[FULL COMMITTEE PRINT]

113TH CONGRESS, 2d Session } HOUSE OF REPRESENTATIVES { REPORT 113–

DEPARTMENTS OF TRANSPORTATION, AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS BILL, 2015

________ ____, 2014.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

R E P O R T

[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, 2015.

INDEX TO BILL AND REPORT

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2015, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended, with respect to appropriations contained in the accompanying bill, the terms "program, project, and activity" (PPA) shall mean any item for which a dollar amount is contained in appropriations acts (including joint resolutions providing continuing appropriations) and accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference.

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This definition shall apply to all programs for which new budget (obligational) authority is provided, as well as to discretionary grants and discretionary grant allocations made through either bill or report language. In addition, the percentage reductions made pursuant to a sequestration order to funds appropriated for facilities and equipment, Federal Aviation Administration, shall be applied equally to each budget item that is listed under said account in the budget justifications submitted to the House and Senate Committees on Appropriations as modified by subsequent appropriations acts and accompanying committee reports, conference reports, or joint explanatory statements of the committee of conference.

The Committee expects that the operating plans will speak to each number listed in the reports, and warns that efforts to operate programs at levels contrary to the levels recommended and directed in these reports would not be advised.

OPERATING PLANS AND REPROGRAMMING GUIDELINES

The Committee includes a provision (Sec. 405) establishing the authority by which funding available to the agencies funded by this act may be reprogrammed for other purposes. The provision specifically requires the advance approval of the House and Senate Committees on Appropriations of any proposal to reprogram funds that:

—creates a new program;
—eliminates a program, project, or activity (PPA);
—increases funds or personnel for any PPA for which funds have been denied or restricted by the Congress;
—redirects funds that were directed in such reports for a specific activity to a different purpose;
—augments an existing PPA in excess of $5,000,000 or 10 percent, whichever is less;
—reduces an existing PPA by $5,000,000 or 10 percent, whichever is less; or
—creates, reorganizes, or restructures offices different from the congressional budget justifications or the table at the end of the Committee report, whichever is more detailed.

The Committee retains the requirement that each agency submit an operating plan to the House and Senate Committees on Appropriations not later than 60 days after enactment of this Act to establish the baseline for application of reprogramming and transfer authorities provided in this Act. Specifically, each agency must provide a table for each appropriation with columns displaying the budget request; adjustments made by Congress; adjustments for rescissions, if appropriate; and the fiscal year enacted level. The table shall delineate the appropriation both by object class and by PPA. The report also must identify items of special Congressional interest. In certain instances, the Committee may direct the agency to submit a revised operating plan for approval or may direct changes to the operating plan if the plan is not consistent with the directives of the conference report and statement of the managers.

The Committee expects the agencies and bureaus to submit reprogramming requests in a timely manner and to provide a thorough explanation of the proposed reallocations, including a detailed justification of increases and reductions and the specific impact of proposed changes on the budget request for the following fiscal year. Any reprogramming request shall include any out-year budgetary impacts and a separate accounting of program or mission impacts on estimated carryover funds. Reprogramming procedures shall apply to funds provided in this bill, unobligated balances from previous appropriations Acts that are available for obligation or expenditure in fiscal year 2015, and non-appropriated resources such as fee collections that are used to meet program requirements in fiscal year 2015.

The Committee expects each agency to manage its programs and activities within the amounts appropriated by Congress. The Committee reminds agencies that reprogramming requests should be submitted only in the case of an unforeseeable emergency or a situation that could not have been anticipated when formulating the budget request for the current fiscal year. Except in emergency situations, reprogramming requests should be submitted no later than June 28, 2015. Further, the Committee notes that when a Department or agency submits a reprogramming or transfer request to the Committees on Appropriations and does not receive identical responses from the House and Senate, it is the responsibility of the Department to reconcile the House and Senate differences before proceeding and, if reconciliation is not possible, to consider the request to reprogram funds unapproved.

The Committee would also like to clarify that this section applies to Working Capital Funds and that no funds may be obligated from working capital fund accounts to augment programs, projects or activities for which appropriations have been specifically rejected by the Congress, or to increase funds or personnel for any PPA above the amounts appropriated by this Act.

CONGRESSIONAL BUDGET JUSTIFICATIONS

Budget justifications are the primary tool used by the House and Senate Committees on Appropriations to evaluate the resource requirements and fiscal needs of agencies. The Committee is aware that the format and presentation of budget materials is largely left to the agency within presentation objectives set forth by the Office of Management and Budget (OMB). In fact, OMB Circular A–11, part 1 specifically instructs agencies to consult with your congressional committees beforehand. The Committee expects that all agencies funded under this Act will heed this directive.

The Committee expects all of the budget justifications to provide the data needed to make appropriate and meaningful funding decisions. The Committee has made some specific suggestions for the 2016 submission, and while the layout has improved, it seems the content has shrunk, especially in many salaries and expenses accounts. Every dollar, full-time equivalent/full-time position, and activity should be represented and accounted for. Grant and technical assistance accounts need more detail on how the funds were spent, and are proposed to be spent.

The Committee continues the direction that justifications submitted with the fiscal year 2016 budget request by agencies funded under this Act contain the customary level of detailed data and explanatory statements to support the appropriations requests at the level of detail contained in the funding table included at the end of this report. Among other items, agencies shall provide a detailed discussion of proposed new initiatives, proposed changes in the agency's financial plan from prior year enactment, detailed data on all programs, and comprehensive information on any office or agency restructurings. At a minimum, each agency must also provide adequate justification for funding and staffing changes for each individual office and materials that compare programs, projects, and activities that are proposed for fiscal year 2016 to the fiscal year 2015 enacted levels.

The Committee is aware that the analytical materials required for review by the Committee are unique to each agency in this Act. Therefore, the Committee expects that each agency will coordinate with the House and Senate Committees on Appropriations in advance on its planned presentation for its budget justification materials in support of the fiscal year 2016 budget request.

SURFACE AUTHORIZING LEGISLATION

In order to be aware of how funds are allocated and spent, the Committee directs the Department of Transportation to report to the Committees on Appropriations of the House of Representatives and the Senate within 45 days of enactment of any surface extension or reauthorization on how the Department will enact the provisions of such extension or reauthorization, the allocations by state, and the effects on the accounts in the Highway Trust Fund. The Committee notes that the Department of Transportation failed to provide this report following enactment of MAP–21 and expects better follow through on the next surface bill.

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

Appropriation, fiscal year 2014	$107,000,000
Budget request, fiscal year 2015	109,916,000
Recommended in the bill	103,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−4,000,000
Budget request, fiscal year 2015	−6,916,000

COMMITTEE RECOMMENDATION

The bill provides $103,000,000 for the salaries and expenses of the offices comprising the Office of the Secretary of Transportation (OST). The Committee's recommendation is $4,000,000 below the 2014 enacted level and $6,916,000 below the request. The Committee's recommendation includes individual funding for each of these offices as has been done in prior years. The following table (dollars in thousands) compares the fiscal year 2014 enacted level to the fiscal year 2015 budget request and the Committee's recommendation by office. The Committee assumes no increases in the number of full-time equivalents (FTE) in fiscal year 2015 and strongly urges the Department to manage hiring and attrition in 2014 to meet these levels for 2015. Reductions are also encouraged in the areas of travel and contracts.

	Fiscal year—		
	2014 enacted	2015 request	2015 recommendation
Office of the Secretary	$2,652	$2,696	$2,600
Deputy Secretary	1,000	1,011	980
Executive Secretariat	1,714	1,746	1,700
Policy	10,271	10,417	9,500
Small Business	1,386	1,414	1,400
Intelligence and Security	10,778	11,055	10,600
Chief Information Officer	15,695	16,106	15,500
General Counsel	19,900	20,312	19,000
Government Affairs	2,530	2,567	2,500
Budget	12,676	13,111	12,500
Administration	26,378	27,420	24,720
Public Affairs	2,020	2,061	2,000
Total Salaries and Expenses	107,000	109,916	103,000

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. 185) that requires the Department to notify the Committees on Appropriations no fewer than three business days before any discretionary grant award, letter of intent, loan, loan guarantee, line of credit commitment or full funding grant agreement is announced by the Department or its modal administrations from: (1) the Federal Highway Administration; (2) the airport improvement program of the Federal Aviation Administration; (3) the Federal Railroad Administration; (4) any program of the Federal Transit Administration other than the formula grants; (5) the Maritime Administration; and (6) any grant funded with the National Infrastructure Investments account. 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 the 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.

Congressional budget justifications.—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 2015 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 reports, and the statement of the managers (i.e. not simply the activities called out in bill language). 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.

Finally, the Department shall submit with the operating plan a summary of the DOT reporting requirements contained in the Act, the House and Senate reports, and the statement of the managers. The Committee requests a number of reports to gather information and conduct oversight. The summary should include Inspector General and Government Accountability Office reports as well.

General provisions.—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. If the budget proposes to drop or delete a general provision, the Department is directed to explain the change as well.

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.

RESEARCH AND TECHNOLOGY

Appropriation, fiscal year 2014	$14,765,000
Budget request, fiscal year 2015	14,625,000
Recommended in the bill	12,625,000
Bill compared with:	
Appropriation, fiscal year 2014	−2,140,000
Budget request, fiscal year 2015	−2,000,000

The Office of the Assistant Secretary or Research and Technology coordinates, facilitates, and reviews the Department's research and development programs and activities; coordinating and developing positioning, navigation and timing (PNT) technology; maintaining PNT policy, coordination and spectrum management; managing the Nationwide Differential Global Positioning System; and overseeing and providing direction to the Bureau of Transportation Statistics, the Intelligent Transportation Systems Joint Program Office, the University Transportation Centers program, the Volpe National Transportation Systems Center and the Transportation Safety Institute.

COMMITTEE RECOMMENDATION

The Committee recommendation provides $12,625,000 for research and technology activities, $2,000,000 below the budget request and $2,140,000 below fiscal year 2014. The recommendation does not include new bill language providing the Office of Research and Technology with the authority to receive funding from modal administrations to support Global Positioning System activities as requested in the budget proposal. The budget documents did not include a sufficient justification for the new authority.

NATIONAL INFRASTRUCTURE INVESTMENT

Appropriation, fiscal year 2014	$600,000,000
Budget request, fiscal year 2015	1,250,000,000
Recommended in the bill	100,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−500,000,000
Budget request, fiscal year 2015	−1,150,000,000

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 recommends $100,000,000 for National Infrastructure Investment grants, $500,000,000 below the 2014 level and $1,150,000,000 below the request. Funds are discretionary from the General Fund of the Treasury and available until September 30, 2017.

The Committee provides funds specifically for highway and bridge projects, freight rail projects and port infrastructure investments—the most critical areas to preserving, expanding, and improving our Nation's transportation infrastructure. The bill retains language directing an equitable distribution of funds and stipulates that not less than 20 percent of the funds shall be for projects in rural areas. Further, not more than 20 percent of the funds may be awarded to projects in a single state. Up to 10 percent of the funds may be used for the subsidy and administrative costs of projects eligible for Transportation Infrastructure Finance and Innovation Act assistance. Bill language is included to limit grants to a minimum of $2,000,000 and a maximum of $15,000,000 in urban areas, and a minimum of $1,000,000 in rural areas. The Federal share for projects funded under this header is limited to 50 percent of the project cost in urban areas, and 80 percent in rural areas. The Secretary is directed to give priority to projects that require a Federal contribution to complete overall financing. All projects must comply with subchapter IV of chapter 31 of title 40, United States Code.

FINANCIAL MANAGEMENT CAPITAL

Appropriation, fiscal year 2014	$7,000,000
Budget request, fiscal year 2015	5,000,000
Recommended in the bill	5,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−2,000,000
Budget request, fiscal year 2015	– – –

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. Deployment of the new system is anticipated in 2015.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $5,000,000, a reduction of $2,000,000 from the prior year for the financial management capital program.

CYBER SECURITY INITIATIVE

Appropriation, fiscal year 2014	$4,455,000
Budget request, fiscal year 2015	5,000,000
Recommended in the bill	5,000,000
Bill compared with:	
Appropriation, fiscal year 2014	+545,000
Budget request, fiscal year 2015	– – –

The Cyber Security Initiative is a new effort to close performance gaps in the Department's cybersecurity. The initiative includes support for essential program enhancements, infrastructure improvements and contractual resources to enhance the security of the Department's computer network and reduce the risk of security breaches.

COMMITTEE RECOMMENDATION

The Committee recommendation includes the budget request of $5,000,000 to support the Secretary's cyber security initiative, which is $545,000 above the fiscal year 2014 enacted level.

OFFICE OF CIVIL RIGHTS

Appropriation, fiscal year 2014	$9,551,000
Budget request, fiscal year 2015	9,600,000
Recommended in the bill	9,600,000
Bill compared with:	
Appropriation, fiscal year 2014	+49,000
Budget request, fiscal year 2015	– – –

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 the budget request of $9,600,000 for the Office of Civil Rights, an increase of $49,000 over the prior year.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

Appropriation, fiscal year 2014	$7,000,000
Budget request, fiscal year 2015	8,000,000
Recommended in the bill	7,000,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	–1,000,000

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 $7,000,000 for transportation planning, research, and development, which is the same as the fiscal year 2014 enacted level and $1,000,000 below the level proposed in the fiscal year 2015 budget.

WORKING CAPITAL FUND

Appropriation, fiscal year 2014	$178,000,000
Budget request, fiscal year 2015	– – –
Recommended in the bill	181,000,000
Bill compared with:	
Appropriation, fiscal year 2014	+3,000,000
Budget request, fiscal year 2015	+181,000,000

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 $181,000,000 on the Working Capital Fund (WCF), a $3,000,000 increase over 2014. The Administration did not propose a WCF legislative limitation, however, if all of the WCF expenditures proposed in the budget are added up, WCF costs are anticipated to increase $9,000,000 over fiscal year 2014. The Committee continues to stipulate that the limitation is only for services provided to the Department of Transportation, not other entities. Further, the Committee directs that, as much as possible, services shall be provided on a competitive basis.

The Committee continues the direction to update the WCF "transparency paper" in the fiscal year 2016 budget justification. The Committee directs the Department to include in the budget justification an additional table detailing how much each mode is proposed to use through the WCF.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

	Appropriation	Limitation on guaranteed loans
Appropriation, fiscal year 2014	$925,000	($18,367,000)
Budget request, fiscal year 2015	1,013,000	(18,367,000)
Recommended in the bill	1,013,000	(18,367,000)
Bill compared with:		
Appropriation, fiscal year 2014	88,000	– – –
Budget request, fiscal year 2015	– – –	– – –

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 $1,013,000 for the resource center, the same as the budget request and $88,000 more than the 2014 amounts. Of the funds provided, $417,000 is to cover the subsidy costs of guaranteed loans and $596,000 is for administrative expenses to carry out the guaranteed loan program. The Committee recommends a limitation on guaranteed loans of $18,367,000, the same as the budget request and the limitation in fiscal year 2014.

MINORITY BUSINESS OUTREACH

Appropriation, fiscal year 2014	$3,088,000
Budget request, fiscal year 2015	3,099,000
Recommended in the bill	3,099,000
Bill compared with:	
Appropriation, fiscal year 2014	+11,000
Budget request, fiscal year 2015	– – –

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

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $3,099,000 for the minority business outreach program, which is $11,000 more than the 2014 level.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2014	$149,000,000
Budget request, fiscal year 2015	155,000,000
Recommended in the bill	149,000,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	−6,000,000

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 FAA Modernization and Reform Act of 2012 increased the authorized level of overflight fee collection, and increased the amount that the Department can apply to the EAS program. The budget request estimates that fee will provide $100,000,000 for the EAS program in fiscal year 2015.

COMMITTEE RECOMMENDATION

For fiscal year 2015, the Committee includes $149,000,000 in discretionary funding for the EAS program, which is equal to the fiscal year 2014 enacted level and $6,000,000 below the budget request.

The following table shows the discretionary, mandatory, and total program levels for the EAS program:

	Appropriation	Mandatory	Total Program
FY 2014 Appropriation	$149,000,000	$100,000,000	$249,000,000
FY 2015 Request	155,000,000	100,000,000	255,000,000
Committee Recommendation	149,000,000	100,000,000	249,000,000

The Committee directs the Department to utilize all the overflight fees collected for this program to alleviate the discretionary funding requirement for the program.

The Committee includes bill language which prohibits a new contract with a community located less than 40 miles from a small hub airport before the community has negotiated a cost-share.

The Committee also includes bill language which prohibits funds for communities with a per passenger subsidy which exceeds $500 per passenger, unless the community negotiates a cost share.

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 102. 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.

Section 103. The Committee continues the provision allowing the Department to use the Working Capital Fund to provide transit benefits to Federal employees.

Section 104. The Committee continues the provision regarding administrative requirements of DOT's Credit Council.

FEDERAL AVIATION ADMINISTRATION

The Federal Aviation Administration (FAA) is responsible for the safety and development of civil aviation and for 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 contracted in December 2001 with the transfer of civil aviation security activities to the new Transportation Security Administration.

The FAA Modernization and Reform Act of 2012 authorized FAA programs through 2015 with several new mandates to improve the National Airspace System (NAS), including provisions regarding the NextGen program for Air Traffic Control and provisions regarding the use of Unmanned Aerial Systems (UAS) in civilian airspace.

OPERATIONS

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2014	$9,651,422,000
Budget request, fiscal year 2015	9,750,000,000
Recommended in the bill	9,750,000,000
Bill compared with:	
Appropriation, fiscal year 2014	+98,578,000
Budget request, fiscal year 2015	– – –

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 ensure 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, and 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 $9,750,000,000 for FAA operations, which is $98,578,000 above the fiscal year 2014 enacted level and the same as the budget request.

The following table shows a comparison of the fiscal year 2014 enacted level, the budget request, and the Committee recommendation by budget activity:

	FY 2014 enacted	FY 2015 request	Committee recommendation
Air Traffic Organization	$7,311,790,000	$7,396,654,000	$7,396,654,000
Aviation Safety	1,204,777,000	1,215,458,000	1,218,458,000
Commercial Space Transportation	16,011,000	16,605,000	16,000,000
Finance and Management	762,462,000	765,047,000	762,652,000
NextGen and Operations Planning	59,782,000	60,089,000	60,089,000
Staff Offices	296,600,000	296,147,000	296,147,000
Total	9,651,422,000	9,750,000,000	9,750,000,000

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 2016 budget to include adequate information on each proposed general provision.

TRUST FUND SHARE OF FAA BUDGET

The bill derives $9,040,850,000 of the total operations appropriation from the Airport and Airway Trust Fund. The balance of the appropriation, $709,150,000, will be drawn from the General Fund of the Treasury.

AIR TRAFFIC ORGANIZATION

The bill provides $7,396,654,000 for the air traffic organization, which is $84,864,000 above the 2014 enacted level and the same as the budget request.

Air traffic controller staffing.—The Federal Aviation Administration is planning to hire more than 1,700 new controllers in fiscal year 2015 to offset controller attrition and future retirements. This level of hiring is greater than any year since fiscal year 2009. The Committee has provided the full budget request for the Air Traffic Organization to support the hiring and training of these new controllers. Last year, the Office of Inspector General (OIG) reported that the FAA has not been able to achieve many of its training goals under the current Air Traffic Control Optimum Training Solution (ATCOTS) Program, its contract for controller training. Specifically, the FAA has not met its goals to reduce controller training times, and the program has not been able to produce needed training innovations. The Committee directs the FAA to provide a training plan by March 31, 2015 for meeting its hiring goals in fiscal year 2015 hires and, where appropriate, adjusting the ATCOTS contract to reduce training times and control costs.

In 2010, the OIG reviewed FAA's process for screening and assigning new controllers and found that it did not sufficiently evaluate the candidates' aptitudes before placing them at air traffic control facilities. The Committee directs that the OIG conduct a follow-up review of its 2010 study of screening, placing, and training newly hired air traffic controllers.

Contract tower program.—The Committee recommendation includes $140,000,000 for the contract tower program, including $9,500,000 to continue the contract tower cost-sharing program. The Committee continues to support the program as a safe, cost-efficient mechanism for providing air traffic services to pilots and local communities.

AVIATION SAFETY

The Committee provides $1,218,458,000 for aviation safety, which is $13,681,000 above the fiscal year 2014 enacted level and $3,000,000 above 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.

Inspector staffing.—The FAA has committed to developing and implementing a new approach to safety that prioritizes oversight based on risk, and seeking to identify emerging trends and hazards before they result in accidents. The Committee believes this is an important effort to improve on the Nation's aviation safety record. However, the Committee is concerned that the FAA does not have reliable information on how many inspectors it needs or where they are needed most. A June 2013 report by the OIG found that although the FAA introduced a new staffing model in 2009, the

Agency has not relied on the model's results to drive budget requests, in part because the model's data are incomplete, inaccurate, and outdated. The Committee understands that in response to the OIG's concerns, the Agency obtained another independent review in September 2013, which confirmed once again that the model was not yet reliable. The Committee directs the FAA to provide a plan by July 1, 2015 with milestones for correcting problems with the model and a timeframe for when a reliable model will be in place.

Air operator certification.—The Committee is concerned that delays in FAA certification of air operators can hinder the competitiveness of the U.S. aviation industry. Each year, hundreds of commercial air carriers, aircraft repair stations, pilot schools, and other entities apply to the FAA for certificates authorizing them to operate in the National Airspace System (NAS). Lengthy delays in certification approvals present real barriers to companies seeking to operate in the National Airspace System, limiting the economic growth of the aviation industry. As of October 2013, there were more than 1,000 entities awaiting certification across the United States, with 138 applicants delayed for more than 3 years.

