105TH CONGRESS 1st Session } HOUSE OF REPRESENTATIVES { REPORT 105–188

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS BILL, 1998

JULY 16, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 2169]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998.

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42–196

SUMMARY OF THE BILL

The accompanying bill would provide $13,125,671,000 in new budget (obligational) authority for the programs of the Department of Transportation and related agencies, an increase of $9,944,000 above the $13,115,727,000 requested in the budget.

The Committee has also recommended limitations on obligations for a number of programs that are largely financed by multi-year contract authority in legislative acts. The total of the limitations on obligations for these programs is $27,681,825,000. This is $3,695,604,466 above the levels enacted in fiscal year 1997, and $2,077,825,000 more than the levels requested in the budget. An additional $1,660,226,000 is estimated to be obligated for federal-aid highway programs exempt from the obligation limitation in the bill.

The total recommended obligational authority (new budget authority, limitations on obligations, exempt obligations) amounts to $42,467,772,000. This is $5,379,656,000 more than comparable fiscal year 1997 enacted levels, and $2,237,424,000 more than the budget request.

MAJOR RECOMMENDATIONS

Selected major recommendations in the accompanying bill are:

(1) The federal-aid highways limitation amounts to $21,500,000,000, an increase of $3,500,000,000 (almost 20 percent) over the 1997 enacted level. This is in excess of the levels assumed in the bipartisan budget agreement.

(2) Transit program spending of $4,837,738,000, an increase of $455,556,000 over the 1997 enacted level. The transit formula program is increased from $2,149,185,000 to $2,500,000,000 (16 percent); transit discretionary grants increase 5 percent, from $1,900,000,000 in fiscal year 1997 to $2,000,000,000 in fiscal year 1998.

(3) An appropriation of $9,060,000,000 for the Federal Aviation Administration, an increase of $768,588,000 (9 percent) over the 1997 enacted level and $648,900,000 over the administration's request.

(4) The airport improvement program totals $1,700,000,000, an increase of $700,000,000 over the administration's request.

(5) A total of $793,000,000 for the National Railroad Passenger Corporation (Amtrak) to cover operating losses, retirement payments, capital expenses and improvements to the northeast corridor. This is an increase of $30,050,000 over the 1997 enacted level when adjusted for non-recurring costs.

(6) A total of $3,881,696,000 is provided for the Coast Guard, an increase of $105,000,000 over 1997. The Subcommittee recommendation fully funds the Coast Guard's drug interdiction program ($354,100,000), of which $34,300,000 is withheld until the Office of National Drug Control Policy certifies that these expenditures represent the best investment relative to other possible drug interdiction alternatives.

(7) A total of $333,407,000 for the National Highway Traffic Safety Administration, an increase of 10 percent over the 1997 enacted level.

(8) Funding of $1,000,000 for an Amtrak route closure and realignment commission.

Tabular Summary

A table summarizing the amounts provided for fiscal year 1997 and the amounts recommended in the bill for fiscal year 1998 compared with the budget estimates is included at the end of this report.

Committee Hearings

The Committee has conducted extensive hearings on the programs and projects provided for in the Department of Transportation and Related Agencies Appropriations Bill for fiscal year 1998. These hearings are contained in 7 published volumes totaling approximately 9,000 pages. The Committee received testimony from officials of the executive branch, Members of Congress, officials of the General Accounting Office, officials of state and local governments, and private citizens.

The bill recommendations for fiscal year 1998 have been developed after careful consideration of all the information available to the Committee.

Program, Project, and Activity

During fiscal year 1998, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended, with respect to appropriations contained in the accompanying bill, the terms "program, project, and activity" shall mean any item for which a dollar amount is contained in an appropriations Act (including joint resolutions providing continuing appropriations) or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference. This definition shall apply to all programs for which new budget (obligational) authority is provided, as well as to discretionary grants, Federal Transit Administration. In addition, the percentage reductions made pursuant to a sequestration order to funds appropriated for facilities and equipment, Federal Aviation Administration, and for acquisition, construction, and improvements, Coast

Guard, shall be applied equally to each "budget item" that is listed under said accounts in the budget justifications submitted to the House and Senate Committees on Appropriations as modified by subsequent appropriations Acts and accompanying committee reports, conference reports, or joint explanatory statements of committees of conference.

Government Performance and Results Act

The Committee considers the full and effective implementation of the Government Performance and Results Act (P. L. 103–62), to be a priority for all agencies of government.

Starting with fiscal year 1999, the Results Act requires each agency to "prepare an annual performance plan covering each program activity set forth in the budget of such agency". Specifically, for each program activity the agency is required to "establish performance goals to define the level of performance to be achieved by a program activity" and "performance indicators to be used in assessing the relevant outputs, service levels, and outcomes of each program activity".

The Committee takes this requirement of the Results Act very seriously and plans to carefully examine agency performance goals and measures during the appropriations process. As a result, starting with the fiscal year 1999 appropriations cycle, the Committee will consider agencies' progress in articulating clear, definitive, and results-oriented (outcome) goals and measures as requests for appropriations are reviewed.

The Committee suggests agencies examine their program activities in light of their strategic goals to determine whether any changes or realignments would facilitate a more accurate and informed presentation of budgetary information. Agencies are encouraged to consult with the Committee as they consider such revisions prior to finalizing any requests pursuant to 31 U.S.C. 1104. The Committee will consider any requests with a view toward ensuring that fiscal year 1999 and subsequent budget submissions display amounts requested against program activity structures for which annual performance goals and measures have been established.

Safety Programs

In this bill, the Committee has worked hard to protect funding for essential safety-related programs of the Department of Transportation and independent agencies. The tragic aviation accidents over the last couple of years and an increasing number of highway fatalities have brought home to many people the importance of maintaining and improving safety. In response, the Committee has fully funded many safety initiatives, such as the National Highway Traffic Safety Administration's alcohol, speed, and air bag initiatives. The bill includes eighteen initiatives to enhance safety and capacity of the aviation system, and restores funds cut by the Federal Aviation Administration for safety equipment and safety-related research. Additional funds above the President's request are provided for installing airport surface detection equipment; automatic alerting systems to prevent runway collisions; approach lighting systems; improved weather detection and forecasting systems; aging aircraft and aircraft safety technologies; and human factors research. However, if, in the judgment of department officials any of the Committee's recommendations would significantly harm transportation safety, or if unanticipated safety needs arise during the course of the appropriations process, the Committee welcomes discussions with the administration to adjust individual funding levels and provide the funding needed. The bill also allows significant flexibility through the reprogramming process, which requires no further legislative action. The Committee will work with administration officials to reprogram funds for safety programs if that should be required.

TITLE I

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

Appropriation, fiscal year 1997[1]	$52,966,000
Budget estimate, fiscal year 1998	56,136,000
Recommended in the bill	60,009,000
Bill compared with:	
Appropriation, fiscal year 1997	+7,043,000
Budget estimate, fiscal year 1998	+3,873,000

[1] Excludes reduction of $1,458,200 to comply with TASC.

The bill provides $60,009,000 for salaries and expenses of the various offices comprising the Office of the Secretary (OST). This level is $7,043,000 above the fiscal year 1997 level and $3,873,000 above the budget estimate.

Rental payments.—The Committee recommendation includes funding for OST's rental payments in this account and eliminates the consolidated rental payments account, consistent with the budget request. The bill provides $5,898,000 in this account only to fund OST-utilized space and related services. The bill deletes funding requested for department-wide facility security enhancements (−$4,669,000). The GSA indicated in testimony before the Committee that there are no plans for a new security enhancement package in fiscal year 1998 and that current annualization of security enhancements which were funded in fiscal year 1997 have not been reflected in the rental rates charged to the agencies. Moreover, the GSA stated, "At the present time we do not reflect the cost of additional security requirements in the rental rates we charge, but we are proposing to do so beginning in fiscal year 1999 through the implementation of a security surcharge. Rent rates would not be affected until that time." As such, the Committee believes that the additional $4,669,000 requested by the department for security requirements is premature at this time. The Committee notes that this action will not diminish security at any of the department's facilities.

The Committee recommendation assumes the following reductions from the budget estimate:

Reductions in staff:	
−10 Procurement analysts, office of acquisition	−$700,000
−5 Attorney advisors	−400,000
−2 Congressional liaison officers	−150,000
−2 Intergovernmental liaison officers	−150,000
−3 Office of public affairs	−175,000
−3 Office of administration	−125,000
−1 Office of intermodalism	−100,000
Office of the chief information officer	−225,000

Office of acquisition.—The Committee recommendation reduces by ten the number of procurement analysts in the office of acquisition and grants management. While the Committee once supported the department's intended aggressive initiative to improve acquisition oversight at the departmental level, the Committee now questions the value added by limited, informal secretarial reviews. Over the past years, the FAA, which is responsible for the majority of the department's major acquisitions, has been provided new acquisition authorities, including greater flexibility and latitude in its procurement program, and as a result, the administrative offices of the secretary have little, if any, oversight role.

The bill includes a provision that limits to $606,000 funds available to the office of acquisition and grants management, solely for department-wide grants management activities.

Other reductions in staff.—The Committee recommendation eliminates a number of other positions in the office of the secretary, including 5 attorney advisors in the office of general counsel (−$400,000); 2 congressional liaison officers and 2 intergovernmental liaison officers in the office of governmental affairs (−$300,000); 3 positions in the office of public affairs (−$175,000); 3 positions in the office of administration (−$125,000); and 1 position in the office of intermodalism (−$100,000). In light of severe budget constraints and government downsizing, it is the Committee's belief that these positions can be eliminated without affecting the core responsibilities, functions and duties of the department. Many of these positions are either new hires planned in fiscal year 1998 or are currently vacant.

Office of the chief information officer.—The Committee recommendation reduces funds requested for the office of the chief information officer by $225,000 due to outlay constraints. The budget request included a total of $625,000 for the office. This reduction will require nominal reductions in travel and training, as well as reductions in cross-cutting initiatives and contractor support to formulate a department-wide information technology strategy.

Periodic fitness reviews of airlines.—Within the funds provided, the Committee recommendation includes 3 staff years in the office of the secretary to implement a recommendation of the White House Commission that greater attention be paid to periodic fitness reviews of airlines. The budget requested that these staff years be funded from the FAA's budget.

Reprogramming.—In fiscal year 1997, the department may use unobligated balances from fiscal year 1996 funds appropriated for the aviation management system for any transportation planning research and development purpose.

Non-sedating antihistamines.—The Committee applauds the department's attention to raising public awareness of fatigue, sleep disorders, and inattention related to motor vehicle crashes and the

FAA's vigilance in reviewing medications suitable for pilots and safety-related personnel, such as approval of non-sedating antihistamines for allergy relief. The Committee believes that other agencies within the department, including FRA, FTA, NHTSA, and the FHWA's office of motor carriers, should follow the lead of the FAA and encourages the Secretary to review the need to develop safety standards relating to the use of antihistamines in other public/commercial modes of transportation.

GENERAL PROVISIONS

Limitation on political and Presidential appointees.—The Committee has included a provision in the bill (sec. 305), similar to provisions in past Department of Transportation and Related Agencies Appropriations Acts, which limits the number of political and Presidential appointees within the Department of Transportation. The ceiling for fiscal year 1998 is 107 personnel, which is the same as the ceiling enacted in fiscal year 1997. The bill specifies that no political or Presidential appointee may be detailed outside the Department of Transportation.

Advisory committees.—The Committee has deleted language that was included in past Department of Transportation and Related Agencies Appropriations Acts which limited the funds used for the expenses of advisory committees of the Department of Transportation. The budget requested that the limitation on advisory committees be deleted and the Committee sees no useful oversight purpose in maintaining it further.

