[FULL COMMITTEE PRINT]

112TH CONGRESS, 1st Session } HOUSE OF REPRESENTATIVES { REPORT 112–

DEPARTMENTS OF TRANSPORTATION, AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS BILL, 2012

, 2011.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

REPORT

[To accompany H.R.]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2012.

INDEX TO BILL AND REPORT

67–080

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

Appropriation, fiscal year 2011	$102,481,000
Budget request, fiscal year 2012	118,842,000
Recommended in the bill	102,481,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	–16,361,000

COMMITTEE RECOMMENDATION

The bill provides $102,481,000 for the salaries and expenses of the offices comprising the Office of the Secretary of Transportation (OST). The Committee's recommendation is the same as the level provided in fiscal year 2011, and $16,361,000 below the budget request. The Committee's recommendation includes individual funding for each of these offices as has been done in prior years. The following table compares the fiscal year 2011 enacted level to the fiscal year 2012 budget request and the Committee's recommendation by office. The Committee recommends the fiscal year 2009 funding level for each individual office, with the primary exception of the Office of the Chief Information Officer (OCIO). The Committee provided an increase over the fiscal year 2009 level in order to assist the Department's efforts to upgrade computer system security.

[Dollars in 000]

	Fiscal Year 2011 Enacted	Fiscal Year 2012 Budget Request	Fiscal Year 2012 Recommendation
Office of the Secretary	$2,626	$2,623	$2,400
Deputy Secretary	984	988	759
Executive Secretariat	1,655	1,682	1,595
Policy	11,078	12,831	10,107
Small Business	1,496	1,520	1,369
Intelligence and Security	10,579	10,797	9,675
Chief Information Officer	13,189	17,750	16,003
General Counsel	20,318	19,615	19,615
Government Affairs	2,499	2,630	2,400
Budget	10,538	10,949	10,538
Administration	25,469	27,697	26,000
Public Affairs	2,050	2,137	2,020
Acquisition Workforce Development	– – –	7,623	– – –
Total Salaries and Expenses	102,481	118,842	102,481

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

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

Executive Secretariat.—The Executive Secretariat assists the Secretary and Deputy Secretary in carrying out their responsibilities by controlling and coordinating internal and external documents.

Office of the Under Secretary of Transportation for Policy.—The Office of the Under Secretary of Transportation for Policy serves as the Department's chief policy officer, and is responsible for the coordination and development of departmental policy and legislative initiatives; international standards development and harmonization; aviation and other transportation-related trade negotiations; the performance of policy and economic analysis; and the execution of the Essential Air Service program.

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

Office of the Chief Information Officer.—The Office of the Chief Information Officer serves as the principal advisor to the Secretary on information resources and information systems management.

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

In addition, the bill continues a provision (Sec. 188) that requires the Department to notify the Committees on Appropriations no fewer than three business days before any discretionary grant award, letter of intent, or full funding grant agreement in excess of $1,000,000 is announced by the Department or its modal administrations from: (1) any discretionary program of the Federal Highway Administration other than the emergency relief program; (2) the airport improvement program of the Federal Aviation Administration; (3) any grant from the Federal Railroad Administration; and (4) any program of the Federal Transit Administration other than the formula grants and fixed guideway modernization programs. Such notification shall include the date on which the official announcement of the grant is to be made and no such announcement shall involve funds that are not available for obligation.

Office of the General Counsel.—The Office of the General Counsel provides legal services to the Office of the Secretary and coordinates and reviews the legal work of the chief counsels' offices of the operating administrations.

Office of the Assistant Secretary for Budget and Programs.—The Assistant Secretary for Budget and Programs is responsible for developing, reviewing, and presenting budget resource requirements for the Department to the Secretary, Congress, and the Office of Management and Budget.

Office of the Assistant Secretary for Administration.—The Office of the Assistant Secretary for Administration serves as the principal advisor to the Secretary on department-wide administrative matters and her responsibilities include leadership in acquisition reform and human capital.

Office of Public Affairs.—The Office of Public Affairs is responsible for the Department's press releases, articles, briefing materials, publications, and audio-visual materials.

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

Acquisition workforce development.—The Committee did not provide an additional $7,623,000 for acquisition workforce development as requested. The Department did not make a thorough justification for a special set aside of these funds, but is free to provide training with existing funds.

Congressional budget justifications.—The vacuous budget and materials submitted in support of the request could not have been more deaf to the fiscal situation of the transportation trust funds or the nation in general. The Committee will give serious consideration to the fiscal year 2013 budget proposal only if proposed legislation, including a method for paying for any program changes, is transmitted concurrently with the budget in February 2012. The Department is directed to include in the budget justification funding levels for the prior year, current year, and budget year for all programs, activities, initiatives, and program elements. Each budget submitted by the Department must also include a detailed justification for the incremental funding increases and additional FTEs being requested above the enacted level, by program, activity, or program element.

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

Operating plan.—The Committee directs the Department to submit an operating plan for fiscal year 2012 signed by the Secretary for review by the Committees on Appropriations within 60 days of the bill's enactment. The operating plan should include funding levels for the various offices, programs, and initiatives detailed down to the object class or program element covered in the budget justification and supporting documents, documents referenced in the House and Senate appropriations reports, and the statement of the managers. Further, should the Department create, alter, discontinue, or otherwise change any program as described in the Department's budget justification, those changes must be a part of the Department's operating plan.

General provisions.—The Committee notes that in the past many general provisions included in the President's budget request were not justified, addressed, nor presented in any DOT justification. Therefore, the Committee continues to direct DOT to justify each general provision proposed either in its relevant modal congressional justification or in the OST congressional justification.

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

California Environmental Quality Act.—The Committee encourages the Department of Transportation to revise existing regulations and work with state transportation agencies to put in place a mechanism to permit California Environmental Quality Act (CEQA) approvals to be acceptable at the federal level so as not to duplicate the same environmental processes through the National Environmental Policy Act (NEPA). California's environmental laws are unique in the Nation as the CEQA is more stringent than the federal guidelines under the NEPA and cover the same basic intent.

LIVABLE COMMUNITIES

Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	$10,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	–10,000,000

The goal of the livable communities program is to promote livable communities through investment in transportation infrastructure to decrease transportation costs; improve access to jobs and services; promote healthy communities; improve air quality; protect the natural environment; and enhance the unique characteristics of communities.

COMMITTEE RECOMMENDATION

The Committee recommendation does not include funding for the Livable Communities Office in fiscal year 2012, just as no funds were provided in fiscal year 2011. The budget proposed $10,000,000 for this purpose. Zoning and planning activities are best and currently conducted at the local level. Various existing grant programs allow for planning activities and localities are free to utilize already available funds as they see fit. Additional federal funds are not needed at this time.

NATIONAL INFRASTRUCTURE INVESTMENT

Appropriation, fiscal year 2011	$526,944,000
Budget request, fiscal year 2012	– – –
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2011	–526,944,000
Budget request, fiscal year 2012	– – –

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

COMMITTEE RECOMMENDATION

The Committee does not recommend additional funds for the national infrastructure investment program as proposed by the budget request. The Congress appropriated $526,944,000 for this purpose in fiscal year 2011. While the Committee agrees that the Nation is in desperate need for infrastructure investment and improvements, the Administration has yet to demonstrate or define the process, priority or criteria for how these grants are awarded. Further, for fiscal year 2012, the Committee awaits action by the various authorizing committees of jurisdiction before awarding new funds.

FINANCIAL MANAGEMENT CAPITAL

Appropriation, fiscal year 2011	$4,990,000
Budget request, fiscal year 2012	17,000,000
Recommended in the bill	5,000,000
Bill compared with:	
Appropriation, fiscal year 2011	+10,000
Budget request, fiscal year 2012	−12,000,000

The Financial Management Capital program continues funding for a multi-year project to upgrade DOT's financial systems and processes. The project will implement Treasury Department and Office of Management and Budget requirements.

COMMITTEE RECOMMENDATION

This Committee recommends $5,000,000 for financial management capital program, which is $10,000 above the fiscal year 2011 enacted level and $12,000,000 below the fiscal year 2012 budget request.

OFFICE OF CIVIL RIGHTS

Appropriation, fiscal year 2011	$9,648,000
Budget request, fiscal year 2012	9,661,000
Recommended in the bill	9,384,000
Bill compared with:	
Appropriation, fiscal year 2011	−264,000
Budget request, fiscal year 2012	−277,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $9,384,000 for the office of civil rights, which is the same as the fiscal year 2009 enacted level, $264,000 below the fiscal year 2011 level, and $277,000 below the level proposed in the fiscal year 2012 budget.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

Appropriation, fiscal year 2011	$9,799,000
Budget request, fiscal year 2012	9,824,000
Recommended in the bill	9,000,000
Bill compared with:	
Appropriation, fiscal year 2011	−799,000
Budget request, fiscal year 2012	−824,000

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $9,000,000 for transportation planning, research and development, which is $799,000 below the fiscal year 2011 enacted level and $824,000 below the level proposed in the fiscal year 2012 budget request.

WORKING CAPITAL FUND

Limitation, fiscal year 2011	($147,596,000)
Budget request, fiscal year 2012	(192,000,000)
Recommended in the bill	(147,596,000)
Bill compared with:	
Limitation, fiscal year 2011	(– – –)
Budget request, fiscal year 2012	(−44,404,000)

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

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $147,596,000 on the working capital fund, the same level as fiscal year 2011 and $44,404,000 below the budget request.

Operating administrations' usage of working capital fund.—The Committee directs the Department in its fiscal year 2013 congressional justifications to account for increases or decreases in individual modes working capital fund billings to be requested or anticipated by the mode, rather than the working capital fund managers. In addition, the Committee directs the Department to include a master table of all estimated transfers from each mode for the previous, current and next budget year in its fiscal year budget justification for the working capital fund.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

	Appropriation	Limitation on guaranteed loans
Appropriation, fiscal year 2011	$921,000	($18,367,000)
Budget request, fiscal year 2012	922,000	(18,367,000)
Recommended in the bill	922,000	(18,367,000)
Bill compared to:		
Appropriation, fiscal year 2011	+1,000	(– – –)
Budget request, fiscal year 2012	– – –	(– – –)

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

COMMITTEE RECOMMENDATION

The Committee recommends a total of $922,000 for the minority business resource center, which is $1,000 above the fiscal year 2011 enacted level, and the same as the fiscal year 2012 budget request.

The Committee recommends a limitation on guaranteed loans of $18,367,000, the same as the budget request and the fiscal year 2011 enacted level.

MINORITY BUSINESS OUTREACH

Appropriation, fiscal year 2011	$3,068,000
Budget request, fiscal year 2012	3,100,000
Recommended in the bill	3,068,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−32,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $3,068,000 for minority business outreach, which is the same as the fiscal year 2011 enacted level and $32,000 below the level proposed in the fiscal year 2012 budget.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2011	$149,700,000
Budget request, fiscal year 2012	123,254,000
Recommended in the bill	100,000,000
Bill compared with:	
Appropriation, fiscal year 2011	−49,700,000
Budget request, fiscal year 2012	−23,254,000

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

The Federal Aviation Administration Reauthorization Act of 1996 authorized the collection of "overflight fees." Overflight fees are a type of user fee collected by the Federal Aviation Administration (FAA) from aircraft that neither take off from, nor land in, the United States. The 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. If there is a shortfall in fees, the law requires the FAA to make up the difference from other available funds.

COMMITTEE RECOMMENDATION

For fiscal year 2012, the Committee recommends a total EAS program funding level of $150,000,000. This consists of a general fund appropriation of $100,000,000, and $50,000,000 to be derived from overflight fee collections. The Committee's recommendation is

$49,700,000 below the fiscal year 2011 enacted level and $23,254,000 below the fiscal year 2012 request.

The Committee includes the Department's proposal to limit the EAS program to only those communities being served as of October 1, 2011.

NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND

Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	$2,000,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−2,000,000,000

For the second year, the President's budget includes a legislative proposal to create a national infrastructure fund to invest in large capital infrastructure projects that promise significant national or regional economic benefits. Through the National Infrastructure Innovation and Finance Fund (I Fund), federal funds would be delivered through a variety of credit and grant mechanisms designed to not only provide federal resources but also attract and coordinate state, local, and private co-investment.

COMMITTEE RECOMMENDATION

The Committee provides no funding for this fund as it is not authorized, and the budget proposal did not include a method for financing such a fund.

ADMINISTRATIVE PROVISIONS—OFFICE OF THE SECRETARY OF TRANSPORTATION

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

Section 103. The Committee continues the provision allowing the Secretary or his designee to work with States and State legislators to consider proposals related to the reduction of motorcycle fatalities.

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. Similar to the surface transportation programs, the FAA's programs have gone through a series of short-term extensions. The aviation programs are currently authorized through July 3, 2010. In order to provide greater stability and predictability to the agency's programs and operations, the Committee is hopeful that a multi-year authorization will be enacted in the near future.

OPERATIONS

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2011	$9,513,962,000
Budget request, fiscal year 2012	9,823,000,000
Recommended in the bill	9,673,962,000
Bill compared with:	
Appropriation, fiscal year 2011	+160,000,000
Budget request, fiscal year 2012	−149,038,000

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 $9,673,962,000 for FAA operations, which is $149,039,000 less than the budget request and $160,000,000 above the fiscal year 2011 enacted level.

A comparison of the fiscal year 2012 budget request to the Committee recommendation by budget activity is as follows:

	FY 2011 enacted	FY 2012 request	FY 2012 recommendation
Air Traffic Organization	$7,458,352	$7,646,145	$7,618,352
Aviation Safety	1,250,514	1,283,568	1,250,514
Commercial Space Transportation	15,021	26,625	13,000
Financial Services	112,071	112,369	112,071
Human Resources	99,005	102,125	99,005
Region and Center Operations	337,133	374,955	337,133
Information Services	48,580	63,010	57,539
Administrator	4,145	4,220	4,145
Civil Rights	10,822	10,868	10,000
Government and Industry Affairs	1,573	1,603	1,000
Communications	6,794	5,914	5,000
Chief Counsel	48,505	50,772	48,505
Policy, International Affairs, and Environment	35,096	39,032	31,347
Security and Hazardous Materials	86,350	101,795	86,350
Total	9,513,962	9,823,000	9,673,961

Justification of general provisions.—The Committee continues its direction to provide a justification for each general provision proposed in the FAA budget and therefore expects the fiscal year 2013 budget to include adequate information on each proposed general provision.

AIR TRAFFIC ORGANIZATION

The bill provides $7,618,352,000 for the Air Traffic Organization, which is $149,038,000 less than the budget request and $160,000,000 above the fiscal year 2011 enacted level.

National Air Traffic Controller Association Contract Increase.—The Committee recommendation includes $160,000,000 for costs associated with the current air traffic controller contract, reached through binding arbitration in September of 2009, which mandates a 3% raise each year for all air traffic controllers. The contract will cost the federal government at least $669,000,000 in direct and indirect costs during the term of the contract.

While this agreement has provided much needed stability in terms of labor management relations, it has come at a great cost to the taxpayer and has set unreasonable expectations throughout the rest of the workforce in terms of raises, future negotiations, and labor management relations between other bargaining units and the agency.

The Committee directs the FAA to better manage the costs of future contracts with the controllers and other bargaining units throughout the agency. In this new era of fiscal responsibility, it is incumbent on the FAA to negotiate labor contracts that are fair to worker's rights without exposing the taxpayer to significant cost increases outside of the scope of agreements in the private sector and elsewhere in the government. Without a tightening of future agreements with other covered labor unions, the resources for NextGen and many other future initiatives will be in doubt.

En Route Automation Modernization (ERAM) Operations funding.—The Committee recommends no additional funding in the Operations account for ERAM related cost increases. As this program has not achieved Operational Readiness at any facility, it is inappropriate to fund cost overruns out of any account other than Facilities and Equipment.

Air Traffic Controller Optimum Training Solution Program (ATCOTS).—Within the amounts provided, the Committee has included the requested funding for the Air Traffic Controller Optimum Training Solution Program (ATCOTS). With the need to hire and train upwards of 11,000 new air traffic controllers by 2020, prioritize such issues such as fatigue management and ensure that training takes advantage of innovation and is consistent across FAA facilities, the Committee shares the OIG's concern that it will be difficult for the FAA to achieve its training goals or implement training innovations under the existing ATCOTS program. Therefore, the Committee directs the FAA to report back within 60 days on modifications to the program that will accommodate training for all required new controllers and facilitate modern learning principles.

Contract tower program.—The Committee recommendation includes $117,334,000 to continue the contract tower base program, which is the same level requested in the budget. This will fund three non-towered airports that are expected to enter the program during fiscal year 2012. In addition, the bill provides $10,000,000 to continue the contract tower cost-sharing program.

The Committee notes that the number of airports participating in the cost-sharing program fluctuates regularly because of changes in air traffic activity. In order to prevent program disruptions and provide more certainty, the Committee continues to permit the FAA to use unsubscribed funds from the contract tower base-line program to avoid elimination of communities from the cost-share towers program. However, FAA should only employ this flexibility with surplus funds in the base-line contract tower program, after all base-line contract tower obligations have been fulfilled.

Special use airspace for unmanned aerial systems.—No later than 60 days after the date of the enactment of this Act, the Administrator of the Federal Aviation Administration shall submit to the Committee on Appropriations in the House of Representatives and Senate a report describing and assessing the progress being made in establishing special use airspace to fill defense research needs related to unmanned aerial systems, particularly in the development of detection techniques for small unmanned aerial vehicles.

AVIATION SAFETY

The bill provides $1,250,514,000 for aviation safety which is equal to the fiscal year 2011 enacted level and $27,793,000 below the budget request.

The Committee continues its direction requiring the Secretary to provide annual reports regarding the use of the funds provided, including, but not limited to, the total full-time equivalent staff years in the offices of aircraft certification and flight standards, total employees, vacancies, and positions under active recruitment. The Committee directs the Secretary to provide this report to the House and Senate Committees on Appropriations by March 31, 2011.

The Committee is concerned that without the necessary funding and staffing to support the certification of new technologies and products in an effective and timely fashion, the competitiveness of U.S. aviation manufacturing will suffer and U.S. exports, economic growth, and jobs will be placed at risk. Accordingly, the Committee recommends $209,533,000 in funding and 1,335 full-time equivalent employees to support the FAA's aircraft certification service (AIR) activities, the same as the budget request.

COMMERCIAL SPACE TRANSPORTATION

The Committee recommends $13,000,000 for the office of commercial space transportation which is $13,625,000 below the budget request and $2,021,000 below the fiscal year 2011 enacted level. Given the challenges facing the Federal Aviation Administration with NextGen, safety oversight, rulemaking activities, and the operation of the world's largest 24 hour air traffic control system, the Committee denies the Administration's request for additional staff and resources for this office. Given the constrained resource environment that is facing the agency, the FAA can ill afford to divert resources away from core mission activities to this office.

The Committee recommends no funding for the $5,000,000 incentive program, and recommends no funding for the Commercial Spaceflight Technical Center.

FINANCIAL SERVICES

The Committee recommends $112,071,000 for the office of financial services which is $298,000 less than the budget request and equal to the fiscal year 2011 enacted level.

HUMAN RESOURCES

The Committee recommends $99,005,000 which is $3,120,000 below the budget request and equal to the fiscal year 2011 enacted level.

Workforce diversity report.—The Committee reiterates its direction that the FAA report data and information on the agency's recruitment outreach and hiring efforts in minority communities. The Committee expects the report to include a year-to-year comparison of hiring statistics for underrepresented populations. The FAA is directed to provide its letter report to the House and Senate Committees on Appropriations by January 15, 2012.

REGION AND CENTER OPERATIONS

The Committee recommends $337,133,000 for the region and center operations, which is $37,822,000 below the budget request and equal to the fiscal year 2011 enacted level.

INFORMATION SERVICES

The Committee recommends $57,539,000 for information services, which is $5,471,000 below the budget request and $8,959,000 above the fiscal year 2011 enacted level.

STAFF OFFICES

The Committee recommendation includes $186,347,000 for staff offices, which is $27,857,000 below the budget request and $6,938,000 below the fiscal year 2011 enacted level. Within the total amount, the Committee recommendation provides $1,794,000 below the fiscal year 2011 level for the Office of Communications, $2,005,000 below the fiscal year 2011 level for the Office of General Counsel, and $3,096,000 below the fiscal year 2011 level for the Office of Policy, International Affairs, and Environment. Reductions in these offices were taken to provide additional funding for the Office of Information Services for information technology security needs and to cover the air traffic controller pay raise elsewhere in the Operations account.

The Committee directs the agency to take the reductions from the Office of Policy, International Affairs, and Environment from the policy functions within the office.

BILL LANGUAGE

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

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

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

Credits.—Funds received from specified public, private, and foreign sources for expenses incurred may be credited to the appropriation.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2011	$2,730,731,000
Budget request, fiscal year 2012	2,870,000,000
Recommended in the bill	2,798,250,000
Bill compared with:	
Appropriation, fiscal year 2011	+67,519,000
Budget request, fiscal year 2012	−71,750,000

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $2,798,250,000, for the FAA's facilities and equipment program, an increase of $67,519,000 above the level provided in fiscal year 2011 and $71,750,000 below the budget request. The bill provides that of the total amount recommended, $2,318,250,000 is available for obligation until September 30, 2014, and $480,000,000 (the amount for personnel and related expenses) is available until September 30, 2012. These obligation availabilities are consistent with past appropriations Acts.

FACILITIES AND EQUIPMENT

	Fiscal year 2011 enacted	Fiscal year 12 request	Recommendation
Activity 1, Engineering, Development, Test and Evaluation:			
Advanced Technology Development and Prototyping	$25,449,000	$31,900,000	$31,900,000
NAS Improvement of System Support Laboratory	998,000	1,000,000	1,000,000
William J. Hughes Technical Center Facilities	12,974,000	15,000,000	15,000,000
William J. Hughes Technical Center Infrastructure Sustainment	7,485,000	7,500,000	7,500,000
Next Generation Network Enabled Weather (NNEW)	18,213,500	27,350,000	0
Data Communications in support of Next Generation Air Transportation System	134,031,400	143,000,000	143,000,000
Next Generation Transportation System Demonstration and Infrastructure Development	20,811,194	16,900,000	16,900,000
Next Generation Transportation System—System Development	60,386,123	90,000,000	90,000,000
Next Generation Transportation System—Trajectory Based Operations	39,559,622	9,300,000	9,300,000
Next Generation Transportation System—Weather Reduction Impact	21,444,214	14,600,000	15,600,000
Next Generation Transportation System—High Density Arrivals/Departures	43,220,885	14,300,000	14,300,000
Next Generation Transportation System—Collaborative ATM	55,788,200	28,000,000	28,000,000
Next Generation Transportation System—Flexible Terminals and Airports	57,372,400	36,300,000	36,300,000
Next Generation Transportation System—Safety Security and Environment	1,729,035	5,000,000	0
Next Generation Transportation System—Networked Facilities	23,339,727	9,000,000	9,000,000
NextGen Integrated Airport	– – –		
Next Generation Air Transportation System—Future Facilities	....	19,500,000	19,500,000
Joint Planning and Development Office (JPDO)	....	3,000,000	0
Performance Based Navigation	....	26,200,000	29,200,000
Total, Activity 1	522,802,300	497,850,000	466,500,000
Activity 2, Air Traffic Control Facilities and Equipment:			
En Route Programs:			
En Route Automation Modernization (ERAM)	181,935,400	120,000,000	148,000,000
En Route Automation Modernization (ERAM)—PER3	4,990,000	0	0
En Route Communications Gateway (ECG)	5,988,000	2,000,000	2,000,000
Next Generation Weather Radar (NEXRAD)—Provide	6,686,600	2,800,000	2,800,000
Air Traffic Control System Command Center (ATCSCC)—Relocation	2,095,800	3,600,000	3,600,000
ARTCC Building Improvements/Plant Improvements	36,818,216	14,670,600	46,000,000
Air Traffic Management (ATM)	14,670,600	7,500,000	7,500,000
Air/Ground Communications Infrastructure	7,584,800	4,800,000	4,800,000
ATC Beacon Interrogator (ATCBI)—Replacement	– – –		
Air Traffic Control En Route Radar Facilities Improvements	5,289,400	5,800,000	5,800,000
Voice Switching and Control System (VSCS)	15,568,800	1,000,000	1,000,000
Oceanic Automation System	3,992,000	6,000,000	6,000,000
Corrider Weather Integrated System (CWIS)	– – –		
Next Generation Very High Frequency Air/Ground Communications System (NEXCOM)	49,750,300	45,150,000	45,150,000
System-Wide Information Management (SWIM)	89,121,400	66,350,000	66,350,000
ADS–B NAS Wide Implementation	175,747,800	285,100,000	285,100,000
ADS–B Additional Coverage—General Aviation	....	....	....
Windshear Detection Services	998,000	1,000,000	1,000,000
Weather and Radar Processor (WARP)	2,095,800	2,500,000	2,500,000
Collaborative Air Traffic Management Technologies	35,828,200	41,500,000	41,500,000
Colorado Wide Area Multilateration (WAM)	....	3,800,000	3,800,000
Automated Terminal Information Service (ATIS)	....	1,000,000	1,000,000
Time-Based Flow Management (TBFM)	....	38,700,000	38,700,000
Subtotal En Route Programs	639,161,116	684,600,000	712,600,000
Terminal Programs:			
Airport Surface Detection Equipment—Model X (ASDE–X)	4,191,600	2,200,000	2,200,000
Terminal Doppler Weather Radar (TDWR)	8,582,800	7,700,000	7,700,000
Standard Terminal Automation Replacement System (STARS) (TAMR Phase 1)	21,956,000	25,000,000	25,000,000
Terminal Automation Modernization/Replacement Program (TAMR Phase 3)	59,880,000	98,750,000	108,750,000