FAA Modernization and Reform Act section 312.—The Committee remains interested in the FAA's progress on section 312 of the FAA Modernization and Reform Act of 2012, which requires the FAA to identify ways to make its certification processes more efficient and its rulings more consistent among field offices. The Committee expects FAA to focus on areas that contribute to the greatest improvement in aviation safety while advancing new and emerging technologies and products into the marketplace in a timely manner. To determine its progress in implementing this provision, the Committee directs FAA to submit to the House and Senate Committees on Appropriations a report on the FAA's actions to meet its section 312 implementation plan no later than April 1, 2015. The report should include: (1) measures the FAA is taking to implement section 312 and the extent to which they reflect progress in relying more fully on delegated authorities and developing a systems safety approach; (2) how the FAA will use data to improve the delegation process; and (3) the extent to which FAA plans to modify personnel expectations and training course content to communicate changes to the field.

Aircraft certification workforce staffing.—The continued development and training of the inspector, engineer, and specialist workforce is key to certification streamlining and the full use of delegated authority. The Committee directs the FAA to include in its annual Workforce Staffing Report a section devoted to the actions undertaken and planned by the FAA to further enhance aircraft certification workforce skills and training. This section of the Workforce Staffing Report should include a program and funding summary indicating the resources needed, by fiscal year, to fully implement an enhanced aircraft certification workforce and training program.

International coordination on FAA certification activities.—The Committee expects the FAA to use such funds as may be necessary to coordinate with and educate other international aviation authorities about the FAA's certification process. This effort is consistent with the FAA's strategic plan and is critical to streamline and enhance the validation and acceptance of the FAA certifications globally.

Small Airplane Revitalization Act.—Funding should be utilized, as requested by the FAA, to support regulatory action consistent with the Small Airplane Revitalization Act (P.L. 113–53).

Unmanned aircraft systems (UAS).—The FAA Modernization and Reform Act of 2012 directed the FAA to integrate UAS into the National Airspace System by 2015. However, it is uncertain when the FAA can integrate UAS into the Nation's airspace and what will be required to achieve the goal. The lack of an overall framework for the new systems may be inhibiting progress on UAS integration. The Committee is concerned that the FAA may not be well positioned to manage effectively the introduction of UAS in the United States, particularly in light of a recent ruling by a National Transportation Safety Board (NTSB) administrative judge regarding the use of a small UAS for commercial purposes. Given these challenges, the Committee has provided an additional $3,000,000 in the Aviation Safety Activity to expedite the integration of UAS into commercial airspace.

UAS budgeting.—The Committee understands that UAS have very different operating characteristics, communications and flight planning system requirements than traditional air traffic operations. However, the resource requirements for integrating UAS into airspace and the corresponding impacts on the FAA's capital and operating budgets remains unclear. The Committee directs the FAA to develop an integrated budget for UAS in the fiscal year 2016 budget request that clearly identifies research and development needs and the requirements for air traffic control systems and operations.

Global tracking of airline flights.—In the aftermath of the disappearance of Malaysian Airlines Flight MH 370, the International Civil Aviation Organization (ICAO) announced its intention to convene a special meeting on May 12–13, 2014 of state and industry representatives on the global tracking of airline flights. The Committee supports this effort and expects FAA to work collaboratively with its ICAO partners to identify and implement international standards that will help avoid the circumstances that have surrounded the disappearance of MH 370. In this regard, the Committee understands that ICAO recently established new guidance on underwater locator beacons which will become effective in 2018. In addition, ICAO's flight recorder panel intends to review additional means for expediting the location of accident sites, including the use of deployable flight data recorders and the triggered transmission of flight data. This report follows a Transportation Security Administration (TSA) study that concluded that additional technology solutions in the recovery of flight data are both viable and preferred. The Committee underscores the importance of identifying universally adopted measures that will provide improved tracking of flights. The Committee directs FAA to provide an update to the House and Senate Committees on Appropriations on the agency's efforts to support ICAO's work in this area, including ICAO's evaluation of the costs and benefits of installing automatic deployable flight data recorders and other relevant technologies under consideration.

COMMERCIAL SPACE TRANSPORTATION

The Committee recommends $16,000,000 for the Office of Commercial Space Transportation, which is $11,000 below the fiscal year 2014 enacted level and $605,000 below the budget request.

The Committee recognizes the importance of commercial space transportation to the Nation and is committed to fostering a viable, healthy, and competitive industry. U.S. commercial space activity has increased and operations have become more complex presenting vexing challenges for the FAA. When the Commercial Space Launch Amendments Act of 2004 was enacted, only certain types of vehicles were available for private sector use primarily to lift satellites and other types of cargo into space. The use of reusable launch vehicles—vehicles designed to return to Earth from space—was in its infancy. This includes suborbital reusable vehicles (SRV) capable of carrying people and cargo. Since then, SRVs that carry cargo are now operational and those capable of carrying humans are planned for operations in the next few years. In fiscal year 2013, the FAA reported that launches licensed and permitted by the Agency grew six-fold, and FAA expects demand will continue to rise. Given the challenges of emerging space transportation activities, the Committee directs the FAA to focus its commercial space activities on operational requirements and to meet the modest funding reduction in this account through savings from non-safety related activities.

FINANCE AND MANAGEMENT

The Committee recommends $762,652,000 for finance and management activities, which is $190,000 above the fiscal year 2014 enacted level and $2,395,000 below the budget request.

FAA Telecommunications Infrastructure (FTI).—The FAA Telecommunications Infrastructure (FTI) is the telecommunications network that provides voice, data, and video communication for national airspace (NAS) operations and mission support functions. The executive branch has issued an order allowing commercial telecommunication carriers to conduct trials to transition air traffic control voice communication services from circuit switched voice services to internet protocol (IP) transition trials, while ensuring that NAS operations are not disrupted. The Committee commends the FAA for its efforts to complete an investment analysis of a transition to IP services, and directs the FAA to report to the committee on the status of this investment analysis no later than March 31, 2015.

Workforce diversity report.—The Committee directs FAA to continue to provide workforce diversity reports to the House and Senate Committees on Appropriations as required in previous committee reports. The Committee understands that FAA has implemented a new process for hiring additional controllers and is interested in whether this new process yields a more diverse workforce that is well-equipped to succeed as an air traffic controller.

NEXTGEN AND OPERATIONS PLANNING

The Committee recommends $60,089,000 for NextGen and Operations Planning, which is $307,000 above the fiscal year 2014 enacted level and the same as the budget request.

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 prohibiting funds in this Act from being used to conduct aeronautical charting and cartography (AC&C) activities through the working capital fund (WCF).

Credits.—This bill includes language allowing funds received from specified public, private, and foreign sources for expenses incurred to be credited to the appropriation.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 2014	$2,600,000,000
Budget request, fiscal year 2015	2,603,700,000
Recommended in the bill	2,600,000,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	−3,700,000

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 $2,600,000,000, for the FAA's facilities and equipment program, the same as the level provided in fiscal year 2014 and a decrease of $3,700,000 below the budget request. The bill provides that, of the total amount recommended, $2,137,000,000 is available for obligation until September 30, 2017 and $463,000,000 (the amount for personnel and related expenses) is available until September 30, 2015. These obligation availabilities are consistent with past appropriations Acts.

The following table provides funding levels for facilities and equipment activities and budget line items.

Program	FY 2015 Budget Request	FY 2015 House Bill
Activity 1—Engineering, Development, Test and Evaluation		
Advanced Technology Development and Prototyping	$29,900,000	$29,900,000
NAS Improvement of System Support Laboratory	1,000,000	1,000,000

Program	FY 2015 Budget Request	FY 2015 House Bill
William J. Hughes Technical Center Facilities	12,049,000	12,049,000
William J. Hughes Technical Center Infrastructure Sustainment	12,200,000	12,200,000
Separation Management Portfolio	13,000,000	13,000,000
Improved Surface/TFDM Portfolio	38,808,000	38,808,000
On Demand NAS Portfolio	6,000,000	6,000,000
Environment Portfolio	2,500,000	2,500,000
Improved Multiple Runway Operations Portfolio	3,500,000	5,500,000
NAS Infrastructure Portfolio	13,480,000	14,480,000
NextGen Support Portfolio	13,000,000	13,000,000
Performance Based Navigation & Metroplex Portfolio	25,500,000	27,500,000
Total Activity 1	170,937,000	172,937,000
Activity 2—Air Traffic Control Facilities and Equipment		
a. En Route Programs		
En Route Automation Modernization (ERAM)	10,500,000	10,500,000
En Route Automation Modernization (ERAM)—System Enhancements and Tech Refresh	45,200,000	45,200,000
En Route Communications Gateway (ECG)	6,600,000	6,600,000
Next Generation Weather Radar (NEXRAD)—Provide	7,100,000	7,100,000
ARTCC Building Improvements/Plant Improvements	63,700,000	63,700,000
Air Traffic Management (ATM)	5,729,000	5,729,000
Air/Ground Communications Infrastructure	3,900,000	3,900,000
Air Traffic Control En Route Radar Facilities Improvements	5,100,000	5,100,000
Voice Switching and Control System (VSCS)	13,800,000	13,800,000
Oceanic Automation System	3,508,000	3,508,000
Next Generation Very High Frequency Air/Ground Comm (NEXCOM)	40,000,000	40,000,000
System-Wide Information Management	60,261,000	60,261,000
ADS–B NAS Wide Implementation	247,200,000	252,200,000
Windshear Detection Service	4,300,000	4,300,000
Collaborative Air Traffic Management Technologies WP2 & WP3	13,491,000	13,491,000
Time Based Flow Management Portfolio	21,000,000	21,000,000
NextGen Weather Processors	23,320,000	23,320,000
Airborne Collision Avoidance System X (ACASX)	12,000,000	12,000,000
Data Communications in Support of NG Air Transportation System	147,340,000	150,340,000
Subtotal En Route Programs	734,049,000	742,049,000
b. Terminal Programs		
Airport Surface Detection Equipment—Model X (ASDE–X)	5,436,000	5,436,000
Terminal Doppler Weather Radar (TDWR)—Provide	1,900,000	1,900,000
Standard Terminal Automation Replacement System (STARS) (TAMR Phase 1)	50,700,000	50,700,000
Terminal Automation Modernization/Replacement Program (TAMR Phase 3)	136,150,000	156,150,000
Terminal Automation Program	1,600,000	1,600,000
Terminal Air Traffic Control Facilities—Replace	29,800,000	29,800,000
ATCT/Terminal Radar Approach Control (TRACON) Facilities—Improve	45,040,000	45,040,000
Terminal Voice Switch Replacement (TVSR)	2,000,000	2,000,000
NAS Facilities OSHA and Environmental Standards Compliance	43,501,000	43,501,000
Airport Surveillance Radar (ASR–9)	13,600,000	13,600,000
Terminal Digital Radar (ASR–11) Technology Refresh and Mobile Airport Surveillance Radar (MASR)	21,100,000	21,100,000
Runway Status Lights	41,710,000	41,710,000
National Airspace System Voice System (NVS)	20,550,000	20,550,000
Integrated Display System (IDS)	16,917,000	16,917,000
Remote Monitoring and Logging System (RMLS)	3,930,000	3,930,000
Mode S Service Life Extension Program (SLEP)	8,100,000	8,100,000
Surveillance Interface Modernization	4,000,000	4,000,000
Voice Recorder Replacement Program (VRRP)	1,000,000	1,000,000
Precision Runway Monitor (PRM)	1,000,000	1,000,000
Integrated Terminal Weather System (ITWS)	4,400,000	4,400,000
Subtotal Terminal Programs	452,434,000	472,434,000
c. Flight Service Programs		
Aviation Surface Observation System (ASOS)	8,000,000	8,000,000
Future Flight Service Program	1,000,000	1,000,000
Alaska Flight Service Facility Modernization (AFSFM)	2,800,000	2,800,000
Weather Camera Program	200,000	200,000
Subtotal Flight Service Programs	12,000,000	12,000,000
d. Landing and Navigational Aids Program		
VHF Omnidirectional Radio Range (VOR) with Distance Measuring Equipment (DME)	8,300,000	8,300,000

Program	FY 2015 Budget Request	FY 2015 House Bill
Instrument Landing System (ILS)—Establish	7,000,000	7,000,000
Wide Area Augmentation System (WAAS) for GPS	103,600,000	103,600,000
Runway Visual Range (RVR) and Enhanced Low Visibility Operations (ELVO)	6,000,000	6,000,000
Approach Lighting System Improvement Program (ALSIP)	3,000,000	3,000,000
Distance Measuring Equipment (DME)	3,000,000	3,000,000
Visual NAVAIDS—Establish/Expand	2,000,000	2,000,000
Instrument Flight Procedures Automation (IFPA)	2,400,000	2,400,000
Navigation and Landing Aids—Service Life Extension Program (SLEP)	3,000,000	3,000,000
VASI Replacement—Replace with Precision Approach Path Indicator	5,000,000	5,000,000
GPS Civil Requirements	27,000,000	0
Runway Safety Areas—Navigational Mitigation	35,000,000	35,000,000
Subtotal Landing and Navigational Aids Programs	205,300,000	178,300,000
e. Other ATC Facilities Programs		
Fuel Storage Tank Replacement and Management	15,500,000	15,500,000
Unstaffed Infrastructure Sustainment	32,300,000	32,300,000
Aircraft Related Equipment Program	9,000,000	9,000,000
Airport Cable Loop Systems—Sustained Support	5,000,000	5,000,000
Alaskan Satellite Telecommunications Infrastructure (ASTI)	11,400,000	11,400,000
Facilities Decommissioning	5,700,000	5,700,000
Electrical Power Systems—Sustain/Support	102,000,000	92,300,000
Energy Management and Compliance (EMC)	1,000,000	1,000,000
Subtotal Other ATC Facilities Programs	181,900,000	175,200,000
Total Activity 2	1,585,683,000	1,579,983,000
Activity 3—Non-Air Traffic Control Facilities and Equipment		
a. Support Equipment		
Hazardous Materials Management	22,000,000	22,000,000
Aviation Safety Analysis System (ASAS)	11,900,000	11,900,000
Logistics Support Systems and Facilities (LSSF)	8,000,000	8,000,000
National Air Space (NAS) Recovery Communications (RCOM)	12,000,000	12,000,000
Facility Security Risk Management	14,300,000	14,300,000
Information Security	12,000,000	12,000,000
System Approach for Safety Oversight (SASO)	22,500,000	22,500,000
Aviation Safety Knowledge Management Environment (ASKME)	10,200,000	10,200,000
System Safety Management Portfolio	18,700,000	18,700,000
National Test Equipment Program	2,000,000	2,000,000
Mobile Assets Management Program	4,000,000	4,000,000
Aerospace Medicine Safety Information Systems (AMSIS)	3,000,000	3,000,000
Tower Simulation System (TSS) Technology Refresh	3,000,000	3,000,000
Subtotal Support Equipment	143,600,000	143,600,000
b. Training, Equipment and Facilities		
Aeronautical Center Infrastructure Modernization	13,180,000	13,180,000
Distance Learning	1,500,000	1,500,000
Undistributed Amount (FY13 Sequester).		
Subtotal Training, Equipment and Facilities	14,680,000	14,680,000
Total Activity 3	158,280,000	158,280,000
Activity 4—Facilities and Equipment Mission Support		
a. System Support and Services		
System Engineering and Development Support	34,504,000	34,504,000
Program Support Leases	43,200,000	43,200,000
Logistics Support Services (LSS)	11,500,000	11,500,000
Mike Monroney Aeronautical Center Leases	18,350,000	18,350,000
Transition Engineering Support	16,596,000	16,596,000
Technical Support Services Contract (TSSC)	23,000,000	23,000,000
Resource Tracking Program (RTP)	4,000,000	4,000,000
Center for Advanced Aviation System Development (CAASD)	60,000,000	60,000,000
Aeronautical Information Management Program	12,650,000	12,650,000
Cross Agency NextGen Management	2,000,000	2,000,000
Total Activity 4	225,800,000	225,800,000
Activity 5—Personnel and Related Expenses	463,000,000	463,000,000
SUB-TOTAL ALL ACTIVITIES	2,603,700,000	2,600,000,000

NextGen priorities.—The FAA is approaching the 10-year mark for planning, developing, and implementing the Next Generation Air Transportation System (NextGen). As noted by stakeholders, the Government Accountability Office (GAO), and the OIG, the effort has often not met with expectations. Problems with advancing NextGen have been linked to unrealistic plans, evolving requirements, and an agency culture that is resistant to new ways of doing business. The Committee is pleased that the FAA is responding to the recent investment priorities recommended by the NextGen Advisory Committee last September. This is a much needed and long overdue step. Investment priorities include performance-based navigation (PBN), improving airport surface operations, and making better use of parallel and closely spaced runways at the Nation's most active airports. The Committee expects that the FAA will develop a plan that outlines specifically how it is addressing investment priorities with details on timelines, milestones and resource requirements.

NextGen transformational programs.—The FAA continues to invest in several NextGen transformational programs that are expected to fundamentally change the way air traffic is managed in the United States. FAA should clearly articulate the benefits of each program and associated capabilities with respect to reduction in flight delays, improvements in airport arrival rates, productivity enhancements, and reduced Agency operating costs. In the current budget environment, the Committee will require a better understanding of what investments will deliver in the near-, middle-, and long-term.

NextGen—improved multiple runway operations.—The Committee provides $5,500,000 for FAA's program to improve multiple runway operations. The Committee recommendation includes $2,000,000 to enhance procedures to allow operations on closely spaced parallel runways; $1,500,000 to help mitigate wake turbulence for arrival operations; and, $2,000,000 to support Category III development and certification efforts needed for FAA's ground-based augmentation system.

Multi-function Phased Array Radar (MPAR).—The Committee recognizes the importance of the MPAR program in the development and implementation of the next generation weather and aircraft radars, and has provided $14,800,000 within the NAS Infrastructure Portfolio activity, a $1,000,000 increase above the budget request, to advance MPAR program efforts. MPAR is expected to extend tornado warning lead times from 14 minutes to 20 minutes, reduce false alarm rates, and improve detection and warning of high-impact severe weather. The Committee wishes to ensure that the FAA continues to prioritize the MPAR research and development effort and directs the FAA to provide a report no later than 180 days after enactment of this Act regarding timeframes for determining the operational feasibility of MPAR, including annual costs and schedule milestones. FAA should consult with its government and academic research partners in developing this report.

Performance-Based Navigation (PBN)—The Committee provides $27,500,000 for Performance-Based Navigation, which is $2,000,000 above the budget request, to advance PBN activities. The Committee recognizes that PBN is an essential stepping stone to NextGen and building stakeholder confidence as well as a top investment priority for the NextGen Advisory Committee. However, progress on the implementation of new routes and the realization of benefits has been limited. The OIG has testified that at the large airports where the FAA has implemented advanced PBN procedures with curved approaches to runways, only about 3 percent of eligible airline flights actually used them. To increase PBN use, the FAA needs to address several barriers, including adjustments to the controller handbook, new automated controller tools, and controller training. The Committee expects the FAA keep it informed on how and when these barriers will be addressed to realize the benefits of new routes. Further, the Committee continues to support the third-party procedure development program to utilize qualified third parties to design, deploy, and maintain public use of Required Navigation Procedures (RNP) at airports across the country.

En Route Automation Modernization (ERAM).—The FAA originally planned to deploy ERAM at 20 of its en route facilities by the end of 2010, but experienced significant delays and cost increases which delayed deployment by more than 4 years. The FAA has made significant recent progress implementing ERAM, and controllers are now using the system at 18 of 20 sites. The FAA now expects that ERAM will be fully operational at all 20 sites in 2015. While ERAM deployment is nearly complete, it is uncertain when the legacy systems can be decommissioned and when all site-specific issues will be addressed. The Committee will continue to monitor the deployment of ERAM and expects to be kept informed of how future software enhancements will support new air traffic control capabilities.

Automatic dependent surveillance—broadcast (ADS–B) implementation.—The Committee provides $252,500,000 for the continued implementation of ADS–B, which is $5,000,000 above the budget request. The ADS–B program is one of the critical NextGen technologies needed to transition air traffic control from a ground-based to a satellite-based navigation system. FAA has made notable progress in deploying more than 600 ground stations and completing the development and testing of key surveillance capabilities. The Committee remains concerned that significant work is needed to ensure that required aircraft are adequately equipped with the avionics necessary to fully utilize ADS–B capabilities. In addition, the Committee believes there are opportunities for air traffic control efficiency improvements in oceanic areas, particularly in light of the recent Malaysian flight disappearance. The possibility of providing continuous real time tracking of flight operations in areas not covered by radar surveillance is of importance to the Committee and in the interest of improving the overall safety of the system. Within the amount provided, the Committee recommendation includes $5,000,000 to evaluate and advance the use of space based ADS–B for air traffic control separation services. The recommendation will also support the collection and validation of surveillance data and help assess the impact on FAA's oceanic automation system. Since FAA manages nearly 20 percent of the oceanic airspace, the Committee believes it is prudent to explore opportunities to bring the benefits of satellite-based navigation to all areas managed by FAA air traffic controllers. Within the first quarter of fiscal year 2015, the Committee directs the FAA to brief the House and Senate Committees on Appropriations on the agency's progress on and barriers to implementing the ADS–B technology for all air traffic controlled by the FAA.

Data communications.—The Committee has provided $150,340,000 for Data Communications (Data Comm), an increase of $3,000,000 above the budget request. This additional funding will support the expansion of new en route trials to additional locations and increase incentives for users to adopt to Data Comm equipage in trial locations.

