
 Mr. LaHood
 Mr. Lantham
 Mr. Lewis
 Mr. Nethercutt
 Mrs. Northup
 Mr. Peterson
 Mr. Regula
 Mr. Rogers
 Mr. Sherwood
 Mr. Simpson
 Mr. Sweeney
 Mr. Tiahrt
 Mr. Vitter
 Mr. Walsh
 Mr. Wamp
 Dr. Weldon
 Mr. Wicker
 Mr. Wolf
 Mr. Young

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses.....	80,426	102,689	89,000	+8,574	-13,689
Immediate Office of the Secretary.....	(2,197)	---	(2,219)	(+22)	(+2,219)
Immediate Office of the Deputy Secretary.....	(696)	---	(705)	(+9)	(+705)
Immediate office of the Secretary and Deputy Secretary.....	---	---	---	---	---
Office of the General Counsel.....	(15,312)	---	(15,394)	(+82)	(+15,394)
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.....	(12,239)	---	(12,639)	(+400)	(+12,639)
Office of the Assistant Secretary for Budget and Programs.....	(8,486)	---	(8,572)	(+86)	(+8,572)
Office of the Assistant Secretary for Governmental Affairs.....	(2,286)	---	(2,316)	(+30)	(+2,316)
Office of the Assistant Secretary for Administration.....	(24,467)	---	(23,436)	(-1,031)	(+23,436)
Office of Public Affairs.....	(1,904)	---	(1,929)	(+25)	(+1,929)
Executive Secretariat.....	(1,438)	---	(1,456)	(+18)	(+1,456)
Board of Contract Appeals.....	(696)	---	(704)	(+8)	(+704)
Office of Small and Disadvantaged Business Utilization.....	(1,261)	---	(1,277)	(+16)	(+1,277)
Office of Intelligence and Security.....	(1,988)	---	(5,353)	(+3,365)	(+5,353)

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AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Office of the Chief Information Officer.....	(7,456)	---	(13,000)	(+5,544)	(+13,000)
Subtotal.....	(80,426)	---	(89,000)	(+8,574)	(+89,000)
Office of civil rights.....	8,518	8,700	8,700	+182	---
Transportation planning, research, and development.....	20,741	10,800	10,800	-9,941	---
Working capital fund.....	(116,026)	---	(125,000)	(+8,974)	(+125,000)
Minority business resource center program.....	895	900	900	+5	---
(Limitation on guaranteed loans).....	(18,367)	(18,367)	(18,367)	---	---
Minority business outreach.....	2,982	3,000	3,000	+18	---
New headquarters building.....	---	160,000	---	---	-160,000
Payments to air carriers (Airport & Airway Trust Fund).....	51,693	50,000	51,700	+7	+1,700
	=====	=====	=====	=====	=====
Total, Office of the Secretary.....	165,255	336,089	164,100	-1,155	-171,989
Federal Aviation Administration					
Operations.....	7,486,493	7,849,000	7,726,000	+239,507	-123,000
Facilities & equipment (Airport & Airway Trust Fund).....	2,892,831	2,500,000	2,500,000	-392,831	---
Rescission (Airport and Airway Trust Fund).....	-30,000	---	---	+30,000	---
Subtotal, F&E.....	2,862,831	2,500,000	2,500,000	-362,831	---
Research, engineering, and development (Airport and Airway Trust Fund).....	118,734	117,000	117,000	-1,734	---