FACILITIES AND EQUIPMENT—Continued

	Fiscal year 2011 enacted	Fiscal year 12 request	Recommendation
Terminal Automation Program	3,892,200	2,500,000	2,500,000
Terminal Air Traffic Control Facilities—Replace	71,558,596	51,600,000	51,600,000
ATCT/Terminal Radar Approach Control (TRACON) Facilities—Improve	45,508,800	56,900,000	56,900,000
Terminal Voice Switch Replacement (TVSR)	11,477,000	10,000,000	10,000,000
NAS Facilities OSHA and Environmental Standards Compliance	25,948,000	26,000,000	26,000,000
Airport Surveillance Radar (ASR–9)	2,994,000	6,000,000	6,000,000
Terminal Digital Radar (ASR–11)	4,091,800	3,900,000	3,900,000
Precision Runway Monitor (PRM)	948,100		
Runway Status Lights	54,890,000	29,800,000	29,800,000
National Airspace System Voice Switch (NVS)	4,191,600	19,800,000	19,800,000
Next Generation Voice Recorder Replacement Program	9,381,200		
Integrated Display System (IDS)	8,682,600	8,800,000	8,800,000
Remote Monitoring and Maintenance System (RMMS) Technology Refreshment	....	4,200,000	4,200,000
ASR–8 Service Life Extension Program (SLEP)	2,594,800	2,700,000	0
Integrated Terminal Weather System (ITWS)	5,489,000	....	....
Terminal Automation Modernization/Replacement Program (TAMR Phase 2)	3,093,800		
Remote Maintenance and Logging System (RMLS)	6,487,000		
Mode S Service Life Extension Program (SLEP)	1,497,000	4,000,000	4,000,000
Subtotal Terminal Programs	357,335,896	359,850,000	367,150,000
Flight Service Programs:			
Automated Surface Observing System (ASOS)	6,686,600	2,500,000	2,500,000
Flight Service Station (FSS) Modernization—Alaska Flight Service Modernization (AFSM)	6,287,400	4,500,000	4,500,000
Weather Camera Program	3,193,600	4,800,000	1,500,000
Subtotal Flight Service Programs	16,167,600	11,800,000	8,500,000
Landing and Navigational Aids Program:			
VHF Omnidirectional Radio Range (VOR) with Distance Measuring Equipment (DME)	4,990,000	5,000,000	5,000,000
Instrument Landing System (ILS)—Establish	7,784,400	5,000,000	5,000,000
Wide Area Augmentation System (WAAS) for GPS Ground-Based Augmentation System (GBAS)	94,810,000	125,500,000	85,000,000
Runway Visual Range (RVR)	4,990,000	5,000,000	5,000,000
Approach Lighting System Improvement Program (ALSIP)	4,990,000	5,000,000	5,000,000
Distance Measuring Equipment (DME)	4,091,800	5,000,000	5,000,000
Visual NAVAIDS—Establish/Expand	3,792,400	3,400,000	3,400,000
Instrument Flight Procudures Automation (IFPA)	598,800	2,200,000	2,200,000
Navigation and Landing Aids—Service Life Extension Program (SLEP)	5,988,000	6,000,000	6,000,000
VASI Replacement—Replace with Precision Approach Path Indicator	3,992,000	7,000,000	7,000,000
GPS Civil Requirements	38,423,000	50,300,000	19,000,000
Runway Safety Areas—Navigational Mitigation	19,960,000	25,000,000	25,000,000
NAVAID Control, Interlock, and Monitoring Equipment (NCIME)	....	0	0
Subtotal Landing and Navigational Aids Programs	194,410,400	244,400,000	172,600,000
Other ATC Facilities Programs:			
Fuel Storage Tank Replacement and Monitoring	6,287,400	6,400,000	6,400,000
Unstaffed Infrastructure Sustainment	14,071,800	18,000,000	18,000,000
Aircraft Related Equipment Program	8,982,000	11,700,000	11,700,000
Aircraft Related Equipment Simulator Replacement	— — —		
Airport Cable Loop Systems—Sustained Support	6,986,000	5,000,000	5,000,000
Alaskan Satellite Telecommunications Infrastructure (ASTI)	12,075,800	16,000,000	16,000,000
Facilities Decommissioning	6,387,200	5,000,000	5,000,000
Electrical Power Systems—Sustain/Support	89,321,000	85,600,000	85,600,000
Aircraft Fleet Modernization	— — —	9,000,000	9,000,000
FAA employee housing and Life Safety Shelter System Service	....	2,500,000	2,500,000
Subtotal Other ATC Facilities Programs	144,111,200	159,200,000	159,200,000
Total, Activity 2	1,351,186,212	1,459,850,000	1,420,050,000
Activity 3, Non-Air Traffic Control Facilities and Equipment:			
Support Equipment:			
Hazardous Materials Management	19,960,000	20,000,000	20,000,000

FACILITIES AND EQUIPMENT—Continued

	Fiscal year 2011 enacted	Fiscal year 12 request	Recommendation
Aviation Safety Analysis System (ASAS)	14,570,800	30,100,000	30,100,000
Logistics Support System and Facilities (LSSF)	11,477,000	10,000,000	10,000,000
National Airspace System Recovery Communications (RCOM)	14,970,000	12,000,000	12,000,000
Facility Security Risk Management	16,966,000	18,000,000	18,000,000
Information Security	15,169,600	17,000,000	17,000,000
System Approach for Safety Oversight	23,353,200	23,600,000	23,600,000
Aviation Safety Knowledge Management Environment (ASKME)	13,473,000	17,200,000	17,200,000
Data Center Operations	1,952,088	1,000,000	1,000,000
Aerospace Medical System Support		12,000,000	12,000,000
Subtotal Support Equipment	131,891,688	160,900,000	160,900,000
Training, Equipment and Facilities:			
Aeronautical Center Infrastructure Modernization	14,970,000	18,000,000	18,000,000
Distance Learning	1,996,000	1,500,000	1,500,000
National Airspace System (NAS) Training—Simulator	– – –		
Subtotal Training, Equipment and Facilities	16,966,000	19,500,000	19,000,000
Total, Activity 3	148,857,688	180,400,000	180,400,000
Activity 4, Facilities and Equipment Mission Support:			
System Support and Services:			
System Engineering and Development Support	32,235,400	32,900,000	32,000,000
Program Support Leases	38,522,800	41,700,000	41,000,000
Logistics Support Services (LSS)	10,978,000	11,700,000	11,000,000
Mike Monroney Aeronautical Center Leases	16,566,800	17,000,000	17,000,000
Transition Engineering Support	14,970,000	13,000,000	13,000,000
Frequency and Spectrum Engineering	2,594,800		
Technical Support Services Contract (TSSC)	21,956,000	22,000,000	22,800,000
Resource Tracking Program (RTP)	3,992,000	4,000,000	4,800,000
Center for Advanced Aviation System Development (CAASD)	73,755,194	80,800,000	80,800,000
Aeronautical Information Management Program	18,263,400	26,300,000	26,300,000
Permanent Change of Station (PCS) Moves		2,500,000	2,500,000
Total, Activity 4	233,834,394	251,900,000	251,900,000
Activity 5, Personnel and Related Expenses:			
Personnel and Related Expenses	474,050,000	480,000,000	480,000,000
Total, All Activities	2,730,730,594	2,870,000,000	2,798,850,000

ENGINEERING, DEVELOPMENT, TEST AND EVALUATION

Next Generation Network Enabled Weather (NNEW).—The Committee recommends no funding for the Next Generation Network Enabled Weather (NNEW) Program, which is $27,350,000 below the budget request and $18,213,500 below the fiscal year 2011 enacted level. While the Committee supports ways to reduce weather impact on the National Airspace System's operations, this program will require interagency cooperation and funding from the National Weather Service (NWS). It is not clear that the NWS will have the resources to cooperate in this effort in the current fiscal year and in the future.

Data Communications in support of Next Generation air transportation system.—The Committee recommendation includes $143,000,000 for data communications in support of NextGen (Data Comm), equal to the budget request and $8,968,600 above the fiscal year 2011 enacted level. Data Comm shows a tremendous amount of potential as one of the first NextGen capabilities to provide tangible, quantifiable benefits for users. However, due to the continued delays and cost overruns of the En Route Automation Modernization program (ERAM), most of the Data Comm program has been delayed until 2014 or later. Even in a resource constrained environment, the Committee fully supports bringing the Data Comm capabilities as quickly as possible to the terminal environment. While there is little hope that the ERAM program will hold to the current revised baseline, the Committee will continue to monitor the progress of both ERAM and Data Comm to ensure that appropriate resources are provided to this critical NextGen capability.

NextGen—Weather Reduction.—The Committee recommendation includes $15,600,000 for NextGen Weather Reduction Impact which is $1,000,000 above the budget request and $5,844,214 below the fiscal year 2011 enacted level. With 70% of delays in the National Airspace System attributable to weather, the Committee supports additional funding for this solution set.

NextGen—Safety, Security and the Environment.—The Committee recommends no funding for the Safety, Security and the Environment program, which is $5,000,000 below the budget request and $1,729,035 below the fiscal year 2011 enacted level. The Agency has made no progress on interagency cooperative agreements that would necessitate this funding.

NextGen—Future Facilities.—The Committee recommends $19,500,000 for NextGen Future Facilities development, which is equal to the budget request. The Committee continues to believe some facility consolidation and co-location could yield significant savings to the taxpayer. However, given the FAA's track record with such consolidations, the Committee remains skeptical that this new round of NextGen related facility consolidations will be feasible. As such, the Committee directs the Agency to report to the Committees on Appropriations in the House and Senate six months from the date of enactment on the current plans for consolidation and what operational benefits can be derived from such consolidations and what savings can be expected.

Joint Planning and Development Office.—The Committee recommends no funding for the Joint Planning and Development Office (JPDO), which is $3,000,000 below the budget request. The Committee also recommends no funding for the JPDO through the Research, Engineering and Development account.

Performance Based Navigation.—The Committee recommends $29,200,000 for Performance Based Navigation, an increase of $3,000,000 over the budget request. The Committee recommendation provides the additional $3,000,000 for a demonstration project to utilize third parties to design, deploy and maintain public use Required Navigational Performance (RNP) procedures at five midsize airports where aircraft flying RNP arrivals would achieve measurable benefit. In addition, the Committee notes that the FAA has completed its NAV Lean project to improve and streamline its process for implementing new procedures and directs the FAA to work with the new streamlined process and utilize a public-private partnership between industry and government to deliver significant benefits through RNP procedures to airlines and taxpayers in the near term. The Committee further directs the FAA to carefully document the performance, cost, and resource impact on the FAA through this demonstration in order to better understand the feasibility of this type of approach in the future. Given the volume of this type of work that needs to be done, the Committee is hopeful that third party procedure development can coordinate and supplement FAA procedure development resources.

AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT

EN ROUTE PROGRAMS

En Route Automation Modernization (ERAM).—The Committee provides $148,000,000 for the En Route Automation Modernization program which is $28,000,000 above the budget request and $33,935,400 below the fiscal year 2011 enacted level. ERAM is the FAA's modernization program to replace the FAA's en route host computer system, its backup system and other related display system and radar position processor infrastructure. The program includes 1.4 million source lines of code and represents one of the most complex transitions that the FAA has undertaken in decades.

The program, currently rebaselined as of June 2011, will be 3 years and $330 million over its original baseline if the current revised schedule is held. The Committee notes that, given that the Agency has yet to bring a single facility to operational readiness after several years and nearly $2 billion, there is little to be optimistic about. Increased costs in ERAM mean fewer dollars for critical NextGen investments, and further delays in ERAM impact other critical programs such as Data Comm, ADS–B, and SWIM. And given the continued struggles, the Committee does not view the current projected cost and schedule for the program as being realistic. Given the continued problems with core functionality issues, cost overruns could double or triple compared to the new revised baseline.

The coming year is a pivotal year for ERAM. Absent real progress towards establishing true 24 hour, 7 day operations, in which controllers can safely rely on ERAM to separate aircraft with a system that provides the core functionalities expected of this multi-billion dollar effort, the Committee will be left with no choice but to recommend suspending the program or denying future funding to this effort.

The Committee will continue to monitor the program closely and looks forward to the final report from the Inspector General on ERAM, requested by the Committee last year.

System-Wide Information Management system (SWIM).—The Committee recommendation includes $66,350,000 for the SWIM program which is equal to the budget request and $22,771,000 below the fiscal year 2011 enacted level. The transformation to NextGen requires programs and technologies that provide more efficient operations, including streamlined data communications capabilities. The SWIM program is an integral part of that transformation. SWIM will provide an open, flexible and secure information management architecture for sharing National Air Space (NAS) advisory data and enabling increased common situational awareness and improved NAS agility. SWIM will use commercial off-the-shelf hardware and software to support a loosely coupled service-oriented architecture that allows for easier addition of new systems and connections. The Committee understands that FAA plans to implement SWIM in three segments although clear cost and schedule requirements have not yet been defined. The Committee directs FAA to provide a progress report to the House and

Senate Committees on Appropriations by February 15, 2012 on FAA's development and deployment of Segment 1 capabilities and expected requirements for Segment 2.

TERMINAL PROGRAMS

Terminal Automation Modernization/Replacement program (TAMR Phase 3).—The Committee recommendation includes $108,750,000 for the Terminal Automation Modernization and Replacement program which is $10,000,000 above the budget request and $48,870,000 above the fiscal year 2011 enacted level. Phase 3 of the TAMR program is intended to modernize or replace terminal automation systems at TRACON facilities around the country. In April, 2010, the FAA's Joint Resource Council (JRC) gave approval to segment the terminal automation modernization program. Segment 1 will provide ADS–B capability by implementing the STARS system at eleven ARTS IIIE facilities and Segment 2 will upgrade or replace up to 94 ARTS IIE systems. A key factor for Segment 2 will rely on FAA's future facilities plan. The Committee recognizes the potential operational benefits of having system uniformity in the terminal environment both in terms of controller training and overall maintenance. System performance and compatibility with NextGen technologies are also critical. The Committee understands that the DOT OIG is currently conducting a review of FAA's acquisition strategy with regard to TAMR and how well the modernization effort fits into NextGen goals and schedules. The Committee intends to carefully monitor FAA's terminal modernization acquisition strategy to ensure that these automation systems meet critical NextGen requirements and capabilities.

Terminal air traffic control facilities replacement.—The Committee provides a total of $51,600,000 for the FAA's tower/TRACON rehabilitation and replacement program which is equal to the budget request and $19,958,596 below the fiscal year 2011 enacted level.

Project	FY 2012 budget estimate	Recommendation
Baltimore, MD	$1,300,000	$1,300,001
Philadelphia, PA	874,753	874,753
Ft. Lauderdale International, FL	1,200,000	1,200,000
Champaign, IL	11,201,447	11,201,447
San Francisco, CA	11,240,000	11,240,000
Cleveland, OH	4,840,000	4,840,000
Kona, HI	3,164,000	3,164,000
Las Vegas, NV	5,500,000	5,500,000
Wilkes-Barre, PA	1,467,000	1,467,000
Oakland, CA	3,612,800	3,612,800

ASR–8 Service Life Extension Program (SLEP).—The Committee recommends no funding for ASR–8 Service Life Extension Program, which is $2,700,000 below the request and equal to the fiscal year 2011 enacted level. The Committee directs the FAA to reprogram the original money from fiscal year 2008 to more meritorious accounts. Should the local airport wish to construct a new ASR–8 location, they should do so with their own funds.

FLIGHT SERVICE PROGRAMS

Weather Camera Program.—The Committee recommendation includes $1,500,000 for the Alaska Weather Camera program, which is $3,300,000 below the budget request and $1,693,600 below the fiscal year 2011 enacted level.

LANDING AND NAVIGATIONAL AIDS

Wide Area Augmentation System (WAAS).—The Committee recommendation includes $85,000,000 for the Wide Area Augmentation System program which is $40,500,000 below the level requested in the budget and $9,810,000 below the fiscal year 2011 enacted level. Through fiscal year 2011, the total federal investment in the WAAS program has been $1,625,834,800. The amount provided is adequate in providing for a new satellite lease and to maintain existing services.

GPS Civil Requirements.—The Committee recommendation includes $19,000,000 for GPS Civil Requirements, which is $31,300,000 below the budget request and $19,423,000 below the fiscal year 2011 enacted level. While the Committee recognizes FAA's contribution to GPS as important, there is a significant unobligated balance in this program once it is transferred to the Department of Defense. Until such time as additional funds are needed, the Committee recommends a sharp reduction to this account.

The Committee also notes that, while the FAA is the sole contributor to the GPS program from the Department of Transportation, they are not the lead representative for the Department in GPS related issues. If the Department wishes to take the lead and make this a multi-modal approach, funding should be provided by the Office of the Secretary and other modes.

PERSONNEL AND RELATED EXPENSES

The Committee recommends $480,000,000 for personnel and related expenses which is an increase of $5,950,000 above the fiscal year 2011 enacted level and the same level as the budget request. This appropriation finances the personnel, travel and related expenses of the FAA's facilities and equipment workforce.

BILL LANGUAGE

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

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2011	$169,660,000
Budget request, fiscal year 2012	190,000,000
Recommended in the bill	175,000,000
Bill compared with:	
Appropriation, fiscal year 2011	+5,340,000
Budget request, fiscal year 2012	−15,000,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $175,000,000, a decrease of $15,000,000 below the budget request and $5,340,000 above the fiscal year 2011 enacted level.

A table showing the fiscal year 2011 enacted level, the fiscal year 2012 budget estimate, and the Committee recommendation follows:

RESEARCH, ENGINEERING AND DEVELOPMENT

Program	Fiscal year 2011 enacted	Fiscal year 2012 President's request	Committee recommendation
Improve Aviation Safety	$91,319,000	$94,249,000	$94,249,000
Fire research and safety	7,215,000	8,157,000	8,157,000
Propulsion and fuel systems	2,327,000	3,611,000	3,611,000
Advanced materials/structural safety	2,561,000	2,605,000	2,605,000
Atmospheric hazards/digital system safety	6,622,000	5,404,000	5,404,000
Aging aircraft	10,001,000	12,589,000	12,589,000
Aircraft catastrophic failure prevention	1,163,000	1,502,000	1,502,000
Flightdeck safety/systems integration	7,160,000	6,162,000	6,162,000
Aviation safety risk analysis	11,883,000	10,027,000	10,027,000
ATC/AF human factors	10,364,000	10,634,000	10,634,000
Aeromedical research	11,195,000	11,617,000	11,617,000
Weather research	16,143,000	16,366,000	16,366,000
Unmanned aircraft system	3,687,000	3,504,000	3,504,000
NextGen Alternative Fuels for General Aviation	998,000	2,071,000	2,071,000
Improve Efficiency of the ATC System	37,798,000	54,406,000	33,905,000
Joint program and development office	13,764,000	14,067,000	0
Wake turbulence	10,664,000	10,674,000	10,674,000
NextGen—Air Ground Integration	5,603,000	10,545,000	10,545,000
NextGen—Self Separation	5,260,000	9,934,000	3,500,000
NextGen—Weather Technology in the Cockpit	2,507,000	9,186,000	9,186,000
Reduce Environmental Impacts	35,134,000	35,850,000	41,351,000
Environment and energy	15,074,000	15,327,000	16,351,000
NextGen Environmental Research—Aircraft Technologies, Fuels and Metrics	20,060,000	20,523,000	25,000,000
Mission Support	5,409,000	5,495,000	5,495,000
System planning and resource management	1,729,000	1,718,000	1,718,000
Technical laboratory facilities	3,680,000	3,777,000	3,777,000
Total	169,660,000	190,000,000	175,000,000

NextGen alternative fuels for general aviation.—The Committee recommendation fully funds the FAA's initiative to research and test new unleaded fuels and piston engine modifications to seek a safe alternative to the currently utilized leaded aviation gasoline (avgas). The Committee recognizes the importance of moving forward with this initiative and includes $2,071,000 as requested in the budget.

The Committee recognizes the need for FAA to implement a program to develop aircraft engine emissions and airworthiness regulatory standards and policies to remove lead from the fuel used in piston engine aircraft. This program should be coordinated with current industry initiatives established to transition the piston engine aircraft fleet to reduced lead or unleaded fuel. The FAA should collaborate in this effort with industry groups representing aviation consumers, manufacturers, fuel producers and distributors, EPA and other relevant agencies as appropriate. FAA should also take proper account of aviation safety, environmental improvements, technical feasibility and economic impact on the current and future general aviation fleet. The Committee recognizes that this program will have a resource impact on the FAA and expects FAA to detail in future budgets the resources necessary to implement this program including certification.

Joint Program and Development Office.—The Committee recommends no funding for this office, which is $14,067,000 below the request. The fiscal year 2012 Congressional Justification for this office is incomplete and unconvincing as to why this office should continue to receive funding, confirming long-held suspicions by many in industry and Congress. With the creation of the NextGen office within the Air Traffic Organization and its growth over the past few years, it appears that all of the functions of the JPDO are redundant. In this budget environment, and in light of the importance of core research performed under Research, Engineering, and Development in the areas of wake turbulence, emissions and the environment, and other areas, this funding is better used elsewhere.

As the FAA continues to add NextGen resources and capabilities in, including working on interagency cooperation, it is unclear to the Committee as to why the JPDO should continue to operate as currently configured. The Committee directs the FAA to work with the JPDO to integrate useful personnel and work product from the JPDO into the Agency during the closing of this office.

NextGen environmental research—aircraft technologies, fuels and metrics.—The Committee provides $25,000,000 for the FAA's NextGen environmental research aircraft technologies, fuels and metrics program, which is $4,477,000 above the budget request. Over the last few years, the Committee has provided additional resources for the FAA's environmental research program in an effort to expedite the development of viable alternative fuels that can be used in aircraft. A few months ago, the fruits of many years of research were realized when the American Society of Testing and Materials gave approval for the use of up to 50 percent of renewable bio-derived fuels with conventional jet fuel. Recognizing that fuel costs continue to consume the largest portion of airline operating budgets and in an effort to reduce the aviation sector's carbon footprint, the Committee provides additional resources to continue the research, development and testing of alternative fuels. In addition, the Committee provides increased resources to continue the FAA's continuous, lower energy, emissions, and noise program (CLEEN). The CLEEN program has helped advance the research in alternative fuels as well as the development of green engine and airframe technologies. The Committee supports and commends FAA's efforts in this endeavor.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(AIRPORT AND AIRWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2011	$3,600,000,000	($3,514,500,000)

	Liquidation of contract authorization	Limitation on obligations
Budget Request, fiscal year 2012	3,515,000,000	(2,278,000,000)
Recommended in the bill	3,600,000,000	(3,350,000,000)
Bill compared to:		
Appropriation, fiscal year 2011	85,000,000	− 164,500,000
Budget request, fiscal year 2012	– – –	1,072,000,000

The bill includes a liquidating cash appropriation of $3,600,000,000 for grants-in-aid for airports, authorized by the Airport and Airway Improvement Act of 1982, as amended. This funding provides for liquidation of obligations incurred pursuant to contract authority and annual limitations on obligations for grants-in-aid for airport planning and development, noise compatibility and planning, the military airport program, reliever airports, airport program administration, and other authorized activities.

LIMITATION ON OBLIGATIONS

The bill includes a limitation on obligations of $3,350,000,000 for fiscal year 2012, which is $1,072,000,000 above the budget request and $164,500,000 below the fiscal year 2011 enacted level.

ADMINISTRATION AND RESEARCH PROGRAMS

Airport administrative expenses.—Within the overall obligation limitation, the bill includes $101,000,000 for the administration of the airports program by the FAA. This funding level is equal to the budget request and $7,578,000 above the fiscal year 2011 enacted level.

Airport Cooperative Research Program (ACRP).—The recommendation includes $15,000,000 which is the same level as the budget request and the fiscal year 2011 enacted level. The ACRP was established through Section 712 of the "Vision 100—Century of Aviation Reauthorization Act" (P.L. 108–176) to identify shared problem areas facing airports that can be solved through applied research but are not adequately addressed by existing federal research programs.

Airport technology research.—The recommendation includes a minimum of $29,250,000 for the FAA's airport technology research program which is equal to the budget request and $6,778,000 above the fiscal year 2011 enacted level. The funds provided for this program are utilized to conduct research in the areas of airport pavement; airport marking and lighting; airport rescue and firefighting; airport planning and design; wildlife hazard mitigation; and visual guidance.

BILL LANGUAGE

Runway incursion prevention systems and devices.—Consistent with the provisions of Public Law 106–181 and fiscal years 2004 through 2010 Appropriations Acts, the bill allows funds under this limitation to be used for airports to procure and install runway incursion prevention systems and devices.

ADMINISTRATIVE PROVISIONS—FEDERAL AVIATION ADMINISTRATION

Section 110. The Committee retains a provision limiting the number of technical workyears at the Center for Advanced Aviation Systems Development to 600 in fiscal year 2012.

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

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

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

Section 114. The Committee retains a provision prohibiting funds limited in this Act for the Airport Improvement Program to be provided to an airport that refuses a request from the Secretary of Transportation to use public space at the airport for the purpose of conducting outreach on air passenger rights.

Section 115. The Committee retains a provision prohibiting the FAA from paying Sunday premium pay except in those cases where the individual actually worked on a Sunday.

Section 116. The Committee retains a provision prohibiting FAA from using funds to purchase store gift cards or gift certificates through a government-issued credit card.

Section 117. The Committee includes a provision prohibiting the use of funds from implementing or continuing to implement changes to the Block Aircraft Registration Request program.

Section 118. The Committee retains a provision prohibiting funds from changing prior permission rules at Teterboro Airport in Teterboro, New Jersey.

FEDERAL HIGHWAY ADMINISTRATION

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

AUTHORIZATION FOR THE FISCAL YEAR 2012 PROGRAM

The most recent multi-year surface transportation authorization Act, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA–LU), expired on September 30, 2009. Since that time, the Congress has enacted several short-term extensions that continued to provide contract authority for the FHWA and other surface transportation agencies under the same structure as SAFETEA–LU. However, the current SAFETEA–LU extension will expire at the end of fiscal year 2011.

It is unclear what authorization law (or laws) will be effective during fiscal year 2012. Committees in the House and Senate are working on surface transportation authorization legislation, but no bill has been released, as of September 1, 2011. Additionally, neither House nor Senate has passed another short-term extension of SAFETEA–LU. The Administration also is working on a legislative proposal for surface transportation re-authorization, but it has not published a proposal.

Given the uncertainty regarding the authorization law, the Committee is in the position of recommending appropriations for a program without defined contours. The Committee therefore provides only minimal bill language that sets the overall obligation limitation for fiscal year 2012, without the additional programmatic and formula adjustments typically found in appropriations bills for the FHWA account.

In the likely event that the Congress cannot agree on a new authorization law by October 1, 2011 and enacts another short-term extension of SAFETEA–LU, the Committee urges the Congress to consider making program adjustments that make limited funding more effective under SAFETEA–LU—for example, by eliminating all non-federal "allocated programs," which often have rigid program requirements and which sometimes divert scarce transportation resources to non-essential objectives.

It is the Committee's intention to provide an obligation limitation consistent with the authorization extension of the highway program after September 2011, and in the highest amount allowable under the Highway Trust Fund. Given current funding restraints, the Committee places greater priority on funding the formula programs over the discretionary programs and urges the committees of jurisdiction to discontinue the discretionary programs, in the event of a program extension.

IMPORTANCE OF FEDERAL HIGHWAYS

The Committee notes the fundamental importance of federal highways, which are the critical arteries of our national economy and the backbone of our national infrastructure. The federal highway system is integral to all Americans, as it enables the fluid movement of people, goods, and commercial materials throughout the nation. It is so essential to our nation that the Congress long ago provided a separate, dedicated funding stream for federal highways—the Highway Trust Fund (i.e., the Trust Fund). The Trust Fund is financed by fuel tax receipts and is dedicated solely to the construction and maintenance of federal highways and other federal transportation infrastructure.