OFFICE OF CIVIL RIGHTS

Appropriation, fiscal year 1997 [1]	$ 5,574,000
Budget estimate, fiscal year 1998	5,574,000
Recommended in the bill	5,574,000
Bill compared with:	
Appropriation, fiscal year 1997	....
Budget estimate, fiscal year 1998	....

[1] Excludes reduction of $25,735 to comply with TASC.

The Office of Civil Rights is responsible for advising the Secretary on civil rights and equal opportunity matters and ensuring full implementation of civil rights and equal opportunity precepts in all of the Department's official actions and programs. This office is responsible for enforcing laws and regulations which prohibit discrimination in federally operated and federally assisted transportation programs. This office also handles all civil rights cases related to Department of Transportation employees.

The Committee recommends an appropriation for the Office of Civil Rights totaling $5,574,000, the same level as both the budget request and the fiscal year 1997 enacted level. In fiscal year 1995, the management of internal civil rights activities was consolidated in the Office of the Secretary with transfer authority provided in the salaries and expenses account. This level will support 70 full-time equivalent staffyears.

Transportation Planning, Research, and Development

Appropriation, fiscal year 1997[1]	$ 3,000,000
Budget estimate, fiscal year 1998	6,008,000
Recommended in the bill	4,400,000
Bill compared with:	
Appropriation, fiscal year 1997	+1,400,000
Budget estimate, fiscal year 1998	-1,608,000

[1] Excludes reduction of $69,869 to comply with TASC.

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

The Committee recommends $4,400,000 for transportation, planning, research, and development, which represents an increase of $1,400,000 over fiscal year 1997 levels and a decrease of $1,608,000 from the budget estimate. Within the total provided, the recommended level holds transportation planning and studies to $3,538,000, an increase of $820,000 over fiscal year 1997, and $730,000 below the budget estimate. This level will permit annualization and other pay-related costs for 15 full-time equivalent staffyears and will fully fund all ongoing activities, as well as provide nominal increases for proposed studies and evaluations, albeit below the budget estimate.

National capital region congestion mitigation study.—Within the funds provided for transportation planning and studies, the Committee has included $300,000 to conduct a comprehensive study and hold a summit to analyze how to meet and mitigate the current and future transportation needs and congestion of the national capital region.

The recommended level also provides $862,000 for the department's transportation systems planning activities, which represents an increase of $619,000 above the fiscal year 1997 level of $243,000 and a decrease of $878,000 below the budget estimate. This level fully funds the fiscal year 1998 requirements for docket management system modernization but defers funding for the automated rulemaking system due to budget constraints.

Transportation Administrative Service Center

Limitation, fiscal year 1997[1]	($124,812,000)
Budget estimate, fiscal year 1998[2]	(121,800,000)
Recommended in the bill[3]	(121,800,000)
Bill compared with:	
Limitation, fiscal year 1997	(−3,012,000)
Budget estimate, fiscal year 1998	(—)

[1] Excludes reduction of $10,000,000 to comply with TASC.
[2] Proposed without limitation.
[3] In fiscal year 1998, the limitation on transportation administrative service center expenses is also addressed in a general provision (−$25,000,000).

The transportation administrative service center (TASC) was created in fiscal year 1997 to provide common administrative services to the various modes and outside entities that desire those services for economy and efficiency. The fund is financed through negotiated agreements with the department's operating administrations and other governmental elements requiring the center's capabilities.

The Committee agreed to create the transportation administrative service center in fiscal year 1997 at the department's request. In agreeing to that request, the Committee limited (1) the activities that can be transferred to the transportation administrative service center to only those approved by the agency administrator and (2) special assessments or reimbursable agreements levied against any program, project or activity funded in this Act to only those assessments or reimbursable agreements for which justification is presented to and approved by the House and Senate Committees on Appropriations. These limitations are continued in fiscal year 1998.

In addition, to ensure smooth operations and accountability of the TASC in its nascent stages of development and organization, the Committee directed the department to submit with the department's congressional budget submission the annual operating plan of the TASC and its quarterly reports for the Committee's review. Quarterly reports of the Secretary's management council were to be provided to the Committee. Now, nearly six months after the department transmitted its congressional budget justifications, the TASC's fiscal year 1998 operating plan displayed by lines of business, quarterly reports and secretarial management council reports and approvals have yet to be provided to the Committee. These documents provide critical information in support of the department's budget recommendation for the transportation administrative service center. Without the timely transmittal of these materials, the Committee is unable to fully consider the department's 1998 request or judge the department's progress in establishing and operating this new organization. Accordingly, the Committee directs the department not to hire any new staff for the TASC in fiscal years 1997 or 1998 and reiterates its direction that the 1999 TASC operating plan be submitted with the department's fiscal year 1999 congressional justifications, and that all other supporting documents cited above be provided to the Committee in a more timely manner.

General provision.—The Committee has included a general provision (sec. 319) which provides that amounts budgeted for the transportation administrative service center in this bill are reduced, on a pro-rata basis, to the limitation level of $96,800,000.

The Committee believes that this reduction is justified given the lack of material justifying the department's budget request as well as the significant personnel reductions that have occurred within the department over the past several years. For example, the department projects that if staffing were held at the current level, the 1997 civilian full time equivalent (FTE) employment would be about 1,700, or three percent, below the levels provided for in the fiscal year 1997 Department of Transportation and Related Agencies Appropriations Act. As such, common administrative expenses like copying, supplies, computer services, motor pool, parking and transit benefits, and telecommunications services should be declining and can be accommodated within the levels provided in this Act.

Payments to Air Carriers

(AIRPORT AND AIRWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriation, fiscal year 1997	($25,900,000)	($25,900,000)
Budget estimate, fiscal year 1998	(————)	(————)
Recommended in the bill	(————)	(————)
Bill compared with:		
Appropriation, fiscal year 1997	(−25,900,000)	(−25,900,000)
Budget estimate, fiscal year 1998	(————)	(————)

The essential air service program was originally created by the Airline Deregulation Act of 1978 as a temporary measure to continue air service to communities that had received federally mandated air service prior to deregulation. The program currently provides subsidies to air carriers serving small communities that meet certain criteria. Subsidies, ranging from $5 to $320, currently support air service to 82 communities and serve about 700,000 passengers annually. This program was established to provide a smooth phaseout of federal subsidies to airlines that serve small airports.

The Federal Aviation Reauthorization Act of 1996 (Public Law 104–264) authorized the collection of user fees for services provided by the Federal Aviation Administration to aircraft that neither take off from, nor land in the United States, commonly known as overflight fees. In addition, the Act permanently appropriated the first $50,000,000 of such fees to be used for the essential air service program and rural airport improvements. Amounts collected in excess of $50,000,000 are permanently appropriated for authorized expenses of the FAA.

Consistent with the FAA reauthorization legislation enacted in 1996, this program becomes a mandatory program in fiscal year 1998.

General provision.—Over the years, Congress and the department have worked to streamline the essential air service program and to increase its efficiency by eliminating communities that are within an easy drive of a major hub airport or where the costs clearly outweigh the benefits. The bill includes a limitation (sec. 331), as requested by the administration, that continues the existing eligibility standards and will help preserve those efficiencies. Specifically, this limitation continues appropriations language that limits the number of communities that receive essential air service funding by excluding points in the 48 contiguous United States that are located fewer than 70 highway miles from the nearest large or medium hub airport, or that require a subsidy in excess of $200 per passenger, unless such a point is more than 210 miles from the nearest large or medium hub airport.

Payments to Air Carriers

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Rescission, fiscal year 1997	−$12,700,000
Budget estimate, fiscal year 1998	−38,600,000
Recommended in the bill	−38,600,000
Bill compared with:	
Rescission, fiscal year 1997	−25,900,000
Budget estimate, fiscal year 1998	....

The bill includes a rescission of contract authority of $38,600,000. This rescission removes contract authority which was provided in previous authorizing Acts but is no longer needed to fund the essential air service program. The Federal Aviation Reauthorization Act of 1996 (Public Law 104–264) authorized the collection of user fees for services provided by the Federal Aviation Administration to aircraft that neither take off from, nor land, in the United States, commonly known as overflight fees. The Act permanently appropriated the first $50,000,000 of such fees to be used for the essential air service program and rural airport improvements.

Rental Payments

Appropriation, fiscal year 1997	$127,447,000
Budget estimate, fiscal year 1998	10,567,000
Recommended in the bill	....
Bill compared with:	
Appropriation, fiscal year 1997	−127,447,000
Budget estimate, fiscal year 1998	−10,567,000

For the past several years, payments to GSA for headquarters and field space rental and related services for modes of the department were consolidated into the rental payments account. Beginning in fiscal year 1998, the budget proposes to fund all GSA rental payments from each of the individual modal budgets. For OST-utilized space and proposed security enhancements, the budget requests a total of $10,567,000.

The Committee recommendation adopts the budget proposal to revert all GSA rental payments for headquarters and field space to the individual modal administrations and to terminate the consolidated rent account. Consistent with that proposal, the bill provides funding for the office of the secretary's rent requirements in the salaries and expenses account.

General provision.—The Committee has deleted language that was included in the 1997 Department of Transportation Appropriations Act that would permit the Secretary to transfer funds appropriated in the bill for non-rental costs to pay for rent should they exceed the amounts provided for rent in the bill. Since the Committee has provided the department's request for rental payments, this provision is no longer necessary.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

	Appropriation	*Limitation on direct loans*
Appropriation, fiscal year 1997	$1,900,000	($15,000,000)
Budget estimate, fiscal year 1998	1,900,000	(15,000,000)
Recommended in the bill	1,900,000	(15,000,000)
Bill compared with:		
Appropriation, fiscal year 1997	....	....
Budget estimate, fiscal year 1998	....	....

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

Prior to fiscal year 1993, loans under this program were funded by the Office of Small and Disadvantaged Business Utilization without a limitation. Reflecting the changes made by the Federal Credit Reform Act of 1990, beginning in fiscal year 1993 a separate appropriation was proposed in the President's budget only for the subsidy inherently assumed in those loans and the cost to administer the loan program.

The recommendation fully funds the budget request, which provides a limitation on direct loans of $15,000,000 and subsidy and administrative costs totaling $1,900,000, the same levels as last year.

MINORITY BUSINESS OUTREACH

Appropriation, fiscal year 1997	$ 2,900,000
Budget estimate, fiscal year 1998	2,900,000
Recommended in the bill	2,900,000
Bill compared with:	
Appropriation, fiscal year 1997	....
Budget estimate, fiscal year 1998	....

This appropriation provides contractual support to assist minority business firms, entrepreneurs, and venture groups in securing contracts and subcontracts arising out of projects that involve federal spending. It also provides grants and contract assistance that serve DOT-wide goals and not just OST purposes. The Committee has provided $2,900,000, the same level as provided in fiscal year 1997 and included in the budget estimate.

COAST GUARD

SUMMARY OF FISCAL YEAR 1998 PROGRAM

The Coast Guard, as it is known today, was established on January 28, 1915, through the merger of the Revenue Cutter Service and the Lifesaving Service. This was followed by transfers to the Coast Guard of the United States Lighthouse Service in 1939 and the Bureau of Marine Inspection and Navigation in 1942. The Coast Guard has as its primary responsibilities enforcing all applicable federal laws on the high seas and waters subject to the jurisdiction of the United States; promoting safety of life and property at sea; aiding navigation; protecting the marine environment; and maintaining a state of readiness to function as a specialized service of the Navy in time of war.

Including funds for national security activities and retired pay accounts, the Committee recommends a total program level of $3,881,696,000 for activities of the Coast Guard in fiscal year 1998. This is $105,157,000 (2.8 percent) more than the fiscal year 1997 program level. Excluding mandatory programs, the recommended level is $21,000,000 above the budget estimate.