Terminal Automation Modernization/Replacement Program (TAMR).—The Committee provides $156,150,000 for the Terminal Automation Modernization Replacement (TAMR) Program, an increase of $20,000,000 above the budget request. Additional funding will accelerate the deployment of TAMR at the medium-sized Common Automated Radar Tracking System IIE locations, which will advance the availability of Automated Dependent Surveillance—Broadcast (ADS–B) or satellite-based navigation capability, and increase the adoption of ADS–B equipage to aviation users in those areas across the national airspace. The Committee also wishes to ensure that the new capabilities enabled by the Standard Terminal Automation Replacement System (STARS) provide measurable improvements to the legacy it replaces. The Committee directs the OIG to provide an update on progress with implementing STARS at the 11 large sites and how the effort will support NextGen capabilities.

VHF Omnidirectional Radio Range (VOR) with Distance Measuring Equipment (DME).—The Committee is aware of FAA's efforts to evaluate the feasibility of extending the service life of the nation's aging VHF Omnidirectional Radio Range with Distance Measuring Equipment systems by moving to a service based procurement. The Committee is supportive of this approach and directs the FAA to provide a report to the Committee on progress made on this program no later than March 31, 2015.

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 2014	$158,792,000
Budget request, fiscal year 2015	156,750,000
Recommended in the bill	156,750,000
Bill compared with:	
Appropriation, fiscal year 2014	−2,042,000
Budget request, fiscal year 2015	– – –

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 $156,750,000, a decrease of $2,042,000 below the fiscal year 2014 enacted level and the same as the budget request.

The Committee recommendation includes the following funding levels for Research, Engineering, and Development programs.

Program	FY 2015 Budget Request	FY 2015 House Bill
A11—Safety	$94,484,000	$90,984,000
Fire Research and Safety	6,929,000	6,929,000
Propulsion and Fuel Systems	2,413,000	2,413,000
Advanced Materials/Structural Safety	2,909,000	2,909,000
Aircraft Icing/Digital System Safety	5,889,000	5,889,000
Continued Airworthiness	9,619,000	9,619,000
Aircraft Catastrophic Failure Prevention Research	1,567,000	1,567,000
Flightdeck/Maintenance/System Integration Human Factors	9,897,000	6,000,000
System Safety Management	7,970,000	7,970,000
Air Traffic Control/Technical Operations Human Factors	5,898,000	5,898,000
Aeromedical Research	8,919,000	8,919,000
Weather Program	17,800,000	15,897,000
Unmanned Aircraft Systems Research	8,974,000	10,974,000
NextGen—Alternative Fuels for General Aviation	5,700,000	6,000,000
A12—Economic Competitiveness	22,286,000	22,286,000
NextGen—Wake Turbulence	8,541,000	8,541,000
NextGen—Air Ground Integration Human Factors	9,697,000	9,697,000
NextGen—Weather Technology in the Cockpit	4,048,000	4,048,000
A13—Environmental Sustainability	34,435,000	37,935,000
Environment and Energy	14,921,000	14,921,000
NextGen—Environmental Research—Aircraft Technologies, Fuels, and Metrics	19,514,000	23,014,000
A14—Mission Support	5,545,000	5,545,000
System Planning and Resource Management	2,135,000	2,135,000
William J. Hughes Technical Center Laboratory Facility	3,410,000	3,410,000
Total	156,750,000	156,750,000

Unmanned aerial systems (UAS) research.—The FAA has established six UAS test sites, which are expected to provide valuable information for developing the regulatory framework for UAS integration. However, the FAA will need to develop a comprehensive plan to identify research priorities, including how data from test site operations will be gathered, analyzed, and used. The Committee recognizes these challenges and provides $10,974,000 for UAS research, which is $2,000,000 above the budget request. These additional funds are provided to help meet the FAA's UAS research goals of system safety and data gathering, aircraft certification, command and control link challenges, control station layout and certification, sense and avoid, and environmental impacts.

Unmanned aerial systems data sharing.—Issues with defining the safety data the FAA needs from the Department of Defense (DoD) remain a barrier in its efforts to develop safety standards. The Committee directs the FAA to develop a plan to resolve these data-sharing issues with the DoD and to identify what data is needed, why it is needed, and how it will be used.

NextGen—Alternative fuels for general aviation.—The Committee provides $6,000,000 for alternative fuels research for general aviation, which is $300,000 above the budget request. During the complex transition of the general aviation piston fleet to an unleaded fuel, an increase in funding above last year is merited to move from research to a phase focused on coordinating and facilitating the fleet-wide evaluation, certification and deployment of an unleaded fuel and to help overcome any market issues that prevent it from moving forward. The Committee recognizes this is a multi-year effort and looks forward to updates on the continued progress on this initiative as it effectively balances environmental improvement with aviation safety, technical challenges, and economic impact.

NextGen environmental research—aircraft technologies, fuels and metrics.—The Committee provides $23,014,000 for the FAA's NextGen environmental research aircraft technologies, fuels and metrics program, which is $3,500,000 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. Recognizing that fuel costs continue to consume the largest portion of airline operating budgets and in an effort to reduce the aviation sector's emissions footprint, the Committee provides additional resources to continue the research, development and testing of alternative fuels. Now that the United States Air Force Research Laboratory is no longer able to support alternative fuels testing, it is expected that the FAA will use some of these resources to produce fit for purpose chemical-analytical, fuel-property and material compatibility testing for many of the new chemical processes that produce alternative jet fuel. In addition, the Committee provides resources to continue the FAA's Continuous, Lower Energy Emission, and Noise Program.

GRANTS-IN-AID FOR AIRPORTS

(LIMITATION ON OBLIGATIONS)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2014	$3,200,000,000	$3,350,000,000
Budget request, fiscal year 2015	3,200,000,000	2,900,000,000
Recommended in the bill	3,200,000,000	3,350,000,000
Bill compared with:		
Appropriation, fiscal year 2014	– – –	– – –
Budget request, fiscal year 2015	– – –	+450,000,000

The bill includes a liquidating cash appropriation of $3,200,000,000 for grants-in-aid for airports, authorized by the Airport and Airway Improvement Act of 1982, as amended. This funding provides for liquidation of obligations incurred pursuant to contract authority and annual limitations on obligations for grants-in-aid for airport planning and development, noise compatibility and planning, the military airport program, reliever airports, airport program administration, and other authorized activities.

LIMITATION ON OBLIGATIONS

The bill includes a limitation on obligations of $3,350,000,000 for fiscal year 2015, which is the same as the fiscal year 2014 enacted level and $450,000,000 above the budget request.

ADMINISTRATION AND RESEARCH PROGRAMS

Airport administrative expenses.—Within the overall obligation limitation, the bill includes $107,100,000 for the administration of the airports program by the FAA. This funding level is equal to the budget request and $500,000 above the fiscal year 2014 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 2014 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 $29,750,000 for the FAA's airport technology research program which is equal to the budget request and $250,000 above the fiscal year 2014 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.

Small Community Air Service Development Program.—The recommendation includes $3,000,000 for the Small Community Air Service Development Program and directs the FAA to transfer funds to the Office of the Secretary salaries and expenses appropriation for this activity.

Runway safety areas (RSAs).—The FAA has been engaged in a multi-year effort to improve RSAs at certificated airports across the country in order to meet the 2015 statutory deadline. To date, not including moving FAA owned NAVAIDS, FAA has completed RSA improvements at roughly 93 percent of certificated airports. Strategies to improve runway safety include land acquisition, the use of declared distances, removing or making frangible objects that must be in the RSA, and the installation of engineered materials arresting systems (EMAS). However, the Committee remains concerned about FAA's progress to relocate and modify navigational aids that present hazards at the end of runways. The Committee expects the air traffic organization to work collaboratively with the airports organization to ensure that every effort is made to complete the RSA mandate in a timely manner. The Committee directs FAA to brief the House and Senate Committees on Appropriations by March 16, 2015 on the status of completed RSAs and cost and timeline for removing navigational aids that pose a hazard to unfinished RSAs.

Airport revenue diversion.—Federal law requires that airport revenue be used only for the capital and operating costs of an airport. As such, the FAA is responsible for effective oversight of airport revenue at those airports that receive grants under the Airport Improvement Program. Because airport revenue diversion continues to be a problem at the nation's airports, the Committee directed the Inspector General to undertake an audit of revenue diversion activities. The Report found inadequacies in FAA's oversight of airport revenues. Given the limited funding available for airport improvement projects, it is important that the FAA enhance its oversight of airport revenues, particularly at airports with a history of revenue diversion violations. The Committee directs FAA to strengthen its oversight of airport revenue uses to ensure that the use of airport revenue is only for airport capital and operating costs. Further, the Committee directs the FAA to follow up on any Inspector General revenue diversion audits or reports carried out in the past 18 months, and provide the House and Senate Appropriations Committee with the results of such follow-up activity not later than March 1, 2015.

BILL LANGUAGE

Runway incursion prevention systems and devices.—Consistent with prior year appropriations Acts, the bill allows funds under this limitation to be used for airports to procure and install runway incursion prevention systems and devices.

CANCELLATION

The Committee recommendation cancels $260,000,000 of amount authorized under sections 48103 and 48112 of Title 49, U.S.C.

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 2015.

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

Section 115. 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 116. The Committee includes a provision that requires approval from the Deputy Assistant Secretary for Administration of the Department of Transportation for retention bonuses for any FAA employee.

Section 117. The Committee includes a provision that requires the Secretary to block the display of an owner or operator's aircraft registration number in the Aircraft Situational Display to Industry program, upon the request of an owner or operator.

Section 118. The Committee includes a provision that limits the number of FAA political appointees to 9.

Section 119. The Committee includes a provision that prohibits funds for any increase in fees for navigational products until the FAA has reported a justification for such fees to the Committees on Appropriations.

Section 119A. The Committee retains a provision prohibiting funds to change weight restrictions or prior permission rules at Teterboro Airport, 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 FISCAL YEAR 2015

FHWA's current activities are authorized under MAP–21, which expires on September 30, 2014. The administration as well as the House and Senate authorizing committees are currently working on surface transportation authorization legislation. However, at this time, it remains unclear what authorization law (or laws) will be effective during fiscal year 2015. Therefore, the Committee must recommend appropriations for programs without authorization and the Committee's recommendations for FHWA are contingent upon reauthorization.

The Committee therefore provides only minimal bill language that sets the overall FHWA obligation limitation for fiscal year 2015, contingent upon authorization. It is the Committee's intention that appropriations made by this bill will be wholly contingent on a reauthorization of the highway program and will be distributed only in accordance with the new authorization law.

LIMITATION ON ADMINISTRATIVE EXPENSES

(HIGHWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2014	$416,100,000
Budget request, fiscal year 2015	439,000,000
Recommended in the bill	426,100,000
Bill compared with:	
Appropriation, fiscal year 2014	+10,000,000
Budget request, fiscal year 2015	−12,900,000

The limitation on administrative expenses caps the amount, from within the limitation on obligations, that 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 $426,100,000, which is $10,000,000 above fiscal year 2014, and $12,900,000 below the budget request. The amount reflects a modest increase adequate to continue work already underway to modernize and maintain information technology systems and also to keep pace with inflation within baseline program operations. In addition, $3,248,000 is transferred to the Appalachian Regional Commission.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

[In thousands of dollars]

Program	Fiscal year 2014 enacted	Fiscal year 2015 request	Recommended in the bill
Federal-aid highways (obligation limitation)	$40,256,000	$47,323,248	$40,256,000
Exempt contract authority	739,000	739,000	739,000
Total program level	40,995,000	48,062,248	40,995,000

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, to provide the foundation for the nation to compete in the global economy, and to move people and goods safely.

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.

Programs included within the federal-aid highways program are financed from the Highway Trust Fund. 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 program in a given year.

Because the structure of the federal-aid highways program for fiscal year 2015 is unknown at this time due to lack of authorizing legislation, the Committee includes no detailed summaries of particular programs.

COMMITTEE RECOMMENDATION

The Committee recommends a total program level of $40,995,000,000 for the activities of the FHWA in fiscal year 2015, contingent upon reauthorization. This amount is the same as fiscal year 2014 and $7,067,248,000 below the budget request. Included within the recommended amount is an obligation limitation of $40,256,000,000 and $739,000,000 in contract authority that is exempt from the obligation limitation.

Loan fees.—The Committee continues 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 services of expert firms 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.

Innovative financing.—The committee notes the significant role of Transportation Infrastructure Financing and Innovation Act (TIFIA) credit assistance in expanding the capacity of the federal-aid highways program to deliver projects. The Committee encourages the FHWA to fully obligate amounts available for credit assistance, contingent upon authorization, and complete new credit agreements with eligible project sponsors in a timely manner. To ensure an equitable geographic distribution of these resources, the Committee recommends a provision prohibiting any single state from receiving more than 20 percent of the loan principle subsidized by funds provided for TIFIA under this Act.

Safety performance measures and reporting requirements.—On March 11, 2014, FHWA published an NPRM to establish safety performance measures for the Highway Safety Improvement Program (HSIP) as required by section 1203 of MAP–21. The NPRM proposes to establish one measure for each of the following areas as mandated by MAP–21: number of fatalities; fatality rate; number of serious injuries; and serious injury rate. In addition, while the National Highway Traffic Safety Administration (NHTSA) already uses performance measures for pedestrian fatalities in administering NHTSA's highway traffic safety grant program, the Committee understands that NHTSA intends to establish performance measures for bicycle fatalities when it administers its fiscal year 2015 traffic safety grants. Recognizing the increase in pedestrian and bicycle fatalities, the Secretary of Transportation should establish separate non-motorized safety performance measures for the purpose of carrying out HSIP requirements. The FHWA should define these performance measures specifically to evaluate the number of fatalities and serious injuries for pedestrian and bicycle crashes. The statutory deadline for completing the rulemaking has come and gone. The Committee directs FHWA to publish its final rule on safety performance measures no later than 60 days after the enactment of this Act.

This issue demonstrates the importance of coordination across modal administrations, and their state and local counterparts, on safety planning, reporting, and performance measurement especially in light of the intersection between emerging vehicle-to-vehicle communications technologies and intelligent transportation systems infrastructure. The Committee directs FHWA and NHTSA, and other modes as recommended by DOT's safety council, to report to the Committee within 60 days of enactment on a plan to improve coordination on cross-cutting performance measurements and reporting requirements, identify opportunities to streamline and consolidate grantee reporting and performance tracking activities, and delineate steps the agencies and the grantees can take to improve coordination at the federal, state and local level on safety planning mandates, reporting requirements and performance measurements.

Innovative project implementation and funding.—The Department is encouraged to use funds authorized to carry out section 503(b) of title 23, United States Code, to carry out the activities listed in paragraph (3)(C)(v) of such section and to support regional pilot programs that would promote accelerated construction of transportation infrastructure including public private partnership programs that seek to connect public entities with private capital. When funding such activities, the Secretary shall give stronger consideration to existing multi-state or multi-jurisdictional programs or other similar proposals that demonstrate geographic and regional collaboration. The Committee encourages the Secretary to coordinate with the Environmental Protection Agency, the Department of Energy, and the Army Corp of Engineers in identifying local, state and regional infrastructure and infrastructure planning deficiencies.

Technology and innovation deployment program.—The Committee supports the technology and innovation deployment program's efforts to improve safety, efficiency, reliability, and performance of our nation's transportation infrastructure. The Committee understands that through this program States can apply for accelerated innovation deployment demonstration grants and state transportation innovation council incentives to demonstrate and deploy advanced composite material and carbon fiber composite materials in bridge replacement and rehabilitation. The Committee notes the growing need to accelerate the adoption of proven, high-payoff, and innovative practices, technologies, and materials that lead to faster construction such as the use of fiber reinforced composite materials and carbon fiber composite materials in bridge replacement and rehabilitation, and encourages the administration to continue to support these innovative technologies.

Geosynthetics.—The Committee encourages the Federal Highway Administration to actively review and incorporate geosynthetics for highway and civil infrastructure applications, due to their cost savings, longevity, and environmental benefits. The Committee also encourages the Department of Transportation to thoroughly review the Government Accountability Office (GAO) study entitled, Information on Materials and Practices for Improving Highway Pavement Performance that investigated the benefits of incorporating innovative materials into pavements.

Chehalis Basin flood mitigation plan.—The Committee understands the State of Washington is developing a comprehensive flood mitigation plan for the Chehalis Basin. The Department is directed to assist the Governor's Chehalis work group in their efforts to develop a basin-wide flood mitigation plan that protects Interstate 5 from catastrophic flooding and achieves the work group's objectives.

Tamiami Trail project.—The Committee has strongly supported Everglades restoration for twenty years and was pleased to see the Governor of Florida pledge $90,000,000 to support the completion of the Tamiami Trail 2.6 mile bridge segment. The Committee also notes that the National Parks Service has pledged in their fiscal year 2015 budget, a matching investment of $30,000,000 per year for three years, from their non-appropriated Federal Lands Transportation Program starting in fiscal year 2015 to cover 50 percent of the cost of contract payments. The Committee commends DOT for its efforts to support federal and state coordination on important projects like the Tamiami Trail.

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2014	$40,995,000,000
Budget request, fiscal year 2015	48,062,248,000
Recommended in the bill	40,995,000,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	−7,067,248,000

COMMITTEE RECOMMENDATION

The Committee recommends a liquidating cash appropriation of $40,995,000,000, which is the same as fiscal year 2014 and $7,067,248,000 below the budget request. This is the amount required to pay the outstanding obligations of the highway program at levels provided in this Act or any other Act.

FIXING AND ACCELERATING SURFACE TRANSPORTATION

(LIMITATION ON OBLIGATIONS)

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	$500,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	−500,000,000

The FY 2015 budget proposes the Fixing and Accelerating Surface Transportation (FAST) program. This new, unauthorized program, jointly managed by the Federal Highway Administration and Federal Transit Administration, would competitively award grants and financial incentives for transportation policy innovations and reforms.

COMMITTEE RECOMMENDATION

The Committee does not provide funding for this proposal.

ADMINISTRATIVE PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

Section 120. The Committee continues a provision that distributes obligation authority among federal-aid highways programs. The provision has been updated to be consistent with changes to the underlying authorizing statute made by MAP–21 and is contingent upon reauthorization.

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

Section 122. The Committee continues a provision that provides requirements for any waiver of the Buy America Act.

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

Section 124. The Committee continues a provision that requires congressional notification before the Department approves credit assistance under the TIFIA program.

Section 125. The Committee adds a provision that aligns certain federal and state truck weight requirements.

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.

AUTHORIZATION FOR FISCAL YEAR 2015

FMCSA's current activities are authorized under MAP–21, which expires on September 30, 2014. The administration as well as the House and Senate authorizing committees are currently working on surface transportation authorization legislation. However, at this time, it remains unclear what authorization law (or laws) will be effective during fiscal year 2015. Therefore, the Committee must recommend appropriations for programs without authorization and the Committee's recommendations for FMCSA are contingent upon reauthorization.

For purposes of determining authorized programs and funding levels for fiscal year 2015, the Committee assumes an extension of MAP–21 through fiscal year 2015. However, it is the Committee's intention that appropriations made by this bill will be wholly contingent on reauthorization and will be distributed only in accordance with the new authorization law.

MOTOR CARRIER SAFETY OPERATIONS AND PROGRAMS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2014 [1]	$272,000,000	($272,000,000)
Budget request, fiscal year 2015	315,770,000	(315,770,000)
Recommended in the bill	259,000,000	(259,000,000)
Bill compared with:		
Appropriation, fiscal year 2014	−13,000,000	(−13,000,000)
Budget request, fiscal year 2015	−56,770,000	(−56,770,000)

[1] Amounts include $13,000,000 provided for border facilities under the heading "National Motor Carrier Safety" in fiscal year 2014.

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 freight 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 state and local partners, safety education and outreach, and the safety and consumer telephone hotline.

COMMITTEE RECOMMENDATION

The Committee recommends $259,000,000 in liquidating cash for motor carrier safety operations and programs. The Committee also recommends limiting obligations from the highway trust fund to $259,000,000 for motor carrier safety operations and programs in fiscal year 2015. These levels, which are contingent upon reauthorization, are $13,000,000 below fiscal year 2014 and $56,770,000 below the budget request.

Within the amounts provided for operations and programs, the Committee recommends $1,000,000 for commercial motor vehicle operator's grants, which provide commercial motor vehicle operators with critical safety training. This amount, which is contingent upon reauthorization, is the same as fiscal year 2014 and the budget request. These funds are not moved into the Motor Carrier Safety Grants account as requested.

The Committee continues bill language specifying funding amounts for the research and technology program and for information management, and making those amounts available until September 30, 2017.

Hazardous materials safety permits.—FMCSA does not currently have a reasonable means of evaluating Hazardous Materials Safety Permit (HMSP) holders with inspection disqualifications which leaves operators no recourse beyond "aging out" of their disqualification. Because of the special nature of these carriers and because many are small businesses, a few violations combined with a low number of inspections can force a safe operator out of business with no opportunity for a second level of review. Further, because of the timing and methodology of the HMSP renewal cycle, this "out-of-business" event can sometimes come with little to no warning. To prevent federal bureaucracy from unnecessarily hurting small businesses, bill language is included which prohibits FMCSA from denying an application to renew a HMSP permit application based solely on a carrier's Out-of-Service (OOS) rate unless: (1) the carrier has been given a reasonable opportunity to provide evidence of corrective actions taken or a corrective action plan underway; and (2) the Secretary finds that those actions or plan would be insufficient to address specific and apparent safety concerns raised by the carrier's inspection citations.

Compliance, safety, accountability program.—The Committee directs FMCSA to carry out recommendations for its Compliance, Safety, Accountability program (CSA) as outlined in the Government Accountability Office's February 2014 report. FMCSA shall revise Safety Measurement System (SMS) methodology to better account for data limitations that undermine meaningful comparisons of safety performance information across carriers. FMCSA is directed to conduct a formal analysis that specifically identifies what are the limitations in data used to calculate SMS scores as well as limitations in resulting SMS scores and report that analysis to the House and Senate Committees on Appropriations within 180 days of enactment. Such analysis shall also identify, for each purpose for which SMS scores are used, what data sufficiency standard is necessary to ensure SMS is reliable enough to serve that purpose. FMCSA is also directed to demonstrate that any use of data, including SMS, to determine a carrier's fitness to operate has adequately accounted for data limitations.