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(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Grants-in-aid for airports (Airport and Airway Trust Fund):					
(Rescission of unobligated balances).....	---	---	-758,000	-758,000	-758,000
Pop up contract authority based on ob limit.....	---	---	493,000	+493,000	+493,000
(Liquidation of contract authorization).....	(3,379,940)	(2,800,000)	(3,200,000)	(-179,940)	(+400,000)
(Limitation on obligations).....	(3,379,940)	(3,500,000)	(3,993,000)	(+613,060)	(+493,000)
(Small community air service pilot program).....	(20,000)	---	(20,000)	---	(+20,000)
Alliance Airport, TX (Sec. 167).....	1,988	---	---	-1,988	---
Subtotal, Grants-in-aid.....	(3,381,928)	(3,500,000)	(3,728,000)	(+346,072)	(+228,000)
Aviation insurance revolving fund.....					
War risk insurance.....	---	---	-50,000	-50,000	-50,000
Total, Federal Aviation Administration.....					
(Limitations on obligations).....	10,500,046	10,466,000	10,786,000	+285,954	+320,000
Rescissions.....	(3,379,940)	(3,500,000)	(3,993,000)	(+613,060)	(+493,000)
Rescissions of contract authority.....	-30,000	---	-758,000	-728,000	-758,000
Subtotal.....	(13,849,986)	(13,966,000)	(14,021,000)	(+171,014)	(+55,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Federal Highway Administration					
Limitation on administrative expenses.....	(335,612)	(349,594)	(346,000)	(+10,388)	(-3,594)
Federal-aid highways (Highway Trust Fund):					
(Limitation on obligations).....	(33,643,326)	(33,643,326)	(34,641,000)	(+997,674)	(+997,674)
(Exempt obligations).....	(931,297)	(834,632)	(834,632)	(-96,665)	---
(Liquidation of contract authorization).....	(34,000,000)	(34,000,000)	(35,000,000)	(+1,000,000)	(+1,000,000)
Miscellaneous appropriations (rescission).....	---	---	---	---	---
Miscellaneous rescission of contract authority.....	-207,000	-300,000	-386,000	-179,000	-86,000
TEA-21 Re-designations, etc. (Sec. 112).....	---	---	---	---	---
State of Wisconsin P.L. 107-87 (Sec. 113).....	---	---	---	---	---
Ohio River Bridges.....	---	---	---	---	---
Kentucky Highlands.....	---	---	---	---	---
Appalachian development highway system.....	124,263	---	---	-124,263	---
Miscellaneous projects (Highway trust fund) (Sec. 162)	49,705	---	---	-49,705	---
Rock County road, Jamesville, WI (Sec. 167).....	994	---	---	-994	---
I-75 improvements, Lee County, FL (Sec. 167).....	2,485	---	---	-2,485	---
Total, Federal Highway Administration.....	177,447	---	---	-177,447	---
(Limitations on obligations).....	(33,643,326)	(33,643,326)	(34,641,000)	(+997,674)	(+997,674)
(Exempt obligations).....	(931,297)	(834,632)	(834,632)	(-96,665)	---
Rescissions.....	---	---	---	---	---
Rescissions of contract authority.....	-207,000	-300,000	-386,000	-179,000	-86,000
Net total, FHWA.....	(34,545,070)	(34,177,958)	(35,089,632)	(+544,562)	(+911,674)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Federal Motor Carrier Safety Administration					
Motor carrier safety (limitation on administrative expenses) (limitation on obligations).....	(175,031)	(228,000)	(248,480)	(+73,449)	(+20,480)
National motor carrier safety program (Highway Trust Fund):					
(Liquidation of contract authorization).....	(190,000)	(227,000)	(190,000)	---	(-37,000)
(Limitation on obligations).....	(188,879)	(227,000)	(190,000)	(+1,121)	(-37,000)
E-Gov (Highway trust fund).....	---	450	---	---	-450
	=====	=====	=====	=====	=====
Total, Federal Motor Carrier Safety Admin.....	(363,910)	(455,000)	(438,480)	(+74,570)	(-16,520)
(Limitations on obligations).....	---	---	---	---	---
National Highway Traffic Safety Administration					
Operations and research.....	---	139,300	129,514	+129,514	-9,786
Operations and research (HTF).....	(149,657)	---	---	(-149,657)	---
Operations and research (Highway trust fund):					
(Liquidation of contract authorization).....	(72,000)	(90,000)	(90,000)	(+18,000)	---
(Limitation on obligations).....	(71,575)	(90,000)	(90,000)	(+18,425)	---
National Driver Register (Highway trust fund).....	(3,558)	(4,000)	(3,600)	(+42)	(-400)
	=====	=====	=====	=====	=====
Subtotal, Operations and research.....	(224,790)	(233,300)	(223,114)	(-1,676)	(-10,186)
Highway traffic safety grants (Highway Trust Fund):					
(Liquidation of contract authorization).....	(223,675)	(456,000)	(225,000)	(+1,327)	(-231,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
(Limitation on obligations):					
Highway safety programs (Sec. 402).....	(164,027)	(296,000)	(165,000)	(+973)	(-131,000)
Occupant protection incentive grants (Sec. 405).....	(19,882)	---	(20,000)	(+118)	(+20,000)
Alcohol-impaired driving countermeasures grants (Sec. 410).....	(39,764)	---	(40,000)	(+236)	(+40,000)
Emergency medical services grants (Sec. 407).....	---	(10,000)	---	---	(-10,000)
State traffic safety info system improvement grants (Sec. 412).....	---	(50,000)	---	---	(-50,000)
Safety Incentive Grants for primary seat belt laws	---	(100,000)	---	---	(-100,000)
Subtotal, limitation on obligations.....	(223,673)	(456,000)	(225,000)	(+1,327)	(-231,000)
=====					
Total, National Highway Traffic Safety Admin.. (Limitations on obligations).....	(448,463)	139,300 (550,000)	129,514 (318,600)	+129,514 (-129,863)	-9,786 (-231,400)
Total budgetary resources.....	(448,463)	(689,300)	(448,114)	(-349)	(-241,186)
Federal Railroad Administration					
Safety and operations.....	130,053	142,396	137,738	+7,685	-4,658
Railroad research and development.....	33,824	36,025	33,289	-535	-2,736
Amtrak RRIF repayment deferment.....	2,982	---	---	-2,982	---
Pennsylvania Station Redevelopment project (advance appropriation).....	---	---	-39,827	-39,827	-39,827
Next generation high-speed rail.....	37,179	10,000	11,000	-26,179	+1,000