The Trust Fund was designed to be a self-sustaining, self-financing funding source for highway construction, so that yearly shifts in budget priorities would not diminish its dedicated resources. However, for reasons discussed below, the Trust Fund is now incapable of sustaining levels of highway spending seen in recent years. The Committee is hopeful that the Senate Committee on Environment and Public Works and the House Committee on Transportation and Infrastructure, who have jurisdiction over the Trust Fund, will soon find a way to make the Fund solvent again over the long-term.

The Committee is strongly committed to providing ample resources for a robust federal highway program. In providing such resources, the Committee must work within fiscal realities facing the Trust Fund. This fiscal year, the Committee recommends the highest amount of highway spending possible under current Trust Fund limitations. The Committee remains hopeful that the committees of jurisdiction will soon address shortages in the Trust Fund and provide it with the long-term stability and sustainability it needs to ensure a healthy federal highway program for many years to come.

SOLVENCY OF THE HIGHWAY TRUST FUND

The Congressional Budget Office (CBO) estimates the highway account will have a balance of only $14.8 billion at the end of fiscal year 2011. If highway spending continued at the fiscal year 2011 level of $41.1 billion per year, the highway account of the Highway Trust Fund would be unable to meet obligations in a timely manner sometime during fiscal year 2012.

CBO estimates that $27 billion is the highest level of highway spending that can occur in fiscal year 2012, while maintaining solvency of the Highway Trust Fund over the ten-year budget window. This is the only sustainable and responsible spending level, and the Committee has no choice but to view it as a ceiling. The Committee cannot, in good conscience, bankrupt the Trust Fund for (barely) one more year of spending.

The Committee notes there is no clear near-term solution to funding shortages in the Highway Trust Fund. Neither the House nor Senate has proposed a solution to the problem. And the Obama Administration offers no solutions—only proposals to dramatically increase highway spending (to nearly $70.5 billion in fiscal year 2012), with no way to pay for sustained highway spending, much less increased spending.

THE PRESIDENT'S 2012 BUDGET REQUEST

The Administration's budget request proposes a dramatically higher spending level of $70.5 billion in fiscal year 2012, with no proposed offsets. Over the next six years, the Administration proposes to increase highway spending to $336 billion, or 48% above SAFETEA–LU levels, with no proposed way to pay for the increase.

In several hearings before the Committee, Administration officials would not even articulate possible funding options when asked how to pay for this proposal. Instead, they vaguely responded the Administration will work with the Congress in the future to solve this problem. To date, the Administration has not engaged the Committee in a serious conversation on the matter. Without a funding mechanism, the default option is deficit spending, as the Administration well knows.

Instead of proposing legitimate solutions, the Administration proposes to spend an additional $300 million over the next six years to create a new "Surface Transportation Revenue Alternatives Office," which simply would study how to pay for transportation spending. The Committee notes this is an improvident request that would expand federal bureaucracy with no corresponding benefit. Transportation finance already is a well-understood topic that has been studied for many years by the FHWA, the Congress, the private sector, and academia.

The President's 2012 budget request also seeks to make all highway spending mandatory (much like Social Security or Medicaid), which would remove all meaningful fiscal constraints on and annual oversight over highway spending. It also would obscure the true costs of the federal highway program from the Congress and taxpayers. The Committee declines to create new mandatory spending, which already drives the nation's deficits and debt, as two-thirds of national spending.

The President's fiscal year 2012 budget for highway spending is a disservice to the American people, whose taxpayer dollars were spent developing an unrealistic plan to spend far greater amounts of money with no proposed way to pay for it. The President's budget refused to engage in the tough budget decisions necessary to maintain a robust highway system, while addressing current fiscal realities.

The Committee finally notes the Administration's budget was unhelpful to the Committee in assessing program needs and priorities for fiscal year 2012. Rather than releasing its authorization proposal for due consideration by the authorizing committees in Congress, the Administration sent this Committee a budget request predicated on the assumption that its (not yet released) authorization proposal would be enacted by October 1, 2011. In short, the Administration wrote its budget request to a law that does not exist, rather than explaining and justifying current program needs based on a likely extension of current law. Consequently, the 2012 request contains no pertinent information or recommendations the Committee can use to make meaningful adjustments to the program. The Committee, however, notes the FHWA budget staff has been helpful and responsive to the Committee.

COMMITTEE RECOMMENDATION

The Committee recommends a total program level of $27,739,000,000 for the activities of the FHWA in fiscal year 2012, which is $10,977,000,000 below fiscal year 2011 and $42,045,000,000 below the budget request. Included within this recommended level is an obligation limitation of $27,000,000,000 and $739,000,000 in contract authority that is exempt from the obligation limitation.

The following table summarizes the Committee's recommendation, the fiscal year 2011 enacted level, and the fiscal year 2012 budget request for FHWA:

[In thousands of dollars]

Program	Fiscal year 2011 enacted	Fiscal year 2012 request*	Recommended in the bill
Federal-aid highways (limitation)	$41,107,000	$42,025,000	$27,000,000
Exempt contract authority	739,000	739,000	739,000
Multi-year investment initiative	– – –	27,650,000	0
Subtotal	41,846,000	70,414,000	27,739,000
Rescission of contract authority (HTF)	−2,500,000	– – –	– – –
Rescission of old demos	−630,000	−630,000	– – –
Total budgetary resources	38,716,000	69,784,000	27,739,000

*The budget request treats all highways spending as mandatory. The Committee, however, treats the requested amounts as though they are subject to the obligation limitation (except the contract authority traditionally exempted from the obligation limitation), as in past years.

LIMITATION ON ADMINISTRATIVE EXPENSES

Appropriation, fiscal year 2011	($413,533,000)
Budget request, fiscal year 2012	(437,172,000)
Recommended in the bill	(377,556,000)
Bill compared with:	
Appropriation, fiscal year 2011	(−35,977,000)
Budget request, fiscal year 2012	(−59,616,000)

This provision limits the amount the FHWA may spend on salaries and expenses necessary to conduct and administer the federal-aid highway program, highway-related research, and most other federal highway programs.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $377,556,000, which is $35,977,000 below fiscal year 2011, and $59,616,000 below the budget request.

The Committee's recommendation is equal to the fiscal year 2008 level. It represents a reasonable 9% reduction to administrative expenses, given the overall program is being reduced by 34%, due to shortages in the Highway Trust Fund.

The Committee notes FHWA requested an increase in administrative expenses to administer a larger program, but when faced with a program cut of 34%, FHWA maintained that its administrative resources should not decrease. The Committee disagrees and recommends a modest reduction in administrative expenses.

The bill also includes language to make $3,220,000 in contract authority above this limitation available for the administrative expenses of the Appalachian Regional Commission in accordance with Section 104 of title 23, United States Code.

OFFICE OF INSPECTOR GENERAL (OIG)

The Committee does not include previous bill language directing FHWA to give contract authority to the OIG to conduct audits and investigations related to the FHWA. In an effort to provide greater transparency and independence of the OIG, the Committee provides these resources directly to the OIG.

LIMITATION ON TRANSPORTATION RESEARCH

Appropriation, fiscal year 2011	($429,800,000)
Budget request, fiscal year 2012	(641,000,000)
Recommended in the bill	(429,800,000)
Bill compared with:	
Appropriation, fiscal year 2011	(– – –)
Budget request, fiscal year 2012	(−211,200,000)

This provision limits the amount the FHWA may spend on transportation research and technology contract programs. Under SAFETEA–LU, these contract programs include surface transportation research, training and education, university transportation research, and intelligent transportation systems research.

Funding for the Bureau of Transportation Statistics (BTS) is included within this limitation, although the BTS is housed organizationally within the Research and Innovative Technology Administration (RITA). The RITA section of this report contains additional information on the BTS.

COMMITTEE RECOMMENDATION

The Committee recommends an obligation limitation for transportation research of $429,800,000, which is equal to fiscal year 2011, and $211,200,000 below the budget request. Because future reauthorization actions may change the structure of existing research programs, the Committee does not provide a detailed breakdown of transportation research program activities.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2011	($41,107,000,000)
Budget request, fiscal year 2012	(69,675,000,000)*
Recommended in the bill	(27,000,000,000)
Bill compared with:	
Appropriation, fiscal year 2011	(−14,107,000,000)
Budget request, fiscal year 2012	(−42,675,000,000)

*The Committee includes under the obligation limitation the President's requests for both $42,025,000,000 in regular program spending in fiscal year 2012 and $27,650,000,000 in "up front" spending in fiscal year 2012 as part of a "multi-year investment initiative."

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

There are approximately four million miles of public roads in the United States and about 600,000 bridges. The federal government provides grants to states to assist in financing the construction and preservation of about 994,500 miles (24 percent) of these roads, which represents the National Highway System plus key feeder and collector routes. Highways eligible for federal aid carry about 85 percent of total U.S. highway traffic.

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

Under SAFETEA–LU, federal-aid highways funds have been made available to the states through a mix of "apportioned programs," which are distributed using a formula provided in law, and "allocated programs," which are distributed based on criteria set in law and which allow for some discretion on the part of the Secretary in selecting recipients.

All programs included within the federal-aid highways program are financed from the highway trust fund and most are distributed via apportionments and allocations to states. The federal-aid highways program is funded by contract authority, and liquidating cash appropriations are subsequently provided to fund outlays resulting from obligations incurred under contract authority.

The Committee sets, through the annual appropriations process, an overall limitation on the total contract authority that can be obligated under the federal-aid highways program in a given year. The Committee also provides direction and other guidance regarding some of the programs that operate under this overall limitation.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations for federal-aid highways of $27,000,000,000, which is $14,107,000,000 below fiscal year 2011 and $42,675,000,000 below the budget request.

As discussed above, the Committee's recommendation represents the maximum spending level supportable by the Highway Trust Fund, without bankrupting the trust fund or requiring cash infusions from the general fund before the end of fiscal year 2012. While this level of highway spending may not be ideal, it is the highest amount the Committee is able to recommend, based on both the need to keep the Highway Trust Fund solvent and the need to keep outlays within the Committee's 302(b) budget allocation.

Because the structure of the federal-aid highways program for fiscal year 2012 is unknown at this time due to lack of authorizing legislation, the Committee includes no detailed summaries of particular programs under SAFETEA–LU.

As in past years, the Committee includes bill language allowing the Secretary to charge and collect fees from the applicant for a direct loan, guaranteed loan, or line of credit to cover the cost of the financial and legal analyses performed on behalf of the Department. These fees are not subject to the obligation limitation or the limitation on administrative expenses set for the Transportation Infrastructure Finance and Innovation program under section 608 of title 23, United States Code.

Municipality Infrastructure.—The Committee is concerned that federal-aid highways resources may be inaccessible for municipalities undertaking small, but important infrastructure construction projects. The Committee directs the FHWA to report to the Committee within 120 days of enactment on specific funding available in fiscal year 2012 for transportation construction projects impacting local roads in cities with populations less than 30,000, and on recent trends in the availability and usage of such funds.

Corrosion.—The Committee notes corrosion detrimentally impacts surface transportation infrastructure, costing an estimated $52 billion per year. Corrosion is an economic burden and a safety hazard; yet it is preventable. The Committee directs the FHWA to investigate the costs and benefits associated with developing a comprehensive, department-wide corrosion analysis and mitigation tool to prevent, predict, and control corrosion-related problems in surface transportation. The Committee directs the FHWA to report to the Committee by October 1, 2012, on the viability and anticipated cost-savings of developing and using such a tool.

The Committee also notes the last study on the cost of corrosion was completed in 2002. The Committee encourages the Secretary to submit to the Congress an updated report on the costs and benefits of corrosion control and prevention throughout the nation's surface transportation infrastructure by October 1, 2013.

CMAQ.—To the extent Congestion Mitigation and Air Quality Improvement (CMAQ) funds remain available for such purposes under the effective authorization law, the Committee urges the FHWA to encourage states and municipal planning organizations (MPOs) to utilize CMAQ funds to invest in alternative fueled vehicle infrastructure to reduce emissions, increase fuel efficiency, and expedite approvals for these technologies, including electric, natural gas, and hydraulic capabilities.

Lifecycle Analysis.—The Committee urges the FHWA to encourage states and MPOs to consider using a lifecycle analysis during the initial design phase of projects, in order to achieve long-term cost savings. The Committee notes many states already have used such a design tool, with life-cycle savings of up to $10 million. With a lower recommended level for total highway spending this year, the Committee notes this tool may be useful in stretching limited dollars.

Commercial Products.—The Committee directs the FHWA to refrain from endorsing any particular brand of commercial product when multiple competing products are available in the marketplace. The Committee notes the appearance of impropriety when a federal agency promotes a specific commercial product as part of its technical assistance or guidance to states and localities, which then may use their federal funds to buy that commercial product. The Committee, however, notes this is a fine line, as technical experts at FHWA should be able to continue providing their professional opinions of the relative strengths and weaknesses of specific products, particularly when asked.

Commercial Truck Parking.—The Committee recognizes a shortage of commercial motor vehicle parking, which may make it more difficult for operators of such vehicles to comply with federal safety requirements. The Committee requests the Federal Motor Carrier Safety Administration to study this issue and report its findings to the Committee within 180 days of enactment.

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2011	$41,846,000,000
Budget request, fiscal year 2012	70,414,000,000
Recommended in the bill	27,739,000,000
Bill compared with:	
Appropriation, fiscal year 2011	−14,107,000,000
Budget request, fiscal year 2012	−42,675,000,000

The Committee recommends a liquidating cash appropriation of $27,739,000,000. This is the amount required to pay the outstanding obligations of the highway program at levels provided in this Act and prior appropriations Acts.

ADMINISTRATIVE PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

Section 120. The Committee continues a provision allowing funds received by the Bureau of Transportation Statistics from the sale of data products to be credited to the federal-aid highways account.

Section 121. The Committee continues a provision that provides requirements for any waiver of Buy American requirements.

Section 122. The Committee continues a provision prohibiting tolling in Texas, with exceptions.

Section 123. The Committee includes a provision directing the GAO to study how states have used the authority to transfer federal funds between highway and transit programs.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

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

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

FMCSA's current activities are authorized under an extension of SAFETEA–LU, which expires at the end of fiscal year 2011. When necessary, the Committee assumes the current program structure will remain the same under another extension of SAFETEA–LU through fiscal year 2012.

MOTOR CARRIER SAFETY OPERATIONS AND PROGRAMS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2011	$245,000,000	($245,000,000)
Budget request, fiscal year 2012	276,000,000	(276,000,000)
Recommended in the bill	229,654,000	(229,654,000)
Bill compared to:		
Appropriation, fiscal year 2011	−15,346,000	(−15,346,000)
Budget request, fiscal year 2012	−46,346,000	(−46,346,000)

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

COMMITTEE RECOMMENDATION

The Committee recommends $229,654,000 in liquidating cash for motor carrier safety operations and programs. The Committee also recommends limiting obligations from the Highway Trust Fund to

$229,654,000 for motor carrier safety operations and programs in fiscal year 2012. These levels are $15,346,000 below fiscal year 2011 and $46,346,000 below the budget request. They are equal to funding levels provided in fiscal year 2008.

The Committee continues bill language making funds for the research and technology program available until September 30, 2014. The Committee also continues bill language prohibiting any funds relating to outreach and education from being transferred to another agency.

The Committee declines the Administration's request to make all transportation funding mandatory. The Committee also declines the Administration's request to eliminate the commercial motor vehicle operator's grants, which provide commercial motor vehicle operators with safety training. Instead, the Committee recommends $1,000,000 for the grants, the same amount provided in several past fiscal years.

The Committee declines the Administration's request to create a new set-aside of $25,792,000 for an Information Technology (IT) Development Program, which would be in addition to FMCSA's existing budget for IT operations and maintenance. FMCSA proposed this funding to further modernize IT systems, support additional regulatory and enforcement activities, and create new databases and registries.

The Committee directs FMCSA to work with the committees of jurisdiction to justify FMCSA's requested future levels of contract authority and any requested programmatic changes in this account.

Congressional budget justification.—In addition to elements typically included in FMCSA's budget justification, the Committee requests FMCSA provide in all future budget justifications the following information: (1) detailed staffing justifications for each office within the Agency; (2) a detailed summary of all major program or funding changes in the request; (3) detailed summary of any requested incremental funding increase or decrease or any increase in FTEs, by program, activity, or program element; (3) funding levels for the prior year, current year, and budget year for all offices; and (4) a list of each proposed research initiative and its costs.

MOTOR CARRIER SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2011	$310,070,000	($310,070,000)
Budget request, fiscal year 2012	330,000,000	(330,000,000)
Recommended in the bill	300,000,000	(300,000,000)
Bill compared to:		
Appropriation, fiscal year 2011	−10,070,000	(−10,070,000)
Budget request, fiscal year 2012	−30,000,000	(−30,000,000)

FMCSA's motor carrier safety grants were authorized by the Transportation Equity Act for the 21st Century (TEA–21) and continued by SAFETEA–LU and subsequent extensions of SAFETEA–LU.

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

COMMITTEE RECOMMENDATION

The Committee recommends $300,000,000 in liquidating cash for this program, as well as a $300,000,000 limitation on obligations, in fiscal year 2012. These levels are $10,070,000 below fiscal year 2011 and $30,000,000 below the budget request. They are equal to funding levels provided in fiscal year 2008.

The Committee assumes the current grants program structure will remain the same in fiscal year 2012, under a likely extension of SAFETEA–LU. The Committee recommends the following obligation limitations for grants funded under this account:

Motor carrier safety assistance program	($210,000,000)
Commercial driver's license improvements program	(25,000,000)
Border enforcement grants	(32,000,000)
Performance and registration information system management program	(5,000,000)
Commercial vehicle information systems and networks deployment	(25,000,000)
Safety data improvement grants	(3,000,000)

New entrant safety assurance process.—The Committee directs that of the funds made available for the Motor Carrier Safety Assistance Grants, the Secretary shall deduct $29,000,000 for audits of new entrant motor carriers. FMCSA requires all new entrants to pass a safety audit within the first 18 months of operations in order to receive permanent DOT registration.

The Committee recognizes serious safety concerns in motor carrier companies that are decertified for not meeting federal safety standards, but later begin operating again under new pretenses—for example, by using another company's charter or using only a state vehicle registration—to avoid detection by FMCSA. These so-called "chameleon carriers" pose great safety risks to both passenger travel by motor coach and transport of household goods in trucking operations.

The Committee does not know whether FMCSA's new entrant safety assurance process is effective in detecting and preventing unsafe operations by reincarnated motor carriers. To that end, the Committee's leadership has requested a study by the General Accountability Office (GAO) to assess the efficacy of FMCSA's new entrant safety audits program and to examine existing legal impediments to FMCSA's enforcement of federal safety laws with regard to chameleon carriers.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

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

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

NHTSA provides grants and technical assistance to state and local governments to enable them to conduct effective local highway safety programs. Together with state and local partners, NHTSA works to reduce the threat of drunk and impaired drivers and to promote use of safety belts, helmets, child safety seats, airbags, and other life-saving devices.

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

NHTSA's current programs were authorized primarily by the following laws: (1) the National Traffic and Motor Vehicle Safety Act (chapter 301 of title 49, United States Code (U.S.C.)); (2) the Highway Safety Act (chapter 4 of title 23, U.S.C.); (3) the Motor Vehicle Information and Cost Savings Act (Part C of subtitle VI of title 49, U.S.C.); (4) the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act; and (5) the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA–LU).

SAFETEA–LU expired on September 30, 2009. The Congress enacted several short-term extensions of SAFETEA–LU, with the latest extension ending September 30, 2011. In the absence of a long-term authorization bill for surface transportation programs, including highway safety programs, the Committee assumes the continuation of the current program structure.

COMMITTEE RECOMMENDATION

The Committee recommends $731,072,000, which is $65,417,000 below fiscal year 2011 and $128,928,000 below the budget request. The following table summarizes the Committee's recommendations:

	2011 enacted	2012 request	Committee recommendation
Operations and research (general fund and highway trust fund)	$245,646,000	$303,900,000	$232,072,000
National driver register (highway trust fund)	4,000,000	– – –	4,000,000
National driver register modernization (general fund)	3,343,000	– – –	– – –
Highway traffic safety grants (highway trust fund)	619,500,000	556,100,000	495,000,000
Recission of contract authority	−76,000,000	– –	– – –
Total	796,489,000	860,000,000	731,072,000

The Committee recommends funding levels that provide NHTSA with sufficient resources to continue its critical work improving the safety of passenger travel on the nation's highway system. For example, the Committee recommends maintaining current funding levels for all continuing highway traffic safety grants, and it recommends funding NHTSA operations and research at the fiscal year 2009 level.

The Committee, however, does not include any funding for new requests made in anticipation of the next surface transportation bill. As of September 1, 2011, no re-authorization bills had been published by the House or the Senate. The Committee therefore assumes a continuation of the SAFETEA–LU authorization.

The Committee notes most of the funding decrease in fiscal year 2012 is attributable to completion of the $124,500,000 Safety Belt Performance Grant, which achieved its objective of incentivizing states to enact primary seatbelt laws.

The Committee commends NHTSA for record-low levels of highway fatalities in 2009 and encourages NHTSA to continue its work to enhance safety and reduce fatalities.

OPERATIONS AND RESEARCH

	(General fund)	(Highway trust fund)	Total
Appropriation, fiscal year 2011	$140,146,000	$105,500,000	$245,646,000
Budget request, fiscal year 2012	– – –	303,900,000	303,900,000
Recommended in the bill	126,572,000	105,500,000	232,072,000
Bill compared to:			
Appropriation, fiscal year 2011	−13,574,000	– – –	−13,574,000
Budget request, fiscal year 2012	+126,572,000	−198,400,000	−71,828,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $232,072,000, which is $13,574,000 below fiscal year 2011 and $71,828,000 below the budget request. Of this total, $126,572,000 is from the general fund for vehicle safety programs and $105,500,000 is from the highway trust fund for highway safety research and development activities.

The Committee declines the Administration's request to fund the vehicle safety portion out of the highway trust fund, rather than the general fund as it has been for many years. The Committee also continues to fund the national driver register in a separate account, despite the budget request.

Ignition interlock programs.—The Committee notes impaired driving continues to be a grave safety concern on our roadways, and state ignition interlock programs have great potential to reduce impaired driving and save lives. Given the diversity in the states' impaired driving programs and in ignition interlock hardware, the Committee observes it would be helpful for NHTSA to develop broadly applicable standards that would improve outcomes across the various state programs.

To that end, the Committee strongly encourages NHTSA to assist the states by developing standardized best practices and model guidelines, which will help ensure consistent and effective ignition interlock programs nationwide. The Committee further encourages NHTSA to collaborate with experienced stakeholders—such as state motor vehicle administrators, ignition interlock equipment developers, and the transportation safety community—in developing such model guidelines.

NATIONAL DRIVER REGISTER

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2011	$4,000,000	($4,000,000)
Budget request, fiscal year 2012	0	(0)
Recommended in the bill	4,000,000	(4,000,000)
Bill compared to:		
Appropriation, fiscal year 2011	– –	(– – –)
Budget request, fiscal year 2012	+4,000,000	(+4,000,000)

This account provides funding to implement and operate the National Driver Register (NDR), which is a computerized database of information regarding drivers who have had their licenses revoked or suspended, or who have been convicted of serious traffic violations. The NDR helps state motor vehicle administrators communicate effectively with other states to identify such drivers, which improves transportation safety.

COMMITTEE RECOMMENDATION

The Committee recommends a liquidating cash appropriation of $4,000,000 from the highway trust fund to pay obligations incurred in carrying out the NDR program. The Committee also recommends limiting obligations from the highway trust fund to $4,000,000 for operations and research activities associated with the NDR program in fiscal year 2012. These levels are the same as fiscal year 2011.

The Committee declines the Administration's request to eliminate the separate account for NDR and move it into the Highway Safety Research and Development fund within the operations and research accounts.

The Committee notes the NDR recently underwent a major modernization, and the new modernized system was rolled-out on March 31, 2011. NHTSA received an appropriation in fiscal year 2011 that far exceeded the amount requested to finalize the NDR modernization. Therefore, the Committee views this effort as sufficiently funded.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2011	$619,500,000	($619,500,000)
Budget request, fiscal year 2012	556,100,000	(556,100,000)
Recommended in the bill	495,000,000	(495,000,000)
Bill compared to:		
Appropriation, fiscal year 2011	−124,500,000	(−124,500,000)
Budget request, fiscal year 2012	−61,100,000	(−61,100,000)

The highway traffic safety state grant programs authorized in fiscal year 2011 included: highway safety programs, occupant protection incentive grants, alcohol-impaired driving countermeasures incentive grants, safety belt performance grants, state traffic safety information systems improvement grants, high visibility enforcement program, child safety and child booster seat safety incentive grants, and motorcyclist safety grants.

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

COMMITTEE RECOMMENDATION

The Committee recommends $495,000,000 in liquidating cash from the Highway Trust Fund to pay outstanding obligations of the highway safety grant programs at the levels provided in this Act and prior appropriations Acts. The Committee also recommends limiting the obligations from the highway trust fund in fiscal year 2012 for the highway traffic safety grants programs to $495,000,000. These levels are $124,500,000 below fiscal year 2011 and $61,100,000 below the budget request.

The Committee's recommendation maintains current funding for all grants, except the safety belt performance grant, which is being phased out this year because the grant achieved its purpose of incenting states to enact primary seatbelt laws over the past several years.

Because reauthorization has not yet occurred, the Committee assumes the grant programs authorized in fiscal year 2011 will be reauthorized in fiscal year 2012. The Committee does not provide any funding for the Administration's proposed new distracted driving prevention grants because they are not authorized. The Committee also declines the Administration's request to combine the child safety and booster seat grant with the occupant protection incentive grant, into a new "combined occupant protection incentive grant," due to similar concerns about the lack of authorization.

The Committee recommends the following funding allocations:

Highway safety programs	($235,000,000)
Occupant protection incentive grants	(25,000,000)
Safety belt performance grants	– – –
Distracted driving prevention grants (legislative proposal)	– – –
State traffic safety information systems improvements	(34,500,000)
Alcohol-impaired driving countermeasures incentive grants	(139,000,000)
Grant administration	(18,500,000)
High visibility enforcement program	(29,000,000)
Child safety and child booster seat safety incentive grants	(7,000,000)
Motorcyclist safety	(7,000,000)
Total	($495,000,000)

Below are descriptions of the grant programs for which the Committee recommends funding in fiscal year 2012. The descriptions are based on current law:

Highway safety grants.—The state and community highway safety formula grant program, authorized by 23 U.S.C. 402, supports state highway safety programs designed to reduce traffic crashes and resulting deaths, injuries, and property damage. A state may use these grants only for highway safety purposes and at least 40 percent of these funds are to be expended by political subdivisions of the state.