Hours of Service.—In July of 2013 several changes to the truck driver hours of service regulations went into effect including revisions to the "restart" provision. Under the new regulations, the 34 consecutive hours of off-duty time required to reset a driver's on-duty time tracking was modified in two important ways. First, the off-duty period was changed to require two consecutive 1am-to-5am overnight periods. Second, the restart option was restricted to one use every 168 hours (once per week). Per MAP–21, FMCSA conducted a field study of the impact of the new requirements on driver fatigue and released those findings on January 30, 2014. The study provided no insight into the impact of one of the two critical changes to the restart provision, the 168-hour rule. Further, in its review of the 1am-to-5am requirement, FMCSA failed to consider important consequences of such a rule including whether or not truckers are driving more during the day in order to accommodate mandated off-duty time at night, and, if so, what are the consequences for safety and traffic of putting more commercial trucks on the road during peak travel times. FMCSA also failed to evaluate the work habits of drivers since July 2013 to assess whether drivers have been more frequently combining night shifts with day shifts in a single week, and, if so, what impact this irregular scheduling has on driver fatigue. The Committee directs FMCSA to provide a report to the House and Senate Committees on Appropriations within 90 days of enactment that catalogues the scientific evidence which supports the safety benefits of the 168-hour rule. The report should also include an assessment of effects on safety and traffic of the consequences outlined above and any other unintended consequences of the new restart provision that were not addressed by the FMCSA field study.

MOTOR CARRIER SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2014	$313,000,000	($313,000,000)
Budget request, fiscal year 2015	352,753,000	(352,753,000)
Recommended in the bill	313,000,000	(313,000,000)
Bill compared with:		
Appropriation, fiscal year 2014	– – –	– – –
Budget request, fiscal year 2015	−39,753,000	(−39,753,000)

FMCSA's motor carrier safety 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 $313,000,000 in liquidating cash for this program, as well as a $313,000,000 limitation on obligations, in fiscal year 2015. These levels, which are contingent upon reauthorization, are the same as fiscal year 2014 and $39,753,000 below the budget request.

The Committee recommends the following obligation limitations for grants funded under this account:

Motor carrier safety assistance program	($218,000,000)
Commercial driver's license improvements program	(30,000,000)
Border enforcement grants	(32,000,000)
Performance and registration information system management program	(5,000,000)
Commercial vehicle information systems and networks deployment program	(25,000,000)
Safety data improvement program	(3,000,000)

New entrant audits.—Of the funds made available for the motor carrier safety assistance program, the Committee recommends $32,000,000 for audits of new entrant motor carriers, which is the same as fiscal year 2014.

ADMINISTRATIVE PROVISIONS—FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

Sec. 130. The Committee continues language subjecting the funds appropriated in this Act to the terms and conditions included in prior appropriations Acts regarding Mexico-domiciled motor carriers.

Sec. 131. The Committee adds language requiring FMCSA to send notices of 49 C.F.R. section 385.308 violations in such a way that receipt of the notice is confirmed.

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, impaired, and distracted drivers, and to promote policies and devices with demonstrated safety benefits including helmets, child safety seats, airbags, and graduated licenses.

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.

AUTHORIZATION FOR FISCAL YEAR 2015

NHTSA's current programs have been authorized under a series of laws, and the most recent authorization, MAP–21, expires on September 30, 2014. The administration as well as the House and Senate authorizing committees are currently working on surface transportation authorization legislation. However, at this time, it remains unclear what authorization law (or laws) will be effective during fiscal year 2015. Therefore, the Committee must recommend appropriations for programs without authorization and the Committee's recommendations for NHTSA are contingent upon reauthorization.

In the absence of a 2015 authorization for surface transportation programs, including highway safety programs, the Committee assumes a continuation of the current program structure. However, it is the Committee's intention that appropriations made by this bill will be wholly contingent on reauthorization and will be distributed only in accordance with the new authorization law.

COMMITTEE RECOMMENDATION

The Committee recommends $824,000,000, which is $5,000,000 more than fiscal year 2014 and $27,000,000 below the budget request.

The following table summarizes the Committee's recommendations:

	2014 enacted	2015 request	Committee recommendation
Operations and research (general fund and highway trust fund)	$257,500,000	$274,000,000	$262,500,000
Highway traffic safety grants (highway trust fund)	561,500,000	577,000,000	561,500,000
Total	819,000,000	851,000,000	824,000,000

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.

OPERATIONS AND RESEARCH

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	(General fund) [1]	(Highway trust fund)	Total
Appropriation, fiscal year 2014	$134,000,000	$123,500,000	$257,500,000
Budget request, fiscal year 2015	152,000,000	122,000,000	274,000,000
Recommended in the bill	134,000,000	128,500,000	262,500,000
Bill compared with:			
Appropriation, fiscal year 2014	– – –	+5,000,000	+5,000,000
Budget request, fiscal year 2015	−18,000,000	+6,500,000	−11,500,000

[1] For comparison purposes, the table does not reflect the budget proposal to fund all of NHTSA's Operations and Research activities with mandatory budget authority.

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 $262,500,000, which is $5,000,000 more than fiscal year 2014 and $11,500,000 below the budget request. Of this total, $134,000,000 is from the General Fund for operations and vehicle safety research, and $128,500,000 is from the highway trust fund for operations and behavioral highway safety research. The Committee rejects the administration's request to fund vehicle safety activities out of the Highway Trust Fund, rather than the General Fund.

Emerging technology research.—As vehicle safety features continue to advance, it is imperative that NHTSA has a clear understanding of the various new technologies including those related to autonomous driving and vehicle-to-vehicle communication. Understanding how these advances are evolving and converging will ensure that consumers, regulators, and safety advocates are best able to navigate and implement these technologies going forward. To forward this understanding, the Committee recommendation funds the requested increases for vehicle electronics and emerging technology research and for advanced testing of emergent technologies at the Vehicle Research and Test Center in East Liberty, Ohio.

Heavy duty vehicle research.—In an effort to further increase the safety of heavy trucks and buses, the Committee encourages NHTSA to fund research that will provide needed insight for fleets and owner-operators on how available safety technologies may better enhance their ability to operate safely.

National roadside survey.—NHTSA recently sponsored the fifth National Roadside Survey (NRS) conducted since the original survey in 1973. This national field survey of nighttime weekend drivers seeks to estimate the prevalence of alcohol and drugs in drivers on our Nation's roadways. The survey involves stopping drivers at approximately 300 randomly selected locations across the continental United States. While participation in the survey is random, voluntary, and compensated, civil libertarians have raised concerns about the presence of uniformed officers at the survey sites as the driving public may confuse survey sites with mandatory law enforcement checkpoints. In addition, passive collection of personal information, including blood alcohol content, has raised privacy concerns. The Committee directs NHTSA to provide a report to the House and Senate Committees on Appropriations within 90 days of enactment that details the survey methodology of the most recent NRS including what characteristics distinguish NRS sites from mandatory law enforcement checkpoints and what steps are taken to make clear that either pulling over or participating in the survey are both completely voluntary. The report should also describe what steps are taken to protect the privacy of both participants and drivers that come upon NRS sites. The Committee also directs the Government Accountability Office to review and report on the overall value of the NRS to researchers and other public safety stakeholders, the differences between an NRS site and a typical law enforcement checkpoint, and the effectiveness of the NRS survey methodology at protecting the privacy of the driving public.

Tire fuel efficiency consumer information program.—NHTSA has not yet published the final rule for the Tire Fuel Efficiency Consumer Information Program (TFECIP) despite having published a proposed rule in 2009, obtaining comments from a full range of stakeholders, and publishing a proposed final rule in 2010. This rulemaking is pursuant to statutory requirements contained in the Energy Independence and Security Act (EISA) of 2007. The proposed rule could help inform decisions about the purchase of replacement tires that could save consumers hundreds of dollars annually. Nearly seven years after Congress acted, NHTSA has not been able to complete this rule. The Committee directs NHTSA to provide a schedule for completion of the TFECIP rule within 60 days of enactment.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligation
Appropriation, fiscal year 2014	$561,500,000	($561,500,000)
Budget request, fiscal year 2015	577,000,000	(577,000,000)
Recommended in the bill	561,500,000	(561,500,000)
Bill compared with:.		
Appropriation, fiscal year 2014	– – –	– – –
Budget request, fiscal year 2015	−15,500,000	(−15,500,000)

The highway traffic safety grant programs authorized under MAP–21 include: Highway Safety Programs, National Priority Safety Programs, and the High Visibility Enforcement Program.

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 $561,500,000 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 2015 for the highway traffic safety grants programs to $561,500,000. These levels are the same as fiscal year 2014 and $15,500,000 below the budget request. The Committee's recommendations are contingent upon reauthorization.

The Committee recommends the following funding allocations for grant programs:

Highway safety programs	($235,000,000)
Occupant protection	(43,520,000)
State traffic safety information system improvements	(39,440,000)
Impaired driving countermeasures	(145,520,000)
Distracted driver incentive	(23,120,000)
Motorcyclist safety	(4,080,000)
State graduated driver licensing laws	(13,600,000)
In-vehicle alcohol detection device research	(2,720,000)
High visibility enforcement program	(29,000,000)
Administrative expenses	(25,500,000)

ADMINISTRATIVE PROVISIONS—NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Section 140. The Committee continues a provision that, contingent upon reauthorization, 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.

Section 142. The Committee continues a provision that prohibits funding for the National Highway Safety Advisory Committee.

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 infrastructure.

SAFETY AND OPERATIONS

Appropriation, fiscal year 2014	$184,500,000
Budget request, fiscal year 2015	185,250,000
Recommended in the bill	185,250,000
Bill compared with:	
Appropriation, fiscal year 2014	+750,000
Budget request, fiscal year 2015	– – –

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 $185,250,000 for safety and operations, which is $750,000 above the fiscal year 2014 enacted level and equal to the budget request. Of the amount provided under this heading, $12,400,000 is available until expended.

Congestion at international rail crossings.—The Committee understands that there are a number of international rail crossings where the switching of train operators has caused unnecessary delays and blocked city crossings causing long periods of traffic congestion and delaying freight shipments. The Committee directs GAO to conduct an assessment of best practices that can be used to reduce rail border crossing times and especially the blockage of street crossings on the U.S. side. This review should examine the impact of reduced staff changing times, pre-clearance for train operators, and possible changing in train operator location. The Committee directs GAO to provide its findings to the House and Senate Committees on Appropriations no later than 180 days after enactment.

RAILROAD RESEARCH AND DEVELOPMENT

Appropriation, fiscal year 2014	$35,250,000
Budget request, fiscal year 2015	35,100,000
Recommended in the bill	35,250,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	+150,000

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 $35,250,000 for railroad research and development, which is $150,000 above the budget request and the same as the fiscal year 2014 enacted level. The Committee's recommendation includes the following allocation for FRA's Railroad Research and Development account:

Railroad System Issues	$3,871,000
Human Factors	3,692,000
Track Program	11,279,000
Rolling Stock Program	8,322,000

Train Control and Communication	8,086,000

In addition, the Committee provides an increase to Human Factors and allows funds to be used to improve safety practices and safety training for Class II and Class III freight railroads. The Committee understands that FRA will expend $500,000 for this effort in fiscal year 2014.

Transportation of energy products.—The Committee underscores the importance of utilizing a multi-modal approach to the safety oversight of the transportation of energy products. The Committee expects FRA to work collaboratively with PHMSA to ensure that oversight is comprehensive but not duplicative. The Committee directs FRA to adhere to appropriate direction detailed this Committee report within the Pipeline and Hazardous Materials Safety Administration account.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING PROGRAM

The Railroad Rehabilitation and Improvement Financing (RRIF) program was established by Public Law 109–178 to provide direct loans and loan guarantees to state and local governments, government-sponsored entities, and railroads. Credit assistance under the program may be used for rehabilitating or developing rail equipment and facilities. No federal appropriation is required to implement the program, because a non-federal partner may contribute the subsidy amount required by the Credit Reform Act of 1990 in the form of a credit risk premium.

The Committee maintains bill language specifying that no new direct loans or loan guarantee commitments may be made using federal funds for the payment of any credit premium amount during fiscal year 2015. Further, to ensure regional diversity, the Committee directs that no state shall receive more than $5,600,000,000 in direct loans or loan guarantee commitments made during fiscal year 2015. This is 20 percent of the $28,000,000,000 available in the program, excluding the $7,000,000,000 set aside for short line railroad projects.

RAIL SERVICE IMPROVEMENT PROGRAM

Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	[1] $2,325,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	−2,325,000,000

[1] The Administration's budget requested $2,325,000,000 in mandatory spending from the Highway Trust Fund for a new rail service improvement program.

The FRA budget documents include a new rail service improvement program. The program is a new, unauthorized program.

COMMITTEE RECOMMENDATION

The Committee recommends no funding for the rail service improvement program in fiscal year 2015. The recommendation is the same as the fiscal year 2014 enacted level, and $2,325,000,000 below the budget request.

CURRENT PASSENGER RAIL SERVICE PROGRAM

Appropriation, fiscal year 2014	$– – –
Budget request, fiscal year 2015	[1] 2,450,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	−2,450,000,000

[1] The Administration requested $2,450,000,000 in mandatory spending from the Highway Trust Fund for a new rail service improvement program, which includes both capital and operating grants.

In fiscal year 2015, the FRA budget documents include a new Current Passenger Rail Service Program that replaces the National Passenger Railroad program.

COMMITTEE RECOMMENDATION

The Committee recommends no funding for the current passenger rail service program in fiscal year 2015, instead, the Committee provides funds for this purpose under the heading Grants to the National Passenger Railroad Program. The recommendation is the same as the fiscal year 2014 enacted level, and $2,450,000,000 below the budget request.

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, D.C., to Boston, Massachusetts. Amtrak operates both electrified trains, which can achieve speeds of up to 150 mph on the highest quality track on the NEC, and diesel locomotives, which currently can achieve speeds between 74–110 miles per hour.

Congressional budget justification.—The Committee appreciates the level of detail in the fiscal year 2015 budget justifications and directs Amtrak to continue to submit justifications requesting funds by lines of business with a similar level of detail in all future budget years.

OPERATING GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Appropriation, fiscal year 2014	[1] $340,000,000
Budget request, fiscal year 2015	– – –
Recommended in the bill	[2] 340,000,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	+340,000,000

[1] The appropriation allows transfers of up to $40,000,000 from capital grants to the extent that Amtrak operating losses exceed $340,000,000.

[2] FRA's budget request for Amtrak assumed a new structure for the Corporation. It requested $2,450,000,000 for the Current Passenger Rail account, which includes both operating and capital funds for Amtrak, by line of business. According to FRA, the amount it requested for operating grants equates to $383,000,000.

[3] The appropriation allows transfers of up to $20,000,000 from capital grants to the extent that Amtrak operating losses exceed $340,000,000.

Amtrak runs a deficit each year and requires a federal subsidy to cover both operating losses and capital investments. Prior to this year, however, it was impossible to discern from Amtrak's or FRA's budget requests or other publically available data, federal funding required to operate Amtrak's network by line of business. In fact, FRA's requests for operating funds did not break-out requirements by business line and consistently exceeded operating losses by one-third. This year, Amtrak presented its budget in a clearer structure, by four lines of business. Amtrak's budget request details revenues and expenses by each line of business. It is now transparent to Congress and American taxpayers where Amtrak is using its federal appropriations.

The Committee looks forward to receiving additional break-outs by each Amtrak route and by type of revenue and expenses by route (such as food and beverage) in the near future. Further, the Committee encourages the authorizing committee to adopt the lines of business structure when it reauthorizes Amtrak.

Although the Northeast Corridor is profitable, the federally mandated services such as long-distance and state-supported routes sustain large losses that cannot be overcome by Amtrak's profitable services. The table below reflects the profitability, or lack thereof, of Amtrak's lines of businesses. In order to sustain operations on all lines, Amtrak subsidizes its long distance service with profits from its Northeast Corridor operations and also relies on federal subsidies.

AMTRAK'S OPERATING PROFIT/(LOSS)
BY LINE OF BUSINESS
FY 2011–FY 2015

Line of Business	FY 2011	FY 2012	FY 2013 (Forecast) [1]	FY 2014 (Forecast)	FY 2015 (Forecast)
Northeast Corridor	$255,000,000	$283,000,000	$289,600,000	$286,300,000	$290,000,000
State Corridors	(148,000,000)	(156,000,000)	(161,400,000)	(88,600,000)	(83,000,000)
Long Distance Routes	(554,000,000)	(558,000,000)	(587,000,000)	(614,700,000)	(618,000,000)
National Assets	1,000,000	69,000,000	100,400,000	77,000,000	79,000,000
Total Profit/Loss	(446,000,000)	(362,000,000)	(358,400,000)	(340,000,000)	(333,000,000)

[1] The fiscal year 2013 figures include Hurricane Sandy impacts, which resulted in operating losses of $50,000,000.
Source: Amtrak.

COMMITTEE RECOMMENDATION

The Committee recommends $340,000,000 for operating grants for Amtrak, which is equal to the fiscal year 2014 enacted level. The Committee includes a provision allowing Amtrak to transfer up to $20,000,000 in capital funds to the extent that the corporation's operating losses exceed $340,000,000.

Food, beverage and first class services.—Amtrak consistently incurs a loss on its food and beverage and first class service. As the table below demonstrates, Amtrak's net loss totaled $387,700,000 from fiscal years 2010 through fiscal year 2014 (forecast). In fiscal year 2014, Amtrak estimates that expenses will exceed revenue by $75,800,000, reflecting a cost recovery of only 65 percent. The losses do not reflect amounts that Amtrak transfers from sleeper-class and Acela first-class tickets to the food and beverage account, reducing the appearance of food and beverage losses. The Amtrak OIG reported that these transfers increased by $22,100,000 from fiscal year 2006 to fiscal year 2012.

AMTRAK'S FOOD AND BEVERAGE LOSSES AND COST RECOVERY

FY 2009–FY 2014

[In millions of dollars]

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2010–FY 2014
Revenue	$109,300,000	$121,500,000	$132,900,000	$134,400,000	138,600,000	$636,700,000
Expenses	191,700,000	206,000,000	204,900,000	207,400,000	214,400,000	1,024,400,000
Total Loss	(82,400,000)	(84,600,000)	(72,000,000)	(73,000,000)	(75,800,000)	(387,700,000)
Cost Recovery	57%	59%	65%	65%	65%	61%

Note: Food and beverage losses reflect an offset from sleeper and Acela first-class service transfers, reducing the appearance of losses.

Although total revenue has increased, labor costs dwarf these increases. Food and beverage labor costs have increased mainly due to wage increases. Under Amtrak's last negotiated labor agreement in 2010, the average fully loaded compensation for the nearly 1,200 food and beverage employees was $106,600 in fiscal year 2012. These employees were guaranteed a 3 percent wage increase in two compounded installments per year until 2014. The current labor contract expires this summer, but will automatically extend until a new contract is signed.

As the chart below shows, long distance routes accounted for a total of 90 percent of food and beverage service losses. The main cost driver is on board staffing (labor costs), representing 55 percent of the total direct costs.

FOOD AND BEVERAGE LOSSES BY ROUTE TYPE

FY 2014 (Forecast)

Routes	Revenue	Expenses			Profit/loss
	Food and beverage	On-board labor	Commissary	Total direct costs	
Northeast Corridor	$38,000,000	$25,100,000	$20,900,000	$46,000,000	(7,900,000)
State-supported	37,700,000	18,900,000	18,200,000	37,100,000	600,000
Long-Distance	62,900,000	74,000,000	57,300,000	131,300,000	(68,400,000)
Total	138,600,000	118,000,000	96,400,000	214,400,000	(75,800,000)

Recently, Amtrak implemented some efficiency improvements. The Corporation signed a new warehouse management contract with greater volume discounts and cost control incentives, reduced some on-board report times, and established a loss prevention unit. The Amtrak OIG, in its report dated October 31, 2013, stated that these actions resulted in limited efficiency gains because they were applied to the existing food and beverage business model. Further, efficiencies were balanced with increased labor costs.

The Committee is concerned that the taxpayer continues to foot the bill for Amtrak's long-standing unprofitable food, beverage and first class service. On October 3, 2013, Amtrak announced that it would include a food and beverage performance metric in its 5 year financial plan to eliminate losses in five years.

The Committee directs Amtrak to take actions identified in the October 31, 2013 OIG report, including the following:

Staffing Efficiencies.—Base the food and beverage staffing guidance on actual dining car usage rates, rather than the number of and types of cars; require route managers to adjust staffing with ridership, demand, and seasonal changes; reduce staff reporting times; eliminate the practice of double-counting food stocks by directing the food supply contractor to load trains directly.

Financial performance.—Develop food and beverage cost and revenue data by train, car and departure date; ensure that the onboard point of sale system can generate relevant business management data.

Service.—Charge Amtrak employees traveling free for the cost of food and beverage services they consume; use available revenue information to monitor onboard staff performance and identify opportunities to increase revenues.

Inventory Management.—Base the level of food and beverage service on ridership and customer demand patterns for individual routes; reduce spoilage rates and reduce backordering by clarifying backordering policy.

Amtrak overtime.—The Committee commends Amtrak for making progress in reducing overtime expenses. Overtime expenses decreased from $209,091,000 in calendar year 2010 to $185,559,000 in calendar year 2013, a reduction of 11 percent. In addition, Amtrak contained the number of employees that exceed $35,000 in overtime payments to 1,022 in calendar year 2013. These employees were paid a total of $49,082,000, representing 26 percent of the total overtime paid to all employees.