The following table summarizes the fiscal year 1997 program levels, the fiscal year 1998 program requests, and the Committee's recommendations:

Program	Fiscal year—		Committee recommended
	1997 enacted	1998 estimate	
Operating expenses[1] [2]	$2,621,325,000	$2,740,000,000	$2,708,000,000
Acquisition, construction and improvements	374,840,000	370,000,000	370,000,000
Environmental compliance and restoration	22,000,000	21,000,000	21,000,000
Port safety development	5,000,000	....	....
Alteration of bridges	16,000,000	....	16,000,000
Retired pay[3]	617,284,000	645,696,000	645,696,000
Reserve training	65,890,000	65,000,000	67,000,000
Research, development, test and evaluation	19,200,000	19,000,000	19,000,000
Boat safety[4]	35,000,000	....	35,000,000
Total	3,776,539,000	3,860,696,000	3,881,696,000

[1] Fiscal year 1997 amount includes $300,000,000 in the Department of Defense Appropriations Act, 1997 and transferred to the Coast Guard; fiscal year 1998 estimated and recommended amounts include $300,000,000 specifically for national security activities of the Coast Guard and scored against budget function 050 (defense).

[2] Fiscal year 1997 total includes $1,600,000 in supplemental appropriations from Public Law 105–18 related to TWA 800 disaster recovery expenses.

[3] Fiscal year 1997 total includes $9,200,000 provided in supplemental appropriations from Public Law 105–18.

[4] Fiscal year 1998 estimate includes $50,000,000 proposed in mandatory spending.

Budget Presentation

For many years, the Committee has been working with the Coast Guard and the General Accounting Office to improve the Coast Guard's operating budget in a way which more closely aligns the budget with actual expenditures and presents the Congressional budget in a more understandable, straightforward manner. Although much progress has been made over the past few years, the Committee believes that the operating budget can be improved further by reducing the number of programs, projects and activities (PPAs) and more directly aligning those PPAs to specific elements of the Coast Guard organizational structure. This will more closely match the budget to accounting and fund distribution systems within the Coast Guard, while providing the service with adequate flexibility to execute funds as the year progresses. The Committee recommendation reflects this new budget presentation, and the Committee encourages the administration to continue this presentation with the fiscal year 1999 budget submission.

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 1997	[1, 2] $2,619,725,000
Budget estimate, fiscal year 1998	2,740,000,000
Recommended in the bill	[3] 2,708,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+88,275,000
Budget estimate, fiscal year 1998	−32,000,000

[1] Includes $300,000,000 in funds transferred from the Department of Defense.
[2] Excludes $2,026,805 in TASC reductions and $3,000 in reductions for bonuses and awards.
[3] Includes $300,000,000 in funds for national security activities included in this bill.

Including $300,000,000 for national security activities, the Committee recommends a total of $2,708,000,000 for operating activities of the Coast Guard in fiscal year 1998, an increase of $88,275,000 (3.4 percent) above the fiscal year 1997 appropriation, and $32,000,000 (one percent) below the budget request. The following table compares the fiscal year 1997 enacted level, the fiscal year 1998 estimate, and the recommended level by program, project and activity:

COAST GUARD OPERATING EXPENSES

[In thousands of dollars, by fiscal year]

Program project and activity	1997 enacted [1]	1998 estimate	1998 recommended
I. Personnel Resources	$1,670,718	$1,723,261	$1,700,176
A. Military pay & allowances	1,235,325	1,266,565	1,266,565
B. Civilian pay & benefits	180,402	189,622	189,622
C. Military health care	117,660	119,461	119,461
D. Perm. Change of station	57,862	60,247	60,247
E. Training & education [2]	60,966	68,962	67,317
F. Recruiting	6,767	7,313	6,313
G. FECA/UCX	11,736	11,091	11,091
H. Staffing adjustment	....	....	−19,600
I. Public affairs staffing	....	....	−840
II. Operating Funds and Unit Level Maintenance	571,672	620,749	612,449
A. Atlantic area command	112,446	110,463	102,163
B. Pacific area command	107,673	108,573	108,573
C. District commands:.			
1. 1st district (Boston)	34,660	36,172	36,172
2. 7th district (Miami)	48,150	50,251	50,251
3. 8th district (New Orleans)	30,896	32,244	32,244
4. 9th district (Cleveland)	19,719	20,579	20,579
5. 13th district (Seattle)	13,678	14,275	14,275
6. 14th district (Honolulu)	15,452	16,126	16,126
7. 17th district (Juneau)	23,080	24,087	24,087
D. Headquarters offices	113,140	154,537	154,537
E. Headquarters-managed units	44,635	45,414	45,414
F. Other activities [3]	8,144	8,038	8,038
III. Depot-Level Maintenance	375,305	395,990	395,990
A. Aircraft maintenance	144,276	154,659	154,659
B. Electronic maintenance	34,632	35,780	35,780
C. Shore maintenance	96,170	104,411	104,411
D. Vessel maintenance	100,227	101,140	101,140
IV. Account-wide Adjustments	....	....	−615

COAST GUARD OPERATING EXPENSES—Continued

[In thousands of dollars, by fiscal year]

Program project and activity	1997 enacted [1]	1998 estimate	1998 recommended
A. User fee offset	....	....	−615
Total	2,617,695	2,740,000	2,708,000

[1] Includes reductions of $2,026,805 for TASC and $3,000 in bonuses and awards.
[2] Includes operating funds for Coast Guard Academy and Training Centers as well as general funds for professional training and education.
[3] Includes ammunition and small arms (AFC 54) and Chief of Staff funds (AFC 40).

COMMITTEE RECOMMENDATION

The recommended reduction from the budget estimate includes the following adjustments:

	Amount
Public affairs staffing adjustment	−$840,000
Professional training and education	−1,645,000
FTE staffyear savings based on slow hiring rates	−19,600,000
User fee offset, foreign flag cruise ships	−615,000
Recruiting	−1,000,000
Governor's Island caretaker status	−8,300,000
Total	−32,000,000

PERSONNEL RESOURCES

The bill includes $1,700,176,000 for pay, allowances and other resources for Coast Guard military and civilian personnel, a reduction of $23,085,000 (1.3 percent) from the budget estimate. Within the amount provided, the bill includes all funds requested for special pays for military personnel.

Public affairs staffing adjustment.—The Committee recommendation reduces public affairs staffing in the Coast Guard from 96 positions to 81, a reduction of 15 percent. This mirrors a Committee initiative two years ago to reduce public affairs staffing in the FAA. The Committee believes that a higher level of staffing for this activity is not affordable given budget constraints.

Professional training and education.—The President's budget requested a $5,092,000 (23.7 percent) increase in this activity, including an additional $1,800,000 for training related to increased anti-drug activities. The Committee recommendation fully funds the requested increase for anti-drug training, and 50 percent of the increase for other Coast Guard training activities. This results in a reduction to the budget estimate of $1,645,000, and an increase of $3,447,000 (16 percent) above the fiscal year 1997 enacted level.

Full-time equivalent (FTE) staffyear savings.—For fiscal year 1997, the Congress provided funding to support 42,330 full-time equivalent (FTE) staffyears in the Coast Guard. The current projection is that less staffyears will be utilized in fiscal year 1997 due to hiring delays. Follow-on funding for these unfilled positions is assumed in the fiscal year 1998 base funding for operations. The Committee recommendation deletes a portion of those funds, a program savings of $19,600,000.

Recruiting.—The recommendation includes a reduction of $1,000,000 in recruiting activities to offset an associated increase in recruiting for the Coast Guard Reserve, found in the "Reserve training" appropriation. The Committee believes this is justified given the value to the Coast Guard of reserve augmentation workhours and the shortfall in reserve recruiting. This reduction should not be allocated against new diversity recruiting initiatives.

OPERATING FUNDS AND UNIT LEVEL MAINTENANCE

The bill includes $612,449,000 for Coast Guard non-personnel operating funds for field and headquarters facilities and units as well as unit-level maintenance. This is $8,300,000 (1.3 pecent) below the administration's request and $40,777,000 (7.1 percent) above the level provided for fiscal year 1997.

Governor's Island caretaker status.—The Committee bill includes a reduction of the $8,300,000 proposed for the Coast Guard to maintain Governor's Island in a "caretaker" status until the end of fiscal year 1998—even though Governor's Island will be closed operationally in August 1997. The Committee does not believe that, given the tight transportation budget this year, the Coast Guard should allocate scarce funds to serve as "caretaker" for a facility they no longer operate and from which they will get no operational benefit during fiscal year 1998. The Department of Transportation and other federal agencies pay rent to the General Services Administration (GSA) for disposal of such excess properties. Since this property has been identified for disposal and is being prepared for sale by the GSA, the Committee believes the Federal Buildings Fund should be utilized for maintaining the facility in caretaker status until the disposal is accomplished.

Mackinaw.—The bill includes the $4,865,000 in requested funding for continued operation and maintenance of the icebreaking cutter Mackinaw during fiscal year 1998.

Maritime Fire and Safety Association.—Of the funds provided, the Coast Guard is directed to allocate $146,500 to continue fire fighter training and equipment and oil spill response activities with the Maritime Fire and Safety Association for the Columbia River area in Oregon and Washington. This continues activities funded in past years.

Energy conservation audits.—The Committee believes the Coast Guard can do more to lower its operating costs through greater energy conservation practices. Therefore, the Committee recommends the Coast Guard provide additional funding for its Civil Engineering Division to contract for energy audits and surveys to be used for the implementation of energy conservation projects. These energy savings and performance contracts will help the Coast Guard reduce its base operations costs through energy savings. Projects with a payback of five years or less should be given the highest consideration. The Committee understands that $400,000 is needed for such audits and surveys in fiscal year 1998.

Ballast water management program.—The Committee directs that, of the amount provided, $1,995,000 shall be allocated to implement the nationwide ballast water management program, as authorized in the National Invasive Species Act of 1996 (Public Law 104–332). This is the amount included in the budget request.

DEPOT LEVEL MAINTENANCE

The Committee recommends $395,990,000 for depot level maintenance for shore facilities, electronic equipment, cutters, boats and aircraft, the same as the budget estimate and $20,685,000 (5.5 percent) above the enacted level for fiscal year 1997.

ACCOUNT-WIDE ADJUSTMENTS

User fee offset, foreign flag cruise ships.—Although the Congress authorized a user fee in 1996 to offset the Coast Guard's costs to inspect and certify foreign flag cruise ships operating in U.S. waters, the Coast Guard has not yet implemented such fees. This is in stark contrast to the FAA, which began collecting overflight user fees approximately six months after authorization. The Committee believes the Coast Guard can implement a more rapid schedule for collecting these authorized fees, and has assumed offsetting collections of $615,000 from this source, rather than a direct appropriation. Bill language has been included allowing these receipts to be considered offsetting collections to this appropriation.

BILL LANGUAGE

Increase for drug interdiction activities.—The Committee bill provides the requested increase of $34,300,000 for additional drug interdiction activities of the Coast Guard, but withholds obligation of those funds until the Director of the Office of National Drug Control Policy (ONDCP): (1) reviews the Coast Guard's proposed activities; (2) compares those activities to other drug interdiction activities government-wide; and (3) certifies that such expenditures represent the best investment relative to other options. The bill also provides the ONDCP director the flexibility to transfer all or part of these funds to other federal agencies for other drug interdiction activites, based on his review and assessment.

The Committee continues to believe that the use of illegal drugs in this country is a serious problem which requires additional resources. However, based on testimony and other information received this year, it is not clear whether or not additional resources should be placed in the hands of the Coast Guard or in other federal drug interdiction programs. The Committee makes the following observations in this regard:

1. Over the past two fiscal years, the Coast Guard has not utilized all funds provided by the Congress for their drug interdiction activities. Over those years, approximately $15,000,000 was used for other activities.