Occupant protection incentive grants.—The occupant protection incentive grants, authorized by 23 U.S.C. 405, encourage states to adopt and implement programs to reduce deaths and injuries from riding unrestrained or improperly restrained in motor vehicles.

State traffic safety information systems improvements.—The state traffic safety information systems improvements program, authorized by 23 U.S.C. 408, provides incentive grants to encourage states to adopt and implement programs to improve the timeliness, accuracy, completeness, uniformity, integration, and accessibility of state data needed to identify priorities in national, state, and local highway and traffic safety programs.

Alcohol-impaired driving countermeasures incentive grants.—The alcohol-impaired driving countermeasures incentive grant program, authorized by 23 U.S.C. 410, encourages states to adopt and implement programs to reduce traffic safety problems resulting from individuals driving under the influence of alcohol.

Grants administration expenses.—Section 2001(a)(11) of SAFETEA–LU authorizes funding salaries and operating expenses necessary to the administration of the grants programs.

High-visibility enforcement program.—Section 2009 of SAFETEA–LU directs NHTSA to administer at least two high-visibility traffic safety law enforcement campaigns each year to achieve one or both of these objectives: (1) reduce alcohol-impaired or drug-impaired operation of motor vehicles; and (2) increase the use of safety belts by occupants of motor vehicles. These funds may be used to pay for the development, production, and use of broadcast and print media in carrying out traffic safety law enforcement campaigns.

Child safety and child booster seat safety incentive grants.—Section 2011 of SAFETEA–LU authorizes incentive grants to states that enforce laws requiring any child riding in a passenger vehicle who is too large to be secured in a child safety seat to be secured in a child restraint meeting the requirements of section 3 of Anton's Law (49 U.S.C. Sec. 30127 note; 116 Stat. 2772).

Motorcyclist safety.—Section 2010 of SAFETEA–LU authorizes incentive grants to encourage states to adopt and implement programs to reduce the number of single and multivehicle crashes involving motorcyclists. States may use grant funds only for motorcyclist safety training and motorcyclist awareness programs.

ADMINISTRATIVE PROVISIONS—NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

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

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

FEDERAL RAILROAD ADMINISTRATION

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

SAFETY AND OPERATIONS

Appropriation, fiscal year 2011	$176,596,000
Budget request, fiscal year 2012	183,034,000
Recommended in the bill	180,867,000
Bill compared to:	
Appropriation, fiscal year 2011	4,271,000
Budget request, fiscal year 2012	−2,167,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $180,867,000 for safety and operations, which is $4,271,000 above the fiscal year 2011 enacted level and $2,167,000 below the fiscal year 2012 budget request. The Committee rejects the proposal to establish a rail safety user fee collected from railroads to offset salary costs associated with rail safety inspectors. Of the amount provided under this heading, $5,492,000 is available until expended.

Safety monitoring and oversight.—The Committee considers safety oversight and monitoring to be a critical component of FRA's responsibilities. As freight traffic dropped during the economic downturn, safety and on time performance has increased. As the economy rebounds, the Committee expects FRA to remain vigilant in keeping the railways safe. In addition, the Committee reminds

FRA that its core safety mission will be critical to the development of any national high speed rail network.

Positive Train Control (PTC).—The Committee is concerned with regulatory overreach that cripples our economy and stifles job creation. Regarding Positive Train Control (PTC), the Committee understands that the FRA cost benefit analysis of its final rule implementing PTC states "an immediate regulatory mandate for PTC could not be justified based upon normal cost-benefit principles relying on direct safety benefits . . . the safety benefits of PTC systems were relatively small in comparison to the large capital and maintenance costs." The January 2010 FRA final rule estimates the cost-benefit ratio of PTC to be 22:1, with a total 20-year cost to the freight and commuter rail industries of $13.21 billion.

The Committee supports recent statements by the Secretary of Transportation indicating that the FRA has examined the PTC rule and decided that revisions could be proposed that would significantly reduce industry burdens without adversely affecting rail safety. The Committee expects FRA to complete the necessary rulemakings needed and directs the FRA provide a status report on the revisions to both the House and Senate Committees on Appropriations by December 31, 2011.

RAILROAD RESEARCH AND DEVELOPMENT

Appropriation, fiscal year 2011	$35,030,000
Budget request, fiscal year 2012	40,000,000
Recommended in the bill	35,030,000
Bill compared to:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−4,970,000

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $35,030,000 for railroad research and development, which is the same as the fiscal year 2011 enacted level and $4,970,000 below the fiscal year 2012 budget request. The Committee's recommendation includes the following allocation for FRA's railroad research and development account:

Railroad System Issues	$3,374,000
Human Factors	3,045,000
Rolling Stock and Components	2,794,000
Track and Structures	5,075,000
Track and Train Interaction	3,353,000
Train Control	7,330,000
Grade Crossings	1,956,000
Hazardous Materials Transportation	1,444,000
Train Occupant Protection	4,284,000
R&D Facilities and Test Equipment	2,375,000

CAPITAL ASSISTANCE FOR HIGH-SPEED CORRIDORS AND INTERCITY PASSENGER RAIL SERVICE

Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	$8,046,000,000
Recommended in the bill	– – –
Bill compared to:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−8,046,000,000

The Capital Assistance for High-Speed Corridors and Intercity Passenger Rail Service program was first funded in the American Reinvestment Recovery Act.

COMMITTEE RECOMMENDATION

The Committee recommends no funding for the Capital Assistance for High-Speed Corridors and Intercity Passenger Rail Service in fiscal year 2012. The recommendation is the same as the fiscal year 2011 enacted level (excluding rescissions), and $8,046,000,000 below the fiscal year 2012 budget request.

STRATEGIC PLANNING

The President has set a goal to provide 80 percent of Americans with access to high-speed rail within 25 years. This would be a vast undertaking requiring tens, if not hundreds of billions of dollars. If the Nation is to pursue such a goal, it needs to understand whether it has the leadership and the capability to accomplish this endeavor. Leadership comes from the FRA. The agency has produced a strategic plan and a preliminary national plan. However, the plans have been criticized for being too general: for example, not clearly laying out objectives and goals for high-speed rail development. In addition, the agency's recent Recovery Act awards have posed questions about how they fit into a strategic vision for significantly improving the Nation's intercity passenger rail service, including high-speed rail.

Capability, in part, comes from states' ability to build and their long-term commitment to operate and maintain new and improved service. Yet a number of states are under fiscal stress and the Recovery Act experience has seen several states return federal rail funds because they believed that they could not afford to operate the funded rail service. In addition, the stakes are higher for passenger rail systems that will cross state lines, in that they require that states work together and honor long-term operating and funding commitments.

The Committee directs the Government Accountability Office (GAO) to transmit to the House and Senate Committees on Appropriations a report on the FRA's efforts to develop a vision and operational plan that will lead to significant improvements in intercity passenger rail service and, as appropriate, high-speed rail. The Committee also directs the GAO to report on states' capabilities to develop and operate intercity passenger and high-speed rail systems and the FRA's efforts to ensure that states have sufficient capacity. Both studies should contain legislative and other recommendations to address any impediments.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

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

Congressional budget justification.—The Committee appreciates the level of detail in the fiscal year 2012 budget justifications and directs Amtrak to continue to submit justifications with a similar level of detail in all future budget years.

OPERATING GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Appropriation, fiscal year 2011	$561,874,000
Budget request, fiscal year 2012	– – –
Recommended in the bill	227,000,000
Bill compared to:	
Appropriation, fiscal year 2011	−334,874,000
Budget request, fiscal year 2012	227,000,000

COMMITTEE RECOMMENDATION

The Committee recommends $227,000,000 for operating grants for Amtrak, which is $334,874,000 below the fiscal year 2011 enacted level and $227,000,000 above the fiscal year 2012 budget request.

The Committee has included bill language allowing the Secretary to retain up to one-half of one percent for the use of the FRA for the implementation of the Amtrak Operating Grants as authorized by section 103 of the Passenger Rail Investment and Improvement Act. The FRA requires these funds to oversee the operating grants to Amtrak to ensure the prudent use of federal funds and foster transparency.

State Supported Routes.—The Committee provides no federal operating subsidy for state supported routes. The federal government should not be responsible for operating state routes, and Amtrak currently does not collect an estimated $188 million in costs associated with these routes. Collecting the revenue to offset these costs will substantially reduce Amtrak's operating losses.

Food, Beverage and First Class services.—In fiscal year 2010, food and beverage service resulted in $61 million in direct operating losses. The federal government should not be responsible for subsidizing concessions. The bill mandates that Amtrak achieve operational efficiencies in food and beverage, first class service, and overhead expenses and requires the Amtrak Inspector General (IG) to submit quarterly reports tracking Amtrak's progress in this area. This bill also prohibits the Secretary from subsidizing losses in food and beverage or sleeper car service if the IG cannot certify by July 1, 2012, that Amtrak has achieved savings.

The Committee notes that Amtrak has taken steps to reduce its losses on food, beverage and first class service. The Committee directs Amtrak to transmit to the House and Senate Committees on Appropriations within 120 days of enactment detailed plans to improve food and beverage service and first class service (including sleeper car service) so that these programs are revenue neutral on a fully allocated basis by September 30, 2013. The Committee requires quarterly progress reports thereafter.

Overtime.—The Committee is very concerned about the ability of Amtrak to manage its workforce. It is appalling that Amtrak employees can make over seven times their annual salary in overtime pay. This disparity has resulted in exceedingly high labor costs which this bill addresses by limiting overtime to $35,000 per employee. Amtrak's president may waive this restriction for specific employees for safety or operational efficiency reasons. The Committee is aware that Amtrak is taking considerable actions to address these disparities and improve its management of staffing. The Committee directs the Amtrak IG to monitor Amtrak's efforts to control the use of overtime. The Committee directs the Amtrak IG to transmit to the House and Senate Committees on Appropriations a report on what actions Amtrak is taking to control the use of overtime. This report shall include what additional steps, if any, Amtrak can take to monitor, detect and eliminate abusive or wasteful overtime practices. This review shall be provided to the House and Senate Committees on Appropriations by March 1, 2012. The Committee requires quarterly progress reports thereafter.

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

CAPITAL AND DEBT SERVICE GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Appropriation, fiscal year 2011	$921,778,000
Budget request, fiscal year 2012	0
Recommended in the bill	898,954,000
Bill compared to:	
Appropriation, fiscal year 2011	−22,824,000
Budget request, fiscal year 2012	898,954,000

COMMITTEE RECOMMENDATION

The Committee recommends $898,954,000 for capital grants, of which no less than $271,000,000 is provided for Amtrak's debt service. The Committee's recommendation is $22,824,000 below the level enacted in fiscal year 2011 and $898,954,000 above the fiscal year 2012 budget request.

Americans with Disabilities Act.—The Committee recommends that Amtrak use no less than $175,000,000 of its capital funds to assist it in meeting its statutory obligations. The Americans with Disabilities Act (ADA) requires that Amtrak make all intercity passenger rail stations readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, as soon as practicable.

ADMINISTRATIVE PROVISIONS—FEDERAL RAILROAD ADMINISTRATION

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

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

Section 152. The Committee retains a provision directing FRA to submit a report by April 1, 2012 and quarterly thereafter on Amtrak's on time performance.

FEDERAL TRANSIT ADMINISTRATION

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

The most recent authorization for the programs under the Federal Transit Administration is contained in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA–LU) (P.L. 109–59). During the authorization period provided under SAFETEA–LU, the annual Appropriations Acts included annual limitations on obligations for the formula and bus grants programs, and direct appropriations of budget authority from the General Fund of the Treasury for the FTA's administrative expenses, research programs, and capital investment grants. The transit programs authorized under SAFETEA–LU are set to expire on September 30, 2011.

ADMINISTRATIVE EXPENSES

Appropriation, fiscal year 2011	$98,713,000
Budget request, fiscal year 2012	166,294,000
Recommended in the bill	94,413,000
Bill compared with:	
Appropriation, fiscal year 2011	−4,300,000
Budget request, fiscal year 2012	−71,881,000

COMMITTEE RECOMMENDATION

The Committee recommends a total of $94,413,000 for FTA's administrative expenses, the same as the appropriated level in fiscal year 2009, a decrease of $4,300,000 below the fiscal year 2011 level, and a decrease of $166,294,000 below the budget request. The Committee notes that FTA requested the $166,294,000 under the new account title of "Operations and Safety" and of the amount requested, $129,700,000 was for the baseline administrative expenses activities and $36,594,000 was to carry out a public transportation fixed guideway safety oversight program that is not authorized.

Operating plans.—The Committee reiterates its direction from previous years which requires the FTA's operating plan to include a specific allocation of administrative expenses resources. The operating plan should include a delineation of full time equivalent employees, for the following offices: Office of the Administrator; Office of Administration; Office of Chief Counsel; Office of Communications and Congressional Affairs; Office of Program Management; Office of Budget and Policy; Office of Research, Demonstration and Innovation; Office of Civil Rights; Office of Planning and Environment; and Regional Offices. Further, the operating plan must include any new programs or changes to the budget request. In addition, the Committee directs the FTA to notify the House and Senate Committees on Appropriations at least thirty days in advance of any change that results in an increase or decrease of more than five percent from the initial operating plan submitted to the Committees for fiscal year 2012. The accompanying bill specifies that no more than $2,200,000 shall be for the FTA's travel expenses.

Budget justifications and annual new starts report.—The Committee also continues the direction to FTA to submit future budget justifications in a format consistent with the instruction provided in House Report 109–153. FTA is free to submit a budget in alternate formats, but must also include the information required by the Committee. Should FTA decide to continue drafting fictional budgets, the Committee directs FTA to submit a rational and comprehensive crosswalk for all dollars, as well as a method for paying for any programs. The Committee has again included bill language requiring FTA to submit the annual new starts report with the initial submission of the budget request due in February, 2012.

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

FORMULA AND BUS GRANTS

(LIQUIDATION OF CONTRACT AUTHORITY)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2011	$9,400,000,000	($8,343,171,000)
Budget request, fiscal year 2012	– –	– – –
Recommended in the bill	5,300,000,000	(5,200,000,000)
Bill compared to:		
Appropriation, fiscal year 2011	−4,100,000,000	−3,143,171,000
Budget request, fiscal year 2012	+5,300,000,000	+5,200,000,000

Formula grants to states and local agencies funded under the Federal Transit Administration (FTA) fall into the following categories: Alaska Railroad, clean fuels grant program, over-the-road bus accessibility program, urbanized area formula grants, bus and bus facility grants, fixed guideway modernization, planning programs (both metropolitan and statewide), formula grants for special needs for elderly individuals and individuals with disabilities, formula grants for other than urbanized areas, job access and reverse commute formula program, new freedom program, growing states and high density states formula, National Transit Database, alternatives analysis, and alternative transportation in parks and public lands. SAFETEA–LU provided contract authority for the formula and bus program from the mass transit account of the highway trust fund. The Appropriations Act sets an annual obligation limitation for such authority. This account is the only FTA account funded from the highway trust fund.

COMMITTEE RECOMMENDATION

The Committee provides $5,200,000,000 in obligation limitations for the formula programs and activities, $3,143,171,000 below the fiscal year 2011 enacted level. The request proposed to break out and expand the various activities of this account among several separate accounts, and fund these activities as mandatory expenses from yet to be authorized or created accounts. The Committee recommendation follows the program structure as currently authorized in SAFETEA–LU in absence of an enacted reauthorization. The Committee does not embrace the level proposed for this account, but is left with little choice considering the depleted state of the Mass Transit Account and the Highway Trust Fund. The Committee strongly urges the authorizing committees of jurisdiction to restore the balances to this account and reauthorize this important program. The Committee will re-evaluate this obligation limitation recommendation for a higher amount once an authorization is put forward.

The Committee notes that the budget request proposed making the funding for these programs mandatory, but never formally proposed legislation or a method for financing these activities.

Rural transit—The vast majority of public transportation funding is dedicated to agencies that serve urban and suburban communities. Small and rural communities have an on-going need for public transportation services for populations that are often older and living a significant distance from community services and employment opportunities. While there are more than 1,200 transit systems that serve rural communities across the nation, public transportation is still only available in roughly 60 percent of all rural counties nationwide. These transit agencies often serve only one county and require assistance for both capital and operating needs. The Committee notes that rural transit plays an important role in getting families and individuals from their homes to work, medical appointments and day-to-day activities. In order for rural transit service to be efficient, the community must effectively coordinate transit services among human service agencies and job providers. The Committee expects FTA to continue to support and develop initiatives that will assist rural and small communities in providing transit service that will help individuals to get from home to the workplace and human services.

TRANSIT FORMULA GRANTS

Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	$17,691,986,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−17,691,986,000

The budget proposed a new account as an alternative to the existing formula and bus grants account currently authorized under the SAFETEA–LU extensions. The new transit formula grants account would provide funds by formula to the various transit agencies and entities for the purposes of transit operations, capital investment and preventative maintenance, and a new emergency relief program. Further, the budget proposed funding this account as a mandatory expense to the government. The administration, however, did not provide the authorizing language to create this account, or a method of financing these activities, and the authorizing committees of jurisdiction have not completed work on the next surface transportation bill.

COMMITTEE RECOMMENDATION

The Committee recommendation follows the currently authorized structure and instead provided funds under the already established formula and bus grants account consistent with the prior year. No funds are provided for this new account.

TRANSIT EXPANSION AND LIVABLE COMMUNITIES

Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	$3,469,070,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−3,469,070,000

The budget proposed a new account as an alternative to the existing capital investment grants account currently authorized under the SAFETEA–LU extensions, plus the following programs currently funded in the existing formula and bus grants account: transit in the parks, tribal transit grants, and planning programs. In addition, the proposed account would fund a new livable communities demonstration program. Further, the budget proposed funding this account as a mandatory expense to the government. The administration, however, did not provide the authorizing language to create this account, or a method of financing these activities, and the authorizing committees of jurisdiction have not completed work on the next surface transportation bill.

COMMITTEE RECOMMENDATION

The Committee recommendation follows the currently authorized structure and instead provided funds under the already established capital investment grants account and the formula and bus grants account consistent with the prior year. No funds are provided for this new account.

BUS AND RAIL STATE OF GOOD REPAIR

Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	$10,707,178,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−10,707,178,000

The budget proposed a new account as an alternative to the existing formula and bus grants account currently authorized under the SAFETEA–LU extensions. The new bus and rail state of good repair account would provide funds to various transit agencies and entities for the purpose of improving the condition of existing capital assets and a state of good repair. Further, the budget proposed funding this account as a mandatory expense to the government. The administration, however, did not provide the authorizing language to create this account, or a method of financing these activities, and the authorizing committees of jurisdiction have not completed work on the next surface transportation bill.

COMMITTEE RECOMMENDATION

The Committee recommendation follows the currently authorized structure and instead provided funds under the already established formula and bus grants account consistent with the prior year. No funds are provided for this new account.

RESEARCH AND TECHNOLOGY DEPLOYMENT

Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	$166,472,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−166,472,000

The budget proposed a new account as an alternative to the existing research and university research centers account and the formula and bus grants account currently authorized under the SAFETEA–LU extensions. The new research and technology deployment account would provide funds to various research centers and research activities, plus fund the clean fuels grant program and a greenhouse gas and energy reduction program and demonstration. Further, the budget proposed funding this account as a mandatory expense to the government. The administration, however, did not provide the authorizing language to create this account, or a method of financing these activities, and the authorizing committees of jurisdiction have not completed work on the next surface transportation bill.

COMMITTEE RECOMMENDATION

The Committee recommendation follows the currently authorized structure and instead provided funds under the already established research and university research centers account formula and bus grants account consistent with the prior year. No funds are provided for this new account.

RESEARCH AND UNIVERSITY RESEARCH CENTERS

Appropriation, fiscal year 2011	$58,882,000
Budget request, fiscal year 2012	– – –
Recommended in the bill	45,000,000
Bill compared with:	
Appropriation, fiscal year 2011	−13,882,000
Budget request, fiscal year 2012	+45,000,000

Grants for transit research are authorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109–59) (SAFETEA–LU). Starting in fiscal year 2006, activities formerly under the 'Transit Planning and Research' account are now under the 'Formula and Bus Grants' account. The National Research program, the Transit Cooperative Research Program, and the National Institute are funded under this new heading. Funding for the National Research programs will be used to cover costs for FTA's essential safety and security activities and transit safety data collection. Under the national component of the program, FTA is a catalyst in the research, development and deployment of transportation methods and technologies which address issues such as accessibility for the disabled, air quality, traffic congestion, and transit services and operational improvements. The University Research Centers program will provide continued support for research education and technology transfer activities aimed at addressing regional and national transportation problems.

COMMITTEE RECOMMENDATION

The Committee recommends $45,000,000 for FTA's research activities, a decrease of $13,882,000 below last year's level. FTA did not request funds for this account in fiscal year 2012 and instead proposed a new research and technology deployment account as a mandatory program. The Committee did not receive an authorization or funding proposal and has chosen to continue with the already established account.

Consistent with the direction that was provided in previous years, the Committee requires FTA to report by May 15, 2012, on all FTA-sponsored research projects from fiscal year 2011 and 2012. For each project, the report should include information on the National relevance of the research, relevance to the transit industry and community, expected final product and delivery date, sources of non-FTA funding committed to the project or research institute, and FTA funding history.

CAPITAL INVESTMENT GRANTS

Appropriation, fiscal year 2011	$1,596,800,000
Budget request, fiscal year 2012	– – –
Recommended in the bill	1,554,077,000
Bill compared with:	
Appropriation, fiscal year 2011	−42,723,000
Budget request, fiscal year 2012	+1,554,077,000

Grants for capital investment to rail or other fixed guideway transit systems are awarded to public bodies and agencies (transit authorities and other state and local public bodies and agencies thereof) including states, municipalities, other political subdivisions of states; public agencies and instrumentalities of one or more states; and certain public corporations, boards and commissions under state law. The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109–59) (SAFETEA–LU) made two significant changes to the major capital investment grant program. First, SAFETEA–LU funded the program entirely from the General Fund of the Treasury. Second, grants for bus and bus facilities and fixed guideway modernization projects, plus alternative analysis funds were made eligible under the 'Formula and Bus Grants' account, which is funded by the mass transit account of the highway trust fund. Grants to the Denali Commission and the Hawaii and Alaska ferries were dictated by SAFETEA–LU. Other projects and investments were specifically authorized by SAFETEA–LU and are subject to regulation and oversight by FTA. However, like the other surface transportation programs, authority for the capital investment grants program expires at the end of September 2011.

COMMITTEE RECOMMENDATION

The Committee recommends $1,554,077,000 for capital investment grants which is $42,723,000 below the fiscal year 2011 enacted level. The budget proposed funding these activities under a new mandatory transit expansion and livable communities account. The Committee instead provides funds consistent with the authorized program structure.

Within the amount provided, the Committee includes a total of $22,967,000, or approximately one and a half percent, for oversight activities of the investments in this account. The Committee's recommendation includes funding for the following capital investment grants:

	FY 2012 Funds
Signed Full Funding Grant Agreements:	
Salt Lake City Weber County, UT	$52,050,000
Dallas Northwest Southeast LRT, TX	80,320,000
New York East Side Access, NY	113,520,000
New York Second Avenue Subway, NY	154,980,000
Salt Lake City Mid Jordan LRT, UT	78,890,000
Seattle University Link, WA	101,930,000
Dulles Extension to Wiehle Ave, VA	94,930,000
Central Corridor LRT, MN	98,440,000
Hartford New Britain Busway, CT	45,000,000
Central Florida Commuter Rail, FL	37,480,000
RTD Eagle Denver, CO	198,190,000
Anticipated Full Funding Grant Agreements:	
Houston North Corridor, TX (10/11)	94,260,000
Houston Southeast Corridor, TX (10/11)	94,260,000
Salt Lake City Draper LRT, UT (9/11)	106,180,000
Small Starts:	
Oakland East Bay, CA	25,000,000
San Francisco Van Ness, CA	30,000,000
Grand Rapids, Division Avenue BRT, MI	12,890,000
Jacksonville JTA BRT North Corridor, FL	6,440,000
Mesa, Central Mesa LRT Extension, AZ	37,500,000
Fresno Area Express Blackstone, CA	17,800,000
El Peso Mesa Corridor, TX	13,540,000
King County Park and Ride E Line, WA	21,630,000
King County Park and Ride F Line, WA	15,880,000

The funding level proposed by the Committee is significantly lower than that requested in the budget. It is important to remember that the capital investment grant account is paid for with discretionary General Fund dollars and the Committee had to prioritize the projects. First, the Committee funded every project with a signed full funding grant agreement (FFGA) as a contract has already been made between the Department and the various states and localities. Second, the Committee funded projects that are anticipated to be under an FFGA before November 2011, and the small starts proposed for funding in fiscal year 2012. Some of the funding recommendations are slightly lower than those proposed by the budget because the Committee's proposal evens out the payments over the life of the grant agreement for more predictability.

Looking forward, the Committee and FTA will need to give a closer look at the projects moving through the project development pipeline and be more selective on which projects receive federal dollars. The Committee supports mass transit and supports local efforts to maximize transit expansion, but project construction will need to be financed to a greater degree at the local level. Not every project, even those that complete all the requirements under Title 49, will be able to receive federal funds. Fixed guideway systems are not an entitlement. The Committee supports FTA's ability to provide technical assistance and assistance with project oversight to help localities make sound investments. However, the Committee directs FTA to only further projects to a full funding grant agreement if the project requires a less than 50% federal share and rates medium high or high in the categories related to finance and reducing congestion. The Committee has proposed a new administrative provision limiting new FFGAs to projects with a 50% or less federal share.

Full funding grant agreements (FFGAs).—TEA–21 required that the FTA notify the House and Senate Committees on Appropriations as well as the House Committee on Transportation and Infrastructure and the Senate Committee on Banking sixty days before executing a full funding grant agreement. In its notification to the House and Senate Committees on Appropriations, the Committee directs the FTA to include the following: (1) a copy of the proposed full funding grant agreement; (2) the total and annual federal appropriations required for that project; (3) yearly and total federal appropriations that can be reasonably planned or anticipated for future FFGAs for each fiscal year through 2012; (4) a detailed analysis of annual commitments for current and anticipated FFGAs against the program authorization; (5) an evaluation of whether the alternatives analysis made by the applicant fully assessed all viable alternatives; (6) a financial analysis of the project's cost and sponsor's ability to finance the project, which shall be conducted by an independent examiner and which shall include an assessment of the capital cost estimate and the finance plan; (7) the source and security of all public- and private-sector financial instruments; (8) the project's operating plan, which enumerates the project's future revenue and ridership forecasts; and (9) a listing of all planned contingencies and possible risks associated with the project.