AMTRAK OVERTIME

CY 2010–CY 2013

	CY 2010	CY 2011	CY 2012	CY 2013
Total Overtime Wages, all employees	$209,091,000	$200,781,000	$162,461,000	$185,559,000
Number of Employees with Overtime Exceeding $35,000 per year	1,288	1,123	703	1,022
Total Overtime Wages, employees exceeding $35,000 per year	Not Available	54,818,000	32,681,000	49,082,000

To ensure the Corporation continues to make progress managing its personnel and focusing on overtime reduction, the Committee includes bill language consistent with prior years, directing Amtrak's president to approve all overtime that exceeds $35,000 for employees that exceed $35,000 per year, and provide that information to the Committee. In addition, it requires Amtrak to provide documentation associated with the overtime and requires Amtrak's president to certify documentation is accurate and correct.

Reduced price fares.—The bill continues 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 2014	$1,050,000,000
Budget request, fiscal year 2015[1]	– – –
Recommended in the bill	850,000,000
Bill compared with:	
Appropriation, fiscal year 2014	–200,000,000
Budget request, fiscal year 2015	– – –

[1] FRA's budget request for Amtrak assumed a new structure for the Corporation. It requested $2,450,000,000 for the Current Passenger Rail account, which includes both operating and capital funds for Amtrak. According to FRA, the amount it requested for capital equates to $1,288,000,000. Amtrak requested Y.

COMMITTEE RECOMMENDATION

The Committee recommends $850,000,000 for capital grants and debt service compliance with the Americans with Disabilities Act. The Committee's recommendation is $200,000,000 below the level enacted in fiscal year 2014.

Northeast Corridor Infrastructure and Operations Advisory Commission.—The Committee recommends up to $5,000,000, equal to the amount provided in fiscal year 2014. The Committee directs the Northeast Corridor Infrastructure and Operations Advisory Commission to submit its fiscal year 2016 budget request to the Appropriations Committees in similar format and substance as those submitted by other executive agencies of the federal government.

The Committee includes bill language allowing the Secretary to retain up to one-half of one percent for FRA to implement Amtrak operating and capital grants as authorized by section 103 of the Passenger Rail Investment and Improvement Act (PRIIA). FRA requires such funds to oversee all federal grants to Amtrak, to ensure prudent use of federal funds and to foster transparency.

Capital planning.—Amtrak OIG's report dated September 27, 2013 identified significant weaknesses in Amtrak's capital planning processes. The OIG found that Amtrak has not consistently used sound business practices in developing proposals for capital projects, nor did it identify how a project would relate to the financial and non-financial goals of the organization. The Committee understands that Amtrak will issue a corporate-wide policy providing guidance on developing sound project proposals. This is significant since there is a correlation between the use of sound business practices in developing proposals and the outcome of the project. The Committee requires Amtrak to conduct a business case analysis on rolling stock, track and signaling equipment, and major capital acquisitions. Further, the Committee directs Amtrak to take steps to increase transparency regarding capital projects in its budget submissions including providing a list of major projects it proposes to fund in priority order.

Business case analysis on CAF cars.—On August 3, 2010, Amtrak executed a contract with CAF USA for 130 baggage, sleeping, and dining cars for $298,132,648 that will be deployed on Amtrak's long distance routes. Despite the fact that Amtrak will require federal appropriations to pay for this procurement, amounts for these cars were not visible in Amtrak's prior budget request documents. Amtrak representatives admitted that the Corporation did not perform a business case or cost benefit analysis before deciding to execute this contract, nor did it determine if funds would be better used elsewhere. This nearly $300,000,000 purchase was justified based solely on the age of the fleet.

The Committee directed Amtrak to submit a business case analysis that explored the impact of continuing, terminating, or reducing the scope of the contract. Amtrak's analysis concluded that proceeding with the CAF USA order will generate a positive contribution of approximately $2,500,000 annually, depending on order quantities.

Business case analysis on locomotive purchase.—A September 27, 2013 Amtrak OIG report noted that Amtrak's mechanical department proposed a procurement of 20 new electric locomotives with 2 option orders for 20 additional units each to replace some existing locomotives. Amtrak approved the purchase of 70 locomotives without assessing whether 70 locomotives were needed. Without an adequate needs assessment, Amtrak did not have assurance that purchasing the additional locomotives was a better alternative to achieving its goal than using funds for other capital investments. The Committee directs Amtrak to submit to the House and Senate Committees on Appropriations within 60 days of enactment of this Act the following: (1) a determination of how many locomotives it needs, and (2) if it needs fewer than 70 locomotives, perform a business case analysis on continuing the contract or reducing the contract's scope.

ADMINISTRATIVE PROVISIONS—FEDERAL RAILROAD ADMINISTRATION

Section 150. 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 151. The Committee continues a provision which authorizes the Secretary to allow issuers of any preferred stock to redeem or repurchase such stock sold to the Department.

Section 152. The Committee continues and amends a provision that limits overtime to $35,000 per employee, allows Amtrak's president to waive this restriction for specific employees for safety or operational efficiency reasons, requires quarterly reporting to the House and Senate Committees on Appropriations on the number of employees receiving waivers granted and amounts paid to those employees, and provide documentation, certified by the president, of the specific activities of each employee during the paid overtime that exceeded $35,000 and how the work resulted in increased safety or efficiency. It also requires Amtrak to submit a report by March 1, 2015 summarizing for calendar year 2014, and each of the two prior years: (1) all overtime payments incurred by the corporation, (2) the number of employees that received waivers by department, and (3) the amounts paid to the employees that received waivers by department.

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 Moving Ahead for Progress in the 21st Century Act (MAP–21) (P.L. 112–141). Annual Appropriations Acts included annual limitations on obligations for the transit formula 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 MAP–21 expire on September 30, 2014.

ADMINISTRATIVE EXPENSES

Appropriation, fiscal year 2014	$105,933,000
Budget request, fiscal year 2015	114,400,000
Recommended in the bill	103,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−2,933,000
Budget request, fiscal year 2015	−11,400,000

COMMITTEE RECOMMENDATION

The Committee recommends a total of $103,000,000 for FTA's administrative expenses, a decrease of $11,400,000 below the budget request and $2,933,000 below the 2014 enacted level. Of the funds provided, up to $3,000,000 is for authorized safety activities and not less than $1,000,000 is for asset management activities. The Committee's recommendation provides these funds from the General Fund, as usual, and rejects the proposal to fund basic salaries and expenses from a trust fund.

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 plus the new safety office. Further, the operating plan must include any new programs or changes to the budget request, including new grant programs. 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 2015.

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. 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, 2015.

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.

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 2017; (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. Considering the scale of the proposed projects, the changes to the program in MAP–21, and the massive growth in this account, the Committee finds monthly oversight reports particularly useful.

TRANSIT FORMULA GRANTS

(LIQUIDATION OF CONTRACT AUTHORITY)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 2014	$9,500,000,000	$8,595,000,000
Budget request, fiscal year 2015	13,800,000,000	13,800,000,000
Recommended in the bill	9,500,000,000	8,595,000,000
Bill compared with:		
Appropriation, fiscal year 2014	– – –	– – –
Budget request, fiscal year 2015	−4,300,000,000	−5,205,000,000

MAP–21 provided contract authority for the transit formula grant programs from the mass transit account of the highway trust fund. These programs include: urbanized area formula, state safety oversight program, state of good repair grants, formula grants for rural areas, growing states and high density states, mobility for seniors and persons with disabilities, bus and bus facility formula grants, the bus testing facility, planning programs, transit oriented development, National Transit Institute, and the National Transit Database. 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 recommends an obligation limitation of $8,595,000,000 for the formula programs and activities which is the same as the fiscal year 2014 enacted level. The Committee's recommendation also includes $9,500,000,000 in liquidating funds. Funds are consistent with the final year of MAP–21 and contingent on authorization.

The Committee is still awaiting the report requested in H. Report 113–136 regarding the transit formula allocation to medium and small cities. The Committee directs FTA to submit the report by October 1, 2014.

PUBLIC TRANSPORTATION EMERGENCY RELIEF PROGRAM

Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	$25,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	−25,000,000

MAP–21 authorized a new program to provide funds to transit agencies after disaster events to restore service. Both capital and operating costs are eligible.

COMMITTEE RECOMMENDATION

The Committee recommendation does not include funds for this new account. The Committee will make funding determinations for emergency funds on a case-by-case basis.

TRANSIT RESEARCH

Appropriation, fiscal year 2014	$43,000,000
Budget request, fiscal year 2015	– – –
Recommended in the bill	15,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−28,000,000
Budget request, fiscal year 2015	+15,000,000

MAP–21 authorizes FTA to provide funds to the National Academy of Sciences to conduct investigative research on subjects related to public transportation.

COMMITTEE RECOMMENDATION

The Committee recommends $15,000,000 for transit research, $28,000,000 below last year. The 2015 budget proposed $60,000,000 in one research account instead of the two account structure provided last year and in this bill.

The Committee requires FTA to report by May 15, 2015, on all FTA-sponsored research projects from fiscal year 2014 and 2015 at the National Academy of Sciences.

TECHNICAL ASSISTANCE AND TRAINING

Appropriation, fiscal year 2014	$5,000,000
Budget request, fiscal year 2015	– – –
Recommended in the bill	3,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−2,000,000
Budget request, fiscal year 2015	+3,000,000

MAP–21 authorizes FTA to provide technical assistance to the public transportation industry and to develop standards for transit service provision, with an emphasis on improving access for all individuals and transportation equity.

COMMITTEE RECOMMENDATION

The Committee recommends $3,000,000 for technical assistance and training, $2,000,000 below the 2014 level. The 2015 budget proposed $60,000,000 in one research account instead of the two account structure provided last year and in this year's bill.

The Committee recognizes the continuing need for a strong technical assistance, education, and research program on the mobility needs of people with disabilities and older adults. The Committee strongly supports ongoing partnerships with organizations that have experience and a successful track record in providing technical assistance for these special needs populations.

Public transportation options for seniors.—The Committee encourages FTA to continue exploring improvements for the transportation options for seniors, including public transportation options where available, but also including software programs that leverage unused private transportation capacity to promote transportation for seniors in small and rural communities. Through increased attention to these multiple options for private senior transport, the FTA can improve highway safety and the quality of life for seniors nationwide.

CAPITAL INVESTMENT GRANTS

(INCLUDING RESCISSION OF FUNDS)

Appropriation, fiscal year 2014	$1,942,938,000
Budget request, fiscal year 2015	2,500,000,000
Recommended in the bill	1,691,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−251,938,000
Budget request, fiscal year 2015	−809,000,000

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.

COMMITTEE RECOMMENDATION

The Committee recommends $1,691,000,000 for capital investment grants which is $251,938,000 below the fiscal year 2014 enacted level and $809,000,000 below the budget request.

The fiscal year 2015 recommendation provides $1,510,000,000 for all current and on-going full funding grant agreements (FFGA) as requested in the budget, plus another $25,000,000 for a project (or projects) that will be signed under a FFGA by September 30, 2014. No funds are provided for new FFGAs that are not under a signed grant agreement at the start of fiscal year 2015. In addition, $173,000,000 is provided for five new small start projects proposed in the budget.

Further, the Committee recommends $30,000,000 for the core capacity program authorized in MAP–21, provides a total $18,000,000 (about 1 percent) for oversight activities related to the investments of this account, and rescinds $65,000,000 in unobligated prior year funds.

The Committee continues the direction that FTA only further projects to a full funding grant agreement if the project requires a less than 50 percent new starts share and rates medium high or high in the categories related to finance and reducing congestion.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Appropriation, fiscal year 2014	$150,000,000
Budget request, fiscal year 2015	150,000,000
Recommended in the bill	150,000,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	– – –

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 equal to the budget request and last year's 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.

WMATA oversight.—The Federal Transit Administration recently released a draft audit report on the financial management oversight (FMO) of WMATA. The draft report identified some material weaknesses and significant deficiencies in a number of WMATA's financial and internal management controls. WMATA responded to the audit report with a detailed series of corrective actions to address the findings of the FMO review. Once the report has been finalized by the Federal Transit Administration, the Committee directs GAO to conduct a review of WMATA's progress implementing its corrective action plan and to identify additional corrective actions that WMATA may take to address the FMO findings. In addition, the Committee directs GAO to review WMATA's progress to address safety weaknesses identified by the National Transportation Safety Board. The Committee directs GAO to submit a report on its findings to the House and Senate Committees on Appropriations no later than 180 days after enactment.

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, 2015, 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 permits the Secretary to consider significant private contributions when calculating the non-federal share of new starts projects.

Section 164. The Committee continues the provision that prohibits a full funding grant agreement for a project with a new starts share greater than 50 percent.

Section 165. The Committee includes a provision regarding a certain fixed guideway project in Houston, Texas.

Section 166. The Committee includes a provision which allows unobligated and unexpended section 5339 funds from fiscal years 2010 through 2013 to be used for new starts activities.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

Appropriation, fiscal year 2014	$31,000,000
Budget request, fiscal year 2015	31,500,000
Recommended in the bill	31,500,000
Bill compared with:	
Appropriation, fiscal year 2014	+500,000
Budget request, fiscal year 2015	– – –

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 $31,500,000 to fund the operations, maintenance, and capital asset renewal needs of the SLSDC. This funding level is $500,000 higher than the fiscal year 2014 appropriation and equal to the President's budget request. 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 2014	$186,000,000
Budget request, fiscal year 2015	211,000,000
Recommended in the bill	166,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−20,000,000
Budget request, fiscal year 2015	−45,000,000

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 $166,000,000 for this account, $20,000,000 below the fiscal year 2014 funding level and $45,000,000 below the request. The Committee's recommendation is equal to the allocation provided for the Defense 050 function activities in this bill. Funds are available until expended.

This recommendation provides funding directly to MARAD and assumes that MARAD will continue to administer the program with support and consultation from the Department of Defense. Should MARAD determine a smaller roster of ships is called for in 2015, the Committee directs the Secretary to give priority to ships owned by U.S.-based companies that meet the Department of Defense requirements. The budget documents represent the program exceeds DOD capacity requirements and program goals.

The Committee does not provide $25,000,000 requested for new payments to shippers as the Congress has not adopted changes to the food aid program.

OPERATIONS AND TRAINING

Appropriation, fiscal year 2014	$148,003,000
Budget request, fiscal year 2015	148,400,000
Recommended in the bill	132,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−16,003,000
Budget request, fiscal year 2015	−16,400,000

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 $132,000,000 for MARAD operations and training expenses, $16,003,000 less than the fiscal year 2014 funding level and $16,400,000 below the fiscal year 2015 budget request.

MARAD operations.—Of the funds provided, $49,000,000 is for headquarters and regional office operations, and maritime program expenses. The Committee notes improvement in the budget documents, and hopefully the improvement will continue. The Committee continues the reporting requirement that MARAD submit information on the number of vacancies at MARAD headquarters and regional offices, and the duties associated with each vacancy concurrent with the fiscal year 2016 budget submission.

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 $65,700,000 in fiscal year 2015 for the USMMA, of which up to $64,200,000 is for Academy operations and not less than $1,500,000 is for capital improvements. The committee's recommendation does not include $13,000,000 requested for Bowditch Hall renovation. The Committee recommends this reduction without prejudice.

The Committee urges MARAD to support the USMMA Board of Visitors, including the annual visit required in section 51312 of title 46, United States Code.

State maritime academies.—The Committee recommends $17,300,000 for the state maritime academies. Of the funds provided, $3,600,000 is for direct payments, $2,400,000 is for student payments, and $11,300,000 is for schoolship maintenance and repair.

Schoolships.—Looking at the schoolship inventory, it appears many, if not most of the training ships at the various maritime academies are nearing the end of their useful life. Schoolships are vital to a quality maritime education. The Committee directs MARAD to report to the House and Senate Committees on Appropriations 180 days after enactment of this Act on the opportunities and efficiencies of a common schoolship design for all maritime academies under MARAD, and the costs associated with design and construction. The Committee encourages MARAD to include funds in the 2016 budget request for design costs.

Ready reserve force transfer.—Should the Subcommittee on Defense of the Committee on Appropriations provide for a transfer of their Ready Reserve Force funds to MARAD, MARAD is approved to administer the funds as requested.

SHIP DISPOSAL

Appropriation, fiscal year 2014	$4,800,000
Budget request, fiscal year 2015	4,800,000
Recommended in the bill	4,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−800,000
Budget request, fiscal year 2015	−800,000

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). As reported in the fiscal year 2015 budget documents, MARAD currently has custody of approximately 25 obsolete vessels that are not yet under contract for disposal. By the end of 2014, MARAD anticipates an inventory of 20 obsolete ships located at: the James River Reserve Fleet site in Virginia (9 ships), and the Suisun Bay Reserve Fleet (SBRF) site in California (5 ships), and the Beaumont Reserve Fleet site in Texas (2 ships—3 less than the prior year), plus 4 decommissioned Navy Vessels located in Hawaii and Pennsylvania. MARAD anticipates removing another 8 ships from the SBRF during fiscal year 2014, with only 5 vessels remaining for disposal beyond 2015.

COMMITTEE RECOMMENDATION

The Committee recommends $4,000,000 for this account, $800,000 below the fiscal year 2014 funding level and the budget request. Funds are available until expended. The fiscal year 2015 proposed funding level reflects the Committee's confidence that MARAD can continue moving a significant number of ships out of the NDRF by sales rather than by contract. Considering MARAD has routinely exceeded its own performance goals for ship disposal, this funding level should be sufficient to still meet the long term goals of the program.

MARITIME GUARANTTEED LOAN (TITLE XI PROGRAM)

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

Appropriation, fiscal year 2014	$3,500,000
Budget request, fiscal year 2015	3,100,000
Recommended in the bill	3,100,000
Bill compared with:	
Appropriation, fiscal year 2014	−400,000
Budget request, fiscal year 2015	– – –

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 the budget request of $3,100,000 for the Maritime Guaranteed Loan (Title XI) Program, which is $400,000 below the amount provided in fiscal year 2014. Further, the Committee recommends rescinding $29,000,000 in unobligated funds provided in fiscal year 2014.

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 continues a 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 to 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

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2014	$21,654,000
Budget request, fiscal year 2015	22,225,000
Recommended in the bill	21,654,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	−571,000

This appropriation finances the 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 $21,654,000 for PHMSA operational expenses. This is the same as fiscal year 2014, and $571,000 below the budget request. The Committee includes bill language directing PHMSA to transfer $1,500,000 to the pipeline safety program to fund the pipeline information grants to communities.

Transportation of energy products.—The transportation of domestically produced energy products, including ethanol and crude oil, has grown dramatically in the last few years. The Federal Railroad Administration (FRA) estimates that the volume of crude oil transported by rail increased from 65,600 carloads in 2011 to more than

255,000 carloads in 2012, an increase of nearly 300 percent. The Committee is greatly concerned about recent train accidents that have resulted in releases of crude oil and ethanol, forced evacuations, millions of dollars in damage, and, in the case of the Lac Mégantic, Quebec incident, massive fires and the loss of 47 lives. With the expected increases in domestic production of crude oil and other energy-related products, a multi-faceted and comprehensive approach is necessary to ensure the safe and efficient transport of these products. Specifically, DOT should consider the following activities: improving the design of tank cars, developing emergency response plans; promoting first responder training, and establishing adequate oversight of railroad, pipeline, and shipper operations.

The Committee is concerned that PHMSA only requires comprehensive response plans for oil shipments larger than 42,000 gallons per tanker. Most tankers used to transport crude oil typically hold close to 34,000 gallons but are transported in unit train configurations that dramatically exceed the 42,000 gallon threshold. The Committee directs PHSMA to review the spill response planning thresholds contained in 49 C.F.R. Part 130 and to update those thresholds as necessary to ensure carriers have the ability to respond to worst-case discharges resulting from accidents involving both unit trains and blocks of tank cars transporting oil and petroleum products. In addition, the Committee directs PHMSA to update the Hazardous Materials Emergency Preparedness curriculum guidelines to include training protocols unique to crude oil and ethanol incident response.

The Committee expects DOT to take a systemic approach in its oversight to reduce the risks associated with the transport of crude oil and other energy-related materials. The Committee recommendation includes increases for PHMSA's hazardous materials program to support research and development activities on emerging oil and gas transportation safety issues and to increase training and outreach activities to improve incident response. The recommendation also includes increases for pipeline safety to support additional inspection, oversight and enforcement activities, and to increase training and outreach on accident investigation and response.

HAZARDOUS MATERIALS SAFETY

Appropriation, fiscal year 2014	$45,000,000
Budget request, fiscal year 2015	52,000,000
Recommended in the bill	52,000,000
Bill compared with:	
Appropriation, fiscal year 2014	+7,000,000
Budget request, fiscal year 2015	– – –

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 $52,000,000, the same as the request and $7,000,000 above the fiscal year 2014 enacted level, to fund the agency's existing hazardous materials safety program and to provide increases requested for research, training, and outreach related to emerging oil and gas transportation safety. The Committee recommends $7,000,000 of the total to remain available for three years for long-term research and development contracts.

Special permits and approvals fee proposal.—The Committee does not include the request for new special permits and approvals fees. Additional fees within this account should be considered in the context of authorizing legislation originating in the committees of jurisdiction.