2. Even with the requested increase in funding, Coast Guard cutter and aircraft operating hours for drug enforcement activities would be lower in fiscal year 1998 than in 1997, and there are indications these additional operating hours would not be completely dedicated to drug interdiction activities; and

3. The efficiency of the Coast Guard's drug interdiction effort continues to decline, even with stronger cueing from intelligence assets over the past few years.

Given these uncertainties, the Committee believes a validation and review of the cost-effectiveness of this particular increase is required.

Defense-related activities.—The bill specifies that $300,000,000 of the total amount provided is for defense-related activities, the same as the budget estimate. Of the amount provided for defense-related activities, $5,250,000 is only for miscellaneous equipment for the Coast Guard Reserve, as included in the House-reported National Defense Authorization Act of 1998. The Committee understands these funds will be used to help establish two additional port security units.

Executive order 12839.—The bill specifies that the Commandant shall reduce both military and civilian employment for the purpose of complying with executive order 12839. This provision has been included in the bill for several years without change.

Aircraft on hand.—The bill limits the number of aircraft on hand to not more than two hundred and twelve, compared to two hundred and eighteen in fiscal year 1997 and two hundred and twenty-one in the budget estimate. Subsequent to the budget request, the Coast Guard indicated that a limitation of two hundred and twelve would be sufficient for fiscal year 1998. A similar limitation has been in appropriations Acts for several years.

Shipping commissioners.—The bill retains a provision included in appropriations Acts for several years which prohibits funds for pay or administrative expenses of shipping commissioners.

Yacht documentation.—The bill retains a provision included in appropriations Acts for several years which prohibits funds for expenses incurred for yacht documentation except to the extent that user fees are collected for this purpose.

GENERAL PROVISION

Vessel traffic safety fairway, Santa Barbara/San Francisco.—The bill continues as a general provision (sec. 313) language that would prohibit funds to plan, finalize, or implement regulations that would establish a vessel traffic safety fairway less than five miles wide between the Santa Barbara traffic separation scheme and the San Francisco traffic separation scheme. On April 27, 1989, the Department published a notice of proposed rulemaking that would narrow the originally proposed five-mile-wide fairway to two one-mile-wide fairways separated by a two-mile-wide area where offshore oil rigs could be built if Lease Sale 119 goes forward. Under this revised proposal, vessels would be routed in close proximity to oil rigs because the two-mile-wide non-fairway corridor could contain drilling rigs at the edge of the fairways. The Committee is concerned that this rule, if implemented, could increase the threat of offshore oil accidents off the California coast. Accordingly, the bill continues the language prohibiting the implementation of this regulation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

Appropriation, fiscal year 1997	$374,840,000
Budget estimate, fiscal year 1998	379,000,000
Recommended in the bill	379,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+4,160,000
Budget estimate, fiscal year 1998	....

The bill includes $379,000,000 for the capital acquisition, construction, and improvement programs of the Coast Guard for vessels, aircraft, other equipment, shore facilities, and related administrative expenses, of which $20,000,000 is to be derived from the oil spill liability trust fund.

Consistent with past practice, the bill also includes language distributing the total appropriation by budget activity and providing separate obligation availabilities appropriate for the type of activity being performed. The Committee continues to believe that these obligation availabilities provide fiscal discipline and reduce long-term unobligated balances.

Committee Recommendation

The following table compares the fiscal year 1997 enacted level, the fiscal year 1998 estimate, and the recommended level by program, project and activity:

Acquisition, Construction, and Improvements
Fiscal Year 1998

Program Name	FY 1997 Enacted	FY 1998 Estimate	FY 1998 Committee
Vessels:	**216,500,000**	**186,900,000**	**191,650,000**
Survey and design - cutters and boats	500,000	500,000	500,000
Seagoing buoy tender (WLB) replacement	54,000,000	55,000,000	55,000,000
Coastal buoy tender (WLM) replacement	75,000,000	21,000,000	21,000,000
47-foot motor lifeboat (MLB) replacement project	26,000,000	21,600,000	31,600,000
Buoy boat replacement project (BUSL)	7,800,000	12,000,000	12,000,000
Polar icebreaker replacement follow-on	4,000,000	4,000,000	3,500,000
82-foot WPB capability replacement	33,100,000	0	0
Configuration management	3,500,000	3,800,000	3,800,000
Surface search radar replacement project	4,000,000	15,400,000	15,400,000
Motor surfboat replacement	1,100,000	0	0
210-foot medium endurance cutter MMA	2,500,000	0	0
Polar class icebreaker reliability improvement program	5,000,000	9,300,000	6,550,000
Coastal patrol boat (CPB)	0	37,300,000	37,300,000
Mackinaw replacement	0	0	2,000,000
Independent maritime response vessel	0	2,000,000	0
Deepwater capability concept exploration	0	5,000,000	3,000,000
Reprogramming (FY 1996 IMARV funds)	0	0	[2,000,000]
Aircraft:	**18,040,000**	**26,400,000**	**33,900,000**
Traffic alert & collision avoidance system (TCAS)	5,700,000	3,300,000	3,300,000
Global positioning system installation	1,900,000	1,900,000	1,900,000
HC-130 engine conversion	6,800,000	5,200,000	5,200,000
HH-65A helicopter kapton rewiring	2,000,000	3,200,000	3,200,000
HH-65A helicopter mission computer replacement	2,000,000	4,400,000	4,400,000
HH-65 offset (FY 1995 reprogramming)	-360,000	0	0
Long range search aircraft capability preservation	0	4,600,000	4,100,000
HC-130 aircraft sensor upgrade	0	3,800,000	11,800,000
Reprogramming (FY 1996 C-130 SLAR funds)	0	0	[2,000,000]
Other Equipment:	**41,700,000**	**49,700,000**	**47,050,000**
Fleet logistics system	9,300,000	9,200,000	9,200,000
Ports and waterways safety system (PAWSS)	0	5,500,000	5,500,000
Marine information for safety and law enforcement (MISLE)	5,000,000	4,000,000	4,000,000
Conversion of software applications	6,000,000	2,000,000	2,000,000
Finance center information system replacement	2,100,000	0	0
Aviation logistics management information system (ALMIS)	4,800,000	2,700,000	2,700,000
National distress system modernization	1,000,000	7,000,000	7,000,000
Communication systems 2000	4,000,000	1,000,000	1,000,000
WLB/WLM support facility	1,800,000	0	0
Global maritime distress and safety system	700,000	0	0
Personnel MIS/Jt uniform military pay system	1,600,000	1,600,000	0
VHF-FM high level site upgrade	4,400,000	7,400,000	7,400,000
VTS requirements evaluation	1,000,000	0	0
Local notice to mariners automation	0	1,800,000	750,000

Acquisition, Construction, and Improvements
Fiscal Year 1998

Program Name	FY 1997 Enacted	FY 1998 Estimate	FY 1998 Committee
Frequency spectrum reallocation	0	5,100,000	5,100,000
Defense message system implementation	0	1,400,000	1,400,000
Differential GPS phase II (coastal gaps)	0	1,000,000	1,000,000
Shore Facilities and Aids to Navigation:	**52,350,000**	**69,000,000**	**59,400,000**
Survey and design - shore projects	6,000,000	6,000,000	6,000,000
Minor AC&I shore construction projects	2,400,000	8,000,000	6,600,000
Mid-atlantic air station consolidation	1,300,000	0	0
Coast Guard Yard ship handling facility (phase II)	4,950,000	0	0
Support center Portsmouth - upgrade sandblast facility	2,000,000	0	0
Support Ctr San Pedro, CA - construct medical facility	3,700,000	0	0
Public family quarters	12,000,000	15,900,000	15,900,000
Base San Juan, PR - reconstruction	7,000,000	0	0
Waterways ATON projects	5,000,000	5,000,000	5,000,000
Station Juneau, AK - renovate/expand station	2,000,000	0	0
Station Sabine - reconstruct/expand waterfront facilities	4,000,000	0	0
Owensboro, KY - relocate cutter moorings	2,000,000	0	0
Station Bellingham, WA - relocation	0	4,000,000	4,000,000
Group Woods Hole, MA - waterfront renovation	0	2,900,000	2,900,000
Group/Station New Orleans, LA - relocation	0	4,200,000	8,400,000
Base Ketchikan, AK - replace breakwater	0	1,600,000	1,600,000
Omega termination cost	0	6,700,000	0
Bayonne, NJ - construct pier	0	4,100,000	0
ISC Portsmouth, VA - command & control engineering center	0	4,700,000	4,700,000
New London, CT - leadership development center	0	5,900,000	4,300,000
Reprogramming (FY 1996 Wadsworth, NY funds)	0	0	[1,600,000]
Personnel and Related Support:	**46,250,000**	**47,000,000**	**47,000,000**
Direct personnel costs	45,400,000	46,500,000	46,500,000
Core acquisition costs	850,000	500,000	500,000
Total gross appropriation	*374,840,000*	*379,000,000*	*379,000,000*
Offsetting collections from asset sales	*0*	*-9,000,000*	*-9,000,000*
Total net appropriation	*374,840,000*	*370,000,000*	*370,000,000*

VESSELS

The Committee recommends $191,650,000 for vessels, a reduction of $24,850,000 below the amount provided for fiscal year 1997 and $4,750,000 above the administration's request.

47-foot motor lifeboat replacement project.—The Committee recommends $31,600,000, an increase of $10,000,000 above the budget estimate and $5,600,000 (21.5 percent) above the amount provided for fiscal year 1997. This will provide funding for an additional 10 boats of this important vessel class, augmenting the Coast Guard's search and rescue capability. The Committee believes this new capability will help the Coast Guard more effectively respond in cases of extreme weather, like the situation on February 12, 1997, in which three Coast Guardsmen from Station Quillayute, Washington, perished while responding to a distress call in a 44-foot motor lifeboat.

Polar icebreaker replacement follow-on.—The minor reduction of $500,000 is based upon schedule delays in delivery of the Polar icebreaker Healy, which permit a lower level of pre-commissioning training during fiscal year 1998. This reduction is without prejudice to the overall project.

Polar class icebreaker reliability improvement program.—The reduction of $750,000 allows a smaller amount for contract change orders than budgeted by the Coast Guard. In addition, the Committee recommends a reduction of $2,000,000 to fund higher priority activities. The Coast Guard indicates that these funds will not be required in fiscal year 1998.

Mackinaw replacement.—The Committee recommends $2,000,000 for concept exploration to refine the specifications and costs for a heavy icebreaking replacement vessel, including a new multi-mission vessel, for the 53-year old Mackinaw. While the Committee is pleased that the Commandant has committed to the continued operation of the Mackinaw to maintain heavy icebreaking capabilities on the Great Lakes, the Committee is concerned about the long lead time projected by the Coast Guard to receive a replacement vehicle when the Coast Guard has been studying this issue for a number of years, and projects that a replacement vehicle would not be available until the year 2006 at the earliest. The funding provided in the bill will prevent another year's delay in the acquisition process for a replacement heavy icebreaking vessel. The Committee expects the Coast Guard to issue an interim status report on the concept exploration to the Committee by May 1, 1998.

Independent maritime response vessel (IMARV).—The Committee deletes the $2,000,000 requested for this project and directs the Coast Guard to apply the unobligated balance of $2,000,000 in fiscal year 1996 funds to the deepwater capability concept exploration project, effectively terminating the IMARV program. The IMARV program began several years ago, as an effort to evaluate the cost-effectiveness of Norwegian search and rescue crewing concepts in the United States. In fiscal year 1996, the Congress appropriated $2,000,000 to procure two IMARV boats. However, at this time the cost of each boat has doubled from the original estimate, to $2,000,000 each. In addition, the Coast Guard advised the Committee this year that no more than ten of these vessels will be procured. The Committee believes it inadvisable to continue with this program at the substantially higher procurement unit cost, and questions whether the Coast Guard should be saddled with maintaining another boat class in its inventory when such a small number will be procured.