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	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Alaska Railroad rehabilitation.....	24,853	---	---	-24,853	---
Grants to the National Railroad Passenger Corporation.....	1,217,773	900,000	900,000	-317,773	---
Total, Federal Railroad Administration.....	1,446,664	1,088,421	1,082,027	-364,637	-6,394
Federal Transit Administration					
Administrative expenses.....	15,011	---	15,100	+89	+15,100
Administrative expenses (Highway Trust Fund, Mass Transit Account) (limitation on obligations).....	(60,044)	---	(60,400)	(+356)	(+60,400)
Subtotal, Administrative expenses.....	(75,055)	---	(75,500)	(+445)	(+75,500)
Administrative expenses per President's request.....	---	79,931	---	---	-79,931
Formula grants.....	763,270	---	767,800	+4,530	+767,800
Formula grants (Highway Trust Fund) (limitation on obligations).....	(3,053,080)	(5,622,871)	(3,271,200)	(+218,120)	(-2,351,671)
Subtotal, Formula grants.....	(3,816,350)	(5,622,871)	(4,039,000)	(+222,650)	(-1,583,871)
University transportation research.....	1,193	---	1,200	+7	+1,200
University transportation research (Highway Trust Fund, Mass Transit Acct) (limitation on obligations).....	(4,772)	---	(4,800)	(+28)	(+4,800)
Subtotal, University transportation research.....	(5,965)	---	(6,000)	(+35)	(+6,000)

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AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Transit planning and research.....	25,051	---	25,200	+149	+25,200
Transit planning and research (Highway Trust Fund, Mass Transit Account) (limitation on obligations)...	(100,205)	---	(100,800)	(+595)	(+100,800)
Flexible funding.....	---	---	---	---	---
Subtotal, Transit planning and research.....	(125,256)	---	(126,000)	(+744)	(+126,000)
Rural transportation assistance.....	(5,219)	---	(5,250)	(+31)	(+5,250)
National transit institute.....	(3,976)	---	(4,000)	(+24)	(+4,000)
Transit cooperative research.....	(8,201)	---	(8,250)	(+49)	(+8,250)
Metropolitan planning.....	(60,030)	---	(60,386)	(+356)	(+60,386)
State planning.....	(12,540)	---	(12,614)	(+74)	(+12,614)
National planning and research.....	(35,291)	---	(35,500)	(+209)	(+35,500)
Subtotal, Transit planning and research.....	(125,257)	---	(126,000)	(+743)	(+126,000)
Trust fund share of expenses (Highway Trust Fund) (liquidation of contract authorization).....	(5,812,702)	(329,006)	(6,047,200)	(+234,498)	(+5,718,194)
Capital investment grants.....	623,798	---	342,647	-281,151	+342,647
Capital investment grants (Highway Trust Fund, Mass Transit Account) (limitation on obligations).....	(2,495,191)	---	(2,510,000)	(+14,809)	(+2,510,000)
Capital investment grants outlays.....	---	---	---	---	---
Subtotal, Capital investment grants.....	(3,118,989)	---	(2,852,647)	(-266,342)	(+2,852,647)
Major capital investment grants.....	---	1,234,192	---	---	-1,234,192

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
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	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Major capital investment grants (Highway Trust Fund, Mass Transit Account) (Limitation on obligations)....	---	(329,006)	---	---	(-329,006)
Fixed guideway modernization.....	(1,199,388)	---	(1,214,400)	(+15,012)	(+1,214,400)
Buses and bus-related facilities.....	(603,618)	---	(607,400)	(+3,782)	(+607,400)
New starts.....	(1,315,984)	---	(1,030,827)	(-285,157)	(+1,030,827)
Subtotal.....	(3,118,990)	---	(2,852,627)	(-266,363)	(+2,852,627)
Job access and reverse commute grants.....	24,853	---	50,000	+25,147	+50,000
(Highway Trust Fund, Mass Transit Account) (Limitation on obligations).....	(99,410)	---	(100,000)	(+590)	(+100,000)
Subtotal, Job access and reverse commute grants.....	(124,263)	---	(150,000)	(+25,737)	(+150,000)
Total, Federal Transit Administration.....	1,453,176	---	1,201,947	-251,229	+1,201,947
FTA per President's request.....	---	1,314,123	---	---	-1,314,123
(Limitations on obligations).....	(5,812,702)	(5,951,877)	(6,047,200)	(+234,498)	(+95,323)
Total budgetary resources, FTA.....	(7,265,878)	(7,266,000)	(7,249,147)	(-16,731)	(-16,853)
Saint Lawrence Seaway Development Corporation					
Operations and maintenance (Harbor Maintenance Trust Fund).....	14,315	15,900	15,900	+1,585	---

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	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Maritime Administration					
Maritime security program.....	98,118	98,700	98,700	+582	---
Operations and training.....	106,366	109,300	106,400	+34	-2,900
Ship disposal.....	16,115	21,616	19,116	+3,001	-2,500
Vessel operations revolving fund.....	---	---	---	---	---
Maritime Guaranteed Loan (Title XI) Program Account: Administrative expenses.....	4,471	4,764	4,764	+293	---
Total, Maritime Administration.....	225,070	234,380	228,980	+3,910	-5,400
Rescissions.....	-4,107	---	-1,979	+2,128	-1,979
Net total, Maritime Administration.....	220,963	234,380	227,001	+6,038	-7,379
Research and Special Programs Administration					
Research and special programs.....	46,167	52,936	46,790	+623	-6,146
Pipeline safety: Pipeline Safety Fund.....	52,991	51,073	54,466	+1,475	+3,393
Oil Spill Liability Trust Fund.....	12,923	19,000	14,000	+1,077	-5,000
Subtotal, Pipeline safety program (incl reserve)	65,914	70,073	68,466	+2,552	-1,607