Tank car design.—The Committee urges PHMSA to work expeditiously to finalize a rule improving safety standards for rail cars carrying crude no later than September 30, 2014. The National Transportation Safety Board (NTSB) has identified a number of vulnerabilities in DOT–111 tank cars and has recommended immediate action to improve puncture resistance, thermal resistance, and overall integrity. Due to several derailments involving crude oil and ethanol, the Committee is concerned about the timeline for the rulemaking on the DOT–111 tank car fleet and directs PHMSA to report to the House and Senate Committees on Appropriations on a timeline for publication of a final rule within 30 days of enactment.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

(PIPELINE SAFETY DESIGN REVIEW FUND)

	(Pipeline safety fund)	(Oil spill liability trust fund)	(Design review fund)	Total
Appropriation, fiscal year 2014	$98,514,000	$18,573,000	$2,000,000	$119,087,000
Budget request, fiscal year 2015	136,500,000	19,500,000	2,000,000	158,000,000
Recommended in the bill	110,000,000	19,500,000	2,000,000	131,500,000
Bill compared with:				
Appropriation, fiscal year 2014	+11,486,000	+927,000	– – –	+12,413,000
Budget request, fiscal year 2015	−26,500,000	– – –	– – –	−26,500,000

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 state 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.

COMMITTEE RECOMMENDATION

The Committee recommends $131,500,000 to continue pipeline safety operations, research and development, and state grants-in-aid, which is $12,413,000 above fiscal year 2014 and $26,500,000 below the budget request. Of the total, $19,500,000 is from the Oil Spill Liability Trust Fund, $110,000,000 is from the Pipeline Safety Fund, and $2,000,000 is from the Pipeline Safety Design Review Fund.

The Committee recommends $1,058,000 of the funds provided to be used for the one-call state grant program. The Committee recommends $54,436,000 of the funds provided to remain available until September 30, 2017.

The Committee recommendation provides increases adequate to support the additional resources requested for the emergency and preparedness information for communities program, the onshore facilities response plan initiatives, and FTE increases for safety training, standards and rulemaking activities, accident investigations, human resources, and inspection and enforcement. Funding increases requested for state grants, grants management, and an expansion of IT modernization activities are not provided. PHMSA shall deliver a report to the House and Senate Committees on Appropriations within 120 days of enactment that details staffing and hiring plans for fiscal year 2015 as well as actual turnover and hiring in fiscal year 2014.

Pipeline Safety Design Review Fund.—The Committee allows $2,000,000 in budgetary resources to be derived from fees collected by the Pipeline Safety Design Review Fund as authorized. If no qualifying projects are, initiated in fiscal year 2015, then no fees will be collected and these funds will not be expended.

Pipeline emergencies training.—Given the aging U.S. pipeline infrastructure and its vulnerability to emergency events, the Committee reiterates the need to ensure that individuals charged with responding to pipeline and pipeline-related emergencies are properly trained. The Committee directs PHMSA to leverage some portion of the increases provided for fiscal year 2015 to take a more proactive role in promoting pipeline emergency response training and outreach to state and local first responders. The Committee further directs PHMSA to report to the House and Senate Committees on Appropriations within 90 days of enactment with an assessment of pipeline emergency training and preparedness including identification of where improvements can be made.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

	(Emergency preparedness fund)	(Emergency preparedness grants program)
Appropriation, fiscal year 2014	($188,000)	($28,318,000)
Budget request, fiscal year 2015	(188,000)	(28,318,000)
Recommended in the bill	(188,000)	(28,318,000)
Bill compared with:		
Appropriation, fiscal year 2014	– – –	– – –
Budget request, fiscal year 2015	– – –	– – –

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 2014 and the budget request. These amounts reflect the maximum authorized funding levels.

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 2014	$85,605,000
Budget request, fiscal year 2015	86,223,000
Recommended in the bill	86,223,000
Bill compared with:	
Appropriation, fiscal year 2014	+618,000
Budget request, fiscal year 2014	– – –

COMMITTEE RECOMMENDATION

The Committee recommendation provides $86,223,000 for the Office of Inspector General, which is $618,000 above the fiscal year 2014 enacted level and the same as the budget request. The Committee continues to highly value the work of the IG in oversight of departmental programs and activities.

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.

Oversight of the Metropolitan Washington Airports Authority.—The Committee has continuing concerns about the lack of oversight of the Metropolitan Washington Airport Authority (MWAA). A recent investigation by the DOT Inspector General (IG) found a number of cases of questionable sole source contracting practices, a lack of ethical disclosure requirements for board members, and an overall lack of accountability and transparency. In order to improve the oversight of MWAA, the Committee recommendation includes a new provision that provides the DOT IG with oversight responsibilities for MWAA, and requires that MWAA reimburse the DOT IG for this new responsibility.

Surface Transportation Board

SALARIES AND EXPENSES

Appropriation, fiscal year 2014	$31,000,000
Budget request, fiscal year 2015	31,500,000
Recommended in the bill	31,250,000
Bill compared with:	
Appropriation, fiscal year 2014	+250,000
Budget request, fiscal year 2015	−250,000

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.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $31,250,000 for fiscal year 2015, which is $250,000 more than the fiscal year 2014 enacted level and 250,000 less than the request. The STB is estimated to collect $1,250,000 in fees which will offset the appropriation for a total program cost of $30,000,000.

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 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 184. 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 185. The Committee continues the provision prohibiting funds from being used to make a loan, loan guarantee, line of credit, or 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 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 186. The Committee continues a provision allowing funds received from rebates, refunds, and similar sources to be credited to appropriations of the DOT.

Section 187. 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 188. The Committee mandates that reprogramming actions are to be approved or denied solely by the House and Senate Committees on Appropriations.

Section 189. 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 190. 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 administration.

Section 191. The Committee includes a provision regarding agency transit benefits.

Section 192. The Committee includes a provision prohibiting funds for the Surface Transportation Board to take action on a high speed rail project in California unless the Board has jurisdiction over the entire project and considers the project in its entirety.

Section 193. The Committee includes a provision which limits Federal credit awarded to any individual state.

Section 194. The Committee includes a provision that limits funding from being used to deny a hazardous material safety program permit.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MANAGEMENT AND ADMINISTRATION

Management and Administration accounts provide operating support to the Department of Housing and Urban Development's (HUD) Executive Offices, Administrative Support Offices, and Program Office Salaries and Expenses. Funding under these accounts supports the salaries and expenses of nearly all HUD employees as well as certain non-personnel expenses critical to carrying out HUD's mission. The Committee supports the Department's efforts to transform the way it does business and encourages the Department to continue efforts to streamline operations while making targeted technology and human capital investments.

Budgetary resource levels.—HUD must have systems in place to track fundamental budgetary resource data including budget authority and FTE levels. A lack of essential information at HUD has in the past led to Anti-Deficiency Act violations in which HUD hired more people than it had resources to pay. While the Committee recognizes deficiencies caused by antiquated enterprise systems and acknowledges HUD's efforts to address these deficiencies, proper management of agency resources is a fundamental responsibility and antiquated systems are no excuse for violations of Federal law. The Committee directs HUD to continue working toward improving its ability to manage and track budgetary resource data. The Committee also directs HUD to clearly identify in its budget justifications the movement or transfer of budgetary resources from one account, program, project, or activity to another account, program, project, or activity so that year-over-year comparisons are possible. Any programs, projects, or activities that are newly requested shall also be clearly identified as program increases and any other increases should be clearly identified as adjustments to baseline spending.

Reorganizations.—The Committee includes language to make clear that any office, program, or activity reorganizations require advance approval from the Committee prior to the Department taking steps to implement reorganizations including any negotiations with affected employees or their representatives. Unless otherwise identified in the bill or report, any reorganization proposed by the budget and clearly presented in the budget justifications is approved. 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 the Department must limit the reprogramming of funds between the programs, projects, and activities within each account and that no changes may be made to any program, project, or activity without prior approval of the Committees on Appropriations. Unless otherwise identified in the bill or report, the most detailed allocation of budgetary resources presented in the budget justifications is approved. Any deviation from such approved allocation is subject to reprogramming requirements. All carryover funds, including recaptures and de-obligations, are also subject to reprogramming requirements.

EXECUTIVE OFFICES

Appropriation, fiscal year 2014	$14,500,000
Budget request, fiscal year 2015	15,234,000
Recommended in the bill	14,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−500,000
Budget request, fiscal year 2015	−1,234,000

The Executive Offices account funds the salaries and expenses of the Immediate Office of the Secretary, the Immediate Office of the Deputy Secretary, the Office of Adjudicatory Services, the Office of Congressional and Intergovernmental Relations, the Office of Public Affairs, the Office of Small and Disadvantaged Business Utilization, and the Center for Faith-Based and Neighborhood Partnerships.

The Immediate Office of the Secretary provides program and policy guidance, and operations management and oversight in administering all programs, functions and authorities of the Department.

The Immediate Office of the Deputy Secretary provides operations management and helps the Department achieve its strategic goals by providing management support to program offices under the direction of the Office of the Secretary.

The Office of Adjudicatory Services conducts hearings and makes determinations regarding formal complaints or adverse actions initiated by HUD based upon alleged violations of federal statutes and implementing regulations.

The Office of the Assistant Secretary for Congressional and Intergovernmental Relations is responsible for coordinating Congressional and intergovernmental relations activities involving program offices to ensure the effective and accurate presentation of the Department's views.

The Office of Public Affairs educates the American people about the Department's mission through media outreach and other communication tools such as press releases, press conferences, the Internet, media interviews, social networking and community outreach.

The Office of Small and Disadvantaged Business Utilization provides small business program design and outreach to the business community and serves as the central referral point for small business regulatory compliance information.

The Center for Faith-based and Neighborhood Partnerships conducts outreach, recommends changes to HUD policies and programs that present barriers to grassroots organizations, and initiates special projects, such as grant writing training.

COMMITTEE RECOMMENDATION

The Committee recommends $14,000,000 which is $500,000 below fiscal year 2014 enacted and $1,234,000 below the budget request.

The bill 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. The Department is directed to find efficiencies adequate to reduce travel and contracting expenses within this account by at least 10 percent.

ADMINISTRATIVE SUPPORT OFFICES

Appropriation, fiscal year 2014	$506,000,000
Budget request, fiscal year 2015	530,783,000
Recommended in the bill	500,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−6,000,000
Budget request, fiscal year 2015	−30,783,000

The Administrative Support Offices account funds the salaries and expenses of the Office of Administration, the Office of the Chief Human Capital Officer, the Office of the General Counsel, the Office of the Chief Financial Officer, the Office of the Chief Procurement Officer, the Office of Departmental Equal Employment Opportunity, the Office of Field Policy and Management, the Office of Strategic Planning and Management, and the Office of the Chief Information Officer.

The Office of Administration provides general operational support services to all offices and divisions throughout HUD. These services include HUD's non-information technology infrastructure in the following areas: nationwide management and operation of buildings, Freedom of Information Act processing, records management, Privacy Act administration, protective and physical security for HUD's Secretary and Deputy Secretary, and disaster and emergency response coordination.

The Office of the Chief Human Capital Officer provides human resource services to all offices and divisions throughout HUD. These services include HUD's non-information technology infrastructure in the following areas: strategic human capital management, enterprise level training and learning, recruitment and staffing, workforce planning, retention, engagement, succession planning and Departmental performance management.

The Office of Field Policy and Management 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 and manage and coordinate cross-program delivery in the field.

The Office of the Chief Procurement Officer's 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 OCFO is responsible for all aspects of financial management, accounting and budgetary matters; ensuring the Department establishes and meets financial management goals and objectives; ensuring the Department is in compliance with financial management legislation and directives; analyzing budgetary implications of policy and legislative proposals; and providing technical oversight with respect to all budget activities throughout the Department.

The Office of the Chief Information Officer (OCIO) is led by the Chief Information Officer (CIO) who reports to the Office of the Secretary/Deputy Secretary. HUD's CIO advises senior managers on the strategic use of information technology to support core business processes and to achieve mission critical goals. OCIO is responsible for providing modern information technology that is secure, accessible and cost effective while ensuring compliance with applicable regulatory requirements.

The Office of the General Counsel (OGC) is the legal adviser to the Secretary and other principal staff of the Department. It is the responsibility of 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 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 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.

COMMITTEE RECOMMENDATION

The Committee recommends $500,000,000 for this account, which is $6,000,000 below fiscal year 2014 enacted and $30,783,000 below the budget request.

The Committee recommendation reflects reduced funding for non-personnel expenses and the expectation that HUD will find ways to lower contracting and travel expenses by at least 10 percent in 2015. The Committee recommendation provides no funding for non-personnel expenses requested for the "Broadcasting" function and expects the Department to fund media and video contract expenses through offsetting efficiencies in funds requested elsewhere for travel, training, and public affairs. The recommendation also reflects the transfer of resources previously requested under the Information Technology Fund.

Funding shall be distributed as follows:

Office	Total Funding
Office of Administration	$194,000,000
Office of the Chief Financial Officer	45,000,000
Office of the General Counsel	93,000,000
Office of the Chief Human Capital Officer	52,000,000
Office of Field Policy and Management	49,000,000
Office of the Chief Procurement Officer	16,000,000
Office of the Departmental Equal Employment Opportunity	2,500,000
Office Strategic Planning and Management	3,500,000
Office of the Chief Information Officer	45,000,000

PROGRAM OFFICE SALARIES AND EXPENSES

PUBLIC AND INDIAN HOUSING

Appropriation, fiscal year 2014	$205,000,000
Budget request, fiscal year 2015	213,664,000
Recommended in the bill	200,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−5,000,000
Budget request, fiscal year 2015	−13,664,000

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 $200,000,000 for this account, which is $5,000,000 below the level enacted in fiscal year 2014, and $13,664,000 below the fiscal year 2015 budget request.

COMMUNITY PLANNING AND DEVELOPMENT

Appropriation, fiscal year 2014	$102,000,000
Budget request, fiscal year 2015	110,535,000
Recommended in the bill	100,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−2,000,000
Budget request, fiscal year 2015	−10,535,000

The Office of Community Planning and Development (CPD) assists communities in their efforts to provide affordable housing and expanded 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. This Office is responsible for the effective administration of Community Development Block Grants (CDBG), the Home Investment Partnership (HOME), Homeless Assistance Grants and other HUD community development programs.

COMMITTEE RECOMMENDATION

The Committee recommends $100,000,000 for this account, which is $2,000,000 below the level enacted in fiscal year 2014, and $10,535,000 below the budget request.

Regulatory compliance oversight and voluntary compliance agreements.—The Committee expects the Department to follow requirements as specified in the Code of Federal Regulation with respect to the implementation and enforcement of voluntary compliance agreements including agreements related to compliance with Section 3 of the Housing and Urban Development Act of 1968. Further, CPD is directed to be the lead office responsible for regulatory compliance determinations related to funds that it administers including the community development block grant program. HUD shall not establish requirements or require compliance agreements in a manner that is inconsistent with federal regulations.

HOUSING

Appropriation, fiscal year 2014	$381,500,000
Budget request, fiscal year 2015	386,677,000
Recommended in the bill	370,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−11,500,000
Budget request, fiscal year 2015	−16,677,000

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 $370,000,000 for this account, which is $11,500,000 below the level enacted in fiscal year 2014, and $16,677,000 below the budget request.

POLICY DEVELOPMENT AND RESEARCH

Appropriation, fiscal year 2014	$22,000,000
Budget request, fiscal year 2015	23,248,000
Recommended in the bill	20,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−2,000,000
Budget request, fiscal year 2015	−3,248,000

The Office of Policy Development and Research 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. The office also addresses inquiries regarding key housing and economic information.

COMMITTEE RECOMMENDATION

The Committee recommends $20,000,000 for this account, which is $2,000,000 below the level enacted in fiscal year 2014 and $3,248,000 below the budget request. The Department is directed to provide any data requested by the Committees on Appropriations within seven days of the request. Failure to respond promptly to Congressional inquiry undermines the Committee's ability to oversee and support funding for these activities.

FAIR HOUSING AND EQUAL OPPORTUNITY

Appropriation, fiscal year 2014	$68,000,000
Budget request, fiscal year 2015	77,629,000
Recommended in the bill	68,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−1,000,000
Budget request, fiscal year 2015	−9,629,000

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 $68,000,000 for this account, which is $1,000,000 below the level enacted in fiscal year 2014 and $9,629,000 below the budget request.

OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES

Appropriation, fiscal year 2014	$7,000,000
Budget request, fiscal year 2015	7,879,000
Recommended in the bill	7,000,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	−879,000

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.

COMMITTEE RECOMMENDATIONS

The Committee recommends $7,000,000 for this account, which is the same as fiscal year 2014 and $879,000 below the budget request.

PUBLIC AND INDIAN HOUSING

TENANT-BASED RENTAL ASSISTANCE

Appropriation, fiscal year 2014	$19,177,218,000
Budget request, fiscal year 2015	20,045,000,000
Recommended in the bill	19,356,529,000
Bill compared with:	
Appropriation, fiscal year 2014	+179,311,000
Budget request, fiscal year 2015	−688,471,000

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 $19,356,529,000 for tenant-based rental assistance, which is $179,311,000 above the fiscal year 2014 enacted level and $688,471,000 below the budget request. 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, 2015.

Voucher renewals.—The Committee provides $17,693,079,000 for the renewal of tenant-based vouchers. This level is $327,552,000 above the enacted level and $313,471,000 below the budget request. The Committee directs the Department 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.

Tenant protection.—The Committee provides $130,000,000 for tenant protection vouchers, which is the same as the fiscal year 2014 enacted level and $20,000,000 below the budget request.

Administrative fees.—The Committee provides $1,350,000,000 for allocations to Public Housing Authorities (PHAs) to conduct activities associated with placing and maintaining individuals under Section 8 assistance. This amount is $150,000,000 below the fiscal year 2014 enacted level and $355,000,000 below the budget request.

Mainstream voucher renewals.—The Committee provides $108,450,000 to renew expiring Section 811 tenant-based subsidies. This level is $1,759,000 above the fiscal year and equal to the budget request. 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 provides $75,000,000 for incremental voucher assistance through the Veterans Affairs Supportive Housing (VASH) program. This funding level is equal to the budget request and the same as the level provided in fiscal year 2012. This program is administered in conjunction with the Department of Veterans Affairs. These vouchers shall remain available for homeless veterans upon turnover. This funding will add 10,000 new vouchers for this program, and will support the Department of Veterans Affairs' (VA) goal of ending homelessness among veterans within five years. The Committee directs HUD to report on VASH utilization rates, challenges encountered in the program, and increases in veteran self-sufficiency by March 1, 2015.

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 2015. The amount 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.

Section 8 reforms.—The budget request includes a number of authorizing provisions to reform the Housing Choice Voucher (HCV) program, including provisions that result in cost-saving measures that provide administrative relief to PHAs. HUD has also committed to submitting a more comprehensive Section 8 reform proposal to Congress in the spring of 2014. The Committee is fully supportive of any reforms that relieve administrative burdens and enable housing authorities to serve more families and lead to greater self-sufficiency. The Committee strongly urges the authorizing committee to address reforms of the HCV program expeditiously, as a failure to reform this program could result in significant reductions to the number of leased vouchers and deep cuts to other HUD programs, especially considering the current fiscal environment. The Committee urges the administration to continue to work with the authorizing committees on a reform bill, with the goal of enactment prior to the beginning of fiscal year 2015 so that the amounts provided in this bill more efficiently and effectively serve individuals and families in need of housing assistance. The Committee also strongly encourages HUD to pursue regulatory and administrative reforms that do not require new authorizations, but that relieve the administrative burdens on PHAs.

PHA consortia.—The Committee encourages the Department to reduce administrative burdens for public housing agencies. The Committee notes language in Division L the Fiscal Year 2014 Omnibus Appropriations Act, adding a consortium of PHAs to the definition of a PHA. The Committee urges the Department to complete the necessary changes to its internal systems and relevant regulations to allow consortia to fully consolidate their reporting requirements.

Enhanced vouchers.—The Committee is concerned about reported accounts of local Housing Authorities issuing vouchers in excess of levels stipulated in Department regulations. HUD regulations provide that the local housing authority has the authority to issue vouchers up to 110 percent of the published Fair Market Rent with the HUD filed office having the authority to approve up to 120 percent. The Committee has received reports of the issuance of vouchers far in excess of those amounts. Such vouchers divert scarce resources to fewer recipients and generate benefits for only a selected few. Issuance of such vouchers depletes limited funds that could otherwise be used to fill the shortfall in voucher recipients or make improvements to rental properties themselves. The Committee directs the Secretary to review such instances and work with local housing authorities to limit voucher value issuance to the levels stipulated in Department regulations.

Public Housing Assessment System.—The Committee urges HUD to study potential changes to the Public Housing Assessment System for PHAs that operate 550 or fewer public housing units and Housing Choice Vouchers combined by taking into consideration physical inspections and an annual financial assessment based on current assets and liabilities.

Physical needs assessment prohibition.—The Committee has included bill language prohibiting funds for HUD's physical needs assessment (PNA) requirement for PHAs. Implementation of PNA requirements on PHAs unnecessarily increases administrative burdens on PHAs and appears to have no operational benefit for local housing programs.

RENTAL ASSISTANCE DEMONSTRATION

Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	$10,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	−10,000,000

The Rental Assistance Demonstration (RAD) was authorized in fiscal year 2012 to preserve public housing by enabling Public Housing Authorities to use a portion of their operating and capital funds to leverage private sector funding to recapitalize their housing stock and maintain their units of affordable housing primarily through the conversion to long-term Section 8 rental assistance contracts. The budget request includes a request of $10,000,000 for a targeted expansion of the program to public housing properties that cannot convert their housing under this program at their existing funding levels.

COMMITTEE RECOMMENDATION

The Committee does not provide funding for this program, and does not include the proposal in the budget request to eliminate the unit cap from the currently authorized level of 60,000 units. The Committee has concerns about the impact new RAD conversions would have on the Project Based Rental Assistance account. Further, the Committee would expect the authorizing committees to undertake a full review of this program before taking measures to expand the program.

HOUSING CERTIFICATE FUND

(INCLUDING RESCISSIONS)

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 to be used to renew or amend project-based rental assistance contracts.