Deepwater capability concept exploration.—The reduction of $2,000,000 is to be offset by the reprogramming of fiscal year 1996 IMARV funds into this account, providing total funding at the budget request. In addition, the Committee has reduced the long range search aircraft capability preservation project by $500,000. Those planned activities can be financed with funds from the deepwater capability concept exploration effort.

AIRCRAFT

The Committee recommends $33,900,000 for aircraft, an increase of $15,860,000 (88 percent) above the fiscal year 1997 enacted level and $7,500,000 above the administration's request.

HC-130 aircraft sensor upgrade.—The Committee recommends total funding of $13,800,000, including $11,800,000 in new budget authority and $2,000,000 reprogrammed from fiscal year 1996 funding appropriated for the C-130 SLAR project. Funding of $3,800,000 was included in the budget request. The Committee believes an accelerated schedule for this program is justified, given the Coast Guard's proposal to increase anti-drug activities and the importance of nighttime surveillance to that overall effort. This should be sufficient to outfit seven of the Coast Guard's twelve C-130 aircraft with forward looking infrared radar (FLIR) systems during fiscal year 1998.

OTHER EQUIPMENT

The Committee recommends $47,050,000 for other equipment, a reduction of $2,650,000 (5 percent) below the budget estimate and $5,350,000 above the fiscal year 1997 enacted level.

Ports and waterways safety system.—The Committee recommends $5,500,000 for development and implementation of a new ports and waterways safety system (PAWSS), as requested in the budget. Last year, the Congress terminated the "VTS 2000" program and directed the Coast Guard to take a streamlined and less costly approach to satisfy these requirements. The Committee believes that the result of Coast Guard activities to develop a new approach to navigation safety, in concert with the maritime community, has been successful thus far. Working with waterway users, the Coast Guard has produced a plan for the use of automated information system (AIS) technology. Such technology efforts should reduce the complexity and cost of a vessel traffic service by substantially reducing or eliminating the need for an extensive shoreside Coast Guard infrastructure. The Committee believes that successful implementation of the AIS approach will require Coast Guard development of performance standards, testing at appropriate high-intensity port areas, and continued dialogue with industry stakeholders regarding AIS equipment and the most effective and efficient manner to ensure the use of such systems in selected U.S. ports.

Personnel management information system/joint uniform military pay system.—The Committee recommends no funding for this program, a reduction of $1,600,000 below the budget request. The Committee believes further appropriations for this new accounting system can be deferred until the Coast Guard makes a final decision on whether or not to outsource this activity.

Local notice to mariners automation.—The Committee recommends $750,000 for this project, a reduction of $1,050,000 from the budget request. The Committee believes this can proceed at a slower pace due to higher priority requirements. In addition, the Committee is not yet convinced the Coast Guard has fully utilized the potential of collecting user fees for local notice to mariners information, a past recommendation of the Inspector General.

SHORE FACILITIES AND AIDS TO NAVIGATION FACILITIES

The Committee recommends $59,400,000 for shore facilities and aids to navigation facilities, a reduction of $9,600,000 from the budget estimate and $7,050,000 (13 percent) above the fiscal year 1997 enacted level.

Minor AC&I shore construction projects.—The Committee recommends $6,600,000, a reduction of $1,400,000 from the budget request, but an increase of 175 percent above the level provided in fiscal year 1997. The reduction is due to budget constraints.

Group/Station New Orleans, LA-relocation.—The Committee recommends $8,400,000 to relocate Group/Station New Orleans to Bucktown Harbor, an increase of $4,200,000 above the budget estimate. The Committee believes this project should proceed over one year in order to provide benefits to the field sooner. The Coast Guard had proposed to finance the project over two years. To expedite the required relocation, funds are provided to complete both phases of the project. Additionally, the Committee is concerned that the existing waterway at Bucktown Harbor may be inadequate for safe and efficient current and future Coast Guard operations. Therefore, the Committee directs that $3,000,000 of these funds be used only to improve the condition of the waterway adjoining the relocation site, including dredging, bulkhead repairs and bulkhead replacement.

Omega termination cost.—The Committee recommendation transfers the $6,700,000 budgeted for this activity to the Federal Aviation Administration's "Facilities and equipment" appropriation. Two years ago, the administration transferred the funding responsibility for Omega from the Coast Guard to the FAA. Therefore, the Committee sees no compelling reason to finance this singular project in the Coast Guard.

Bayonne, NJ pier construction.—The Coast Guard requested $4,100,000 to relocate from the Marine Ocean Terminal Bayonne in New Jersey because, according to the Coast Guard, "this pier is a valuable asset in attracting long-term commercial development to Bayonne". However, the Coast Guard could not offer a specific schedule specifying when Coast Guard assets would need to be relocated, only stating that they would be asked to relocate "when commercial tenants are identified". Given higher priorities and the apparent lack of urgency, the Committee recommends deferral of this project.

New London, CT-leadership development center.—The Committee recommends a reduction of $1,600,000 in this project, and directs the Coast Guard to utilize a corresponding amount in unobligated streamlining funds from the fiscal year 1996 appropriation for this project, to provide total funding at the requested level of $5,900,000.

PERSONNEL AND RELATED SUPPORT

The bill includes $47,000,000 for AC&I personnel and related support, an increase of $750,000 (1.6 percent) above the fiscal year 1997 enacted level, and the same as the budget estimate.

Quarterly acquisition reports.—The Coast Guard is directed to continue submission of the quarterly acquisition reports to the House and Senate Committees on Appropriations. The Coast Guard is to continue including with each such report an up-to-date listing of unobligated balances by acquisition project and by fiscal year, a Congressional direction first implemented in fiscal year 1996.

BILL LANGUAGE

Disposal of real property.—The bill includes a provision first enacted in fiscal year 1996 crediting to this appropriation proceeds from the sale or lease of the Coast Guard's surplus real property. This provision was requested in the President's budget. The bill allows asset sale revenues to be credited to this appropriation as offsetting collections, but limits the amount of offsetting collections in fiscal year 1998 to $9,000,000, resulting in a corresponding savings in budget authority. The Committee bill does not include the requested directed scorekeeping language, since such language is outside the Committee's jurisdiction and is opposed by the House Budget Committee, which has jurisdiction over Congressional Budget Act matters.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

Appropriation, fiscal year 1997	$ 22,000,000
Budget estimate, fiscal year 1998	21,000,000
Recommended in the bill	21,000,000
Bill compared with:	
Appropriation, fiscal year 1997	−1,000,000
Budget estimate, fiscal year 1998	....

This appropriation assists in bringing Coast Guard facilities into compliance with applicable federal, state and environmental regulations; conducting facilities response plans; developing pollution and hazardous waste minimization strategies; conducting environmental assessments; and conducting necessary program support. These funds permit the continuation of a service-wide program to correct environmental problems, such as major improvements of storage tanks containing petroleum and regulated substances. The program focuses mainly on Coast Guard facilities, but also includes third party sites where Coast Guard activities have contributed to environmental problems.

The recommended funding level of $21,000,000 is the same as the budget request, and $1,000,000 below the fiscal year 1997 enacted level.

ALTERATION OF BRIDGES

Appropriation, fiscal year 1997	$16,000,000
Budget estimate, fiscal year 1998	....
Recommended in the bill	16,000,000
Bill compared with:	
Appropriation, fiscal year 1997	....
Budget estimate, fiscal year 1998	+16,000,000

The bill includes funding for alteration of bridges deemed a hazard to marine navigation pursuant to the Truman-Hobbs Act. The Committee does not agree with the approach of the administration that obstructive highway bridges and combination rail/highway bridges should be funded out of the Federal Highway Administration's discretionary bridge account. This approach is unfair to some states which, under existing highway formulas, have a more difficult time competing for discretionary bridge grants and are therefore less likely to apply. In addition, the purpose of altering these bridges is to improve the safety of marine navigation under the bridge, not to improve surface transportation on the bridge itself. Since in some cases, there are unsafe conditions on the waterway beneath a bridge which has an adequate surface or structural condition, Federal-aid highways funding is not appropriate to address the purpose of the Truman-Hobbs program.

The Committee recommends $16,000,000 for two bridges which have been funded in past years, including fiscal year 1997. Both of the bridges for which funds are recommended are authorized and have been issued an order to alter by the Commandant of the Coast Guard. The Committee directs that, of the funds provided, $9,000,000 shall be allocated to the Sidney Lanier highway bridge in Brunswick, Georgia; and $7,000,000 shall be allocated to the Florida Avenue railroad/highway combination bridge in New Orleans, Louisiana.

RETIRED PAY

Appropriation, fiscal year 1997	$617,284,000
Budget estimate, fiscal year 1998	645,696,000
Recommended in the bill	645,696,000
Bill compared with:	
Appropriation, fiscal year 1997	+28,412,000
Budget estimate, fiscal year 1998	....

This appropriation provides for the retired pay of military personnel of the Coast Guard and the Coast Guard Reserve. Also included are payments to members of the former Lighthouse Service and beneficiaries pursuant to the retired serviceman's family protection plan and survivor benefit plan, as well as payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act.

The Committee has approved the budget estimate of $645,696,000 for this appropriation in fiscal year 1998. This compares to an appropriation of $617,284,000 for fiscal year 1997, an increase of 4.6 percent. This is scored as a mandatory appropriation in the Congressional budget process.

Reserve Training

Appropriation, fiscal year 1997	$65,890,000
Budget estimate, fiscal year 1998	65,000,000
Recommended in the bill	67,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+1,110,000
Budget estimate, fiscal year 1998	+2,000,000

This appropriation provides for the training of qualified individuals who are available for active duty in time of war or national emergency or to augment regular Coast Guard forces in the performance of peacetime missions. Program activities fall into the following categories:

Initial training.—The direct costs of initial training for three categories of non-prior service trainees.

Continued training.—The training of officer and enlisted personnel.

Operation and maintenance of training facilities.—The day-to-day operation and maintenance of reserve training facilities.

Administration.—All administrative costs of the reserve forces program.

The bill includes $67,000,000 for reserve training, an increase of $1,110,000 (3 percent) above the fiscal year 1997 level. The administration requested $65,000,000, a decrease of 3 percent.

Reimbursement to "Operating expenses".—The recommendation includes a provision in the bill limiting to $20,000,000 the amount of "Reserve training" funds which may be transferred to "Operating expenses". The budget estimated that $22,600,000 of the reserve training appropriation would be transferred to the Coast Guard's operating account to reimburse the Coast Guard for its support of the reserves. Given the relatively small amount of the reserve training appropriation and the declining size of the Selected Reserve, the Committee wants to ensure the Reserves are not assessed excessive charge-backs to the Coast Guard operating budget. The Committee believes the proposed level of reimbursement may be too high, especially given the substantial amount of reserve augmentation workhours provided by the reserves in direct support of Coast Guard missions. In fiscal year 1998, for example, the Coast Guard Reserves are expected to provide 1,095 staffyears in support of Coast Guard missions—2.7 percent of all Coast Guard staff years. The Coast Guard's planned assessment to reimburse their operating budget for reserve training activities does not adequately consider this level of cross-support provided them by the Coast Guard Reserve.