The Committee continues the direction to FTA to inform the House and Senate Committees on Appropriations in writing thirty days before approving schedule, scope, or budget changes to any full funding grant agreement. Correspondence relating to changes shall include any budget revisions or program changes that materially alter the project as originally stipulated in the full funding grant agreement, including any proposed change in rail car procurements. In addition, the Committee directs FTA to continue reporting monthly to the House and Senate Committees on Appropriations on the status of each project with a full funding grant agreement or that is within two years of a full funding grant agreement. The Committee finds the monthly updates informative and a useful oversight tool.

Inspector general audits and investigations.—The Committee includes $2,075,000 directly to the Department of Transportation Office of Inspector General for contract execution for costs associated with audits and investigations of transit-related issues, including reviews of new fixed guideway systems.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Appropriation, fiscal year 2011	$149,700,000
Budget request, fiscal year 2012	150,000,000
Recommended in the bill	150,000,000
Bill compared with:	
Appropriation, fiscal year 2011	+300,000
Budget request, fiscal year 2012	– – –

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

COMMITTEE RECOMMENDATION

The Committee recommendation includes $150,000,000 for preventive maintenance and capital grants for WMATA, which is equal to the budget request and $300,000 above the fiscal year 2011 enacted level. The Committee directs WMATA to continue addressing the safety issues within the agency, specifically, those identified by the National Transportation Safety Board (NTSB). Further, the Committee directs WMATA to continue with its capital improvement plans and not defer capital and safety investments in order to offset operating costs.

ADMINISTRATIVE PROVISIONS—FEDERAL TRANSIT ADMINISTRATION

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

Section 161. The Committee continues the provision that allows funds appropriated for capital investment grants and bus and bus facilities not obligated by September 30, 2012, plus other recoveries to be available for other projects under 49 U.S.C. 5309.

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

Section 163. The Committee continues the provision that allows prior year funds available for capital investment grants to be used in this fiscal year for such projects.

Section 164. The Committee continues the provision that requires unobligated funds or recoveries under section 5309 of title 49 that are available for reallocation shall be directed to projects eligible to use the funds for the purposes for which they were originally intended.

Section 165. The Committee includes a new provision that prohibits funds from being used to carry out 49 U.S.C. 5309(m)(6)(B) and (C).

Section 166. The Committee includes a new provision that prohibits funds from being used to approve a project for a full funding grant agreement that does not have a 50–50% or lower Federal-Local cost share.

Section 167. The Committee includes a new provision that allows fuel for vehicle operations, including utilities for electrically driven vehicles shall be an eligible expense under the formula program, up to $200,000,000.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

Appropriation, fiscal year 2011	$32,259,000
Budget request, fiscal year 2012	33,996,000
Recommended in the bill	32,259,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−1,737,000

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

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

COMMITTEE RECOMMENDATION

The Committee recommends a total appropriation of $32,259,000 to fund the operations, maintenance, and capital asset renewal needs of the SLSDC. This funding level is the same as the fiscal year 2011 enacted level and $1,737,000 below the fiscal year 2012 request. The Committee gives SLSDC flexibility to manage operations within the funds provided, but requires the SLSDC to report back to the Committee in the fiscal year 2012 op plan on what changes to the budget request and the Asset Renewal Program are proposed.

Asset Renewal Program.—The Committee continues the requirement that the SLSDC provides semiannual reports consistent with the requirements stated in the Explanatory Statement of the Department of Transportation Appropriations Act of 2009.

MARITIME ADMINISTRATION

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

MARITIME SECURITY PROGRAM

Appropriation, fiscal year 2011	$173,652,000
Budget request, fiscal year 2012	174,000,000
Recommended in the bill	174,000,000
Bill compared with:	
Appropriation, fiscal year 2011	+348,000
Budget request, fiscal year 2012	– – –

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

COMMITTEE RECOMMENDATION

The Committee recommends $174,000,000 for this account, equal to the budget request and $348,000 above the level enacted in fiscal year 2011. 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 recommendation will provide the necessary resources for the operation of the MSP through fiscal year 2012. Funds are available until expended.

OPERATIONS AND TRAINING

Appropriation, fiscal year 2011	$151,447,000
Budget request, fiscal year 2012	161,539,000
Recommended in the bill	151,889,000
Bill compared with:	
Appropriation, fiscal year 2011	+442,000
Budget request, fiscal year 2012	−9,650,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $151,889,000 for this account, $442,000 above the fiscal year 2011 funding level and $9,650,000 below the fiscal year 2012 budget request. Of the funds provided, $47,500,000 is recommended for MARAD's salaries and expenses, the same level as provided in fiscal year 2009. The Committee gives MARAD flexibility to manage the operations and programs within this funding level and directs MARAD to report back to the Committee on changes to the budget request through the operating plan.

United States Merchant Marine Academy.—The U.S. Merchant Marine Academy (the Academy or USMMA) provides educational programs for men and women to become shipboard officers and leaders in the maritime industry. The Committee continues to include language requiring all funding for the Academy go directly to the Secretary, and that 50 percent of the funding will not be available until MARAD submits a plan detailing how the funding will be spent. The Committee's funding recommendation includes a total of $87,704,000 in fiscal year 2012 for the USMMA, of which $61,304,000 is for Academy operations and $26,400,000 is for capital improvements.

The Committee recommends the budget as requested for the Academy's operations with a few exceptions. The Committee first adjusted the baseline funding level to be consistent with the fiscal year 2011 appropriation. The Committee also did not include funds to replace the midshipman fees. Any changes to the authorized fee structure at the Academy should first be addressed by the authorizing committee of jurisdiction and the "cut-go" requirements. Once the authorizing committee has addressed this issue, the Committee will be happy to re-evaluate the request. Further, the Committee did not provide $145,000 for the recruitment initiative.

The Committee provided funds for the Academy's capital improvement program as requested with the exception of the $2,500,000 request for the commencement of architectural and engineering studies. This reduction was made without prejudice.

State maritime academies.—The Committee recommends $17,100,000 for the state maritime academies as requested in the fiscal year 2012 budget.

SHIP DISPOSAL

Appropriation, fiscal year 2011	$14,970,000
Budget request, fiscal year 2012	18,500,000
Recommended in the bill	5,500,000
Bill compared with:	
Appropriation, fiscal year 2011	−9,470,000
Budget request, fiscal year 2012	−13,000,000

MARAD serves as the federal government's disposal agent for government-owned merchant vessels weighing 1,500 gross tons or more. The ship disposal program provides resources to dispose of obsolete merchant-type vessels in the National Defense Reserve Fleet (NDRF). The Maritime Administration was required by Public Law 106–398 to dispose of its obsolete inventory by the end of 2006. These vessels pose a significant environmental threat due to the presence of hazardous substances such as asbestos and solid and liquid polychlorinated biphenyls (PCBs). MARAD has custody of approximately 64 obsolete vessels that are not yet under contract for disposal. The obsolete ships are located at the James River Reserve Fleet site in Virginia (16 ships), the Suisun Bay Reserve Fleet site in California (39 ships), and the Beaumont Reserve Fleet site in Texas (9 ships).

COMMITTEE RECOMMENDATION

The Committee recommends $5,500,000 for this account, $13,000,000 below the budget request and $9,470,000 below the fiscal year 2011 funding level. Funds are available until expended.

Within the funds provided, the Committee recommends $3,000,000 for maintenance and safeguarding of the Nuclear Ship Savannah. The remaining funds are for ship disposal activities. The Committee suggests MARAD could put more ships out for sale auction rather than contracting for disposal and has proposed a new administrative provision directing MARAD to do so.

The Committee questions the lack of apparent openness, transparency and fiscal accountability in MARAD's Ship Disposal Program. A review of the agency's budget request and funding since inception, combined with the amount of money that the agency could make through vessel sales, raises concerns about the lack of accountability and use of funds appropriated by Congress for this program. The Committee also questions if the agency is properly managing the program and providing the best value to the U.S. taxpayer by focusing on fee-for-service contracts instead of vessel sales. The Committee directs MARAD to provide the Committees on Appropriations within 30 days of enactment of this Act a full accounting of all funds received and expenditures made since 2003 for the Ship Disposal Program, including funds received through obsolete vessel sales; a listing of all sales and fee-for-service contracts that the agency awarded in fiscal year 2010 and 2011; and a demonstration of how the prior years' contracts were awarded in full and open competition.

The Committee also questions the recent sole source award of a fee-for-service contract and inconsistencies in the agency's vessel recycling yard qualification procedures. It is poor public policy to award sole source fee-for-service contracts when competitive bidders are present in the marketplace. MARAD states in prior reports to Congress that access to more recycling yards will speed up NDRF vessel recycling. However, it generally takes over a year to certify fully operational new yards, and MARAD recently qualified non-operational yards to which it subsequently awarded contracts. The Committee directs MARAD to implement objective and consistent procedures by which to qualify vessel recycling yards to bid on NDRF vessels. The Committee further directs MARAD to award its fee-for-service and sales contracts under full and open competition at the lowest cost to the government as required by the National Maritime Heritage Act. This will result in an open and transparent process and generate revenue for the government while reducing MARAD's operating budget.

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM

(INCLUDING TRANSFER AND CANCELLATION OF FUNDS)

	Administrative Expenses	Loan Guarantees
Appropriation, fiscal year 2011	$8,982,000	– – –
Budget request, fiscal year 2012	3,740,000	–$54,100,000
Recommended in the bill	3,740,000	–54,100,000
Bill compared with:		
Appropriation, fiscal year 2011	–5,242,000	–54,100,000
Budget request, fiscal year 2012	– – –	– – –

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

COMMITTEE RECOMMENDATION

The Committee recommends $3,740,000 for the Maritime Guaranteed Loan (Title XI) Program, equal to the budget request and $5,242,000 below the amounts provided in fiscal year 2011. Further, the Committee cancels $54,100,000 of amounts made available in prior years for loan guarantees.

ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

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

Section 171. The Committee includes a new provision regarding MARAD ship disposal.

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

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

OPERATIONAL EXPENSES

(PIPELINE SAFETY FUND)

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2011	$22,092,000
Budget request, fiscal year 2012	22,158,000
Recommended in the bill	22,092,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−66,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $22,092,000 for PHMSA operational expenses, of which $639,000 shall be derived from the Pipeline Safety Fund. This is equal to fiscal year 2011, and $66,000 below the budget request. The Committee includes bill language directing PHMSA to transfer $1,000,000 to the pipeline safety program to fund the pipeline information grants to communities.

The Committee recommends flat funding, in part, to continue support for PHMSA's five-year information technology (IT) modernization effort, which began in fiscal year 2010. The Committee encourages PHMSA to use $2,550,000 of total operational expenses to further these efforts, as proposed in the budget request.

HAZARDOUS MATERIALS SAFETY

Appropriation, fiscal year 2011	$39,020,000
Budget request, fiscal year 2012	50,089,000
Recommended in the bill	39,020,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−11,069,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $39,020,000 to continue the agency's hazardous materials safety program, which is the same as fiscal year 2011 and $11,069,000 below the budget request. The Committee recommends $1,716,000 of the total to remain available for three years for long-term research and development contracts.

SPECIAL PERMITS AND APPROVALS

The Committee declines to include the President's request for a new fee on the processing and enforcing of special permits and approvals (SP&A), which would have raised an estimated $12,000,000 in fiscal year 2012. The Committee makes no judgment about the fee proposal itself. Rather, the Committee notes an expensive new fee should not be enacted through an appropriations Act, particularly when the new fee would be imposed on top of an existing fee structure. Such decisions should be considered comprehensively by the committees of jurisdiction and approved by the Congress in the regular course.

The Administration's fee proposal is designed to relieve the increased costs associated with a dramatic increase in program workload over the past few years. Applications for SP&A have nearly tripled over the past few years. This may be due to several positive improvements in the accountability and oversight of the SP&A process—including the elimination of special permits applicable to entire trade associations and the enhanced emphasis on each carrier's fitness and safety compliance. These improvements were made in response to program reviews and audits by the U.S. House of Representatives Transportation and Infrastructure Committee and the Department of Transportation's Office of the Inspector General.

The Committee recognizes the value of these improvements, the corresponding increased demand on the SP&A program, and the value of the SP&A program in ensuring safety while adapting to industry innovations in transporting hazardous materials. However, the Committee is unable to provide a funding increase in fiscal year 2012.

The Committee notes PHMSA can and should deal with the increased workload in the SP&A program in ways that do not require a permanent expansion of program size and resources. First, the SP&A process should be streamlined as much as possible using ongoing IT system modernizations. Second, the SP&A process should be reevaluated to ensure it is operating efficiently and as only an exceptional process, not as the regular process, for regulating hazardous materials transport.

By definition, SP&As are exceptions to the rule. They are intended to facilitate transportation practices and technologies that are not addressed otherwise in the Hazardous Materials Regulations (HMR). The Committee notes the SP&A exception should not swallow the HMR rule and encourages PHMSA to reevaluate the HMR and SP&A together to ensure they are effectively performing their distinct, yet complementary, authorized functions.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

	(Pipeline safety fund)	(Oil spill liability trust fund)	(New Proposed Fees)	Total
Appropriation, fiscal year 2011	$87,837,970	$18,867,190	– – –	$106,705,160
Budget request, fiscal year 2012	93,854,000	21,510,000	$4,500,000	119,864,000
Recommended in the bill	74,481,000	18,810,000	0	93,291,000
Bill compared to:				
Appropriation, fiscal year 2011	−13,356,970	−57,190	– – –	−13,414,160
Budget request, fiscal year 2012	−19,373,000	−2,700,000	−4,500,000	−26,573,000

PHMSA oversees the safety, security, and environmental protection of pipelines through analysis of data, damage prevention, education and training, development and enforcement of regulations and policies, research and development, grants for states' pipeline safety programs, and emergency planning and response to accidents. The pipeline safety program is responsible for a national regulatory program to protect the public against the risks to life and property in the transportation of natural gas, petroleum and other hazardous materials by pipeline. The Oil Pollution Act of 1990 expanded the role of the pipeline safety program in environmental protection and created new emphasis on spill prevention and containment of oil and hazardous substances from pipelines.

COMMITTEE RECOMMENDATION

The Committee recommends $93,291,000 to continue pipeline safety operations, research and development, and state grants-in-aid, which is $13,414,160 below fiscal year 2011 and $26,573,000 below the budget request. Of the total, $18,810,000 is from the oil spill liability trust fund and the remaining $74,481,000 is from the pipeline safety fund.

The Committee recommends $1,048,000 of the funds provided to be used for the one-call State grant program, which is the same as fiscal year 2011. The Committee recommends $47,332,000 of the funds provided to remain available until September 30, 2014, for multi-year grants and research and development contracts, which is the same as fiscal years 2010 and 2011.

MAJOR NEW PIPELINE CONSTRUCTION

The Committee denies the President's request for two new fees for pipeline safety design reviews and special permits on new major pipeline projects. These fees would have raised an estimated $4,000,000 and $500,000, respectively, in fiscal year 2012. The Committee notes these new fees should not be enacted through an appropriations Act, especially when the new fees would be imposed on top of an existing fee structure. Such decisions should be considered by the committees of jurisdiction and approved by the Congress in the regular course.

The Committee recognizes the Administration's fee proposals are designed to recoup costs associated with the oversight and inspection of major new pipeline construction. Although pipeline companies pay user fees to operate pipelines, they do not pay user fees during periods of pipeline planning and construction, which may last several years and which also require PHMSA oversight.

PHMSA anticipates it will spend significant resources conducting on-site inspections and technical reviews of new pipeline construction, particularly the Alaska Natural Gas Pipeline construction, which is a ten-year project in remote locations. The Alaska project will cost PHMSA an estimated $130 million over ten years, with nearly $1 million in fiscal year 2012 costs. The Committee encourages the authorizing committees to consider the Administration's proposals to align such costs with the parties impacted by them.

PIPELINE EMERGENCIES TRAINING PROGRAM

The Committee is concerned that the nation's aging pipeline infrastructure is vulnerable to future emergency incidents, which pose safety and environmental risks, including risks to emergency responders. The Committee encourages PHMSA to continue delivering effective curriculum and training materials for pipeline incident emergency responders. Specifically, the Committee encourages PHMSA to continue updating and delivering the Pipeline Emergencies Training Program nationwide, to ensure emergency responders are well-prepared.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

	(Emergency preparedness fund)	(Emergency preparedness grant program)
Appropriation, fiscal year 2011	$188,000	($28,318,000)
Budget request, fiscal year 2012	188,000	(28,318,000)
Recommended in the bill	188,000	(28,318,000)
Bill compared to:		
Appropriation, fiscal year 2011	– – –	(– – –)
Budget request, fiscal year 2012	– – –	(– – –)

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

COMMITTEE RECOMMENDATION

The Committee recommends $28,318,000 for the emergency preparedness grants program, which is the same as fiscal year 2011 and the budget request.

RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION

The Research and Innovative Technology Administration (RITA) was established as an administration within the Department of Transportation (DOT) effective November 30, 2004, pursuant to the Norman Y. Mineta Research and Special Programs Improvement Act, Public Law 108–426. The mission of RITA is to provide strategic clarity to DOT's multi-modal and intermodal research efforts, while coordinating the multifaceted research agenda of the department.

RITA coordinates, facilitates, and reviews the following research and development programs and activities: advancement and research and development of innovative technologies, including intelligent transportation systems; education and training in transportation and transportation-related fields, including the University Transportation Centers and the Transportation Safety Institute; and activities of the Volpe National Transportation Center.

Also included within RITA is the Bureau of Transportation Statistics (BTS), which is funded from the Federal Highway Administration's federal-aid highway account. BTS compiles, analyzes, and makes accessible information on the nation's transportation systems; collects information on intermodal transportation and other areas as needed; and enhances the quality and effectiveness of the statistical programs of the DOT through research, the development of guidelines, and the promotion of improvements in data acquisition and use.

RESEARCH AND DEVELOPMENT

Appropriation, fiscal year 2011	$12,981,000
Budget request, fiscal year 2012	17,600,000
Recommended in the bill	11,860,000
Bill compared with:	
Appropriation, fiscal year 2011	−1,121,000
Budget request, fiscal year 2012	−5,740,000

COMMITTEE RECOMMENDATION

The Committee recommendation provides $11,860,000 for fiscal year 2012, which is $1,121,000 below the fiscal year 2011 enacted level and $5,740,000 below the fiscal year 2012 budget request.

Administrative Expenses.—Within the fiscal year 2012 recommended funding level, the Committee provides $6,700,000 for RITA's salaries and administrative expenses. This level is $250,000 below the fiscal year 2011 enacted level and $900,000 below the budget request.

Research Programs.—Within the recommended funding level, the Committee provides $5,160,000 for RITA's R&D programs as follows:

Alternative Fuels R&D	$300,000
Research, Development and Technology (RD&T) Coordination	400,000
Nationwide Differential Global Positioning System (NDGPS)	4,100,000
Positioning, Navigation and Timing (PN&T)	360,000

The Committee's recommendation for research programs is $864,000 below the fiscal year 2011 enacted level and is $4,840,000 below the budget request.

The Committee funds the Alternative Fuels R&D at $300,000. This is $199,000 below the fiscal year 2011 enacted level and $200,000 below the budget request.

The Committee funds RD&T Coordination at $400,000. This is $135,000 below the fiscal year 2011 enacted level and $500,000 below the budget request.

The Committee funds NDGPS at $4,100,000. This is $491,000 below the fiscal year 2011 enacted level and $3,500,000 below the budget request.

The Committee funds PN&T at $360,000. This is $39,000 below the fiscal year 2011 enacted level and $640,000 below the request.

The bill also includes language that allows funds received from states, counties, municipalities, other public authorities, and private sources for expenses incurred for training to be credited to this appropriation.

BUREAU OF TRANSPORTATION STATISTICS

(LIMITATION ON OBLIGATIONS)

Appropriation, fiscal year 2011	($27,944,000)
Budget request, fiscal year 2012	(35,000,000)
Recommended in the bill	(27,000,000)
Bill compared with:	
Appropriation, fiscal year 2011	(−944,000)
Budget request, fiscal year 2012	(−8,000,000)

COMMITTEE RECOMMENDATION

Under the appropriation of the Federal Highway Administration, the bill provides $27,000,000 for the Bureau of Transportation Statistics (BTS). This is $944,000 below the fiscal year 2011 enacted level and $8,000,000 below the request.

The most recent long-term surface transportation authorization act, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA–LU), expired on September 30, 2009. Since that time, Congress has passed several short-term extension bills that have continued to provide contract authority for the Bureau of Transportation Statistics. However, the current extension will expire on September 30, 2011.

The committee notes that the Federal Aviation Administration's Air Traffic Organization budget request includes $5,000,000 for the Office of Airline Statistics within BTS.

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 2011	$74,964,000
Budget request, fiscal year 2012	89,185,000
Recommended in the bill	79,524,000
Bill compared with:	
Appropriation, fiscal year 2011	+4,560,000
Budget request, fiscal year 2012	−9,661,000

COMMITTEE RECOMMENDATION

The Committee recommendation provides $79,524,000 for fiscal year 2012, which is $4,560,000 above the fiscal year 2011 enacted level and $9,661,000 below the fiscal year 2012 budget request. The Committee continues to highly value the work of the IG in oversight of departmental programs and activities. The Committee agrees with the IG that funding through direct appropriation rather than transfers is more efficient and will enhance funding transparency. As such, the Committee includes in the IG's direct appropriation $3,524,000 from the Federal Highway Administration and $2,000,000 from the Federal Transit Administration that in FY11 had been transfers. In addition, the IG will receive $200,000 from the National Transportation Safety Board.

The Committee expects minimal reduction in current FTE levels based on historical attrition rates and reductions in rent, contractual services, travel, and advisory and assistance services.

The Committee recognizes that the National Transportation Safety Board Reauthorization Act of 2006 (Public Law 109–443) authorized the Government Accountability Office (GAO) to audit, at least annually, National Transportation Safety Board (NTSB) programs and expenditures, including information security. It also provided that the NTSB and OIG, in the absence of a direct appropriation, enter into a reimbursable agreement for any NTSB-related audits or reviews performed by the OIG.

The OIG continues to perform the annual audit of NTSB's financial statements under the Chief Financial Officers Act, maintain the hotline, and conduct follow-up investigations on a cost reimbursement basis. The OIG has requested $200,000 from NTSB in its congressional justification for reimbursement of costs estimated to carry out this function.

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 IG to continue forwarding copies of all audit reports to the Committee immediately after they are issued, and to continue to make the Committee aware immediately of any review that recommends cancellation or modifications to any major acquisition project or grant, or which recommends significant budgetary savings. The 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.

The Committee requests that the Inspector General review its field office location strategy, specifically in the northeast region. In fiscal year 2011 there were 51 FTE in four field offices in the Washington, DC–New York, NY, corridor. The annual combined rental costs for these offices totaled nearly $1,000,000. This strategy review should include all of its field offices and focus on recommendations for cost savings, including office consolidation options. This review shall be completed within 180 days of the signing of this bill and delivered to the Committees on Appropriations in the House and Senate.

The Committee understands that while the OIG makes rental payments for its Oakland, CA, field office, no permanent FTEs are assigned to the location. Since the OIG has another field office in San Francisco, CA, with 23 FTE, the Committee eliminates funds for the Oakland, CA, field office.

SURFACE TRANSPORTATION BOARD

The Surface Transportation Board (STB) was created in the Interstate Commerce Commission Termination Act of 1995 and is the successor agency to the Interstate Commerce Commission. The STB is an economic regulatory and adjudicatory body charged by Congress with resolving railroad rate and service disputes and reviewing proposed railroad mergers. The STB is decisionally independent, although it is administratively affiliated with the Department of Transportation.

The Passenger Rail Investment and Improvement Act of 2008, Pub. L. 110–432, (PRIIA), included new responsibilities for the STB.

SALARIES AND EXPENSES

Appropriation, fiscal year 2011	$29,008,000
Budget request, fiscal year 2012	31,250,000
Recommended in the bill	27,500,000
Bill compared with:	
Appropriation, fiscal year 2011	−1,508,000
Budget request, fiscal year 2012	−3,750,000

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $27,500,000 for fiscal year 2012, which is $1,508,000 below the fiscal year 2011 enacted level and $3,750,000 below the fiscal year 2012 budget request. Included in the recommendation is an offsetting collection of $1,250,000 from user fees established by the STB Chairman.

GENERAL PROVISIONS—DEPARTMENT OF TRANSPORTATION

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

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

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

Section 183. The Committee continues the provision prohibiting funds for the implementation of section 404 of title 23, United States Code.

Section 184. The Committee continues the provision prohibiting recipients of funds made available in this Act from releasing personal information, including Social Security number, medical or disability information, and photographs from a driver's license or motor vehicle record, without express consent of the person to whom such information pertains; and prohibits the withholding of funds provided in this Act for any grantee if a state is in noncompliance with this provision.

Section 185. 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 186. 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 DOT.

Section 187. The Committee continues the provision prohibiting funds from being used to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations not less than three full business days before any discretionary grant award, letter of intent, or full funding grant agreement totaling $1,000,000 or more is announced by the Department or its modal administrations, and directs the Secretary to give concurrent notification for any "quick release" of funds from the Federal Highway Administration's emergency relief program.

Section 188. The Committee continues a provision allowing funds received from rebates, refunds, and similar sources to be credited to appropriations of the DOT.

Section 189. The Committee continues a provision allowing amounts from improper payments to a third party contractor that are lawfully recovered by the DOT to be available to cover expenses incurred in the recovery of such payments.

Section 190. The Committee mandates that reprogramming actions are to be approved or denied solely by the House and Senate Committees on Appropriations.

Section 191. The Committee caps the amount of fees the Surface Transportation Board can charge and collect for late complaints filed at the amount authorized for court civil suit filing fees.

Section 192. The Committee continues a provision allowing the Department to provide payments in advance to carry out its contract for the implementation of a debit card program for distribution of transit benefits.

Section 193. The Committee includes a provision allowing the Department to carry out a program that establishes uniform standards regarding transit benefits.

Section 194. The Committee includes a provision allowing funds to the modal administrations to be obligated to the Office of the Secretary for the costs related to assessments or reimbursable agreements only when such amounts are for the costs of goods and services that are purchased to provide a direct benefit to the applicable modal administration or administrations.

Section 195. The Committee includes a provision prohibiting the transfer of funds to the Working Capital Fund without a quorum approval of the Working Capital Fund Steering Committee and approval of the Secretary.

Section 196. The Committee includes a provision making changes to the authorizing statute for the Metropolitan Washington Airport Authority's governing board.