PUBLIC HOUSING CAPITAL FUND

Appropriation, fiscal year 2014	$1,875,000,000
Budget request, fiscal year 2015	1,925,000,000
Recommended in the bill	1,775,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−100,000,000
Budget request, fiscal year 2015	−150,000,000

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 $1,775,000,000 for the Public Housing Capital Fund, which is $100,000,000 below the fiscal year 2014 enacted level and $150,000,000 below the budget request.

Within the amounts provided the Committee directs that:

—No more than $8,000,000 is directed to support the ongoing public housing financial and physical assessment activities;

—Up to $5,000,000 is for administrative and judicial receiverships;

—Up to $20,000,000 is made available for emergency capital needs, excluding Presidentially-declared disasters. The Committee continues to include language to ensure that funds are used only for repairs needed due to an unforeseen and unanticipated emergency event or natural disaster that occurs during fiscal year 2015;

—$45,000,000 is for the Resident Opportunity and Self-Sufficiency (ROSS) program; and

—$15,000,000 is provided for the Jobs-Plus program to improve employment opportunities and earnings of public housing residents.

PUBLIC HOUSING OPERATING FUND

Appropriation, fiscal year 2014	$4,400,000,000
Budget request, fiscal year 2015	4,600,000,000
Recommended in the bill	4,400,000,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	−200,000,000

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; anti-crime 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 $4,400,000,000 for the federal share of PHA operating expenses. This amount is the same as the fiscal year 2014 enacted level and $200,000,000 below the budget request. The Committee does not include language in the budget request that would allow PHAs to entirely merge their capital and operating funds and use those funds for either purpose. While the Committee supports the idea of giving high performing PHAs regulatory relief so they can operate more efficiently, HUD has provided limited information on how it would identify and budget for capital and operating needs in the future if this authority to merge funds were approved.

CHOICE NEIGHBORHOODS INITIATIVE

Appropriation, fiscal year 2014	$90,000,000
Budget request, fiscal year 2015	120,000,000
Recommended in the bill	25,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−65,000,000
Budget request, fiscal year 2015	−95,000,000

This appropriation funds grants to communities to rehabilitate and replace blighted housing and support the revitalization of neighborhoods with concentrated poverty.

COMMITTEE RECOMMENDATION

The Committee recommends $25,000,000 for the Choice Neighborhoods Initiative Program, which is $65,000,000 below the 2014 enacted level and $95,000,000 below the budget request.

The Committee has included language which prohibits funds to any grantee that has previously received a Choice Neighborhoods Implementation grant.

FAMILY SELF-SUFFICIENCY

Appropriation, fiscal year 2014	$75,000,000
Budget request, fiscal year 2015	75,000,000
Recommended in the bill	75,000,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	– – –

The budget request proposes to create a consolidated program to help HUD-assisted residents achieve economic independence, rather than continue separate programs for Housing Choice Voucher and public housing families.

COMMITTEE RECOMMENDATION

The Committee agrees with this proposal and provides $75,000,000 to support the Family Self-Sufficiency program. This is the same as the fiscal year 2014 enacted level and equal to the budget request. The Committee expects the Department to prioritize assistance to individuals and families that results in job stability, increased tenant incomes, and greater rent contributions. The Committee also expects the Department to report to the Committees on Appropriations the best practices of the program that result in increased rent contributions of program participants, and practices that result in residence achieving full self-sufficiency in meeting their housing needs, no later than March 31, 2015.

NATIVE AMERICAN HOUSING BLOCK GRANTS

Appropriation, fiscal year 2014	$650,000,000
Budget request, fiscal year 2015	650,000,000
Recommended in the bill	650,000,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	– – –

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.), provides funds to American Indian tribes and their Tribally Designated Housing Entities (TDHEs) to address affordable housing needs within their communities.

COMMITTEE RECOMMENDATION

The Committee recommends $650,000,000 for Native American Housing Block Grants, which is the same as the fiscal year 2014 enacted level and the same as the budget request.

—$2,000,000 is for Title VI loan guarantees up to $16,530,000.

—$3,000,000 is for organizations representing Native American housing interests to provide training and technical assistance to Indian housing authorities and Tribal Designated Housing Entities (TDHEs). Of this amount, no less than $2,000,000 is for a national organization as authorized under NAHASDA.

Timely Expenditure of Funds.—The Committee continues language requiring fiscal year 2015 funds to be spent within 10 years.

Bill language is included to withhold funding from any grantee that receives an allocation larger than $5,000,000 and that has an unexpended balance greater than three times its formula allocation.

NATIVE HAWAIIAN HOUSING BLOCK GRANT

Appropriation, fiscal year 2014	$10,000,000
Budget request, fiscal year 2015	13,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2014	–10,000,000
Budget request, fiscal year 2015	–13,000,000

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 does not recommend funding for this program, which is $10,000,000 below the fiscal year 2014 enacted level and $13,000,000 below the budget request.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

Credit subsidy:	
Appropriation, fiscal year 2014	$6,000,000
Budget request, fiscal year 2015	8,000,000
Recommended in the bill	8,000,000

Bill compared with:	
Appropriation, fiscal year 2014	+2,000,000
Budget request, fiscal year 2015	– – –
Limitation on guaranteed loans:	
Appropriation, fiscal year 2014	1,818,000,000
Budget request, fiscal year 2015	1,200,000,000
Recommended in the bill	1,200,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−618,000,000
Budget request, fiscal year 2015	– – –

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 $8,000,000 in new credit subsidy for the Section 184 loan guarantee program, which is $2,000,000 above the fiscal year 2014 enacted level and the same as the budget request. This will guarantee a loan volume of $1,200,000,000, which is $618,000,000 below the fiscal year 2014 enacted level and the same as the budget request.

COMMUNITY PLANNING AND DEVELOPMENT

Appropriation, fiscal year 2014	$6,588,000,000
Budget request, fiscal year 2015	6,578,400,000
Recommended in the bill	6,205,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−383,000,000
Budget request, fiscal year 2015	−373,400,000

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

COMMITTEE RECOMMENDATION

The Committee recommends $6,205,000,000 for this office, which is $383,000,000 below fiscal year 2014 and $373,400,000 below the budget request. The Committee acknowledges that at reduced funding levels communities will need to be innovative in finding ways to do more with less by leveraging State, local and private sector partnership. To help facilitate this innovation, the Committee fully funds the request for Section 4 capacity building grants and also supports the request to increase the borrowing authority under the Section 108 loan guarantee program.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Appropriation, fiscal year 2014	$330,000,000
Budget request, fiscal year 2015	332,000,000
Recommended in the bill	303,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−27,000,000
Budget request, fiscal year 2015	−29,000,000

The Housing Opportunities for Persons with AIDS (HOPWA) program provides states and localities with resources to address the housing needs of low-income persons living with HIV/AIDS. 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. Government recipients are required to have a HUD-approved Comprehensive Plan or Comprehensive Housing Affordability Strategy.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $303,000,000 for the HOPWA program, which is the $27,000,000 below fiscal year 2014 and $29,000,000 below the budget request.

The Committee recommendation includes formula grants and funding for the renewal of certain expiring contracts that were previously funded under HOPWA competitive grants. The Committee encourages ongoing efforts at the Department for stronger coordination between HOPWA and the Department's other homeless prevention and support programs.

COMMUNITY DEVELOPMENT FUND

Appropriation, fiscal year 2014	$3,100,000,000
Budget request, fiscal year 2015	2,870,000,000
Recommended in the bill	3,060,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−40,000,000
Budget request, fiscal year 2015	+190,000,000

The Community Development Fund, authorized by the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), provides funding, primarily through Community Development Block Grants, 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 $3,060,000,000 for the Community Development Fund account, which is the $40,000,000 below fiscal year 2014 and $190,000,000 above the budget request.

Of the amounts made available:

—$3,000,000,000 is for the Community Development Block Grants (CDBG) formula program for entitlement communities and states. This is $30,000,000 below fiscal year 2014 and $200,000,000 above the budget request;

—$60,000,000 is for the Native American Housing and Economic Development Block Grant (also known as Indian CDBG), which is $10,000,000 below fiscal year 2014 and $10,000,000 below the budget request; and

—$7,000,000, of the amount provided for the regular CDBG formula program, is for insular areas, per 42 U.S.C. 5306(a)(2), which is the same as fiscal year 2014 and the budget request.

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

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

(INCLUDING RESCISSION)

Appropriation, fiscal year 2014	$3,000,000
Budget request, fiscal year 2015	– – –
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2014	−3,000,000
Budget request, fiscal year 2015	– – –

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 recommendation continues the Section 108 Loan Guarantee program as a borrower-paid subsidy program and therefore recommends providing no budget authority, which is $3,000,000 below fiscal year 2014 and the same funding level as the budget request. The Committee also accepts the request for a limit on guaranteed loan volume of $500,000,000 which is $350,000,000 above fiscal year 2014 and the same as the budget request.

With the conversion to a borrower-paid subsidy program structure, the Committee recommends the rescission of all unobligated balances of subsidy budget authority remaining at the end of fiscal year 2014.

Hazard mitigation.—The Committee directs HUD to coordinate with the Federal Emergency Management Agency (FEMA) to identify eligible activities covered by the section 108 loan guarantee program that also qualify as eligible activities under FEMA's hazard mitigation programs intended to protect communities from the impact of future disasters. The Committee also directs HUD, in coordination with FEMA, to report to the House and Senate Committees on Appropriations within 60 days of enactment, on (1) an assessment of the benefits of making all FEMA hazard mitigation activities eligible under section 108, (2) a timeline for HUD to make communities aware of the current eligibility of these activities under section 108, and (3) a catalogue of mitigation activities that would require legislation in order to become eligible.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriation, fiscal year 2014	$1,000,000,000
Budget request, fiscal year 2015	950,000,000
Recommended in the bill	700,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−300,000,000
Budget request, fiscal year 2015	−250,000,000

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.

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

COMMITTEE RECOMMENDATION

The Committee recommends $700,000,000 for activities funded under this account, which is $300,000,000 below fiscal year 2014 and $250,000,000 below the budget request.

The Committee continues bill language to prevent newly participating jurisdictions from being permanently added to the HOME program. The Committee continues language specifying that reform provisions from prior appropriations Acts shall be superseded by the final rule published August 23, 2013. The Committee continues language requiring the Department to notify grantees of their formula allocation within 60 days of enactment of this Act. The Committee does not include the statutory reforms to HOME requested in the budget. The Committee recommends $10,000,000 for SHOP which is the same as fiscal year 2014 enacted and the budget request.

CAPACITY BUILDING [1]

Appropriation, fiscal year 2014	$40,000,000
Budget request, fiscal year 2015	20,000,000
Recommended in the bill	40,000,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	+20,000,000

[1] Capacity Building was funded under the Self-Help Homeownership Opportunity Program account in fiscal year 2014.

Section 4 Capacity Building funds are for activities described under section 4(a) of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note). Section 4 funds are awarded 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 (CHDOs). The CDCs and CHDOs then undertake community development and affordable housing activities. Section 4 funds must be matched by recipients with at least three times the grant amount in private funding.

COMMITTEE RECOMMENDATION

The Committee reflects the budget proposal to reorganize the self-help opportunity program (SHOP) as a set-aside within the Home Investment Partnerships account, eliminate the SHOP account, and create a new account for capacity building programs. The Committee recommends $40,000,000 for a Capacity Building account which includes $35,000,000 for the Section 4 capacity building grant program and $5,000,000 for capacity building grants to national rural housing organizations. The recommended funding level for these activities is the same as fiscal year 2014 and $20,000,000 above the budget request.

HOMELESS ASSISTANCE GRANTS

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2014	$2,105,000,000
Budget request, fiscal year 2015	2,406,500,000
Recommended in the bill	2,105,000,000
Bill compared with:.	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	–301,400,000

The Homeless Assistance Grants account provides funding for programs under title IV of the McKinney Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. HEARTH Act programs include the Continuum of Care (CoC) competitive grants, the Emergency Solutions Grants (ESG) program, and the Rural Housing Stability Grants program.

COMMITTEE RECOMMENDATION

The Committee recommends funding the homeless grant assistance programs at $2,105,000,000, which is the same as fiscal year 2014 and $301,400,000 below the budget request. The recommendation includes funding to support continuum of care project renewals of no less than $1,800,000,000 as well as at least $200,000,000 in emergency solutions grants. Up to $5,000,000 is available for the national homeless data analysis project.

The recommendation continues language allowing private non-profit organizations to administer permanent housing rental assistance funded under the continuum of care. The Department shall report to the House and Senate Committees on Appropriations within 90 days of enactment on the use of this authority in fiscal year 2014 including the number and geographic location of individuals and properties assisted, the identity of the non-profit organizations administering the assistance, and the identity of the public entities that would have otherwise been responsible for administering such assistance.

HOUSING PROGRAMS

PROJECT-BASED RENTAL ASSISTANCE

Appropriation, fiscal year 2014	$9,916,628,000
Budget request, fiscal year 2015	9,746,000,000
Recommended in the bill	9,746,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−170,628,000
Budget request, fiscal year 2015	– – –

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 contract administration.

COMMITTEE RECOMMENDATION

The Committee provides a total of $9,746,000,000, including $400,000,000 provided as advance appropriations, for the annual renewal of project-based contracts. This funding level is $170,628,000 below the enacted level for fiscal year 2014 and the same as the budget request. Up to $210,000,000 is available for performance-based contract administrators.

Contract payment rebasing.—The Committee acknowledges that the fiscal year 2015 appropriation for the Project-Based Rental Assistance account provides less than twelve months of additional funding visibility for some contracts. However, the recommended funding level is predicated on HUD's proposal to shift to a calendar year funding cycle for payments on renewal contracts as presented in the request. The Committee directs HUD to follow the calendar payment proposal as reflected in the request and consistent with current practice in the Housing Choice Voucher and Public Housing programs. The recommendation expects HUD to plan for the sustainability of the new payment cycle beyond calendar year 2015, and expects HUD to accurately reflect the twelve months of funding required to support the new approach in its annual budget request for fiscal year 2016.

Section 8 contract administration.—The Committee concurs with decisions by the Government Accountability Office (GAO) and the Court of Appeals for the Federal Circuit that HUD's contracts for performance based contract administrator (PBCA) services are procurement contracts. The recommendation rejects the request to give HUD authority to administer PBCA funds as grants or cooperative agreements and directs HUD to follow the law and GAO by soliciting and awarding procurement contracts under full and open competition and without geographic limitations. The Committee further directs HUD to carry out these procurement processes in a manner that is compliant with requirements under the Federal Acquisition Regulation and the Competition in Contracting Act.

HOUSING FOR THE ELDERLY

Appropriation, fiscal year 2014	$383,500,000
Budget request, fiscal year 2015	440,000,000
Recommended in the bill	420,000,000
Bill compared with:	
Appropriation, fiscal year 2014	+36,500,000
Budget request, fiscal year 2015	−20,000,000

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 $420,000,000, which is $36,500,000 above the fiscal year 2014 enacted level and $20,000,000 below the budget request.

The amount provided will fully meet the need for project rental assistance renewals and amendments in fiscal year 2015. In addition to this amount, another $9,200,000 is available for the elderly housing rental assistance demonstration program, a five-year effort which was fully funded in fiscal year 2014. Therefore, the funds available total $429,200,000 for this program. The Committee denies additional funding for the elderly housing rental assistance demonstration program beyond the $9,200,000, including any direct appropriation, residual receipts, or carryover, in fiscal year 2015.

The recommendation allocates available funding as follows:

- $350,000,000 for the renewal and amendment of project rental assistance contracts (PRAC);
- Up to $70,000,000 for service coordinators and the continuation of congregate services grants.
- $9,200,000 for the elderly housing demonstration program (funding provided in fiscal year 2014).

The Committee continues to include bill language relating to the initial contract and renewal terms for assistance provided under this heading and language allowing these funds to be used for inspections and analysis of data by HUD's REAC program office.

HOUSING FOR PERSONS WITH DISABILITIES

Appropriation, fiscal year 2014	$126,000,000
Budget request, fiscal year 2015	160,000,000
Recommended in the bill	135,000,000
Bill compared with:	
Appropriation, fiscal year 2014	+9,000,000
Budget request, fiscal year 2015	−25,000,000

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 $135,000,000 for Section 811 activities, $9,000,000 above the fiscal year 2014 enacted level and $25,000,000 below the budget request. This level will fully fund the project rental assistance and project assistant contract renewals and amendments in fiscal year 2015. The Committee continues to include bill language allowing these funds to be used for inspections and analysis of data by HUD's REAC program office.

The Committee directs the Government Accountability Office to provide a report to the House and Senate Committees on Appropriation within 180 days of enactment of this Act detailing Section 202 and Section 811 HUD grant award totals by state for each fiscal year 2008 through 2013.

HOUSING COUNSELING ASSISTANCE

Appropriation, fiscal year 2014	$45,000,000
Budget request, fiscal year 2015	60,000,000
Recommended in the bill	45,000,000
Bill compared with:	
Appropriation, fiscal year 2014	– – –
Budget request, fiscal year 2015	−15,000,000

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 $45,000,000 for housing counseling, equal to the fiscal year 2014 enacted level and $15,000,000 below the budget request.

The Committee includes bill language that provides two year funding availability to allow HUD flexibility to use unobligated balances recaptures for counseling activities, instead of allowing them to expire. The bill also lengthens the time frame that HUD is required to make grants from 120 to 180 days of enactment of the Act to enhance quality control.

The Committee encourages HUD to coordinate with FEMA's Flood Insurance Advocate to ensure HUD counselors located in flood-prone states receive adequate training and information to educate future homeowners on their potential flood risks, associated flood insurance premiums, home mitigation measures available proven to reduce flood risk, and any federal assistance available for mitigation projects and activities.

RENTAL HOUSING ASSISTANCE

Appropriation, fiscal year 2014	$21,000,000
Budget request, fiscal year 2015	28,000,000
Recommended in the bill	28,000,000
Bill compared with:	
Appropriation, fiscal year 2014	+7,000,000
Budget request, fiscal year 2015	– – –

The Rental Housing Assistance account includes existing long-term project-based rental assistance contracts covering approximately 18,000 affordable housing units under the Rent Supplement and Section 236 Rental Assistance Payment (RAP) programs. Enacted in 1965 and 1974 respectively, these programs created affordable units for low-income families. Monthly payments are made to project owners from existing contract balances, with new budget authority provided for short-term extensions of expiring contracts and annual contract amendments. Contract amendments provide additional subsidy to below-market contracts where rents have been constrained and owners are unable to adequately service properties and perform ongoing maintenance. HUD states that most of the remaining rent supplement and RAP contracts will expire by fiscal year 2017.

COMMITTEE RECOMMENDATION

The Committee recommends $28,000,000 in funding for the Rental Housing Assistance Program, which is $7,000,000 above the level enacted in fiscal year 2014 and the same as the budget request. This appropriation plus projected carryover of $9,750,000 will fully fund an estimated $37,750,000 in contract amendment and extension needs in fiscal year 2015. The Committee continues bill language that allows HUD to use unobligated balances and recaptured funds for extensions and amendments.

PAYMENT TO MANUFACTURED HOUSING FEES TRUST FUND

Appropriation, fiscal year 2014	$7,530,000
Budget request, fiscal year 2015	10,000,000
Recommended in the bill	10,000,000
Bill compared with:	
Appropriation, fiscal year 2014	+2,470,000
Budget request, fiscal year 2015	– – –

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 $10,000,000 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 does not provide a direct appropriation for this account. The recommendation is $2,470,000 above the fiscal year 2014 enacted level, and equal to the budget request.

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.

FEDERAL HOUSING ADMINISTRATION

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

	Limitation of direct loans	Limitation of guaranteed loans	Administrative contract expenses
Appropriation, fiscal year 2014	$20,000,000	$400,000,000,000	$127,000,000
Budget request, fiscal year 2015	20,000,000	400,000,000,000	170,000,000
Recommended in the bill	20,000,000	400,000,000,000	130,000,000
Bill compared to:			
Appropriation, fiscal year 2014	– – –	– – –	+3,000,000
Budget request, fiscal year 2015	– – –	– – –	−40,000,000

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. These include the Condominium, Section 203(k) rehabilitation, and Home Equity Conversion Mortgage programs (HECM) and the multifamily Cooperative Management Housing Insurance Funds (CMHI). 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 $20,000,000 for direct loans. The recommendation also includes $130,000,000 for administrative contract expenses. The Committee continues language as requested, appropriating additional administrative expenses in certain circumstances.

The Committee's recommendation for administrative contract expenses is $40,000,000 below the budget request and $3,000,000 more than the level enacted in fiscal year 2014. The Committee denies any transfer of administrative contract expenses to the Management and Administration account.

The Committee includes bill language that lifts the statutory aggregate cap of 275,000 HECM loan guarantees in fiscal year 2015. The Committee has carried similar language in prior years.

Use of eminent domain to seize mortgages.—In its fiscal year 2014 report, the Committee directed HUD to submit a study by April 1, 2014 on the risk of using eminent domain on the housing market, including FHA primary and refinance market, the broader mortgage market, interest rates, homeownership, and affordability. The Committee has not received the report.

The Committee continues to be concerned about proposals for local governments to seize underwater performing mortgages and then refinance them into an FHA product. More than 20 municipalities have publically considered or are considering a plan using eminent domain and some have entered into an advisory services agreement with a firm for this purpose. Both an FHA official and the former head of the Federal Housing Financing Agency raised significant concerns about the proposal and its negative effect on private capital availability, mortgage credit, and its harm to investors and taxpayers.

The Committee includes a general provision that prohibits FHA from financing or refinancing a loan that has been seized using eminent domain.

Homeowners Armed With Knowledge.—The Committee has prohibited implementation of this new pilot program as it is dependent on implementation of a new fee on lenders. The Committee strongly encourages the authorizing committee of jurisdiction to consider the fee as proposed.