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(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
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.....	112,280	123,209	115,456	+3,176	-7,753
Office of Inspector General					
Salaries and expenses.....	55,670	59,000	58,000	+2,330	-1,000
Surface Transportation Board					
Salaries and expenses.....	19,406	20,521	20,771	+1,365	+250
Offsetting collections.....	-1,050	-1,050	-1,250	-200	-200
Total, Surface Transportation Board.....	18,356	19,471	19,521	+1,165	+50
Net total, title I, Department of Transportation	13,927,172	13,496,343	12,615,639	-1,311,533	-880,704
Appropriations.....	(14,168,279)	(13,796,343)	(13,801,445)	(-366,834)	(+5,102)
Emergency.....	---	---	---	---	---
Offsets for new user fees.....	---	---	---	---	---
Rescissions.....	(-34,107)	---	(-799,806)	(-765,699)	(-799,806)
Rescission of contract authority.....	(-207,000)	(-300,000)	(-386,000)	(-179,000)	(-86,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
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	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
(By transfer).....	---	---	---	---	---
(Transfer authority).....	---	---	---	---	---
(Limitations on obligations).....	(43,648,341)	(44,100,203)	(45,438,280)	(+1,789,939)	(+1,338,077)
(Exempt obligations).....	(931,297)	(834,632)	(834,632)	(-96,665)	---
Net total budgetary resources.....	(58,506,810)	(58,431,178)	(58,888,551)	(+381,741)	(+457,373)
Transportation discretionary total.....	13,927,172	13,496,343	12,615,639	-1,311,533	-880,704

TITLE II - DEPARTMENT OF THE TREASURY

Departmental Offices.....	175,070	185,041	177,000	+1,930	-8,041
Department-wide systems and capital investments programs.....	36,185	36,072	36,072	-113	---
Office of Inspector General.....	12,923	14,158	16,500	+3,577	+2,342
Treasury Inspector General for Tax Administration.....	127,279	129,126	129,126	+1,847	---
Air Transportation Stabilization Program Account.....	2,523	2,800	2,000	-523	-800
Treasury Building and Annex Repair and Restoration.....	24,853	20,316	20,316	-4,537	---
Expanded Access to Financial Services (rescission).....	---	-4,000	-4,000	-4,000	---
Violent crime reduction program (rescission).....	---	-1,000	-1,000	-1,000	---
Financial Crimes Enforcement Network.....	57,231	64,502	64,502	+7,271	---
Financial Management Service.....	227,210	230,930	230,930	+3,720	---
Alcohol and Tobacco Tax and Trade Bureau.....	79,528	81,942	82,542	+3,014	+600
Bureau of the Public Debt.....	172,627	175,166	175,166	+2,539	---
Payment of government losses in shipment.....	500	1,000	1,000	+500	---

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(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Internal Revenue Service:					
Processing, Assistance, and Management.....	4,009,205	4,148,403	4,071,824	+62,619	-76,579
Tax Law Enforcement.....	4,171,244	4,564,350	4,278,107	+106,863	-286,243
Information Systems.....	1,581,575	1,641,768	1,622,093	+40,518	-19,675
Business systems modernization.....	387,699	285,000	285,000	-102,699	---
Health Insurance Tax Credit Administration.....	34,794	34,841	34,841	+47	---
Subtotal.....	10,184,517	10,674,362	10,291,865	+107,348	-382,497
Total, title II, Department of the Treasury...	11,100,446	11,610,415	11,222,019	+121,573	-388,396
Appropriations.....	11,100,446	11,615,415	11,227,019	+126,573	-388,396
Emergency funding.....	---	---	---	---	---
Rescissions.....	---	-5,000	-5,000	-5,000	---

TITLE III - 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.....	68,760	---	59,525	-9,235	+59,525
Homeland Security Council.....	---	---	---	---	---
Executive Residence at the White House:					
Operating Expenses.....	12,427	---	12,760	+333	+12,760
White House Repair and Restoration.....	4,200	---	1,900	-2,300	+1,900
Council of Economic Advisers.....	4,475	---	4,040	-435	+4,040