Section 197. The Committee includes a provision prohibiting the use of funds to enforce certain minimum standards for traffic signs.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MANAGEMENT AND ADMINISTRATION

Appropriation, fiscal year 2011	$1,326,371,000
Budget request, fiscal year 2012	1,350,000,000
Recommended in the bill	1,233,415,000
Bill compared to:	
Appropriation, fiscal year 2011	−92,956,000
Budget request, fiscal year 2012	−116,585,000

Management and Administration provides operating support to the Department of Housing and Urban Development (HUD), including salaries and expenses (S&E) for all HUD employees. The Committee supports the Department's efforts to transform the way HUD does business and recommends the Department first and foremost focus its efforts on its human capital needs. Therefore, the Committee directs HUD to provide quarterly updates on its efforts to improve the Department's hiring process, the performance appraisal process, the succession planning process and the budgeting of S&E resources to the House and Senate Committees on Appropriations. In addition, these reports should include updates on the number of FTE projected for each office in the Department compared to last year's actual level and the authorized level for the current fiscal year.

Congressional budget justification.—The Committee is deeply dismayed by the lack of transparency HUD provides in their congressional budget justifications, and disappointed it did not follow last year's House report directing HUD to improve their congressional justifications in 2012. Therefore, the Committee is reinforcing the necessity of this level of detail by including language reinforcing the fiscal year 2011 House request in bill language. The fiscal year 2011 report language required HUD to submit

> [A] detailed staffing justifications for each office within the Department, including an organizational chart for each operating area within the Department. Further, the Department is directed to include in the budget justification funding levels for the past five fiscal years for all offices.
>
> The budget submitted by the Department must also include a detailed justification for the incremental funding increases, decreases and FTE fluctuations being requested program, activity, or program element. The Committee encourages the Department to format the discussion of these changes in a similar format to the Department of Transportation Office of the Secretary Salaries and Expenses justification for each of its offices. In addition, the Committee directs the Government Accountability Office (GAO) to examine the Department's method for estimating and allocating S&E resources.

Reprogramming.—As in previous years, the Committee reiterates that the Department must limit the reprogramming of funds between the program, projects, and activities within each account to not more than $500,000 without prior written approval of the Committees on Appropriations. Unless otherwise identified in the bill or report, the most detailed allocation of funds presented in the budget justifications is approved, with any deviation from such approved allocation subject to the normal reprogramming requirements.

Reorganizations.—The Committee expects one month prior notice of office, program or activity reorganizations. Additionally, the Committee requires notice on a monthly basis, of all ongoing litigation, including any negotiations or discussions, planned or ongoing, regarding a consent decree between the Department and any other entity, including the estimated costs of such decrees.

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

Lapsed balances.—The Committee includes a provision providing that fifty percent of unobligated balances may remain available only for the information technology modernization under the Transformation Initiative.

Relationship between HUD and the Committee on Appropriations.—The primary relationship between the Committee and HUD exists via the Departmental budget office. This relationship, an absolute necessity in structuring the annual appropriations Act, is based on the sharing of a wide range of budgetary and cost information. To improve the flow of information, the Committee directs the Department to establish within the Departmental budget office an appropriations liaison branch through the realignment of existing staff. This realignment should be submitted to the House and Senate Appropriations' Committee by January 1, 2012. The Committee retains the right to call upon all offices and agencies within the Department, but the primary connection between the two entities exists through the budget office. To that end, the Committee expects that all offices within HUD will work with the budget office to provide timely and accurate information for submission to the Committee. The Department is reminded that directives and reports mandated in the House or Senate Appropriations reports are not optional, unless revised or eliminated by the Statement of Managers accompanying the Act. Finally, the Committee cautions HUD that Section 405 of the Appropriations Act governs the creation of new offices and policies.

EXECUTIVE DIRECTION

The Executive Direction account encompasses the offices of the major policymakers at the Department, including all of the Senate-confirmed political appointees. The responsibilities of the Department are administered under the supervision and direction of the Secretary, who is responsible for the administration of all programs, functions and authorities of the Department. The Deputy Secretary assists the Secretary in the execution of these duties and responsibilities, and serves as Acting Secretary in the absence of the Secretary.

In fiscal year 2010 the Department created the Office of the Chief Operating Officer to manage and provide comprehensive strategy for HUD's support operations, with a particular focus on the transformation of HUD's human capital, procurement, and information technology functions; responsibilities generally handled by a Deputy Secretary. However, in fiscal year 2011, the Chief Operating Officer assumed all the responsibilities of the Deputy Secretary, and HUD has informed the committee that they will not need both offices. Thus, the Committee recommends combining the Offices of Deputy Secretary and the Chief Operating Officer.

In addition to the Offices of the Secretary, Deputy Secretary and the Chief Operating Officer, the offices of seven Assistant Secretaries are included, as well as the immediate offices of the Chief Financial Officer and the General Counsel. This account also includes the activities of two offices of highly specialized staff with Department-wide responsibility, the Office of Hearings and Appeals and the Office of Small and Disadvantaged Business Utilization.

The Office of Hearings and Appeals is an independent adjudicatory office within the Office of the Secretary whose administrative judges conduct hearings and make determinations for the Department in accordance with existing statutes and departmental policies, regulations, and procedures. The Office of Hearings and Appeals is headed by a Director appointed by the Secretary who supervises the administrative judges, administrative law judges of the Office of Administrative Law Judges, and support staff.

The Office of Small and Disadvantaged Business Utilization is responsible for the implementation and execution of the Department's activities on behalf of small businesses, minority businesses, businesses owned and controlled by disadvantaged persons, and firms, in accordance with Sections 8 and 15 of the Small Business Act, as amended. For the functions and responsibilities required by this law, the Director shall be responsible and report directly to the Secretary or Deputy Secretary.

COMMITTEE RECOMMENDATION

The Committee recommends $20,663,000 for this account, which is $6,138,290 below above the level enacted in fiscal year 2011 and $9,745,000 below the fiscal year 2012 budget request. The funds are to be distributed as follows:

Immediate Office of the Secretary	$3,280,000
Office of the Deputy Secretary and Chief Operating Officer	546,000
Office of Hearings and Appeals	1,752,000
Office of Small and Disadvantaged Business Utilization	705,000
Immediate Office of the Chief Financial Officer	645,000
Immediate Office of the General Counsel	1,400,000
Office of the Assistant Secretary for Congressional and Intergovernmental Relations	2,010,000
Office of the Assistant Secretary for Public Affairs	2,800,000
Office of the Assistant Secretary for Public and Indian Housing	1,760,000
Office of the Assistant Secretary for Community and Planning Development	1,800,000
Office of the Assistant Secretary for Housing, Federal Housing Commissioner	2,310,000
Office of the Assistant Secretary for Policy Development and Research	955,000
Office of the Assistant Secretary for Fair Housing and Equal Opportunity	700,000

In fiscal year 2008, the structure of the Management and Administration account was altered to separate the salaries and expenses of the Department from one account into nine accounts. This change was made to improve transparency and to give the Committee greater oversight of this large account. By splitting the Senate-confirmed Secretary, Deputy Secretary and Assistant Secretaries into the "Executive Direction" account, the Committee aimed to increase accountability over the lead policymakers of the Department. The Committee instructs the Department to use this structure in submitting all future budgets.

As this structure was created to increase oversight, the Committee directs HUD to only fund senior policymakers out of the Executive Direction account. In addition, all senior advisors to the Secretary should be funded directly through the Office of the Secretary. The Committee directs the Department to specify the number of senior advisors in the Office of the Secretary salaries and expenses budget justification.

The Secretary is authorized to transfer funds within offices under Executive Direction following written notification to the House and Senate Committees on Appropriations, provided that no amount for any office may be increased or decreased by more than 5 percent by all transfers. Notice of any change in funding greater than 5 percent must be submitted to and receive prior written approval from the Committees on Appropriations.

Further, the Secretary must provide quarterly status updates to the Committees regarding pending congressional reports. The bill also provides that no more than $25,000 provided under the immediate Office of the Secretary shall be available for the official reception and representation expenses as the Secretary may determine. In addition, the bill includes a provision requiring the Department to notify the Committees on Appropriations one month in advance of any international travel.

ADMINISTRATION, OPERATIONS AND MANAGEMENT

This account funds the personnel compensation and benefits of ten program offices, as well as non-personnel expenses for the entire Department, such as travel and training. Included in the account are salaries and expenses of the programs listed in the following paragraphs.

The Office of the Chief Human Capital Officer provides general support services to all offices and divisions throughout HUD. These services include: management analysis, human resource management, employee training, performance analysis; providing general building and office services; as well as carrying out special activities directly assigned by the Secretary of HUD.

The Office of Departmental Operations and Coordination (ODOC) performs a broad range of cross-program functions that assist the Secretary and the Deputy Secretary with HUD's continuing management improvement initiatives. Key responsibilities include: managing the Department's Compliance and Monitoring Program; managing HUD's oversight and monitoring of labor standards for HUD-funded construction projects; managing HUD's Quality Management Review process; oversight of OIG and GAO reviews and audits; and coordinating Executive Management and Field Office Management Meetings for the Deputy Secretary.

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

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

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

Appropriations Attorneys.—During consideration of the fiscal year 2003 appropriations legislation, it became apparent to the Committee that both the Committee and the Department would be better served if the attorneys responsible for appropriations matters were housed in the Office of the Chief Financial Officer (OCFO), and the fiscal year 2003 Act provided funds and FTE to the OCFO to accommodate four attorneys transferred from the Office of General Counsel (OGC). Since that time, the Committee has routinely received prompt, accurate, and reliable information from the OCFO on various appropriations law matters. For fiscal year 2012, the Committee continues to fund appropriations attorneys in the OCFO and directs HUD to maintain this responsibility within the OCFO.

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

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

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

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

The Committee continues to direct that the Office of the Assistant Secretary for Congressional and Intergovernmental Relations shall have no more than 20 FTEs.

COMMITTEE RECOMMENDATION

The Committee recommends $494,739,000 for this account, which is $41,197,978 below the level enacted in fiscal year 2011, and $38,478,000 below the fiscal year 2012 budget request. The funds are to be distributed as follows:

Office of the Chief Human Capital Officer Personnel Compensation and Benefits	$65,863,000
Office of Departmental Operations and Coordination Personnel Compensation and Benefits	9,149,000
Office of Field Policy and Management Personnel Compensation and Benefits	46,353,000
Office of the Chief Procurement Officer Personnel Compensation and Benefits	13,513,000
Office of the Chief Financial Officer Personnel Compensation and Benefits	32,294,000
Office of the General Counsel Personnel Compensation and Benefits	86,844,000
Office of the Departmental Equal Employment Opportunity Personnel Compensation and Benefits	2,927,000
Office of Faith-Based and Community Initiatives Personnel Compensation and Benefits	1,094,000
Office of Strategic Planning and Management Personnel Compensation and Benefits	1,702,000
Non-personnel expenses	235,000,000

The bill provides funding in this account for necessary administrative and non-administrative expenses of the Department. Funds may be used for advertising and promotional activities that support the housing mission area. Further, the Secretary is authorized to transfer funds between offices under this account, after such transfer has been submitted to, and received written approval by, the Committees on Appropriations. No appropriation for any office may be increased or decreased by more than 10 percent. In addition, the bill includes a provision requiring the Department to notify the Committees on Appropriations one month in advance of any international travel.

PERSONNEL COMPENSATION AND BENEFITS

PUBLIC AND INDIAN HOUSING

Appropriation, fiscal year 2011	$188,695,852
Budget request, fiscal year 2012	189,610,000
Recommended in the bill	182,500,000
Bill compared to:	
Appropriation, fiscal year 2011	−6,195,852
Budget request, fiscal year 2012	−7,110,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $182,500,000 for this account, which is $6,195,852 below the level enacted in fiscal year 2011, and $7,110,000 below the fiscal year 2012 budget request.

COMMUNITY PLANNING AND DEVELOPMENT

Appropriation, fiscal year 2011	$96,795,022
Budget request, fiscal year 2012	99,815,000
Recommended in the bill	91,000,000
Bill compared to:	
Appropriation, fiscal year 2011	−5,795,022
Budget request, fiscal year 2012	−8,815,000

The Office of Community Planning and Development (CPD) assists in developing viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expand economic opportunities for low and moderate-income persons. The primary means toward this end is the development of partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations. This Office is responsible for the effective administration of Community Development Block Grant programs (CDBG), Home Investment Partnership (HOME), Brownfields Economic Development Initiative (BEDI), Self-Help Homeownership Opportunity Program (SHOP), Housing Opportunities for Persons with AIDS (HOPWA) and other HUD community development programs.

COMMITTEE RECOMMENDATION

The Committee recommends $91,000,000 for this account, which is $5,795,022 below the level enacted in fiscal year 2011, and $8,815,000 below the fiscal year 2012 budget request.

HOUSING

Appropriation, fiscal year 2011	$381,123,226
Budget request, fiscal year 2012	397,660,000
Recommended in the bill	353,126,000
Bill compared to:	
Appropriation, fiscal year 2011	−27,997,226
Budget request, fiscal year 2012	−44,534,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $353,126,000 for this account, which is $27,997,226 below the level enacted in fiscal year 2011, and $44,534,000 below the fiscal year 2012 budget request. The FY 2011 Appropriations Act eliminated grant funding for Housing Counseling Assistance and this bill eliminates the commensurate amount of FTE associated with that program. Given HUD's refusal to provide any justification on how many FTE would be needed for the non-grant making activities related to Housing Counseling, this funding level assumes HUD does not need any FTE related to this activity. However, the funding level does assume enough FTE needed to provide a thorough analysis and briefing which is requested in this report's Housing Counseling section.

OFFICE OF THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Appropriation, fiscal year 2011	$11,072,810
Budget request, fiscal year 2012	– – –
Recommended in the bill	– – –
Bill compared to:	
Appropriation, fiscal year 2011	−11,072,810
Budget request, fiscal year 2012	– – –

The Office of the Government National Mortgage Association (GNMA) supports the Mortgage Backed Securities (MBS) program, which is the guarantee of timely payment of principal and interest to investors on the mortgage-backed securities pools of FHA, Veterans Affairs, Rural Development, and Public and Indian Housing guaranteed loans. The mission of GNMA is to expand affordable housing in America by linking domestic and global capital markets to the Nation's housing markets.

COMMITTEE RECOMMENDATION

The Committee proposes to fund the personnel costs of GNMA by Commitment and Multiclass fees, thus it does not propose any funding for GNMA under the "Office of Government National Mortgage Association" appropriation under the Management and Administration section of the HUD budget. This will allow GNMA more flexibility to strengthen risk management and oversight, and to move in-house some functions performed by contractors.

POLICY DEVELOPMENT AND RESEARCH

Appropriation, fiscal year 2011	$19,099,724
Budget request, fiscal year 2012	21,390,000
Recommended in the bill	17,716,000
Bill compared to:	
Appropriation, fiscal year 2011	−1,383,724
Budget request, fiscal year 2012	−3,674,000

The Office of Policy Development and Research (PD&R) directs the Department's annual research agenda to support the research and evaluation of housing and other departmental initiatives to improve HUD's effectiveness and operational efficiencies. Research proposals are determined through consultation with senior staff from each HUD program office, the Office of Management and Budget, the Congress, as well as discussions with key HUD stakeholders. The office addresses all inquiries regarding key housing economic information such as the American Housing Survey, Fair Market Rents, Median Family Income Limits, annual housing goals and oversight of the Government Sponsored Enterprises (GSEs), Fannie Mae and Freddie Mac and Real Estate Settlement Procedures Act and mortgage market analyses.

COMMITTEE RECOMMENDATION

The Committee recommends $17,716,000 for this account, which is $3,674,000 below the level enacted in fiscal year 2011 and $1,383,724 below the fiscal year 2012 budget request.

FAIR HOUSING AND EQUAL OPPORTUNITY

Appropriation, fiscal year 2011	$71,656,400
Budget request, fiscal year 2012	70,733,000
Recommended in the bill	66,697,000
Bill compared to:	
Appropriation, fiscal year 2011	−4,959,400
Budget request, fiscal year 2012	−4,036,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $66,697,000 for this account, which is $4,959,400 below the level enacted in fiscal year 2011 and $4,036,000 below the fiscal year 2012 budget request.

OFFICE OF HEALTHY HOMES AND LEAD HAZARD CONTROL

Appropriation, fiscal year 2011	$7,136,698
Budget request, fiscal year 2012	7,167,000
Recommended in the bill	6,974,000
Bill compared to:	
Appropriation, fiscal year 2011	−162,698
Budget request, fiscal year 2012	−193,000

The Office of Healthy Homes and Lead Hazard Control (OHHLHC) is directly responsible for the administration of the Lead-Based Paint Hazard Reduction program authorized by Title X of the Housing and Community Development Act of 1992. The office also addresses multiple housing-related hazards affecting the health of residents, particularly children. The office develops lead-based paint regulations, guidelines, and policies applicable to HUD programs, and enforces the Lead Disclosure Rule issued under Title X. For both lead-based paint and healthy homes issues, the office designs and administers programs for grants, training, research, education and information dissemination, and serves as the Department's central information source for the Secretary, the Congress, HUD staff, HUD grantees, state and local governments and the public.

COMMITTEE RECOMMENDATION

The Committee recommends $6,974,000 for this account, which is $162,698 below the level enacted in fiscal year 2011 and $193,000 below the fiscal year 2012 budget request.

PUBLIC AND INDIAN HOUSING

TRANSFORMING RENTAL ASSISTANCE

Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	$200,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−200,000,000

The fiscal year 2011 budget request proposed the first phase of a new multi-year initiative to transform up to 13 different rental assistance programs into one program that converts these units to long-term property-based rental assistance contracts.

COMMITTEE RECOMMENDATION

The Committee recommends no funding for the Transforming Rental Assistance (TRA) program. This initiative remains unauthorized, and an undertaking of this type is best handled through the authorizing process. The Committee recognizes the need for a long term solution to the problems facing the preservation of the public housing inventory, especially in light of constrained resources in this fiscal year and in the immediate future. However, it would be inappropriate for a demonstration of this magnitude to be initiated through the appropriations process.

TENANT-BASED RENTAL ASSISTANCE

Appropriation, fiscal year 2011	$18,370,873,000
Budget request, fiscal year 2012	19,222,569,183
Recommended in the bill	18,467,883,000
Bill compared with:	
Appropriation, fiscal year 2011	+97,010,000
Budget request, fiscal year 2012	−754,686,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $18,467,883,000 for tenant-based rental assistance, which is $754,686,000 below the budget request and $97,010,000 above the fiscal year 2011 enacted level. Consistent with the budget request, the Committee continues the advance of $4,000,000,000 of the funds appropriated under this heading for Section 8 programs to October 1, 2012.

Voucher renewals.—The Committee provides $17,043,837,000 which is a decrease of $100,000,000 from the budget request and $374,554,000 above the fiscal year 2011 enacted level for the renewal of tenant-based vouchers. The Department is instructed to monitor and report to the House and Senate Committees on Appropriations each quarter on the trends in Section 8 subsidies and to report on the required program alterations due to changes in rent or changes in tenant income.

The Committee reminds the Department that this program is a budget-based account and must be implemented as such. The renewal demand for this program is considerable and growing each year. In order to responsibly fund PHAs for providing rental assistance to the 2 million families and individuals that rely on this resource, HUD must adhere to the strict principles of budgeting based on rents and inflation, not on the number of units or other expenses. Any efforts to deviate from a budget-based approach in this account will not be looked upon favorably by the Committee. Further, the Committee expects HUD to follow Treasury's rules on cash management in this account.

Tenant protection.—The Committee provides $75,000,000 for tenant protection vouchers, $34,780,000 below the level enacted in fiscal year 2011 and equal to the budget request. Due to the large unobligated balance in this account, funds provided should be sufficient to meet the need for these vouchers in fiscal year 2012.

Administrative fees.—The Committee recommends $1,100,000,000 for allocations to the PHAs to conduct activities associated with placing and maintaining individuals under Section 8 assistance. This amount is $347,100,000 below the level enacted in fiscal year 2011 and is $547,780,000 below the budget request for administrative fees and family self-sufficiency (FSS) coordinators. The Committee instructs the Administration to fund administrative fees based on the number of units leased, in accordance with section 8(q) of the Quality Housing and Work Responsibility Act (QHWRA). The Committee reiterates the need to have a more expeditious review of PHA administrative fee costs.

Family Self Sufficiency Coordinators.—The Committee includes $60,000,000 for FSS coordinators, equal to the budget request and to the level enacted for 2011.

Mainstream voucher renewals.—The Committee recommends $114,046,000 in this account for renewal of expiring Section 811 tenant-based subsidies. In doing so, the Committee directs HUD to issue guidance to the housing agencies administering these vouchers to continue to serve people with disabilities upon turnover.

Veterans Affairs Supportive Housing.—The Committee recommends $75,000,000 for incremental voucher assistance through the Veterans Affairs Supportive Housing (VASH) program, $25,100,000 above the enacted level for 2011 and the same as the budget request. This program will be administered in conjunction with the Department of Veterans Affairs and these vouchers shall remain available for homeless veterans upon turnover. This year's allocation will add 10,000 new vouchers to that total, and will support the Department of Veterans Affairs' (VA) goal of ending homelessness among veterans within five years. In addition, the Committee directs HUD to report on VASH utilization rates, challenges encountered in the program, and increases in veteran self-sufficiency by January 15, 2012.

Housing and Services for Homeless Persons Demonstration.—The Committee recommends no funding for the Housing and Services for Homeless Persons Demonstration, as proposed in the fiscal year 2012 budget request. The Committee notes the difficulty HUD has had administering programs such as the Veterans Affairs Supportive Housing program, which requires cross-Departmental coordination. Particularly given the limited resources available for the Department, the Committee cannot support another unauthorized, unproven expenditure.

The Committee continues in bill language the direction to the Department to communicate to each PHA, within 60 days of enactment, the fixed amount that will be made available to each PHA for fiscal year 2012. The amount being provided in this account is the only source of federal funds that may be used to renew tenant-based vouchers. The amounts appropriated here may not be augmented from any other source.

HOUSING CERTIFICATE FUND

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

COMMITTEE RECOMMENDATION

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

PUBLIC HOUSING CAPITAL FUND

Appropriation, fiscal year 2011	$2,040,112,000
Budget request, fiscal year 2012	2,405,345,000
Recommended in the bill	1,532,117,000
Bill compared with:	
Appropriation, fiscal year 2011	−507,995,000
Budget request, fiscal year 2012	−873,228,000

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

COMMITTEE RECOMMENDATION

The Committee recommends a total funding level of $1,532,117,000, which is $507,995,000 below the level provided in fiscal year 2011 and $873,228,000 below the budget request.

Within the amounts provided the Committee directs that:

—No more than $15,345,000 is directed to support the ongoing Public Housing Financial and Physical Assessment activities of the Real Estate Assessment Center; and

—$5,000,000 is directed to the support of administrative and judicial receiverships. The Committee directs that the Department continue to report to the House and Senate Committees on Appropriations quarterly on the progress made at each agency under receivership.

PUBLIC HOUSING OPERATING FUND

Appropriation, fiscal year 2011	$4,616,748,000
Budget request, fiscal year 2012	3,961,850,000
Recommended in the bill	3,861,850,000
Bill compared with:	
Appropriation, fiscal year 2011	−754,898,000
Budget request, fiscal year 2012	−100,000,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $3,861,850,000 for the federal share of PHA operating expenses. This amount is $754,898,000 below the enacted level for fiscal year 2011 and is $100,000,000 below the budget request. The bill includes language requested in the budget to offset 2012 allocations based on reserve balances at public housing agencies. The Secretary shall develop a plan to recapture these reserve operating funds and submit it to the House and Senate Committees on Appropriations for approval within 30 days of enactment of this Act. Unless approval is received from the House and Senate Committees on Appropriations, the Secretary shall recapture said funds on the pro rata method described in this Act.

The Committee has included bill language that fixes a HUD administrative overreach in Public Law 111–5, which accounts for roughly $100,000,000 in savings reflected in the recommended level for this account.

CHOICE NEIGHBORHOODS INITIATIVE

Appropriation, fiscal year 2011	$99,800,000
Budget request, fiscal year 2012	250,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−250,000,000

COMMITTEE RECOMMENDATION

The Committee recommends no funding for the Choice Neighborhoods Initiative, as this program is, yet again, unauthorized. In the fiscal year 2010 bill, the Committee funded Choice Neighborhoods as a demonstration. While awards have been made, very little money has been spent. It is impossible to measure the results of a demonstration before a program has one functioning property to observe. As such, the Committee provides no funding and encourages the Department to engage the authorizing Committees of jurisdiction to pursue exploring this idea before requesting further funding for this initiative.

NATIVE AMERICAN HOUSING BLOCK GRANTS

Appropriation, fiscal year 2011	$648,700,000
Budget request, fiscal year 2012	700,000,000
Recommended in the bill	648,700,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−51,300,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $648,700,000 for Native American Housing Block Grants, which is the same as fiscal year 2011 and $51,300,000 below the budget request. Of the amounts made available under this heading:

—$1,620,000 for Title VI loan guarantees up to $15,000,000.

—$2,000,000 for the Department to administer inspections, technical assistance, and training. The Committee knows the Department seeks to consolidate all technical assistance funding into the Transformation Initiative. However, the Committee wants to ensure a minimum amount is committed to increasing the capacity of grantees on tribal lands. The Committee has expressed concern in the past that the Department's technical assistance in this program is slow and ineffective. The Committee expects HUD to provide valuable technical assistance to tribes to assure the best use of Native American Housing Block Grant funds.

—$0 is for a national organization to provide training and technical assistance to tribes and TDHEs. The Committee agrees with the President's budget request that no funds should be provided to the National American Indian Housing Council (NAIHC) this fiscal year. While training and technical assistance are important, the Committee agrees with the Administration that the NAIHC has sufficient carryover balances of federal funds (nearly $7,000,000 in June 2011) to continue these activities without additional appropriations.

TIMELY EXPENDITURE OF FUNDS

The Committee notes there is significant need for affordable housing in Indian Country. However, some tribes and TDHEs have not spent large amounts of block grant funds for several years, resulting in large accumulated balances and severely reduced housing activities on tribal lands. In March 2011, this account had nearly a billion dollars in unexpended balances, with almost half of that balance belonging to a single tribe.

To address this situation, the Committee includes bill language that prohibits tribes with over $20,000,000 in unexpended balances at the beginning of fiscal year 2012 (excluding fiscal year 2011 funds) from receiving additional block grant funds in fiscal year 2012. This will maximize the impact of scarce funding in this account, to help address tribal housing needs in a timely manner. The Department estimates there are 555 tribes eligible to use these block grant funds. Those tribes with over $20 million in unexpended balances can use their accumulated funds to address housing needs in fiscal year 2012.

To avoid a similar situation in the future, the Committee includes a three-year limitation on funds appropriated in this account. The Committee notes most tribes successfully spent the two-year Native American Housing Block Grant funds that were provided by The American Recovery and Reinvestment Act of 2009 (the "stimulus" bill). This demonstrated that (1) tribes can spend this money quickly; and (2) time limits are effective in ensuring the block grant funds are used to address tribal housing needs in a timely manner.

To further promote the timely use of these funds, the Committee also includes language requiring the Department to notify grantees of their formula allocation within 60 days of enactment of this Act.