Recruiting.—Of the increase provided, $1,000,000 is to augment recruiting activities of the Reserve. Coast Guard data presented to the Committee this year indicate the Reserve is not meeting its recruiting goals, and the percentage of recruits with prior military service is falling well below the service's needs. This not only reduces the size of the Reserve force, but raises costs, since recruits without prior service experience require more training. In fiscal year 1997, the Coast Guard estimated it would add 430 new recruits, compared to 227 in fiscal year 1996. However, as of mid-March 1997, the Coast Guard had signed up only 133 new reservists. In its June 17, 1997 report accompanying the National Defense Authorization Act of 1998, the Senate Committee on Armed Services noted this problem:

> *The committee is concerned that the Coast Guard Reserve's end strength has fallen significantly below the authorized and appropriated level for fiscal year 1996 and remains so for fiscal year 1997. It is apparent that this end strength shortfall stems from difficulties in recruiting Coast Guard reservists . . . while the active duty Coast Guard exceeded 100 percent of their [recruiting] goals, only 65 percent of those needed were recruited for the reserve force in fiscal year 1996 . . . Finally, the committee notes that the Coast Guard has not applied the various bonus programs that currently exist in law to recruit reservists up to authorized and appropriated end strengths.*

To address these concerns, the Committee's recommendation includes an additional $1,000,000 for Reserve recruiting, raising funding for this activity from $2,066,000 to $3,066,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Appropriation, fiscal year 1997	$ 19,200,000
Budget estimate, fiscal year 1998	19,000,000
Recommended in the bill	19,000,000
Bill compared with:	
Appropriation, fiscal year 1997	−200,000
Budget estimate, fiscal year 1998	....

The bill includes $19,000,000 for applied scientific research and development, test and evaluation projects necessary to maintain and expand the technology required for the Coast Guard's operational and regulatory missions. Of this amount, $3,500,000 is to be derived from the oil spill liability trust fund. This is the same as the budget request and $200,000 less than the amount provided last year.

BOAT SAFETY

(AQUATIC RESOURCES TRUST FUND)

Appropriation, fiscal year 1997	$35,000,000
Budget estimate, fiscal year 1998	[1]
Recommended in the bill	35,000,000
Bill compared with:	
Appropriation, fiscal year 1997	....
Budget estimate, fiscal year 1998	+35,000,000

[1] President's budget requests $50,000,000 in mandatory appropriations in fiscal year 1998.

The Internal Revenue Code of 1954, as amended, and the Federal Boat Safety Act of 1971, as amended, provide for the transfer of highway trust fund revenue derived from the motor boat fuel tax, excise taxes on sport fishing equipment, and import duties on fishing tackle and yachts to the aquatic resources trust fund. The Secretary of the Treasury estimates the amounts to be so transferred and appropriations are authorized from the fund for recreational boating safety assistance and other programs by the Federal Boat Safety Act of 1971 and Public Law 98-369 (the Deficit Reduction Act of 1984). These funds are used primarily to provide grants to states to help enforce boating safety laws and to expand boating education programs.

The bill includes an appropriation of $35,000,000 for the boat safety program. When combined with an additional $20,000,000 in permanent indefinite appropriations from the Clean Vessel Act of 1992 (Public Law 102–587), total program funding of $55,000,000 is provided for fiscal year 1998. This is a $10,000,000 (22.2 percent) increase over the fiscal year 1997 level. This program provides between 15 and 20 percent of total boating safety expenditures when state and federal resources are combined.

Once again this year, the Committee cannot support the Coast Guard's proposal to convert this program to mandatory spending. According to the National Transportation Safety Board, recreational boating accidents result in the highest number of transportation fatalities annually after highway accidents. Over 900 people are killed each year in boating accidents, and over 350,000 are injured, more than 40 percent of which require treatment beyond first aid. The number of boats, especially high speed boats, is increasing each year. The Safety Board still includes boating safety on their list of "most wanted" safety improvements. Annual Congressional review and direction will be needed to ensure implementation of initiatives raised in the Safety Board's earlier study as well as to continue other boating safety activities.

Loss of authorized funding.—The Coast Guard has stated a concern that unless the boating safety program is funded at the authorized level, those resources are lost forever, because a provision in the authorization statute requires they be automatically reallocated to the sport fish restoration program and spent in the same fiscal year. The Committee acknowledges that this feature of the boating safety grant program is unlike the financing of other trust fund safety programs. In those cases, as with general fund authorizations, funds not appropriated remain authorized for appropriation in a future fiscal year. The Committee notes that the boating safety program is up for reauthorization in fiscal year 1998, and encourages the department and the Coast Guard to support elimination of this provision in the statute. Such a change would prevent the diversion of funds intended for boating safety programs to sport fishing activities.

Discretionary grant program.—At the present time, all boating safety grant funds for this program are distributed by formula. Perhaps because of this, the Coast Guard is not active in facilitating the use of grant funds to provide incentives for poorer-performing states to make improvements in their boating programs. This is in contrast to the Federal Highway Administration, National Highway Traffic Safety Administration, Federal Transit Administration, and the Federal Aviation Administration, all of which use their discretionary grants programs to facilitate improvements in safety or capacity. The Committee believes it is time for the Coast Guard to take a more active role in promoting and shaping improvements in boating safety in the various states. The boating public looks to the Coast Guard for leadership in boating safety, and this is one way the Coast Guard can demonstrate that leadership. The Committee encourages the Coast Guard to work with the appropriate legislative committees of the Congress to support authorization of a discretionary grants component of this overall program.

FEDERAL AVIATION ADMINISTRATION

Summary of Fiscal Year 1998 Program

The Federal Aviation Administration (FAA) is responsible for the safety and development of civil aviation and the evolution of a national system of airports. Most of the activities of the FAA will be funded with direct appropriations in fiscal year 1998. The grants-in-aid for airports program, however, will be financed under contract authority with the program level established by a limitation on obligations contained in the accompanying bill. The bill assumes continuation of the aviation ticket tax and other related aviation excise taxes throughout fiscal year 1998 and assumes no new user fees.

The total recommended program level for the FAA for fiscal year 1998 amounts to $9,060,000,000, including a $1,700,000,000 limitation on the use of contract authority. This is $648,900,000 (7.7 percent) above the President's request and $794,088,000 (9.6 percent) above the fiscal year 1997 enacted level for similar, non-emergency activities. The following table summarizes the fiscal year 1997 program levels, the fiscal year 1998 program requests, and the Committee's recommendations:

Program	fiscal year—		
	1997 enacted	1998 estimate	1998 recommended
Operations [1]	$4,900,000,000	$5,361,100,000	$5,300,000,000
Direct appropriation	(4,900,000,000)	(5,036,100,000)	(5,300,000,000)
Appropriation of user fees	(—)	(300,000,000)	(—)
User fee offsetting collections	−75,000,000	- - -	- - -
Facilities and equipment [2]	1,790,000,000	1,875,000,000	1,875,000,000
Research, engineering and development [3]	187,412,000	200,000,000	185,000,000
Grants-in-aid for airports (AIP)	1,460,000,000	1,000,000,000	1,700,000,000
Total	8,262,412,000	8,411,100,000	9,060,000,000

[1] Excludes $57,900,000 in emergency appropriations contained in Public Law 104–208.
[2] Excludes $147,700,000 in emergency appropriations contained in Public Law 104–208.
[3] Excludes $21,000,000 in emergency appropriations in Public Law 104–208.

Status of the Airport and Airway Trust Fund

The Committee has long endeavored to match aviation trust fund spending with revenues coming into the fund. This was increasingly difficult over the 1994–1996 time period, due to Congressional caps on the amount of FAA funding which could be taken from the trust fund. Despite this, however, the Committee continues to believe that Congress should work to ensure that the aviation trust fund does not build up large balances of unobligated funds, and that the fund should be used to finance approximately 85 percent of the FAA's overall budget. Because the legislative ceiling places a priority on trust fund spending for capital programs, the Committee's recommendation to increase capital spending is expected to reduce any possible balance in the aviation trust fund.

National Civil Aviation Review Commission

On July 19, 1996, the House Committee on Appropriations proposed the establishment of a National Civil Aviation Review Commission (NCARC). The Committee's intent in this proposal was to provide "a comprehensive, independent review of FAA safety oversight, financial prospects and options, and acquisition policy". Establishment of this commission was later included in the FAA Reauthorization Act of 1996, and an appropriation of $2,400,000 was provided in the DOT and Related Agencies Appropriations Act, 1997. The commission is expected to report its findings in September 1997.

The Committee believes the work of this high-level commission could be of significant value to the Congress as new directions are being set for aviation policy in the coming years. However, the Committee wishes to emphasize to the commission that its recommendations regarding safety oversight and improvement should be considered of equal importance to financing and airport development issues. It should be clear from last year's Committee report that a review of safety is of the utmost importance. Secondly, the Committee believes the legislative history and charter for the commission does not require development of a new financing system for the FAA, as some have suggested, but an independent review of all options—including the benefits of the current excise tax system. The Committee looks forward to receiving the work of the commission later this year.

In following up on the work of the National Civil Aviation Review Commission over the coming months, and to help restore the credibility and effectiveness of the agency, the Committee encourages the new Administrator to establish an informal working group composed of former FAA Administrators to advise her and the Secretary of Transportation regarding the future direction and needed policies of the agency. The Committee believes the views of these former executives could be invaluable in helping shape the agency's future.

The Committee wishes to emphasize to the new Administrator, the Secretary, and this working group that the highest priorities for their immediate attention and review are matters related to aviation safety. The Committee believes that safety must be given the highest priority in both the department and the agency to address known and potential problems.

Additional Funds for Safety and Capacity Enhancement Programs

The bill includes a total of $175,044,000, above the budget estimate, for new air traffic control equipment and systems, site preparation and installation, and research to improve aviation safety and airway capacity around the country. This represents 8.5 percent of total ATC modernization funding.

Once again this year, in setting priorities for this bill the Committee has placed the strongest emphasis on maintaining, and improving wherever possible, transportation safety around the nation. This is especially true in aviation due to heightened public concern raised last year. The Committee feels strongly that additional funding emphasis should be placed on new safety-related capabilities and equipment, and is disturbed with FAA proposals to reduce funding for safety equipment and research. In some areas the FAA has even suggested that the agency might abandon its responsibility for certain systems altogether, leaving it to aviation industries and airports industries to finance the acquisition of such equipment rather than the FAA. At the same time, the agency's budget includes many low priority, non-safety items as well as funding for an organizational structure which a recent independent financial assessment called inefficient. The Committee has re-prioritized funding for individual capital programs, in order to place a higher emphasis on safety—the FAA's major mission area.

The Committee also notes that over the past year the FAA has been less than diligent in meeting the Committee's direction to pursue Congressional safety improvements "aggressively as a high priority". In some cases, the agency has inappropriately used fiscal year 1997 funds for unapproved activities; in other cases, the agency has taken an excessive amount of time to obligate funds. The Committee will monitor this situation intently, and reiterates its expectation that the agency execute these programs in an aggressive manner.

Agency Culture and the Need for Stable Leadership

The Committee is concerned over the effects of a lack of stable, long-term leadership at the FAA and, as a result, the development of an agency culture which is resistant to change, defensive, and turf-conscious. Without stable leadership at the top of the organization, lower level agency officials make their own decisions without effective coordination or accountability. Each FAA "line of business" is now making its own decisions, fighting over its own turf, and when poor decisions are made, attempts are often made to cover up the problems or ignore them. Over the past few years, this has been most pronounced in the areas of acquisition and development as well as regulation and certification. Last year, at the request of this Committee the General Accounting Office completed an exhaustive analysis of the FAA's acquisition culture, to determine whether cultural influences were causing some of the agency's longstanding problems. They found that often FAA's acquisition staff emphasized self-interest over the agency's mission; established unrealistic cost and schedule estimates in order to "sell" new programs to their superiors; hid bad news from those higher in the organization; did not cooperate with other FAA employees; and did not take responsibility for their actions. Inspector General audits and investigative reports document aspects of this culture and its effects on the agency's programs. The former Inspector General even took the unusual step of advising the FAA Administrator last year of a "troubling culture" at the agency, where managers were not being held accountable for their errors. She warned, "until senior FAA management is willing to send a different message, I suspect that the pattern of abuse we identified will, unfortunately, continue".