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
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(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Office of Policy Development.....	4,085	---	2,267	-1,818	+2,267
National Security Council.....	10,489	---	8,932	-1,557	+8,932
Homeland Security Council.....	---	---	2,475	+2,475	+2,475
Office of Administration.....	82,337	---	92,696	+10,359	+92,696
The White House salaries and expenses.....	---	181,048	---	---	-181,048
Office of Management and Budget.....	66,763	76,565	67,759	+996	-8,806
Office of National Drug Control Policy:					
Salaries and expenses.....	27,832	27,609	28,109	+277	+500
Counterdrug Technology Assessment Center.....	41,752	40,000	30,000	-11,752	-10,000
Subtotal.....	69,584	67,609	58,109	-11,475	-9,500
High Intensity Drug Trafficking Areas Program.....	225,015	208,350	215,350	-9,665	+7,000
Other Federal Drug Control Programs.....	227,649	235,000	195,000	-32,649	-40,000
Unanticipated Needs.....	994	1,000	1,000	+6	---
Special Assistance to the President and the Official Residence of the Vice President:					
Salaries and expenses.....	4,435	4,571	4,571	+136	---
Operating expenses.....	329	333	333	+4	---
Total, title III, Executive Office of the President and Funds Appropriated to the President:	781,992	774,476	727,167	-54,825	-47,309
Appropriations.....	781,992	774,476	727,167	-54,825	-47,309
Rescission.....	---	---	---	---	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE IV - INDEPENDENT AGENCIES					
Architectural and Transportation Barriers					
Compliance Board:					
Salaries and expenses.....	5,369	5,686	5,686	+317	---
National Transportation Safety Board:					
Salaries and expenses.....	73,065	74,425	76,925	+3,860	+2,500
Rescission of prior year funds.....	---	-8,000	-8,000	-8,000	---
Emergency fund.....	596	---	---	-596	---
Federal Election Commission.....	50,938	52,159	52,159	+1,221	---
Federal Election Assistance Commission:					
Salaries and expenses.....	1,193	20,000	15,000	+13,807	-5,000
Election reform programs.....	1,491,150	30,000	---	-1,491,150	-30,000
Federal Labor Relations Authority.....	29,436	29,673	29,673	+237	---
Federal Maritime Commission.....	18,362	19,496	19,362	+1,000	-134
General Services Administration:					
Federal Buildings Fund:					
Appropriations.....	443,369	---	---	-443,369	---
Limitations on availability of revenue:					
Construction and acquisition of facilities	(708,268)	(650,223)	(522,251)	(-186,017)	(-127,972)
Repairs and alterations.....	(991,300)	(980,222)	(931,211)	(-60,089)	(-49,011)
Installation acquisition payments.....	(169,745)	(161,442)	(161,442)	(-8,303)	---
Rental of space.....	(3,280,187)	(3,672,315)	(3,672,315)	(+392,128)	---
Building Operations.....	(1,608,708)	(1,709,522)	(1,709,522)	(+100,814)	---
Subtotal, limitations.....	(6,758,208)	(7,173,724)	(6,996,741)	(+238,533)	(-176,983)
Repayment of Debt.....	(54,256)	(41,000)	(41,000)	(-13,256)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rental income to fund.....	---	---	---	---	---
Total, Federal Buildings Fund.....	443,369	---	---	-443,369	---
(Limitations).....	(6,812,464)	(7,214,724)	(7,037,741)	(+225,277)	(-176,983)
Governmentwide policy.....	56,050	62,100	62,100	+6,050	---
Operating Expenses.....	87,590	82,175	82,175	-5,415	---
Office of Inspector General.....	38,938	42,351	42,351	+3,413	---
Electronic Government (E-Gov) Fund.....	2,982	5,000	5,000	+2,018	---
General supply fund for E-Gov (FY05 Sec. 409).....	---	40,000	---	---	-40,000
Allowances and Office Staff for Former Presidents. Expenses, Presidential transition.....	3,373	3,449	3,449	+76	---
Federal building project (FY04 Sec. 408).....	13,917	7,700	7,700	+7,700	---
San Joaquin conveyance (FY04 Sec. 412).....	-1,000	---	---	-13,917	---
Middle River Depot sale (FY05 Sec. 407).....	---	---	---	+1,000	---
Total, General Services Administration.....	645,219	242,775	202,775	-442,444	-40,000
Merit Systems Protection Board: Salaries and Expenses.....	32,683	37,303	34,683	+2,000	-2,620
Limitation on administrative expenses.....	2,611	---	---	-2,611	---
Morris K. Udall Foundation: Morris K. Udall Trust Fund.....	1,984	---	1,984	---	+1,984
Environmental Dispute Resolution Fund.....	1,301	700	1,301	---	+601
National Archives and Records Administration: Operating expenses.....	255,185	266,945	264,185	+9,000	-2,760