CENSUS DATA AND THE NAHASDA FORMULA

In 2003, when the Department began using the new 2000 Census data, it shifted the basis for the needs portion of the formula distribution of funds from single-race to multi-race. The Committee continues language from last year instructing the Department to distribute funds based on single-race or multi-race data, whichever is the higher amount for each recipient.

The Committee notes the 2010 Census did not capture the same housing data that was included in the 2000 Census and that is currently used in the NAHASDA formula to determine distribution of the Native American Housing Block Grants. The Committee also notes that using Decennial Census Long Form data is an imperfect method of determining eligibility under NAHASDA, particularly in terms of tribal membership.

The Committee instructs the HUD Office of Policy Development and Research to submit a report to the Committee within 180 days of enactment of this Act that proposes alternative data sources to fulfill the requirements of Sec. 302(b) of NAHASDA, "Factors for Determination of Need." The report will explain how the proposed replacement data source is tailored to the requirements for eligibility for participation in the program.

NATIVE HAWAIIAN HOUSING BLOCK GRANT

Appropriation, fiscal year 2011	$12,974,000
Budget request, fiscal year 2012	10,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2011	–12,974,000
Budget request, fiscal year 2012	–10,000,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $0 for this program, which is $12,974,000 below the amount provided in fiscal year 2011 and $10,000,000 below the budget request. The Committee notes there is no authorization for this program.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

Program account:	
Appropriation, fiscal year 2011	$6,986,000
Budget request, fiscal year 2012	7,000,000
Recommended in the bill	6,000,000
Bill compared with:	
Appropriation, fiscal year 2011	–986,000
Budget request, fiscal year 2012	–1,000,000
Limitation on direct loans:	
Appropriation, fiscal year 2011	$919,000,000
Budget request, fiscal year 2012	428,000,000
Recommended in the bill	360,000,000
Bill compared with:	
Appropriation, fiscal year 2011	–559,000,000
Budget request, fiscal year 2012	–68,000,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $6,000,000 in new credit subsidy for the Section 184 loan guarantee program, which is $986,000 below fiscal year 2011 and $1,000,000 below the budget request, to guarantee a total loan volume of $360,000,000.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

Program account:	
Appropriation, fiscal year 2011	$1,042,000
Budget request, fiscal year 2012	– – –
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2011	−1,042,000
Budget request, fiscal year 2012	– – –
Limitation on direct loans:	
Appropriation, fiscal year 2011	$41,504,000
Budget request, fiscal year 2012	42,000,000
Recommended in the bill	42,000,000
Bill compared with:	
Appropriation, fiscal year 2011	+$496,000
Budget request, fiscal year 2012	– – –

The Native Hawaiian Housing Loan Guarantee Fund provides loan guarantees for native Hawaiian individuals and their families, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and nonprofit organizations experienced in planning and developing affordable housing for native Hawaiians. Loaned funds may be used to purchase, construct, and/or rehabilitate single-family homes on Hawaiian Home Lands.

COMMITTEE RECOMMENDATION

The Committee recommends $0 for this program, which is $1,042,000 below the amount provided in fiscal year 2011 and equal to the President's request. As the President's request notes, there are sufficient unobligated balances from prior fiscal years to allow this loan guarantee program to continue operating and meeting program demand in fiscal year 2012, with a total loan volume of $42,000,000.

The Committee notes there is no authorization for this program. Instead of rescinding the unobligated balances, the Committee recommends allowing these funds to continue operating the loan guarantee this year. However, the Committee does not recommend any new funds for this program, absent authorization.

COMMUNITY PLANNING AND DEVELOPMENT

Appropriation, fiscal year 2011	$7,431,108,000
Budget request, fiscal year 2012	8,188,368,000
Recommended in the bill	6,992,714,000
Bill compared with:	
Appropriation, fiscal year 2011	−438,394,000
Budget request, fiscal year 2012	−1,195,654,000

The Office of Community Planning and Development (CPD) is responsible for administering the Community Development Block Grant program (CDBG), the Home Investment Partnership (HOME), Self-Help Homeownership Opportunity Program (SHOP), Housing Opportunities for Persons with AIDS (HOPWA), Homeless Assistance Grants, and other HUD community development programs. Most of these programs pass through federal funds to state and local governments and other entities to address local housing and community development needs.

COMMITTEE RECOMMENDATION

The Committee recommends $6,992,714,000 for this office, which is $438,394,000 below fiscal year 2011 and $1,195,654,000 below the budget request.

Waste, fraud, and abuse in the CPD grant programs.—The Committee notes the HUD Office of the Inspector General (IG) has found serious deficiencies in the CPD grant programs, particularly the block grant programs—CDBG and HOME. The block grants are especially susceptible to waste, fraud, and abuse because, by design, they are flexible dollars given to communities to undertake a wide range of community development activities with little input or constraint by the federal government.

Recent IG audits, a 2011 Washington Post series on the HOME program, and recent Congressional hearings have highlighted that HUD has done a poor job in some instances of overseeing grantees and that some grantees have squandered and misappropriated large amounts of federal taxpayer dollars. The data quality, data management, and grantee oversight and accountability problems recently highlighted in the HOME program are also present in the CDBG program. In fact, the HUD IG has indicated that the CDBG program likely has more waste, fraud, and abuse than the HOME program, given the greater flexibility of CDBG funds.

Therefore, the Committee includes language requiring HUD to report on steps it is taking to address the data management and grantee oversight deficiencies raised in recent IG reports with respect to these grant programs. The Committee also includes language directing the Government Accountability Office (GAO) to independently analyze waste, fraud, and abuse in the CPD block grant programs and to report to Congress on its findings, including policy recommendations on how to improve use of these federal taxpayer dollars.

The Committee notes that the House Budget Committee's report to the Fiscal Year 2012 Budget Resolution, H. Con. Res. 34, recommends eliminating the CDBG block grant because it is a "non-core" federal government function. The Committee declines to fully eliminate the program, but notes state and local communities can and should undertake more of their community development activities using state and local taxes. Such a shift will provide better transparency and accountability of local officials, who use taxpayer dollars on local community development activities.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Appropriation, fiscal year 2011	$334,330,000
Budget request, fiscal year 2012	335,000,000
Recommended in the bill	334,330,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−670,000

The Housing Opportunities for Persons with AIDS (HOPWA) program is authorized by the AIDS Housing Opportunities Act (42 U.S.C. 12901 et seq.). This program provides states and localities with resources to address the housing needs of low-income persons living with HIV/AIDS. Providing housing stability for this segment of the population both facilitates necessary medical treatment and is cost-effective. Ninety percent of funding is distributed by formula to qualifying states and metropolitan areas based on the cumulative incidences of AIDS reported to the Centers for Disease Control. The remaining 10 percent of funding is distributed by HUD through a national competition. Government recipients are required to have a HUD-approved Comprehensive Plan or Comprehensive Housing Affordability Strategy (CHAS).

COMMITTEE RECOMMENDATION

The Committee recommends $334,330,000, which is the same as fiscal year 2011 and $670,000 below the budget request.

The Committee includes language requiring the Secretary to continue renewing eligible, expiring HOPWA contracts that were previously funded under the national competition, before awarding new competitive grants.

The Committee includes language requiring the Department to notify grantees of their formula allocation within 60 days of enactment of this Act.

COMMUNITY DEVELOPMENT FUND

Appropriation, fiscal year 2011	$3,500,984,000
Budget request, fiscal year 2012	3,781,368,000
Recommended in the bill	3,500,984,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−280,384,000

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

COMMITTEE RECOMMENDATION

The Committee recommends a total of $3,500,984,000 for the Community Development Fund account, which is the same as fiscal year 2011 and $280,384,000 below the budget request.

Of the amounts made available:

—$3,458,974,000 is for the formula grants and state share;

—$35,010,000 is the 1% set aside for the Native American Housing and Economic Development Block Grant, per 42 U.S.C. 5306(a)(2); and

—$7,000,000 is for insular areas, per 42 U.S.C. 5306(a)(2).

The Committee includes language requiring the Department to notify grantees of their formula allocation within 60 days of enactment of this Act.

The Committee includes language limiting the use of funds on planning, management, and administrative expenses to 10% of each grant amount. This is intended to direct limited funds to worthwhile community development activities and to reduce instances of waste, fraud, and abuse among CDBG grantees.

The Committee includes language prohibiting any funds in this Act from being used to further any "sustainable" or "livable" initiative, which have not been authorized by the Congress. For additional information on why the Committee declines to fund federal "sustainable" and "livable" initiatives, see the report section below regarding the proposed "Office of Sustainable Housing and Communities."

The Committee directs the Department to provide a detailed analysis of how much CDBG funding is used by grantees as matching dollars for other federal programs. The report should detail which federal programs are being matched and the percentage of CDBG funds used for this purpose, by grantee and program.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

Program cost:	
Appropriation, fiscal year 2011	$5,988,000
Budget request, fiscal year 2012	0
Recommended in the bill	6,820,000
Bill compared with:	
Appropriation, fiscal year 2011	+832,000
Budget request, fiscal year 2012	+6,820,000
Limitation on guaranteed loans:	
Appropriation, fiscal year 2011	275,000,000
Budget request, fiscal year 2012	500,000,000
Recommended in the bill	275,000,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−225,000,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $6,820,000 for the Section 108 loan guarantee program, which is $832,000 above fiscal year 2011 and $6,820,000 above the budget request, to guarantee a total loan volume of $275,000,000.

The Committee declines to enact the President's proposed new fee structure for Section 108 borrowers. The proposed fee would increase the capital costs of assisted development projects, which would decrease the ability of local governments to use the Section 108 guarantee to finance development in distressed areas and areas of low capital investment. Such areas arguably have the greatest need for assisted financing, so the Committee rejects the new fee proposal, in an effort to maintain the effectiveness of the Section 108 program.

Since 1977, HUD has made 1,816 commitments totaling over $8.4 billion in the Section 108 program. HUD never has paid a claim to a holder of a guaranteed obligation as a result of a default, and no current Section 108 loan is in default or delinquent on a payment.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriation, fiscal year 2011	$1,606,780,000
Budget request, fiscal year 2012	1,650,000,000
Recommended in the bill	1,200,000,000
Bill compared with:	
Appropriation, fiscal year 2011	−406,780,000
Budget request, fiscal year 2012	−450,000,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $1,200,000,000 for activities funded under this account, which is $406,780,000 below fiscal year 2011 and $450,000,000 below the budget request.

In the general provisions of Title II, the Committee includes language to prevent approximately 52 new participating jurisdictions from being permanently added to the HOME program. It does not make sense to allow a 9% permanent increase in funding recipients, when overall HOME funding is being reduced by 25%.

The Committee includes language requiring the Department to notify grantees of their formula allocation within 60 days of enactment of this Act.

The Committee's recommended funding level for HOME reflects the Committee's decision to fund other accounts in this bill at higher levels, including other accounts within the Office of Community Planning and Development. The Committee also notes there are serious problems in the HOME program that should be addressed.

PROBLEMS IN THE HOME PROGRAM

The HOME program certainly has had some success; however, it also has experienced gross mismanagement and outright waste of federal taxpayer dollars. The 2011 Washington Post series on the HOME program highlighted many of the same problems the HUD Office of the Inspector General (IG) found while evaluating the HOME program over the past several years. Specifically, the IG found HUD is not properly monitoring how HOME grantees use federal funds and is not taking corrective actions when it discovers a grantee has violated program requirements.

The IG repeatedly found that HUD's internal controls for obtaining and evaluating grantee performance are deficient, meaning that HUD does not know what its grantees are doing and what problems may exist in the program. Also, the information system HUD uses for both the CDBG and HOME programs relies on unverified data entered by grantees. These systems are incapable of producing audit trails that reflect the entire life cycle of a grant, and they cannot produce complete reports that timely identify fraud, waste, and abuse in the programs.

The IG also found HUD fails to recapture unexpended and misspent balances in a timely fashion, so that the money can be used on other worthy projects. The IG found hundreds of millions of dollars in unexpended balances across the CPD grant programs that HUD failed to recapture and redistribute in a timely manner. Some of these funds were appropriated as far back as 1992, and some were associated with contracts that already had expired.

The IG also found HUD fails to pursue appropriate corrective actions with grantees when HUD becomes aware of problems. During CPD's annual monitoring of HOME grantees in fiscal year 2010, the IG found "if a grantee is determined to be non-compliant and if a finding is issued, CPD does not maintain documentation or require any follow-up procedures for these instances of non-compliance."

Additionally, as HUD concedes, there are some grantees with historic records of poor oversight and unsound management of HOME funds. Unfortunately, these bad grantees reflect poorly on the entire program. Instead of making these grantees ineligible for funding until they demonstrate they can be responsible stewards of federal funds (and thereby freeing up the funds for more worthy recipients), HUD instead proposes to spend more money "building the capacity" of these bad grantees.

In the general provisions of Title II, the Committee includes language that directs the HUD Secretary to report to Congress on the steps it is taking to address the IG's findings and to improve data quality, data management, and grantee oversight and accountability. The Committee also includes language requiring the GAO to independently analyze deficiencies in the CPD block grant programs and report to Congress on any problems discovered and on ways to improve use of taxpayer dollars.

The Committee notes there are several other federal programs and federal tax incentives that support the same goals furthered by the HOME program. Of course programs vary, but there is a great deal of duplication between HOME, the low-income housing tax credit, CDBG, and Section 8 tenant-based rental assistance.

SELF-HELP AND ASSISTED HOMEOWNERSHIP OPPORTUNITY PROGRAM

Appropriation, fiscal year 2011	$31,936,000
Budget request, fiscal year 2012	0
Recommended in the bill	15,890,000
Bill compared with:	
Appropriation, fiscal year 2011	−16,046,000
Budget request, fiscal year 2012	+15,890,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $15,890,000 for the Self Help Homeownership Opportunity Program, which is $16,046,000 below fiscal year 2011 and $15,890,000 above the budget request. Of that amount, the Committee recommends $5,000,000 for rural capacity building activities by national organizations with expertise in rural housing development.

In past fiscal years, the SHOP account included a large set-aside for the Section 4 Capacity Building Program. This year, however, the Committee recommends funding Capacity Building through its own account because the two programs have different authorizations and eligibility criteria. The Administration also proposes to fund Capacity Building through a separate account. In the comparison chart above, the fiscal year 2011 figure includes only the amount appropriated for SHOP activities.

The Administration proposes to eliminate all funding for the SHOP program in fiscal year 2012, citing the HOME program as having sufficient competitive funding for expanding the stock of affordable housing. The Committee declines this request both because of the recommended reductions in the HOME program and because the Committee wants to ensure continued SHOP funding for non-profits that create affordable housing through the unique "self-help" model of homeownership. The self-help homeownership model enjoys broad bipartisan support and involves sweat equity, volunteer labor, donated materials, and leveraging of other funding sources.

In order to ensure these funds are competed by HUD in a timely manner, the Committee includes language mandating the publication of NOFAs within 60 days of enactment of the Act.

SECTION 4 CAPACITY BUILDING

Appropriation, fiscal year 2011	$49,900,000
Budget request, fiscal year 2012	50,000,000
Recommended in the bill	33,500,000
Bill compared with:	
Appropriation, fiscal year 2011	−16,400,000
Budget request, fiscal year 2012	−16,500,000

In past fiscal years, there was a set-aside in the SHOP account for capacity building activities under section 4(a) of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note). These funds, known as Section 4 Capacity Building funds, are awarded competitively to a limited number of non-profits, which use the funds to develop the capacity of community development corporations (CDCs) and community housing development organizations (CDHOs), which then undertake community development and affordable housing activities. Section 4 funds must be matched by recipients with at least three times their amount in private funding.

COMMITTEE RECOMMENDATION

The Committee recommends $33,500,000 for the Section 4 capacity building activities, which is $16,400,000 below fiscal year 2011 and $16,500,000 below the budget request. Of that amount, $5,000,000 is for rural and tribal capacity building. This funding level is equal to the amount provided for Section 4 in fiscal year 2008.

Under section 4(a) of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note), only certain designated non-profit organizations and consortia may receive Section 4 Capacity Building funds. The

Committee includes language to further narrow the eligible recipients to those with demonstrated capacity and competence.

The Committee notes Section 4 funds are particularly cost-effective and provide a high return on federal investment, with private funds leveraged by as much as 10–to–1 ratios, even though the program requires only a 3–to–1 match of private funds to federal dollars. The Committee notes this is one of the highest-rated affordable housing programs funded by the federal government.

In order to ensure these funds are competed by HUD in a timely manner, the Committee includes language mandating the publication of NOFAs within 60 days of enactment of the Act.

HOMELESS ASSISTANCE GRANTS

Appropriation, fiscal year 2011	$1,901,190,000
Budget request, fiscal year 2012	2,372,000,000
Recommended in the bill	1,901,190,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−470,810,000

The Homeless Assistance Grants account provides funding for the homeless programs under title IV of the McKinney Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.

The HEARTH Act streamlined several former homeless assistance grants into three programs: (1) the Continuum of Care (CoC) Grant program, which competitively funds new projects and renewals that were previously funded under three grant programs, including the old supportive housing, shelter plus care, and Section 8 moderate rehabilitation single room occupancy programs; (2) the Emergency Solutions Grants (ESG) program, which distributes funding by formula to states, localities, and insular areas, to fund traditional shelter and outreach activities (as under the old emergency shelters grant program) and new prevention and re-housing activities, as authorized by the HEARTH Act; and (3) the Rural Housing Stability Grants program, which funds activities similar to those funded by the old rural homelessness grant program.

COMMITTEE RECOMMENDATION

The Committee recommends funding the homeless grant assistance programs at $1,901,190,000, which is the same as fiscal year 2011 and $470,810,000 below the budget request. Of the total amount provided, the Committee recommends:

—$225,000,000 for Emergency Solutions Grants (ESG), which is the same as fiscal year 2011 and $61,000,000 below the budget request ($286,000,000);

—$1,670,190,000 for Continuum of Care Grants (CoC), which is $12,612,700 above fiscal year 2011 ($1,657,577,300) and $354,810,000 below the budget request ($2,025,000,000);

—$6,000,000 for the National Homeless Data Analysis Project, which is the same as fiscal year 2011 (before the across-the-board cut was applied) and the budget request; and

—$0 for the proposed new "Incentive and Service Coordination Initiative."

The Committee notes the Congress enacted a $36 million increase for Homeless Assistance Grants in fiscal year 2011, despite significant fiscal constraints, making it one of the very few accounts in HUD to receive a funding increase last year.

The Committee recognizes the need to continue implementing the HEARTH Act of 2009 and to continue addressing homelessness, which has increased during the recession. However, the Committee cannot recommend another funding increase and instead recommends continuing the current funding level, which is better than what is recommended for many other accounts in the bill.

EMERGENCY SOLUTIONS GRANTS

The Committee recommends maintaining the fiscal year 2011 funding level for ESG, which is a historically high level, because the new ESG program, authorized by subtitle B of the HEARTH Act, allows ESG funding to be used in new ways—namely, on homelessness prevention and rapid re-housing efforts. The Committee's recommended funding level is intended to support these new authorized uses, in addition to the traditional emergency shelter and outreach uses of ESG funds.

The Committee also includes language that makes clear the new ESG program should not receive any less than the appropriated amount, notwithstanding any other provision of law, including the renewals certification provision in subtitle B of the HEARTH Act.

CONTINUUM OF CARE GRANTS

The Committee recognizes HUD predicts a higher level of demand for CoC grant renewals than the amount the Committee recommends for the CoC grant program. The Committee notes the HEARTH Act does not require the Congress to fund renewals in the CoC program, nor does the HEARTH Act prescribe any particular funding level for the program. To the contrary, the Secretary is permitted to prioritize funding of CoC renewals and has great latitude to fund renewals, but only to the extent sufficient funding is available. Grant renewals are not viewed by the Committee as a growing, fixed program cost that must be funded each year.

INCENTIVE AND SERVICE COORDINATION INITIATIVE

The Committee recommends $0 for the Administration's request of $50,000,000 for a new "Incentive and Service Coordination Initiative" to encourage Public Housing Authorities (PHAs) and private owners assisted under Sections 8 and 9 of the U.S. Housing Act of 1937 to make more of their "mainstream" housing program units available to homeless individuals and households.

The Committee supports the Administration's intent to implement the 2010 Federal Strategic Plan to Prevent and End Homelessness, which found, among other things, that there are some homeless persons that do not require the service-intensive model of traditional homelessness programs, but rather are better served by a mainstream voucher program. To the extent there are homeless persons who can be served effectively by "mainstream" housing programs, the Committee notes HUD can encourage their participation in the voucher programs without additional federal funds. To the extent there are homeless persons that would not be served by PHAs and private owners, *but for* the Administration paying

PHAs and owners incentive money and indemnifying PHAs and owners for property damage, the Committee notes these homeless persons likely have needs that are better served by the service-intensive model of traditional homelessness programs.

TIMELY IMPLEMENTATION OF THE HEARTH ACT

The Committee notes HUD is delinquent on several statutory deadlines for implementing the HEARTH Act, which was enacted on May 20, 2009. Section 1504 of the HEARTH Act required the Secretary to promulgate regulations for all programs created or modified by the Act within 12 months of the date of enactment, which was May 20, 2010. Section 1503 of the HEARTH Act provided that the Act would become effective either 18 months after enactment or 3 months after HUD published final regulations under Section 1504, whichever occurred earlier, which was November 20, 2010.

Fiscal year 2011 was supposed to be the year that HUD began implementing the HEARTH Act, including the new grant programs authorized by subtitles B and C of the Act. Yet, as of September 1, 2011, the Committee notes HUD had not published a single regulation required under the Act, nor had it awarded any funds for the new Emergency Solutions Grant or Continuum of Care Grant programs. Rather, HUD continued to fund pre-HEARTH grant programs during fiscal year 2011.

A document on HUD's website, titled "Update on Homeless Grants for FY2011," dated May 16, 2011 (nearly two years after the HEARTH Act's enactment) and accessed by the Committee on June 28, 2011, demonstrates several instances of HUD's failure to comply with deadlines set forth in the HEARTH Act:

—HUD stated it will award $160 million in fiscal year 2011 funds for the old Emergency Shelter Grants program, while withholding funds for the new Emergency Solutions Grants until a rule is published. HUD further stated, "The Emergency Solutions Grant Program . . . and Homeless Definition regulations have been prioritized and are continuing to move through the clearance process. However, we do not have an immediate release date at this time."

—"The 2011 Continuum of Care competition will be handled as it has been in the past, including . . . new and renewal Supportive Housing (SHP), Shelter Plus Care (S+C) and SRO Section 8 Moderate Rehabilitation (SRO) programs."

In the same document, HUD attributes its delay in implementing the HEARTH Act to a lack of appropriations and authorization from the Congress:

—"[T]he level of funding for the Homeless Assistance Programs overall would not allow HUD to implement many key provisions of the HEARTH Act. Therefore, HUD will not implement the new CoC program or the Rural Housing Stability Program in FY2011. We hope to have both the authority and the funds to more fully implement HEARTH in FY2012."

The Committee notes it is not the lack of funding or authorization by the Congress—but rather the lack of diligent and timely regulations by HUD—that is delaying implementation of the HEARTH Act.

It is in the interest of all involved, most notably the homeless populations and homeless services organizations across the country, that the 2009 HEARTH Act begins to govern delivery of homeless assistance grants as soon as possible. There are new, updated policies in the HEARTH Act that ought to be effective by now. The lack of progress by HUD is a disservice to those who benefit from the programs.

The Committee includes language that ensures no grant funds are used to continue pre-HEARTH grant programs during fiscal year 2012. The Committee directs HUD to publish at least interim guidelines and regulations that will enable communities to begin receiving the Emergency Solutions Grants and Continuum of Care Grants as soon as possible, as intended by the Congress over two years ago.

HOUSING PROGRAMS

PROJECT-BASED RENTAL ASSISTANCE

Appropriation, fiscal year 2011	$9,257,448,000
Budget request, fiscal year 2012	9,428,672,000
Recommended in the bill	9,428,672,000
Bill compared with:	
Appropriation, fiscal year 2011	+171,224,000
Budget request, fiscal year 2012	– – –

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

COMMITTEE RECOMMENDATION

The Committee provides a total of $9,428,672,000 for the annual renewal of project-based contracts, of which not less than $289,000,000 is for the cost of contract administrators. This funding level is $171,224,000 above the enacted level for fiscal year 2011 and is equal to the budget request.

HOUSING FOR THE ELDERLY

Appropriation, fiscal year 2011	$399,200,000
Budget request, fiscal year 2012	757,000,000
Recommended in the bill	600,000,000
Bill compared with:	
Appropriation, fiscal year 2011	+200,800,000
Budget request, fiscal year 2012	−157,000,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $600,000,000 for the Section 202 program for fiscal year 2012, which is $200,800,000 above the level enacted for fiscal year 2011 and $157,000,000 below the request for fiscal year 2012. The recommendation allocates funding as follows:

—$337,000 for new capital and project rental assistance contracts (PRAC);

—$158,000,000 for one year renewals of expiring PRAC payments;

—$80,000,000 for service coordinators and the continuation of congregate services grants; and

—$25,000,000 for grants to convert section 202 projects to assisted living facilities.

The Committee continues language relating to the initial contract and renewal terms for assistance provided under this heading, and continues language allowing these funds to be used for inspections and analysis of data by HUD's REAC program office. The Committee intends that the Assisted Living Conversion Program funds be made available to cover the cost of conversion of existing affordable housing sites to assisted living, substantial capital repairs and emergency capital repair grants, not just conversions and emergency repairs.

Like HUD, the Committee believes that the use of tax credits with Section 202 will result in a greater number of affordable senior housing units built. While the complexity of mixed financing and delays involved may have limited the use of tax credits, the practice of carrying over about two-thirds of the program funds from one year to the next isn't helping the program, either. The Committee recommends HUD explore ways to make the tax credit a more attractive option and to take all administrative options available to encourage the use of tax credits in Section 202 capital projects. For many years, HUD has been an impediment in the utilization of tax credits for the construction of elderly units and the Committee expects HUD to facilitate these transactions, not impede them.

HOUSING FOR PERSONS WITH DISABILITIES

Appropriation, fiscal year 2011	$149,700,000
Budget request, fiscal year 2012	196,000,000
Recommended in the bill	196,000,000
Bill compared with:	
Appropriation, fiscal year 2011	+46,300,000
Budget request, fiscal year 2012	– – –

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

COMMITTEE RECOMMENDATION

The Committee recommends $196,000,000 for Section 811 activities, $46,300,000 above the fiscal year 2011 enacted level, and the same as the budget request. The recommendation provides up to $111,300,000 for capital grants and PRAC and $84,700,000 for

PRAC renewals. Renewal of mainstream vouchers is provided under the tenant-based rental assistance account as proposed by the budget request. The Committee continues language allowing these funds to be used for inspections and analysis of data by HUD's REAC program office.