The Committee encourages HUD to coordinate with FEMA to identify eligible rehabilitation activities covered by HUD's Section 203(k) program that concurrently fulfill FEMA's hazard mitigation standards as reducing a structure's long-term flood risk, and mitigating potential damage from future disasters. The Committee directs HUD, with guidance from FEMA's Flood Insurance Advocate, to provide information on its Section 203(k) program website and other promotional materials that identify qualifying disaster mitigation rehabilitation options as another program benefit to homeowners.

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

	Limitations of direct loans	Limitations of guaranteed loans
Appropriation, fiscal year 2014	$20,000,000	$30,000,000,000
Budget request, fiscal year 2015	20,000,000	30,000,000,000
Recommended in the bill	20,000,000	30,000,000,000
Bill compared to:		
Appropriation, fiscal year 2014	– – –	– – –
Budget request, fiscal year 2015	– – –	– – –

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, and 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 a limitation on loan guarantees of $30,000,000,000, equal to the fiscal year 2014 level and the budget request. It includes a limitation of $20,000,000 for direct loans, which is the same as the fiscal year 2014 level and the budget request.

Section 232 long term care facility mortgage insurance program.—While the Committee appreciates HUD's willingness to amend some loan documents in FHA's section 232 program, all issues were not fully addressed. The Committee directs the Department to ensure that the policies, regulations, and documents promulgated in support of the long-term care facility mortgage insurance program are risk-focused, based upon evidence, and do not prevent financially sound facilities from participating in the program.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

	Limitation of guaranteed loans	Administrative contract expenses
Appropriation, fiscal year 2014	$500,000,000,000	$19,500,000
Budget request, fiscal year 2015	500,000,000,000	28,000,000
Recommended in the bill	500,000,000,000	22,000,000
Bill compared to:		
Appropriation, fiscal year 2014	– – –	+2,500,000
Budget request, fiscal year 2015	– – –	−6,000,000

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 issue 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 $22,000,000 for the personnel costs of GNMA, to be funded by Commitment and Multiclass fees. The recommendation for personnel costs is $2,500,000 above the fiscal year 2014 enacted level and $6,000,000 below the budget request.

POLICY DEVELOPMENT AND RESEARCH

Appropriation, fiscal year 2014	$46,000,000
Budget request, fiscal year 2015	50,000,000
Recommended in the bill	40,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−6,000,000
Budget request, fiscal year 2015	−10,000,000

Title V of the Housing and Urban Development Act of 1970, as amended, directs the Secretary of the Department of Housing and Urban Development to undertake programs of research, evaluation, and reports relating to the Department's mission and programs. These functions are carried out internally and through grants and contracts with industry, nonprofit research organizations, educational institutions, and through agreements with State and local governments and other federal agencies. The research programs seek ways to improve the efficiency, effectiveness, and equity of HUD programs and to identify methods to achieve cost reductions. Additionally, this appropriation is used to support HUD evaluation and monitoring activities and to conduct housing surveys.

COMMITTEE RECOMMENDATION

The Committee recommends $40,000,000 for this account, which is $10,000,000 below the budget request and $6,000,000 below last year's level.

Of the activities proposed in the budget, the Committee recommends $17,000,000 for the American Housing Survey and $1,000,000 for the new home sales and completions reports. HUD is encouraged to reduce the size and frequency of these reports and studies to accommodate the lower funding level.

The Committee has provided $5,000,000 for research dissemination and support, plus another $3,000,000 to support research partnerships. Research and demonstration activities formerly funded under the Transformation Initiative are to be funded from this appropriation.

In addition to the basic research program, the Committee has provided $14,000,000 under this header to conduct various technical assistance and OneCPD activities. Of the funds provided, $6,000,000 is for OneCPD, $7,000,000 is for public housing technical assistance and oversight, and $1,000,000 is for Office of Housing technical assistance activities. The Committee continues to limit technical assistance and capacity building activities to only HUD grantees regarding the use of their HUD funds.

The 2014 Transformation Initiative spend plan contained up to $4,000,000 for technical assistance activities to Choice Neighborhood and HOPE VI grantees, a rather large sum of money when you consider the relatively low number of Choice implementation grantees, plus the fact that the last HOPE VI appropriation was five years ago in 2009. The Committee directs HUD to reinstate the HOPE VI report and provide information on each HOPE VI grant with unexpended balances and on each grantee receiving technical assistance with fiscal year 2014 funds. The report must contain information on why the HOPE VI project is still unfulfilled, steps available to the grantee to move the project along, the year the grant was signed, a realistic assessment of if or how the project can be completed, and the total number of dollars unexpended. The report is due to the House and Senate Committees on Appropriations 180 days after enactment of this Act.

The Committee directs HUD to continue providing information on all technical assistance, and research projects and demonstrations concurrent with the overall departmental operating plan. This report shall include updates on the status of projects and demonstrations on-going and funded with prior year appropriations.

The Committee directs HUD to provide notice at least three days prior to the announcement of any grant or award, including awards under this program, to the House and Senate Committees on Appropriations. This notice is in addition to the spend plan requirement for technical assistance and capacity building activities.

Fair Housing and Equal Opportunity

Appropriation, fiscal year 2014	$66,000,000
Budget request, fiscal year 2015	71,000,000
Recommended in the bill	46,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−20,000,000
Budget request, fiscal year 2015	−25,000,000

The Office of Fair Housing and Equal Opportunity (OFHEO) is responsible for developing policies and guidance, and for providing technical support for enforcement of the Fair Housing Act and the civil rights statues. OFHEO serves as the central point for the formulation, clearance and dissemination of policies, intra-departmental clearances, and public information related to fair housing issues. OFHEO 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, OFHEO conducts civil rights compliance reviews and compliance reviews under Section 3.

COMMITTEE RECOMMENDATION

The Committee recommends $46,000,000 for this account, which is $20,000,000 below the level enacted in fiscal year 2014 and $25,000,000 below the request. Of the funds provided, $300,000 is for the Limited English Proficiency Initiative and $23,800,000 is for the Fair Housing Assistance Program. The Committee directs the Department to focus resources on education, outreach, and training initiatives, and supporting local and state organizations that conduct investigations and adjudicate claims.

The Committee proposes $1,500,000 for the National Fair Housing Training Academy, and encourages the Office to pursue ways to make the Academy self-sustaining.

The Committee directs HUD to provide notice at least three days prior to the announcement of any grant or award, including awards under this program, to the House and Senate Committees on Appropriations. This notice is in addition to the spend plan requirement.

Office of Lead Hazard Control and Healthy Homes

LEAD HAZARD REDUCTION

Appropriation, fiscal year 2014	$110,000,000
Budget request, fiscal year 2015	120,000,000
Recommended in the bill	70,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−40,000,000
Budget request, fiscal year 2015	−50,000,000

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 $70,000,000 for the lead programs, which is $40,000,000 below the level enacted in fiscal year 2014 and $50,000,000 below the budget request. This reduction is taken without prejudice.

The Committee recommends no more than $9,000,000 for the Healthy Homes Initiative, and directs the Department to fund activities aimed at reducing incidences of asthma, mold, pests and radon. Of the total amount provided, $2,000,000 is for technical studies.

The Committee directs HUD to provide notice at least three days prior to the announcement of any grant or award, including awards under this program, to the House and Senate Committees on Appropriations. This notice is in addition to the spend plan requirement.

INFORMATION TECHNOLOGY FUND

Appropriation, fiscal year 2014	$250,000,000
Budget request, fiscal year 2015	272,000,000
Recommended in the bill	100,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−150,000,000
Budget request, fiscal year 2015	−172,000,000

While HUD's Working Capital Fund (WCF) 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, HUD has never created the cost-accounting structure to operate a true WCF and the Committee changed the name of the account from "Working Capital Fund" to the "Information Technology Fund" in 2014.

COMMITTEE RECOMMENDATION

The Committee recommends $100,000,000 in direct appropriations for the IT Fund to support Department-wide information technology system activities, $150,000,000 less than the fiscal year 2014 enacted level and $172,000,000 below the the budget request. Considering the Department requires $256,100,000 simply to operate basic telecommunication services and existing information technology contracts, the Committee strongly urges the Department to establish a true working capital fund in 2014 so that in fiscal year 2015 the Department is able to appropriately charge the various offices for the services used to make up the funding difference and keep the lights on. Considering the Department continues to advocate for an account takedown under the Transformation Initiative under the guise of individual office responsibility and participation in the management of each project, participation in a traditional working capital fund similar to other agencies seems to be a perfect opportunity to truly transform the way the Department develops and maintains HUD's core IT systems, and the expenditures of such activities.

The Committee has retained bill language that precludes the use of these or any other funds appropriated previously to the Working Capital Fund or program offices that previously transferred funds 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.

Further, the Committee continues language requiring the Government Accountability Office (GAO) to audit and oversee HUD's information technology programs, development and investments. Since 2010 the Committee has required HUD to submit an expenditure plan outlining its IT modernization projects prior to spending a portion of the funds made available. Over the past few years, HUD has provided details regarding the modernization efforts in the plans. GAO has reviewed the plans and provided continuous briefings to the Committee on the plans' satisfaction of the statutory requirements. Recognizing progress made in planning IT modernization efforts, the Committee recommends modifying the contents of the plan to provide (1) details regarding HUD's portfolio of IT investments and (2) the status of the Department's efforts in applying IT management controls. It is expected that the Department will submit this plan to the Committee and GAO. This plan may also include additional information regarding the extent to which IT management controls have been applied to the projects associated with each IT investment in the department's portfolio. The Committee emphasizes the importance of pursuing a strategic approach as HUD continues to improve its IT management. For fiscal year 2015, the Committee affirms its direction for GAO to also evaluate HUD's institutionalization of governance and cost estimating practices. In particular, the Committee requests an evaluation of HUD's ability to create a working capital fund.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2014	$125,000,000
Budget request, fiscal year 2015	129,000,000
Recommended in the bill	124,861,000
Bill compared with:	
Appropriation, fiscal year 2014	−139,000
Budget request, fiscal year 2015	−4,139,000

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 $124,861,000 for the Office of Inspector General, which is $139,000 below the fiscal year 2014 enacted level and $4,139,000 below the budget request.

TRANSFORMATION INITIATIVE

Appropriation, fiscal year 2014	$40,000,000
Budget request, fiscal year 2015	[1] 80,000,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2014	−40,000,000
Budget request, fiscal year 2015	−80,000,000

[1] The budget proposes to transfer up to $80,000,000 from other accounts into the Transformation Initiative.

The Transformation Initiative is the Department's effort to improve and streamline the systems and operations at HUD. Managed by the Office of Strategic Planning and Management, this initiative has three elements: (1) research, evaluation, and program metrics; (2) program demonstrations; (3) technical assistance and capacity building.

COMMITTEE RECOMMENDATION

The Committee did not fund the Transformation Initiative. The Committee continues to find the mass take down and transfer of funds as proposed 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. The Committee has determined that funds under this heading are not warranted and has instead recommended funding for research projects and technical assistance under the PDR account.

The Committee questions just how many years it takes to "transform" the Department. Research projects and demonstrations should be planned, requested, and accounted for under the Policy, Demonstration, and Research (PDR) account. Technical assistance activities need to find a home and a structure within the Department to oversee the expenses and operations.

Finally, the Department has demonstrated that even with direction and directly appropriated dollars, their interpretation of what is technical assistance, and what activities should be funded by contract or a notice of funding available (NOFA) is suspect.

GENERAL PROVISIONS—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Section 201. The Committee continues the provision that relates to the division of financing adjustment factors.

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 by reference the two provisions in prior appropriations Acts that correct the HOPWA formula and make other technical corrections.

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 requires that the administration's budget and the Department's budget justifications for fiscal year 2016 shall be submitted in the identical account and sub-account structure provided in this Act.

Section 210. 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 211. The Committee continues the provision that prohibits the IG from changing the basis on which the audit of GNMA is conducted.

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 sets forth requirements for eligibility for Section 8 voucher assistance, and includes consideration for persons with disabilities.

Section 214. The Committee continues the provision that distributes Native American housing block grant funds to the same Native Alaskan recipients as 2005.

Section 215. The Committee continues the provision that authorizes the Secretary to insure mortgages under Section 255 of the National Housing Act.

Section 216. The Committee continues the provision that instructs HUD on managing and disposing of any multifamily property that is owned by HUD.

Section 217. The Committee continues the provision that allows committment authority under the Section 108 loan guarantee program to be used to guarantee notes or other obligations issued by any State on behalf of non-entitlement communities in the State.

Section 218. 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 219. 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 220. 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 221. The Committee continues a provision that requires HUD to provide an annual report on the status of all Section 8 project-based housing.

Section 222. The Committee continues language regarding Notice of Funding Availability (NOFA) announcements and publication.

Section 223. 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 224. The Committee continues the provision that authorizes the Secretary to transfer up to the lesser of 5 percent or $5,000,000 of funds appropriated under the Management and Administration accounts.

Section 225. 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.

Section 226. The Committee continues a provision requiring HUD to take certain actions against owners receiving rental subsidies that do not maintain safe properties.

Section 227. The Committee continues a provision regarding PHA salary levels.

Section 228. The Committee continues a provision prohibiting funds for a doctoral dissertation research program at HUD.

Section 229. The Committee includes a provision requiring notification to the Committee on grant awards.

Section 230. The Committee includes a provision extending Section 529 of MAHRAA.

Section 231. The Committee includes a new provision that prohibits funds to require public housing agencies to conduct a Physical Needs Assessment.

Section 232. The Committee includes a provision prohibiting funds for the Homeowners Armed With Knowledge (HAWK) program.

Section 233. The Committee includes a provision prohibiting funds for HUD financing of mortgages for properties that have been subject to eminent domain.

TITLE III—RELATED AGENCIES

UNITED STATES ACCESS BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2014	$7,448,000
Budget request, fiscal year 2015	7,548,000
Recommended in the bill	7,548,000
Bill compared with:	
Appropriation, fiscal year 2014	+100,000
Budget request, fiscal year 2015	– – –

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 $7,548,000 for the operations of the Access Board, which is $100,000 above the fiscal year 2014 enacted level and the same as the President's request.

FEDERAL HOUSING FINANCE AGENCY

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2014	$48,000,000
Budget request, fiscal year 2015	48,000,000
Recommended in the bill	45,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−3,000,000
Budget request, fiscal year 2015	−3,000,000

The Federal Housing Finance Agency Office of Inspector General (FHFA OIG) was established by the Housing and Economic Recovery Act of 2008 (P.L. 110–289). It promotes the efficient and effective conduct of the Federal Housing Finance Agency in its capacity as the primary regulator of the housing Government-Sponsored Enterprises (GSEs) and conservator of Fannie Mae and Freddie Mac.

FHFA OIG activities are funded from mandatory assessments on the GSE's. IG is currently funded through FHFA's direct assessments on the housing GSE's program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $45,000,000 for fiscal year 2015, which is $3,000,000 below the budget request and the fiscal year 2014 funding level.

Federal Maritime Commission

SALARIES AND EXPENSES

Appropriation, fiscal year 2014	$24,669,000
Budget request, fiscal year 2015	25,660,000
Recommended in the bill	25,499,000
Bill compared with:	
Appropriation, fiscal year 2014	+830,000
Budget request, fiscal year 2015	−161,000

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 $25,499,000 for the Federal Maritime Commission, which is $830,000 above the fiscal year 2014 appropriation and $161,000 less than the President's budget request. The Committee does not include the proposal to retain user fees.

National Passenger Railroad Corporation (AMTRAK)

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriation, fiscal year 2014	$23,499,000
Budget request, fiscal year 2015	24,499,000
Recommended in the bill	24,499,000
Bill compared with:	
Appropriation, fiscal year 2014	+1,000,000
Budget request, fiscal year 2015	– – –

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

COMMITTEE RECOMMENDATION

The Committee recommends $24,499,000 for Amtrak's Office of Inspector General (Amtrak OIG), which is $1,000,000 above the fiscal year 2014 enacted level and the same amount proposed in the fiscal year 2015 budget. In fiscal year 2014, the Amtrak OIG was forced to reduce staffing by 21 people (from 95 in 2013 to 74) to mitigate the impact of sequestration and unanticipated rail employee benefit cost increases. As a result, the organization had to curtail or suspend work on important initiatives and investigations. For example, it significantly reduced the scope on its real estate management audit from a comprehensive review to a narrow review of real estate information reporting systems. It curtailed planned data analytics work which delayed the analysis of data systems and supporting investigations aimed at detecting fraud in health care programs. It also postponed work on information technology program audits, security programs, and crew work scheduling.

The recommended level will allow Amtrak OIG to replace positions in audit, evaluation, and investigation and will ensure the OIG's effective oversight of Amtrak's programs and operations. The OIG's efforts have resulted in valuable studies and recommendations for this Committee and for the Corporation that have yielded cost savings. These studies have been in a number of areas, including food and beverage service, capital planning, overtime, and fraud. In addition, after noting that Amtrak was not reviewing invoices before payment, the OIG developed an audit process and identified $91,300,000 in overpayments. Amtrak has recovered more than $38,400,000, and has the opportunity to recover more.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2014	$103,027,000
Budget request, fiscal year 2015	103,000,000
Recommended in the bill	103,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−27,000
Budget request, fiscal year 2015	– – –

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 $103,000,000 for the salaries and expenses of the NTSB, which is $27,000 below the fiscal year 2014 enacted level and equal to the budget request.

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 2016 budget request.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriation, fiscal year 2014	$204,100,000
Budget request, fiscal year 2015	182,000,000
Recommended in the bill	182,000,000
Bill compared with:	
Appropriation, fiscal year 2014	−22,100,000
Budget request, fiscal year 2015	– – –

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 $182,000,000 for fiscal year 2015, which is equal to the request and $22,100,000 below the fiscal year 2014 enacted level.

Of the funds provided, $132,000,000 is for the core program, which is equal to the request and $4,600,000 below the fiscal year 2014 enacted level. In addition, there is a total of $50,000,000 for the National Foreclosure Mitigation Counseling (NFMC) Program, which is equal to the budget request and $17,500,000 below the fiscal year 2014 enacted level.

Program	Fiscal year 2014 enacted	Fiscal year 2015 budget request	Fiscal year 2015 committee recommendation
Core	$136,600,000	$132,000,000	$132,000.000
NFMC	67,500,000	50,000,000	50,000,000
Total	204,100,000	182,000,000	182,000,000

The Committee notes that in fiscal year 2007, Congress initially provided "one-time funding" for NFMC in response to the housing foreclosure crisis. According to RealtyTrac's Year-End 2013 U.S. Foreclosure Market Report, foreclosure filings—default notices, scheduled auctions and bank repossessions—were reported on 1.4 million properties in 2013, down 26 percent from 2012 and down 53 percent from the peak of 2.9 million properties with foreclosure filings in 2010. Recognizing the improvement in the housing market and the reduction in foreclosures, the Committee reduces funding for NFMC, and allows NFMC to retain up to $4,000,000 to begin closing out the program.

UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

OPERATING EXPENSES

Appropriation, fiscal year 2014	$3,500,000
Budget request, fiscal year 2015	3,530,000
Recommended in the bill	2,500,000
Bill compared with:	
Appropriation, fiscal year 2014	−1,000,000
Budget request, fiscal year 2015	−1,030,000

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 (2013).

The USICH was reauthorized in 2009 in the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, P.L. 111–22, with a termination date of October 1, 2010. This date has since been extended to October 1, 2016.

COMMITTEE RECOMMENDATION

The Committee recommends $2,500,000 for the USICH, which is $1,000,000 below fiscal year 2014 and $1,030,000 below the budget request. The Committee does not include requests to make this program permanent or to increase the salary for the Executive Director.

The Committee encourages the nineteen USICH agencies to use the next year to establish permanent working relationships and interagency efficiencies that will endure beyond USICH's sunset date in 2016. The Committee expects USICH to also find efficiencies and to begin to wind down activities as it transitions its coordination function to permanently authorized agencies. This transition will also begin to leverage the resources of those agencies to carry on interagency coordination beyond 2016 on Opening Doors: the Federal Strategic Plan to Prevent and End Homelessness. The Committee discourages further efforts by USICH to hire for new or vacant positions. The Committee directs USICH to provide a report within 90 days of enactment of this Act on how it plans to wind down operations in anticipation of the sunset date.

TITLE IV—GENERAL PROVISIONS, THIS ACT

Section 401. The Committee continues the provision prohibiting pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this Act.

Section 402. The Committee continues the provision prohibiting obligations beyond the current fiscal year and prohibiting transfers of funds unless expressly provided in this Act.

Section 403. The Committee continues the provision limiting consulting service expenditures of public record in procurement contracts.

Section 404. The Committee continues the provision prohibiting employee training not directly related to the performance of official duties.

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 a provision that ensures that 50 percent of unobligated balances may remain available for certain purposes.

Section 407. 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 408. The Committee continues to require reports on sole source contracts.

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 includes a provision limiting the use of funds to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, corporations convicted of a felony criminal violation of Federal law within the preceding 24 months. The Department of Transportation and the Department of Housing and Urban Development shall each provide an annual report to the Committee, due within 30 days of the end of each fiscal year, detailing its implementation of this provision, including a list of affected corporations and a justification for any cases where it was determined that the limitation should not apply.

Section 415. The Committee includes a provision limiting the use of funds to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, corporations with certain unpaid Federal tax liabilities. The Department of Transportation and the Department of Housing and Urban Development shall each provide an annual report to the Committee, due within 30 days of the end of each fiscal year, detailing its implementation of this provision, including a list of affected corporations and a justification for any cases where it was determined that the limitation should not apply.

Section 416. The Committee includes a provision establishing a "Spending Reduction Account" in the bill.