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Electronic records archive.....	35,702	35,914	35,914	+212	---
Reduction of debt.....	-7,810	-8,000	-8,000	-190	---
Repairs and Restoration.....	13,627	6,182	7,182	-6,445	+1,000
National Historical Publications and Records Commission: Grants program.....	9,941	3,000	3,000	-6,941	---
Total, National Archives and Records Admin.....	306,645	304,041	302,281	-4,364	-1,760
Office of Government Ethics.....	10,675	11,238	11,238	+563	---
Office of Personnel Management:					
Salaries and Expenses.....	118,793	131,291	120,444	+1,651	-10,847
Limitation on administrative expenses.....	135,112	128,462	128,462	-6,650	---
Office of Inspector General.....	1,489	1,627	1,627	+138	---
Limitation on administrative expenses.....	14,342	16,461	16,461	+2,119	---
Government Payment for Annuitants, Employees Health Benefits.....	7,219,000	8,135,000	8,135,000	+916,000	---
Government Payment for Annuitants, Employee Life Insurance.....	35,000	35,000	35,000	---	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Payment to Civil Service Retirement and Disability Fund.....	9,987,000	9,772,000	9,772,000	-215,000	---
Human Capital Performance Fund.....	984	300,000	12,514	+11,520	-287,486
Total, Office of Personnel Management.....	17,511,730	18,519,841	18,221,508	+709,778	-298,333
Office of Special Counsel.....	13,424	15,449	15,449	+2,025	---
Postal Service: Payment to the Postal Service Fund.....	28,829	---	---	-28,829	---
Advance appropriation provided in previous act for FY2005.....	30,831	36,521	36,521	+5,690	---
Total available for FY2005.....	59,660	36,521	36,521	-23,139	---
Advance appropriation for FY 2006.....	36,306	61,709	61,709	+25,403	---
United States Tax Court.....	39,950	41,180	41,180	+1,230	---
Total, title IV, Independent Agencies.....	20,332,297	19,494,196	19,121,434	-1,210,863	-372,762

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Title V - General Provisions, This Act					
Payments to air carriers (Airport & Airway Trust Fund)	---	-30,000	---	---	+30,000
Continued dumping/subsidy offset (FY05 Sec. 635).....	---	-1,450,000	---	---	+1,450,000
Eliminate 10 year limit on debt collection (FY05 Sec. 636).....	---	-2,000	-2,000	-2,000	---
HHS info match- new hires (FY05 Sec. 637).....	---	-125,000	-125,000	-125,000	---
Collect unemployment overpayment (FY05 Sec. 638).....	---	-20,000	-20,000	-20,000	---
Total, General provisions.....	---	-1,627,000	-147,000	-147,000	+1,480,000
=====					
Grand total.....	46,141,907	43,748,430	43,539,259	-2,602,648	-209,171
Appropriations.....	(46,315,877)	(43,963,200)	(44,639,835)	(-1,676,042)	(+676,635)
Emergency.....	---	---	---	---	---
Offset for new user fees.....	---	---	---	---	---
Rescissions.....	(-34,107)	(-13,000)	(-812,806)	(-778,699)	(-799,806)
Rescission of contract authority.....	(-207,000)	(-300,000)	(-386,000)	(-179,000)	(-86,000)
Advance appropriation provided in previous act for FY2005.....	(30,831)	(36,521)	(36,521)	(+5,690)	---
Advance appropriation.....	(36,306)	(61,709)	(61,709)	(+25,403)	---
(By transfer).....	---	---	---	---	---
(Transfer authority).....	---	---	---	---	---
(Limitation on obligations).....	(43,648,341)	(44,100,203)	(45,438,280)	(+1,789,939)	(-1,338,077)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
 (Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
(Rescissions of limitations on obligations). (Exempt obligations).....	(931,297)	(834,632)	(834,632)	(-96,665)	---
Net total budgetary resources.....	(90,721,545)	(98,683,265)	(99,812,171)	(-909,374)	(-+1,128,906)
Discretionary total.....	27,446,781	25,805,430	24,393,862	-3,052,919	-1,411,568

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Scorekeeping adjustments:					
Pipeline safety (OSLTF).....	-49,000	-51,000	-54,000	-5,000	-3,000
TASC adjustments (Sec. 348).....	-17,816	---	---	+17,816	---
Bureau of The Public Debt (Permanent).....	154,000	143,000	143,000	-11,000	---
Federal Reserve Bank reimbursement fund.....	122,000	175,000	175,000	+53,000	---
US Mint revolving fund.....	---	---	---	---	---
Sallie Mae.....	994	1,000	1,000	+6	---
Federal buildings fund.....	-8,000	15,000	-162,000	-154,000	-177,000
Advance appropriations:					
Postal service, FY 2005.....	-36,521	-61,709	-61,709	-25,188	---
Adjustment for GSA transfer to Homeland Security.....	-424,211	---	---	+424,211	---
Kenilworth Avenue bridge project (Sec.546).....	---	---	---	---	---
Total, adjustments.....	-258,554	221,291	41,291	+299,845	-180,000
Grand total (including scorekeeping).....	45,883,353	43,969,721	43,580,550	-2,302,803	-389,171
Appropriations.....	(46,093,844)	(44,246,200)	(44,742,835)	(-1,351,009)	(+496,635)
Emergency.....	---	---	---	---	---
Offset for new user fees.....	---	---	---	---	---
Rescissions.....	(-34,107)	(-13,000)	(-812,806)	(-778,699)	(-799,806)
Rescission of contract authority.....	(-207,000)	(-300,000)	(-386,000)	(-179,000)	(-86,000)
(By transfer).....	---	---	---	---	---
(Transfer authority).....	---	---	---	---	---
(Limitations on obligations).....	(43,648,341)	(44,100,203)	(45,438,280)	(-1,789,939)	(+1,338,077)