HOUSING COUNSELING ASSISTANCE

Appropriation, fiscal year 2011	$0
Budget request, fiscal year 2012	88,000,000
Recommended in the bill	0
Bill compared to:	
Appropriation, fiscal year 2011	0
Budget request, fiscal year 2012	−88,000,000

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

COMMITTEE RECOMMENDATION

The Committee recommends no funding for housing counseling, $88,000,000 below the budget request and the same as the level enacted in fiscal year 2011.

The Fiscal Year 2011 Continuing resolution eliminated funding for Housing Counseling because of the slow expenditure of funds, the ineffective implementation of the program, and the Department's inability to define needs, role and purpose of HUD's involvement in housing counseling. The Committee held a hearing and submitted questions for the record regarding this program, and the Department did not provide any information related to rectifying the programs current deficiencies including answering the simplest of questions, "How many people does it take to implement this program?" The Committee is disappointed with the Department's failure to justify the restoration of this program, and any funding would be endorsing the continuation of a broken program. Furthermore, if past is prologue, any funding appropriated in this bill would not be allocated within this fiscal year.

The Committee directs the Department to provide a briefing on how it would establish a new office to implement housing counseling activities in FY 2013, concurrent with the submission of the 2013 budget. This briefing should address how the Department is prepared to expend funds effectively; how HUD will focus its activities to reduce duplication of other government funded programs; how many FTE will be needed for this activity; and what steps will be taken to streamline the grant making process.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

Appropriation, fiscal year 2011	$39,920,000
Budget request, fiscal year 2012	15,733,000
Recommended in the bill	15,733,000
Bill compared to:	
Appropriation, fiscal year 2011	−24,187,000
Budget request, fiscal year 2012	0

The Rental Housing Assistance account provides amendment funding for housing assisted under a variety of HUD housing programs.

COMMITTEE RECOMMENDATION

The Committee recommends $15,733,000 for the Rental Housing Assistance Program, which is $24,187,000 below the level enacted in fiscal year 2011 and the same as the fiscal year 2012 budget request.

RENT SUPPLEMENT

(RESCISSION)

Appropriation, fiscal year 2011	−$40,600,000
Budget request, fiscal year 2012	−6,600,000
Recommended in the bill	−6,600,000
Bill compared to:	
Appropriation, fiscal year 2011	34,000,000
Budget request, fiscal year 2012	0

COMMITTEE RECOMMENDATION

The Committee recommends a rescission of $6,600,000, the same as the budget request and $34,000,000 above the level enacted in fiscal year 2011.

PAYMENT TO MANUFACTURED HOUSING FEES TRUST FUND

Appropriation, fiscal year 2011	$8,982,000
Budget request, fiscal year 2012	7,000,000
Recommended in the bill	0
Bill compared to:	
Appropriation, fiscal year 2011	−8,982,000
Budget request, fiscal year 2012	−7,000,000

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorized the Secretary to establish federal manufactured home construction and safety standards for the construction, design, and performance of manufactured homes.

All manufactured homes are required to meet the federal standards, and fees are charged to producers to cover the costs of administering the Act.

COMMITTEE RECOMMENDATION

The Committee recommends up to $7,000,000 for the manufactured housing standards programs to be derived from fees collected and deposited in the Manufactured Housing Fees Trust Fund established pursuant to the Manufactured Housing Improvement Act of 2000. The Committee recommends no direct appropriation for this account. The amount recommended is $8,982,000 below the level enacted in fiscal year 2011 and $7,000,000 below the fiscal year 2012 budget request.

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

The Committee recognizes that manufactured housing production has declined substantially since peak industry production in 1998 and has continued to decline in 2011, due to a variety of factors. Expenditures in support of the programs should reflect and correspond with this decline, which has specifically reduced the number of inspections and inspection hours required for new units. In addition, the program continues to maintain high unobligated balances and does not have an adequate plan to address the significant decline in manufactured housing production.

FEDERAL HOUSING ADMINISTRATION

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Limitation of direct loans	Limitation of guaranteed loans	Administrative contract expenses	Positive credit subsidy
Appropriation, fiscal year 2011	$50,000,000	$399,200,000,000	$206,586,000	
Budget request, fiscal year 2012	50,000,000	400,000,000,000	230,000,000	
Recommended in the bill	50,000,000	400,000,000,000	207,000,000	
Bill compared to:				
Appropriation, fiscal year 2011	0	800,000,000	414,000	
Budget request, fiscal year 2012	0	0	−23,000,000	0

The Federal Housing Administration's (FHA) mutual mortgage insurance program account includes the mutual mortgage insurance (MMI) and cooperative management housing insurance funds. This program account covers unsubsidized programs, primarily the single-family home mortgage program, which is the largest of all the FHA programs. The cooperative housing insurance program provides mortgages for cooperative housing projects of more than five units that are occupied by members of a cooperative housing corporation.

COMMITTEE RECOMMENDATION

The Committee recommends the following limitations on loan commitments in the MMI program account: $400,000,000,000 for loan guarantees and $50,000,000 for direct loans. The recommendation also includes $207,000,000 for administrative contract expenses, of which $72,000,000 is transferred to the Working Capital Fund for development and modifications to information technology systems that serve programs or activities under the FHA. The Committee continues language as requested, appropriating additional administrative expenses in certain circumstances.

The Committee's recommendation for administrative contract expenses is $414,000 above the level enacted in fiscal year 2011 and $23,000,000 below the fiscal year 2012 budget request.

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

	Limitation of direct loans	Limitation of guaranteed loans	Positive credit subsidy
Appropriation, fiscal year 2011	$20,000,000	$25,000,000,000	$8,583,000
Budget request, fiscal year 2012	20,000,000	25,000,000,000	8,600,000
Recommended in the bill	20,000,000	25,000,000,000	8,600,000
Bill compared to:			
Appropriation, fiscal year 2011	0	0	17,000
Budget request, fiscal year 2012	0	0	0

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

COMMITTEE RECOMMENDATION

The Committee recommends the following limitations on loan commitments for the general and special risk insurance program account as requested: $25,000,000,000 for loan guarantees and $20,000,000 for direct loans.

The Committee notes that inspections by the Real Estate Assessment Center (REAC) for facilities with mortgages insured under Section 232 of the National Housing Act can be duplicative with state and local health and safety codes and at times even contradictory. The Committee also notes that healthcare facilities with mortgages insured under Section 242 of the National Housing Act are not subject to REAC inspections and instead the Department receives access to inspection reports on the facilities by state and local authorities. The committee therefore directs the Department to issue regulations limiting REAC inspections for facilities insured under Section 232 of the National Housing Act to only those facilities for which the state or local government does not inspect or provide for sufficient inspections in accordance with the guidance of the Centers for Medicare & Medicaid Services (CMS) or applicable state or local law. The Committee also directs FHA to provide a status report on implementation by December 31, 2011, and quarterly thereafter.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE

PROGRAM ACCOUNT

Appropriation, fiscal year 2011	$500,000,000,000	0
Budget request, fiscal year 2012	500,000,000,000	$30,000,000
Recommended in the bill	500,000,000,000	19,000,000
Bill compared to:		
Appropriation, fiscal year 2011	0	+19,000,000
Budget request, fiscal year 2012	0	−11,000,000

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

COMMITTEE RECOMMENDATION

The recommendation includes a $500,000,000,000 limitation on loan commitments for mortgage-backed securities as requested and $19,000,000 for the personnel costs of GNMA, to be funded by Commitment and Multiclass fees. The recommendation for personnel costs is $19,000,000 more than the amount provided in fiscal year 2011 and $11,000,000 below the amount requested in the fiscal year 2012 budget.

POLICY DEVELOPMENT AND RESEARCH

Appropriation, fiscal year 2011	$47,904,000
Budget request, fiscal year 2012	57,000,000
Recommended in the bill	47,904,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−9,096,000

The Office of Policy Development and Research (PD&R) directs the Department's annual research agenda to support the research and evaluation of housing and other departmental initiatives to improve HUD's effectiveness and operational efficiencies. Research proposals are determined through consultation with senior staff from each HUD program office, the Office of Management and Budget, and Congress as well as discussion with key HUD stakeholders. The office addresses all inquiries regarding key housing economic information such as the American Housing Survey, Fair Market Rents, Median Family Income Limits, annual housing goals and oversight of the Government Sponsored Enterprises (GSEs), Fannie Mae and Freddie Mac and Real Estate Settlement Procedures Act and mortgage market analyses.

COMMITTEE RECOMMENDATION

The Committee recommends $47,904,000 for this account, which is the same as the level enacted in fiscal year 2011 and $9,096,000 below the budget request.

FAIR HOUSING AND EQUAL OPPORTUNITY

Appropriation, fiscal year 2011	$71,856,000
Budget request, fiscal year 2012	72,000,000
Recommended in the bill	71,860,000
Bill compared with:	
Appropriation, fiscal year 2011	+4,000
Budget request, fiscal year 2012	−140,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $71,860,000 for this account, which is $4,000 above the level enacted in the fiscal year 2011 bill and $140,000 below the budget request. Funds are available until September 30, 2013. Of the amount provided, $42,500,000 is for the Fair Housing Initiatives Program.

OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES

Appropriation, fiscal year 2011	$119,760,000
Budget request, fiscal year 2012	140,000,000
Recommended in the bill	119,760,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−20,240,000

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

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

COMMITTEE RECOMMENDATION

The Committee recommends $119,760,000 for this office, which is equal to the level enacted in the fiscal year 2011 bill and $20,240,000 below the budget request.

The Committee further recommends $20,000,000 of the total amount for this office be used on the Healthy Homes Initiative, which is equal to the minimum amount in the fiscal year 2011 bill and $20,000,000 below the President's request.

OFFICE OF SUSTAINABLE HOUSING AND COMMUNITIES

Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	$150,000,000
Recommended in the bill	0
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−150,000,000

The President requests the creation of a new Office of Sustainable Housing and Communities, which would operate within HUD. The proposed office would promote "livable communities" and "sustainable development" throughout HUD, with other federal agencies, and with local recipients of federal funds distributed by the office.

COMMITTEE RECOMMENDATION

The Committee recommends $0 for the creation of a new Office of Sustainable Housing and Communities.

The Committee declines to expand the federal government by funding this amorphous and unauthorized office, which was initiated by bureaucrats and never vetted nor approved by the Congress. Creating this office through an Appropriations bill would allow HUD officials to spend scarce federal dollars on a wide range of unauthorized community development activities under ill-defined rubrics, such as "sustainability," "livability," "inclusivity" and "equity." Such activities would be limited only by the imagination of bureaucrats in interpreting their own vague terminology, which have no meaning under federal law. The lack of Congressional approval is evident from the Administration's budget justification for this office, which lacks cohesive goals and program limitations.

To be clear, the Committee is not criticizing local communities that choose to spend their funds on development activities they view as sustainable, livable, inclusive, or equitable. Nor is the Committee necessarily criticizing these concepts. The Committee simply declines to give unaccountable federal agency officials the unfettered ability to spend federal funds on pet projects, according to their personal preferences.

The Committee further notes this proposed office is a glaring example of how the President's budget fails to appreciate fiscal realities and, instead, attempts to expand the federal government.

Management and Administration

WORKING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2011	$199,600,000
Budget request, fiscal year 2012	243,000,000
Recommended in the bill	218,460,000
Bill compared with:	
Appropriation, fiscal year 2011	+18,860,000
Budget request, fiscal year 2012	−24,540,000

The Working Capital Fund was established pursuant to 42 U.S.C. § 3535 to provide necessary capital for the development of, modifications to, and infrastructure for Department-wide information technology systems, and for the continuing operation of both Department-wide and program-specific information technology systems.

COMMITTEE RECOMMENDATION

The Committee recommends $218,460,000 in direct appropriations for the Working Capital Fund to support Department-wide information technology system activities, $18,860,000 above the fiscal year 2011 level and $24,540,000 below the budget request. In addition to the direct appropriation for Department-wide systems, funds are transferred from FHA. The Committee gives HUD flexibility to determine the activities funded at this program level, and directs HUD to report back to the Committee through the Department's operating plan.

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

Office of Inspector General

Appropriation, fiscal year 2011	$124,750,000
Budget request, fiscal year 2012	126,455,000
Recommended in the bill	115,000,000
Bill compared with:	
Appropriation, fiscal year 2011	−9,750,000
Budget request, fiscal year 2012	−11,455,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $115,000,000 for the Office of Inspector General, which is $9,750,000 below fiscal year 2011 enacted level and $11,455,000 below the budget request.

The Committee continues to be frustrated with the IG's annual Congressional Justification. Rather than providing justifications for requested appropriations, the vast majority of the document simply describes IG offices with no real arguments made for why it is requesting a specific appropriation level.

The Committee is concerned that the 49 field offices within the Office of Investigation and 34 field offices within the Office of Audit may be excessive and a misuse of funds. For example, the Office of Investigation has three field offices in Tennessee, the same number that California, New York, Florida and Texas each have. In addition, in fiscal year 2010 the joint office in San Juan had the same number of FTEs as did the Indianapolis, Minneapolis and Sacramento offices combined.

The IG shall conduct a review of its field office location strategy that will (1) identify at least three field offices for closure and (2) realize a five percent reduction in total rental fees, using fiscal year 2011 as the base year. The review shall use existing performance measures such as cases/audits opened and closed, total dollars recovered, convictions made, as well as rental fees to determine what offices should be consolidated. This review shall be completed within 180 days of the signing of this bill and delivered to the Committees on Appropriations in the House and Senate.

TRANSFORMATION INITIATIVE

Appropriation, fiscal year 2011	$70,858,000
Budget request, fiscal year 2012	– – –
Recommended in the bill	49,745,000
Bill compared with:	
Appropriation, fiscal year 2011	−21,113,000
Budget request, fiscal year 2012	+49,745,000

COMMITTEE RECOMMENDATION

The Committee provides $49,745,000 for activities under the Transformation Initiative in fiscal year 2012, a decrease of $21,113,000 from the prior year appropriated level. The fiscal year 2012 budget request did not include a direct appropriation for these activities. As in fiscal year 2011, the Administration requested authority to transfer a percentage of funding from most HUD program areas to the Transformation Initiative (TI). The Committee finds this to be an awkward method of funding the activities under this account and distorts the resources required and available under the various donor program accounts. A more transparent method is to simply appropriate funds for the transformation activities directly. The Committee strongly urges HUD to consider incorporating a direct appropriation for TI in the fiscal year 2013 budget materials. Further, the Committee suggests that initiatives housed in one office and not cross-cutting should be funded through the host office, rather than receive funding through TI. The Committee retains language requiring HUD to submit a plan for the fiscal year 2012 funds. Committee's recommendation provides funds for the following initiatives:

- $1,000,000 for biennial NOFAS;
- $2,000,000 for continuation of the study on the impact of housing on young children;
- $500,000 for the disciplinary research team;
- $4,000,000 for continuation of the pre-purchase counseling study;
- $3,250,000 for continuation of the rent reform demonstration;
- $1,000,000 for independent assessments and technical assistance for troubled PHAs;
- $595,000 for the joint core skills certification proposal;
- $1,000,000 for ONAP TA;
- $23,000,000 for OneCPD;
- $11,400,000 for the physical needs assessment; and
- $2,000,000 for the fair housing and equal opportunity assessment.

The Committee has not provided funding in fiscal year 2012 for the National Resource Bank. The request of $50,000,000 is a bit excessive for a new program in time of constrained resources, and the Committee has not seen a commitment from other agencies to participate.

GENERAL PROVISIONS—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Section 201. The Committee continues language that splits overpayments evenly between Treasury and State HFAs.

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

Section 203. The Committee continues language to correct an anomaly in the HOPWA formula that results in the loss of funds for certain states.

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

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

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

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

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

Section 209. The Committee continues the provision that extends a technical amendment included in the fiscal year 2000 appropriations Act relating to the allocation of HOPWA funds in the Philadelphia and Raleigh-Cary metropolitan areas. A proviso is added to allow a state to administer the HOPWA program in the event that a local government is unable to undertake the HOPWA grants management functions.

Section 210. The Committee continues the provision that requires that the Administration's budget and the Department's budget justifications for fiscal year 2013 shall be submitted in the identical account and sub-account structure provided in this Act.

Section 211. The Committee continues the provision that exempts PHA Boards in Alaska, Iowa, and Mississippi and the County of Los Angeles from public housing resident representation requirement.

Section 212. The Committee continues the provision that authorizes HUD to transfer debt and use agreements from an obsolete project to a viable project, provided that no additional costs are incurred, and other conditions are met.

Section 213. The Committee continues the provision that distributes 2012 Native American housing block grant funds to the same Native Alaskan recipients as 2005.

Section 214. The Committee continues the provision that prohibits the IG from changing the basis on which the audit of GNMA is conducted.

Section 215. The Committee continues the provision that sets forth requirements for eligibility for Section 8 voucher assistance, and includes consideration for persons with disabilities.

Section 216. The Committee continues the provision that authorizes the Secretary to insure mortgages under Section 255 of the National Housing Act.

Section 217. The Committee continues the provision that instructs HUD on managing and disposing of any multifamily property that is owned by HUD.

Section 218. The Committee continues the provision that provides that the Secretary shall report quarterly on HUD's use of all sole source contracts.

Section 219. The Committee continues the provision that allows the recipient of a section 202 grant to establish a single-asset nonprofit entity to own the project and may lend the grant funds to such entity.

Section 220. The Committee continues the provision that allows amounts provided under the Section 108 loan guarantee program may be used to guarantee notes or other obligations issued by any State on behalf of non-entitlement communities in the State.

Section 221. The Committee continues the provision that instructs HUD that PHAs that own and operate 400 units or fewer of public housing are exempt from asset management requirements.

Section 222. The Committee continues the provision that restricts the Secretary from imposing any requirement or guideline relating to asset management that restricts or limits the use of capital funds for central office costs, up to the limit established in QHWRA.

Section 223. The Committee continues the provision that provides that no employee of the Department shall be designated as an allotment holder unless the CFO determines that such allotment holder has received training.

Section 224. The Committee continues the provision requiring the Secretary to report quarterly on the status of all Project-Based Section 8 Housing.

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

Section 226. The Committee continues the provision regarding Notice of Funding Availability (NOFA) announcements and publications.

Section 227. The Committee continues the provision that allows refinancing of certain section 202 loans.

Section 228. The Committee continues the provision that authorizes the Secretary to transfer up to 5 percent of funds appropriated under the title "Personnel Compensation and Benefits."

Section 229. The Committee continues the provision that allows the Disaster Housing Assistance Programs to be considered a program of the Department of Housing and Urban Development for the purpose of income verifications and matching. The Committee includes this provision to prevent a large permanent increase in the number of participating jurisdictions in the HOME program when the appropriation is below a certain amount.

Section 230. The Committee includes a provision that directs the General Accountability Office to study waste, fraud, and abuse in the block grant programs administered by the Office of Community

Planning and Development and to recommend improvements to the programs.

Section 231. The Committee directs the Secretary to report on how the Department is addressing problems in the Community Planning and Development block grant programs, as identified by the Inspector General's audits since 2006. The Secretary will report on steps being taken to improve data quality, data management, and grantee oversight and accountability and on proposed timelines to carry out such improvements.

Section 232. The Committee includes a provision which caps compensation for Public Housing Authority employees.

TITLE III—RELATED AGENCIES

UNITED STATES ACCESS BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2011	$7,285,000
Budget request, fiscal year 2012	7,400,000
Recommended in the bill	7,285,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−115,000

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

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

COMMITTEE RECOMMENDATION

The Committee recommends $7,285,000 for the operations of the Access Board, which is the same as the fiscal year 2011 enacted level and $115,000 below the budget request.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 2011	$24,087,000
Budget request, fiscal year 2012	26,265,000
Recommended in the bill	24,087,000
Bill compared with:	
Appropriation, fiscal year 2011	– – –
Budget request, fiscal year 2012	−2,178,000

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

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

COMMITTEE RECOMMENDATION

The Committee recommends $24,087,000 for the Federal Maritime Commission, which is the same as the fiscal year 2011 appropriation and $2,178,000 below the budget request. The Committee recommends the Commission take steps to reduce non-personnel costs and cap full-time equivalents to no more than the fiscal year 2010 level of 127 or the number of positions at 128.

NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriation, fiscal year 2011	$19,311,000
Budget request, fiscal year 2012	22,000,000
Recommended in the bill	22,000,000
Bill compared to:	
Appropriation, fiscal year 2011	+2,689,000
Budget request, fiscal year 2012	– – –

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

COMMITTEE RECOMMENDATION

The Committee recommends $22,000,000 for Amtrak's Office of Inspector General (Amtrak OIG), which is $2,689,000 above the fiscal year 2010 enacted level and equal to the level proposed in the fiscal year 2011 budget.

As in fiscal year 2010, the Committee continues to fund the Amtrak OIG as a separate entity and denies the budget's request to fund the Amtrak OIG through a direct grant from the Federal Railroad Administration. The Committee created the separate appropriation last year in order to ensure the independence of the Inspector General. The Committee believes it is too early in the new process for the Department to eliminate this added autonomy.

Budget justification.—The Committee directs the Amtrak OIG to submit to the Committees on Appropriations a comprehensive budget justification for fiscal year 2013 in similar format and substance to those submitted by other agencies of the federal government and similar to the Amtrak OIG submission last year.

OIG independence.—The Committee commends the Amtrak OIG for its efforts to improve its objectivity and independence and is pleased with the initial report from the Council of the Inspectors General on Integrity and Efficiency (CIGIE) on the steps that have been taken thus far. The Committee recognizes this endeavor will require a multi-year approach to change the culture and organization of the Amtrak OIG. The Committee looks forward to periodic updates from the Amtrak OIG and documented progress in the CIGIE's one-year review.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2011	$97,854,000
Budget request, fiscal year 2012	102,400,000
Recommended in the bill	102,400,000
Bill compared with:	
Appropriation, fiscal year 2011	+4,546,000
Budget request, fiscal year 2012	– – –

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

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

COMMITTEE RECOMMENDATION

The Committee recommends $102,400,000 for the salaries and expenses of the NTSB, an increase of $4,546,000 above fiscal year 2011 and $4,400,000 below the budget request. Of this amount, no more than $2,000 may be used for official reception and representation expenses.

Inspector General audits.—The recommendation includes a reduction of $100,000 for the costs associated with the Department of Transportation's Inspector General to conduct the annual audit of the NTSB's financial statements. In an effort to provide greater transparency, the Committee has provided these resources directly to the Office of Inspector General.

NTSB Academy.—The agency is encouraged to continue to seek additional opportunities to lease out, or otherwise generate revenue from the NTSB Academy, so that the agency can appropriately focus its resources on the important investigative work that is central to the agency's mission. In addition, the agency is again directed to submit detailed information on the costs associated with the NTSB Academy, as well as the revenue the facility is expected to generate, as part of the fiscal year 2013 budget request.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriation, fiscal year 2011	$232,734,000
Budget request, fiscal year 2012	215,300,000
Recommended in the bill	215,300,000
Bill compared to:	
Appropriation, fiscal year 2011	−17,434,000
Budget request, fiscal year 2012	– – –

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $215,300,000 for fiscal year 2012, which is $17,434,000 below the fiscal year 2011 enacted level and the same as the fiscal year 2012 budget request.

In total, $80,000,000 is provided for the National Foreclosure Mitigation Counseling (NFMC) program, which is $15,000,000 above the fiscal year 2011 enacted level and the same as the fiscal year 2012 budget request. The NFMC has provided foreclosure counseling for over one million families to date. This program has also provided training for more than 4,000 foreclosure counselors. NeighborWorks has done an admirable job in adapting to different responsibilities and fulfilling its mission.

UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

Appropriation, fiscal year 2011	$2,675,000
Budget request, fiscal year 2012	3,880,000
Recommended in the bill	2,680,000
Bill compared with:	
Appropriation, fiscal year 2011	+5,000
Budget request, fiscal year 2012	−1,200,000

The mission of the United States Interagency Council on Homelessness (USICH) is "to coordinate the Federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness." 42 U.S.C. 11311 (2011).

COMMITTEE RECOMMENDATION

The Committee recommends $2,680,000 for the USICH, which is $5,000 above fiscal year 2011 and $1,200,000 below the budget request.

On June 22, 2010, the USICH fulfilled one of its core responsibilities under the HEARTH Act by publishing the nation's first comprehensive plan to prevent and end homelessness. The plan, "Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness," will serve as the roadmap for future coordinated efforts between the nineteen USICH member agencies and local and state partners.

The Committee notes the nineteen USICH agencies should continue working with each other to implement the national strategic plan. The Committee recommends the Department of Housing and Urban Development (HUD) continue its role in providing regional support for coordinating the implementation of federal homelessness policies. The USICH has only a small staff in Washington, D.C., and much of its work is done by five regional coordinators detailed from HUD. These existing HUD regional employees should continue working with other federal agencies and partners to combat homelessness.

TITLE IV—GENERAL PROVISIONS, THIS ACT

Section 401. The Committee continues the provision requiring pay raises to be funded within appropriated levels in this Act or previous appropriations Acts.

Section 402. The Committee continues the provision prohibiting pay and other expenses for non-federal parties in regulatory or adjudicatory proceedings funded in this Act.

Section 403. The Committee continues the provision prohibiting obligations beyond the current fiscal year and prohibiting transfers of funds unless expressly provided in this Act.

Section 404. The Committee continues the provision limiting consulting service expenditures of public record in procurement contracts.

Section 405. The Committee continues the provision specifying reprogramming procedures by subjecting the establishment of new offices and reorganizations to the reprogramming process.

Section 406. The Committee continues the provision requiring agencies and departments funded in this Act to report on all sole source contracts.

Section 407. The Committee continues the provision prohibiting employee training not directly related to the performance of official duties.

Section 408. The Committee continues the provision prohibiting funds from being used for any project that seeks to use the power of eminent domain unless eminent domain is employed only for a public use.

Section 409. The Committee continues the provision prohibiting the transfer of funds made available in this Act to any instrumentality of the United States Government except as authorized by this Act or any other appropriations Act.

Section 410. The Committee continues the provision prohibiting funds in this Act from being used to permanently replace an employee intent on returning to his past occupation after completion of military service.

Section 411. The Committee continues the provision prohibiting funds in this Act from being used unless the expenditure is in compliance with the Buy American Act.

Section 412. The Committee continues the provision prohibiting funds from being appropriated or made available to any person or entity that has been found to violate the Buy American Act.

Section 413. The Committee continues the provision that prohibits funds for first-class airline accommodations in contravention of section 301–10.122 and 301–10.123 of title 41 CFR.

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

Section 415. The Committee includes a provision prohibiting the use of funds to establish or maintain a computer network unless such network blocks the viewing, downloading, and exchanging of pornography, except for law enforcement investigation, prosecution or adjudication activities.