The FAA does not have a funding crisis. They have a crisis of management and leadership. Over many years, an organizational culture has developed which is secretive rather than open; self-interested rather than public spirited; and highly resistant to change. Given such a situation, the Committee is very encouraged that the FAA may have new, appointed leadership soon. The Committee believes it is imperative for the new administrator to place a high priority on gaining effective control of the agency and restoring morale, openness, and overall credibility to the Congress and the traveling public.

OPERATIONS

(INCLUDING AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 1997	[1] $4,900,000,000
Budget estimate, fiscal year 1998	[2] 5,336,100,000
Recommended in the bill	5,300,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+400,000,000
Budget estimate, fiscal year 1998	−36,100,000

[1] Excludes $2,811,301 in TASC reductions and $176,888 in reductions for bonuses and awards. Also excludes $57,900,000 in emergency appropriations provided in Public Law 104–208.
[2] Includes $300,000,000 appropriation of user fees.

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 of the FAA's regulatory, airports, medical, engineering and development programs.

The operations appropriation includes the following major activities: (1) operation on a 24-hour daily basis of a national air traffic control system; (2) establishment and maintenance of a national system of aids to navigation; (3) establishment and surveillance of civil air regulations to assure safety in aviation; (4) development of standards, rules and regulations governing the physical fitness of airmen as well as the administration of an aviation medical research program; (5) administration of the acquisition, research and development programs; (6) administration of the civil aviation security program; (7) headquarters, administration and other staff offices; and (8) administration of the federal grants-in-aid program for airport construction.

COMMITTEE RECOMMENDATION

The Committee recommends $5,300,000,000 for FAA operations, an increase of $400,000,000 (8.2 percent) above the level provided for fiscal year 1997. This compares to a level of $5,336,100,000 in the President's budget request (including user fee proposals). Of the level provided, $3,425,000,000 shall be derived from the aviation trust fund, as requested. In addition, the FAA will receive a $50,000,000 permanent user fee appropriation from overflight fees, bringing the total operating increase to 9.2 percent during fiscal year 1998. The recommendation fully funds the request for 500 additional air traffic controllers and 326 additional aviation safety inspectors and other safety oversight personnel.

A breakdown of the fiscal year 1997 enacted level, the fiscal year 1998 budget estimate, and the Committee recommendation by budget activity follows:

Budget activity	Fiscal year—		
	1997 enacted	1998 estimate	1998 recommended
Air traffic services	$3,801,353,000	$4,192,516,000	$4,171,707,000
Aviation regulation and certification	501,921,000	613,768,000	613,768,000
Civil aviation security	114,360,000	98,651,000	98,154,000
Administration of airports	45,051,000	48,052,000	48,052,000
Research and acquisition	85,767,000	92,858,000	92,858,000
Commercial space transportation	6,040,000	6,182,000	6,182,000
Administration	330,044,000	262,143,000	258,491,000
Staff offices	70,376,000	71,930,000	69,925,000
Account-wide adjustments			−9,137,000
Adjustments (e.g., emergency appropriations, general reductions)	−54,912,000		
Total budget	4,900,000,000	5,386,100,000	5,350,000,000
User fee appropriation (mandatory)		50,000,000	50,000,000
Appropriation in this bill		5,336,100,000	5,300,000,000
Total available funding		5,386,100,000	5,350,000,000

A summary of recommended adjustments to the budget estimate is as follows:

	Amount
Air Traffic Services:	
HAZMAT program—air traffic	−$6,000,000
ATR office	−2,625,000
Contract maintenance	−3,659,000
Leased telecommunications	−6,200,000
Associate administrator for ATS—headquarters staffing	−2,325,000
Mid-America aviation resources consortium (MARC)	+1,500,000
Permanent change of station moves, air traffic	−1,500,000
Civil Aviation Security:	
Federal air marshall program	−497,000
Administration:	
Executive staff—administration	−1,852,000
Business and information consultation	−1,800,000
Staff Offices:	
Staff offices	−1,825,000
Office of policy—periodic fitness reviews	−180,000
Account-wide Adjustments:	
Travel reform	−5,900,000
Time off awards	−2,875,000
DOT library contribution	−120,000
Interest on Sunday premium pay	−242,000
Total	−36,100,000

FAA FUNDING SITUATION

Over the past three years, the Department of Transportation and the FAA have suggested that the Congressional budget process might be unable to provide funding for the FAA's true needs over the 1997–2002 time frame. In response to this and other concerns, Congress called for an independent assessment of FAA's long-term finances last year.

The independent assessment of FAA's financial situation concluded that:

(1) With little or no change in FAA's operations, the agency's estimate of their long-term funding requirement is reasonable; and

(2) Significant opportunities for cost savings and efficiencies exist in the FAA today, and should be taken advantage of.

After reviewing this report and other information submitted by the FAA, the Committee does not believe the Congressional budget process is inherently or structurally incapable of providing adequate resources for the FAA. The resources in this bill confirm that the Congress can provide significantly increasing resources for the FAA, even as continued progress is made toward eliminating the federal deficit. In this bill, appropriations for FAA's air traffic operations increase approximately 10 percent—far beyond the estimated rate of increase in aviation activity. Grants for improvements at our nation's airports are increased by 16 percent, and 70 percent above the administration's request. Funding for FAA air traffic control capital programs are above the fiscal year 1997 level as well.

In recommending such a large percentage increase in the agency's operating budget, the Committee hopes the FAA will leverage this increase by making structural and process changes in the agency to improve productivity and reduce waste, as suggested in the independent assessment. The independent assessment concluded that even a 10 percent improvement in air traffic productivity would save the agency $21,000,000 a year in operating costs, and recommended the FAA Administrator mandate that FAA's Productivity Working Group establish specific goals and expectations in this area. They noted "air traffic control operations costs continue to increase faster than the demand for FAA air traffic control services". The head of FAA's Air Traffic Service even said the following before the Committee this year: "Are there things that we can do to improve the productivity? Absolutely". However, currently the FAA's budget assumes no air traffic control productivity improvements in the 1998–2000 time period, while projecting large workforce growth over those years.

Similarly, the independent assessment of FAA concluded "the potential for efficiency savings through the realignment of the FAA, both at the headquarters and the regional level, is significant". The Acting IG testified before the Committee "there are a lot of opportunities for them [the FAA] to reduce their operating costs". The Acting Administrator even testified, "I would agree that there are certainly opportunities for savings by taking a look at the overhead costs * * * certainly there are opportunities there, yes". The head of air traffic added, "I have worked for the FAA for 24 years now, and for all of those years it has been clear to me that there are enormous efficiencies that we could gain through looking at our regional structure".

The Committee will do its part—and the FAA should match that by aggressively eliminating inefficiencies and waste, by streamlining and consolidating its organizational structure, and by improving productivity.

USER FEES

The bill assumes the collection of no additional user fees in fiscal year 1998 that were not in effect during fiscal year 1997 and includes a provision prohibiting funds in this Act from being used to plan or promulgate any regulation to institute any new user fee not specifically authorized by law after the date of enactment of this Act. The bill assumes the FAA will collect approximately $100,000,000 during fiscal year 1998 from overflight user fees, and that $50,000,000 of that amount will be used to finance the essential air service and rural airport programs, as authorized last year.

The Committee has not approved the FAA's proposed appropriation of $300,000,000 in new user fees, but instead provides those funds as a direct appropriation. Although the FAA testified this year that such fees would be "a reasonable and proactive step towards ensuring a reliable revenue stream", the agency later offered testimony indicating the unreliability of such fee collections. The Acting Administrator stated, "The $300,000,000 translates roughly into about 4,000 jobs, so to the extent that we do not have all of the $300,000,000, we would be looking at a budget shortfall certainly, and then we would have to start making the hard decisions". The Committee believes the FAA provides critical safety services to the traveling public. Subjecting the provision of these services to the uncertainties of user fee collections, possible court injunctions, and legislative exemptions for one class of user or another would lead to a financing nightmare for the agency and for the traveling public.

There are other concerns with the user fee proposal as well: (1) at least one of the proposed fees does not appear to meet existing criteria that such fees be directly related to the service performed by the agency; (2) the agency itself did not request such a rapid imposition of fees, but was directed to do so by higher authorities in the administration; (3) the agency's cost accounting system is unable to reasonably assure that fees collected will be related to specific services provided; (4) the theory behind the fee proposal is based, in part, on the industry's willingness to pay, which raises concerns about fairness in a monopoly service such as air traffic control; (5) the FAA does not track all staffing at the facility level, which raises questions about their ability to properly assign costs to airway system users; and (6) such a financing arrangement would set a wide-ranging precedent visible to other federal agencies whose ultimate effect on the provision of government services is unknown.

In summary, the Committee is unclear whether enactment of the user fee proposal would serve the purpose of efficiency in government. Therefore, the Committee cannot support the FAA user fee proposal.

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

AIR TRAFFIC SERVICES

The Committee recommends $4,171,707,000 for air traffic services, an increase of $370,354,000 (9.7 percent) above the fiscal year 1997 enacted level. The recommendation provides a net increase of 500 air traffic controller positions and 607 additional staffyears. The recommendation also provides an increase of $85,588,000 (10.4 percent) in field maintenance. The Committee believes substantial increases are needed as air traffic activity continues to increase, and as FAA struggles to maintain both old and modernized air traffic control systems simultaneously.

The following chart compares the 9.7 percent increase in the bill for air traffic service funding to the projected percentage increases in several commonly used measures of aviation activity. As the chart indicates, the FAA's air traffic budget will rise in fiscal year 1998 at a substantially greater rate than aviation activity. The Committee believes this ensures adequate resources to accommodate rising air travel, provides a margin for future traffic growth, and provides increased resources for technical training of air traffic controllers and other personnel.

Measure	Fiscal year— 1997	Fiscal year— 1998	Percent change
Air traffic services budget	$3,801,353,000	$4,171,707,000	+9.7
IFR aircraft handled at centers	40,900,000	41,800,000	+2.2
IFR operations at airports	46,800,000	47,400,000	+1.3
VFR operations at airports	6,000,000	4,700,000	−21.6
Operations per center controller	5,298	5,180	−2.2
Flight services per employee	9,841	9,932	+0.9

Operational errors.—The Committee is pleased that both the number and rate of operational errors among air traffic controllers at en route centers continued to decrease in fiscal year 1996, after increasing in the 1992–1994 time period. While most facilities showed declines in their error rates, the FAA is encouraged to investigate thoroughly the causes for error at those facilities which showed error rate increases during fiscal year 1996 and thus far in fiscal year 1997. The Committee will monitor this situation to ensure that a high and consistent level of safety is maintained over the entire country.

Adjustments to the budget estimate are as follows:

Hazardous materials (HAZMAT)/safety.—The FAA proposed a $6,000,000 (240 percent) increase to raise the level of effort in a project titled "HAZMAT/safety". However, according to budget justification material, this should more appropriately be classified as environmental and OSHA-related work. For example, the budget includes $1,000,000 to train FAA personnel in the proper application of herbicides and pesticides and $600,000 for travel, to help FAA field personnel better understand energy conservation techniques. While the Committee has no objection to this type of activities per se, given budget constraints it is hard to justify a 240 percent increase. The Committee recommendation holds these activities to the fiscal year 1997 level, a reduction of $6,000,000 from the budget estimate.

Air traffic system requirements service.—The recommendation reduces funding for this office by $2,625,000. The Committee believes this relatively new office of 209 staff is unusually top-heavy and has a large number of vacant positions. The recommendation eliminates the 26 positions currently vacant and assumes that positions vacated during the year would not be backfilled. This results in savings of 35 positions, a reduction in staffing of 16.7 percent.

Contract maintenance.—The Committee continues to believe that the FAA could be more efficient with its scarce resources if in-house maintenance personnel were utilized to a greater percent, relative to contract maintenance. The President's budget proposed an increase of $24,396,000 (21 percent) in contract maintenance.