COMPARATIVE STATEMENT OF NEW BUDGET (OBIGATIONAL) AUTHORITY FOR 2004
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
(Rescissions of limitations on obligations). (Exempt obligations).....	(931,297)	(634,632)	(634,632)	(-96,665)	---
Net grand total budgetary resources.....	(90,462,991)	(88,904,556)	(89,853,462)	(-609,529)	(+948,906)
Total, (including adjustments).....	45,883,353	43,969,721	43,580,550	-2,302,803	-389,171
Amounts in this bill.....	(46,141,907)	(43,748,430)	(43,539,259)	(-2,602,648)	(-209,171)
Scorekeeping adjustments.....	(-258,554)	(221,291)	(41,291)	(+299,845)	(-180,000)
Prior year outlays.....	---	---	---	---	---
Total mandatory and discretionary.....	45,883,353	43,969,721	43,580,550	-2,302,803	-389,171
Mandatory.....	(17,517,950)	(18,261,000)	(18,261,450)	(+743,500)	(+450)
Prior year outlays.....	---	---	---	---	---
Total mandatory.....	(17,517,950)	(18,261,000)	(18,261,450)	(+743,500)	(+450)
Discretionary.....	(28,365,403)	(25,708,721)	(25,319,100)	(-3,046,303)	(-389,621)
Prior year outlays.....	---	---	---	---	---
Total discretionary.....	(28,365,403)	(25,708,721)	(25,319,100)	(-3,046,303)	(-389,621)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
(Amounts in thousands)

RECAP BY FUNCTION

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Mandatory.....	17,517,950	18,261,000	18,261,450	+743,500	+450
Prior year (outlays only).....	---	---	---	---	---
Total, Mandatory.....	17,517,950	18,261,000	18,261,450	+743,500	+450
Discretionary:					
Highway category.....	---	---	---	---	---
(Limitation on obligations).....	(34,455,699)	(34,648,326)	(35,398,080)	(+942,381)	(+749,754)
Prior year (outlays only).....	---	---	---	---	---
Total, Highway category.....	(34,455,699)	(34,648,326)	(35,398,080)	(+942,381)	(+749,754)
Highway category budget scoring.....	---	---	---	---	---
Mass Transit category.....	1,453,176	---	1,201,947	-251,229	+1,201,947
(Limitation on obligations).....	(5,812,702)	(5,951,877)	(6,047,200)	(+234,498)	(+95,323)
Prior year (outlays only).....	---	---	---	---	---
Total, Mass Transit category.....	(7,265,878)	(5,951,877)	(7,249,147)	(-16,731)	(+1,297,270)
Mass Transit category budget scoring.....	1,453,176	---	1,201,947	-251,229	+1,201,947
General purpose discretionary:					
Defense discretionary.....	98,118	98,700	98,700	+582	---
Prior year (outlays only).....	---	---	---	---	---
Total, Defense (050).....	98,118	98,700	98,700	+582	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2004
 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2005
 (Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Nondefense discretionary.....	26,814,109	25,610,021	24,018,453	-2,795,656	-1,591,568
Prior year (outlays only).....					
Total, Nondefense.....	26,814,109	25,610,021	24,018,453	-2,795,656	-1,591,568
Total, General purpose discretionary..	26,912,227	25,708,721	24,117,153	-2,795,074	-1,591,568
Total, Discretionary.....	28,365,403	25,708,721	25,319,100	-3,046,303	-389,621
Total, Mandatory and discretionary....	45,883,353	43,969,721	43,580,550	-2,302,803	-389,171

ADDITIONAL VIEWS OF HON. JOHN W. OLVER

There are a number of problems with the Transportation, Treasury and Independent Agencies bill as reported out of Committee. Although Chairman Istook has tried as hard as he can to produce a bill that spreads the pain fairly evenly, it has been more important for the Majority to maintain super sized tax cuts for millionaires than provide the basic services that Americans need.

Earlier this year, the House Majority passed a Budget Resolution that prioritized tax cuts for the wealthiest far ahead of critical investments that benefit all Americans. This fiction of a budget resolution quickly becomes real when we have to translate it into programs that impact the lives of millions of Americans each day.

If it was not apparent at the time, it is now clear that the Budget Resolution will make it nearly impossible to adequately fund many of our nation's needs, including those contained in this bill.

Despite some improvements to the bill at Full Committee, serious problems remain that will need to be addressed as the process moves forward. Our concerns include:

- *FAA*—The bill makes significant cuts to the FY05 request level for FAA Operations and to the FY04 enacted level for Facilities and Equipment. Although the Chairman should be commended for supporting additional funding for the hiring of new Air Traffic Controllers, without proper funding throughout the agency, these new controllers will come into an Agency that lacks the proper equipment and facilities to assist them in ensuring the safety and security of the nation's airways.

In FY04, the FAA's limited funding resulted in the attrition of over one thousand personnel. The Committee reported funding level for the FAA for FY05, if sustained, will certainly result in further attrition from the FAA's workforce.

- *Amtrak*—Once again we find ourselves with a Committee reported funding level of \$900 million that Amtrak says will result in the shut-down of the railroad before the fiscal year is even half over. To make matters worse, the bill also requires Amtrak to pay back a \$100 million loan that they received in FY03; thus making Amtrak's net resources available in FY05 only \$800 million.

As we argued last year, even if Amtrak can continue to somehow manage to operate at this funding level, the Committee is again denying Amtrak resources necessary to address the capital backlog. We will once again be one catastrophe away from shutting down Amtrak operations and significantly impacting all trains that run on Amtrak's bridges and rails in the Northeast Corridor. Neglect of the infrastructure will have a major impact on commuters and travelers throughout the country.

- *IRS Tax Compliance*—Without proper funding for the IRS tax compliance activities we will continue to leave on the table the over

\$300 billion in tax revenues that go uncollected each year. In effect, we're now giving tax cuts to tax cheaters.

The President's FY05 budget laudably proposed a fairly significant increase for IRS compliance resources. Earlier this year, the IRS Oversight Board, after reviewing the IRS' budget proposal, agreed with the need for an emphasis on enforcement but found that the President's budget did "not back up its goals on enforcement with the necessary resources to do the job."

Unfortunately, the Committee provided a funding level that is \$286 million (6.3%) below the President's FY05 request for the IRS Tax Law Enforcement account. Furthermore, the Committee's funding level is \$492 million (10.3%) below the amount the Oversight Board said was necessary for proper tax law enforcement in FY05.

Because increased investment has a direct yield on revenue collection, this seems like one of the smartest places to invest our scarce resources. The Administration claims that their new compliance initiatives, if fully funded, will yield a six-to-one return on investment. Unfortunately, the budget resolution forced the Committee to make cuts in an area here that could have yielded the Treasury even greater resources for the future.

- *Matriculas Consular*—The Full Committee voted to retain an unfortunate provision (Section 216) that would prohibit the Treasury Department from acting to permit financial institutions to accept the matricula consular identification card as a form of identification for opening a bank account. Matriculas are a safe, reliable identification card that helps undermine the market for illegal identification and fraudulent documents. The card *does not* change a person's immigration status. Serving as official identification, the card is another line of defense in the continuing efforts to ensure that terrorists do not have access to our financial institutions.

The Administration opposes this provision as well because this language would restrict the ability of financial institutions to comply with anti-money laundering and anti-terrorist financing statutes. Treasury Secretary John W. Snow, in a recent letter to Congress said, "Because this provision [Sec. 216] could drive large sections of the U.S. population to underground financial services, it would weaken the Government's ability to enforce our money laundering and terrorist financing laws." In the post-9/11 environment, we want people who are in this country, whatever their status, to be able to prove their identity.

The most recent version of the card, issued in 2002, has a dozen security features, including a hologram, digitized photo, and infrared band. As *The Washington Times* reported (Nov. 26, 2002): "[Mexican] officials turned the previous version of the [matricula] card into a high-tech ID that's more fraud-proof than many state drivers' licenses." Approximately 350 financial institutions and 1100 police departments accept the Mexican Consular ID as a valid form of identification. The card improves safety, giving Mexican nationals an incentive to register with the Mexican consulate while they are in the U.S. The card also helps police departments by serving as a means of quickly identifying witnesses, victims, and suspects. Immigrants with identification are more likely to report crimes and cooperate in police investigations.

- *Unspecified Cuts*—In order to remain under the Subcommittee's low allocation, the Subcommittee made what appear to be unspecified, and in some cases seemingly arbitrary cuts, to important programs. Although unspecified cuts provide Departments and Agencies some discretion in determining where they can reduce services, they are but a blunt instrument for carrying out the fiction that is this year's budget process. Sadly for Americans who depend on Federal programs, the cuts and policy decisions set forth in this bill, if sustained, will further erode the Federal government's infrastructure and basic operations.

Before concluding, I want to point out that the Majority agreed at Full Committee to address some of the concerns we had with the Subcommittee passed bill. Some important improvements include:

- Restoring what appeared to be \$4.5 million of arbitrary cuts taken from the budget of the Financial Crimes Enforcement Network (FinCEN)—the Treasury bureau that targets criminal money laundering and terrorist financing activities. Without the restoration of these funds, FinCEN would not have been able to even maintain current services and annualize programs that were started in FY 2004.

- Securing some additional funding (an additional \$2 million was added to the \$7 million provided in the Subcommittee passed bill) for the hire of new air traffic controllers in anticipation of the wave of impending controller retirements. Although the President, in his FY05 budget, failed to provide leadership on this critical safety and security priority, the Committee agreed with our concerns and had the foresight to address this looming problem.

- Providing funding for the Udall Foundation programs. Although the Udall Foundation's trust fund payment was zeroed out in the Subcommittee Mark, the Full Committee restored full funding at the FY04 enacted level of \$1.984 million. The environmental dispute resolution account was also restored to the FY04 enacted level. This action will ensure that important programs for Native Americans and environmental dispute resolution can continue unimpeded.

In conclusion, many changes are needed to address the problems that remain in the Committee reported bill. I will continue to seek the improvements outlined above as this bill moves through the Congress.

JOHN W. OLVER.