The Committee bill assumes a fifteen percent savings in this work if conducted in-house, a savings of $3,659,000 from the budget estimate.

Leased telecommunications.—The Committee's proposed reduction of $6,200,000 reflects the fact that FAA has not utilized all of the appropriation for this activity in either of the past two fiscal years, yet is requesting a 5.2 percent increase in such expenses for fiscal year 1998. The recommendation allows an increase of 3 percent.

Associate administrator for air traffic services, headquarters staffing.—The Committee recommends a reduction of $2,325,000 for this office, to be allocated as follows:

Office	Budgeted FTE	Recommended FTE	Difference
Director's office	18	14	−4
Air traffic plans and requirements	86	75	−11
Director of airways facilities	46	35	−11
NAS transition office	30	25	−5

The Committee has endeavored, wherever possible, to find savings in administrative areas in order to fully support the requested increases in safety-related positions. The Committee believes the agency can accommodate these small reductions in headquarters without impact on the provision of services to the public.

Mid-America aviation resource consortium.—The Committee expects the FAA to continue the agency's commitment to the Mid-America Aviation Resource Consortium (MARC) in Minnesota, and has included $1,500,000 in the bill for this purpose. These funds are to be used in Minnesota to support the air traffic controller training program, to continue research and curriculum development for the FAA, to follow up on MARC graduates, and to develop other materials as needed for FAA-related projects. The Committee also directs the FAA to continue the current contractual relationship with MARC, as prescribed by law. The Committee continues to be concerned about the FAA's ability to develop an effective, long-term plan for training en route controllers and determining controller staffing needs. MARC has a successful record in placing its graduates directly in the field, and the Committee both supports and encourages this cost-effective manner of training.

Permanent change of station moves, air traffic.—The Committee recommendation allows $14,200,000 compared to the budget request of $15,700,000. The recommendation allows an increase of 446 percent above the level estimated for fiscal year 1997 compared to a 504 percent increase assumed in the budget estimate.

Cherry Capital Airport study, Michigan.—The Committee understands that the FAA prepared in 1994 and in 1996 studies of the operations at the Cherry Capital Airport in Michigan that produced significantly different estimates of the costs and benefits of installing radar equipment at the airport. The Committee directs the General Accounting Office to review the FAA's 1994 and 1996 ASR Critical Values studies on Cherry Capital Airport, and to report to the House and Senate Committees on Appropriations within thirty days on the validity of the FAA's estimates of forecasted operations at the airport, and the costs and benefits of installing improved radar equipment at that site.

National weather service staff at en route centers.—The Committee recommendation includes $8,374,000 to retain the services of National Weather Service personnel at FAA en route centers, an increase over the $8,052,000 provided for fiscal year 1997. This is the same as the budget request.

Sick leave.—The Committee notes that the controller workforce consumes sick leave at a rate approximately 25 percent higher than the government-wide average and 48 percent higher than the rest of the FAA. The average controller consumes 11.1 days per year of sick leave, compared to an aviation safety inspector, who consumes 5.9 days. The Committee encourages the FAA to investigate the causes of these differences and consider innovative ways to reduce sick leave consumption, such as leave pooling, without undermining the legitimate needs of its workforce.

ATC staffing needs.—The Committee is concerned about a recent finding of the General Accounting Office that the FAA may be overstating its true needs for air traffic controllers in future years. This appears to confirm a finding of the independent assessment that there is a "high likelihood" FAA has overstated its future air traffic workload. Given the significant budgetary impact of findings in this area and the need to ensure adequate staffing for air traffic control facilities, the Committee urges the FAA to analyze these concerns and ensure that future staffing requests are fully justified.

AVIATION REGULATION AND CERTIFICATION

The Committee recommends $613,768,000 for aviation regulation and certification, the same as the budget request and an increase of $111,847,000 (22.3 percent) above the fiscal year 1997 enacted level. The recommendation funds 5,882 staff years, an increase of 481 (8.9 percent) above fiscal year 1997. The bill fully funds all requested position increases, including airworthiness inspectors (+117), airline operations inspectors (+118), safety-related technical support staff (+68), and manufacturing certification inspectors (+6). The Committee agrees that this additional staffing is needed, even considering the significant increases in staffing provided over the past three years.

Certification of commercial cargo aircraft.—The Committee is aware of efforts to introduce certain commercial cargo aircraft into the heavy, outsize transportation market. The Committee recommends that all regulatory efforts be made to support the employment of such aircraft's full range of capabilities which have commercial market value. Because this technology is different from other commercial transport aircraft, the Committee acknowledges that new and different standards must be developed. FAA has agreed to use, as much as possible, the data generated by the Air Force during its testing of the C–17 and to allow approval of such data by FAA designated engineering representatives. The Committee recognizes the FAA's efforts in this program, and urges the FAA to continue this innovative thinking when certification and operational issues arise during the certification process.

Safety performance analysis system (SPAS).—The Committee is concerned that FAA may not realize the full safety potential of the safety performance analysis system (SPAS) if the data in such system were subject to Freedom of Information Act (FOIA) requests. While the Committee is normally supportive of FOIA, in this case the provision of such sensitive data directly to the public could undermine the willingness of FAA safety inspectors to make and record professional judgments on safety matters related to specific air carriers. The FAA testified before the Committee this year that "if critical company-specific safety data is released under FOIA, inspectors would be inhibited from providing information about a potential problem . . . Since the purpose of SPAS is to identify potential safety problems and trends in advance of more serious incidents, the resulting loss of this (expert opinion) data would inhibit the usefulness of SPAS". This issue will soon reach a critical point, since the upgraded version of SPAS (SPAS II) will begin wide-scale deployment to the field in fiscal year 1998. The administration is urged to address this concern expeditiously in a manner which most fully supports aviation safety.

CIVIL AVIATION SECURITY

The Committee recommends $98,154,000 for civil aviation security, a reduction of $497,000 from the budget estimate. The recommendation assumes program savings based on recent recommendations of the DOT Inspector General regarding overtime policy and staffing for the federal air marshall program. The recommendation funds approximately 1,109 staff years, an increase of 264 (31.2 percent) above the fiscal year 1997 staffing estimate.

Baggage screener qualifications and compensation.—The Committee is concerned over testimony received this year showing the high turnover rate and low pay of baggage screener personnel at our nation's airports. As the FAA's head of Civil Aviation Security said, "Pay is related to turnover and the turnover rate of screeners in the U.S. is too high". Data submitted by the FAA indicates the average annual turnover rate at high-threat airports for baggage screeners is over 140 percent. The starting wage for many of these personnel is below that of personnel at fast food restaurants or airport janitorial staff. While it is not clear whether this has a direct link to airport security, in most industries there is an assumption that higher compensation generally results in higher performance. The Committee is concerned that this may be a limiting factor in our ability to continue raising the level of security at airports, and could especially limit the effectiveness of advanced technology explosive detection machines. The Committee applauds the recent initiative to determine minimum qualifications for baggage screener personnel, and encourages the FAA to evaluate the impact of low pay and high turnover on airport security in its future actions in this area.

Security classification.—The final report of the White House Commission on Aviation Security and Safety states that the Federal Government should consider aviation security as a national security issue. Executive Order 12958 specifies that information which reveals "vulnerabilities or capabilities of systems, installations, projects or plans relating to the national security" may be considered appropriate for protection by classification procedures. It would appear that certain sensitive information concerning systems in place to protect U.S. civil aviation against acts of terrorism falls within this scope, since the purpose of those systems is to protect U.S. citizens who, when traveling on commercial airliners, are at risk of being targeted because of their (and the airliners') nationality. Particularly in light of the White House Commission's finding, the Committee encourages the administration to explicitly recognize those cases where "civil aviation security" information falls within the definition of "national security" for the purposes of security classification and to advise the Congress of any proposals in this area.

ADMINISTRATION OF AIRPORTS

The Committee recommends $48,052,000 for administration of the FAA airports program, an increase of $3,001,000 (6.7 percent) above the fiscal year 1997 enacted level and the same as the budget request.

RESEARCH AND ACQUISITION

The Committee recommends $92,858,000 for research and acquisition, the same as the budget request. The recommendation represents an increase of $7,091,000 (8.3 percent). This activity finances the planning, management, and coordination of FAA's research and acquisition programs.

COMMERCIAL SPACE TRANSPORTATION

The Committee recommends $6,182,000 for the Office of Commercial Space Transportation (OCST), the same as the budget request. The fiscal year 1997 enacted level for this office was $6,040,000. The bill specifies that no funding for this office may be derived from the airport and airway trust fund. This provision has been carried in the bill for several years.

ADMINISTRATION

The Committee recommends $258,491,000 for administration, a reduction of $3,652,000 from the budget estimate. Specific adjustments to the budget estimate are discussed below.

Executive staff.—The Committee recommends a reduction of $1,852,000 for administration's executive staff. The Committee notes that staffyears have risen in this office from 77 in fiscal year 1996 and 90 in fiscal year 1997 to a proposed level of 94 in fiscal year 1998. In September 1996, the actual staffing on board was 78. The Committee does not agree that this administrative branch of the FAA should be growing, and consequently recommends an allowance sufficient to fund 78 positions rather than the 94 requested.

Business and information consultation.—The Committee believes that much of this management analysis activity should be devolved to the individual lines of business, given FAA's overall strategy of holding the lines of business accountable for their performance. Therefore, the Committee recommends a reduction of $1,800,000 and assumes that the individual lines of business will absorb necessary costs within their overall totals.

WINGS.—The Committee directs that no funds may be used in fiscal year 1998 to develop the proposed new personnel and payroll system known as WINGS. The Committee is unclear at this time how the overall project will be financed within the agency's budget. Further justification is required before this project should proceed.

STAFF OFFICES

The Committee recommends $69,925,000 for certain headquarters staff offices funded in this budget activity, a reduction of $2,005,000 (2.8 percent) from the budget estimate. Specific adjustments to the President's budget are discussed below.

Staffing.—Many offices in this budget activity are now showing staffyear increases since fiscal year 1996, although the initial budget requests assumed decreases. During fiscal year 1996, for example, the FAA added 23 staff years to these offices. Given the need to fund increases in FAA controller staffing and Coopers and Lybrand's assessment that FAA needs to reduce its administrative overhead, the Committee believes these staff offices should be gradually reduced. This is particularly relevant for these offices—which average over $120,000 per staff year and represent the agency's leadership—and which set the tone and pace for the rest of the agency. The Committee recommendation assumes a gradual, multiyear phasedown of this staffing, from 591 staff years in the President's budget to 576 at the end of the year. These reductions are to be allocated as shown below:

FTE by Office	Fiscal year—			Committee Recommended
	1996 Actual	1997 Estimate	1998 Estimate	
Administrator and Deputy	63	64	64	64
Civil rights	11	14	15	15
Government and industry affairs	14	13	13	13
System safety	33	35	38	38
Policy, planning, and international aviation	144	143	143	142
Chief counsel	280	289	285	271
Public affairs	43	33	33	33
Total	588	591	591	576

Office of policy, periodic fitness reviews.—The Committee does not agree with an assumption in the budget request that FAA should finance 3 staff years in the office of the secretary to implement a recommendation of the White House Commission that greater attention be paid to periodic fitness reviews of airlines. While the Committee agrees this is an important activity, it is clearly the responsibility of the office of the secretary. The Committee bill assumes that such increased activity will be financed by the office of the secretary out of available funds, and not from the FAA's budget.

English language proficiency.—The Committee is concerned that not enough is being done by the FAA to promote and standardize proficiency in the English language by pilots and air traffic controllers around the world. Both the GAO and the National Transportation Safety Board testified this year that more needs to be done to ensure that foreign air traffic controllers have the English language proficiency to handle emergency and nonstandard situations. The Acting FAA Administrator testified "It is a great concern of ours. In fact, it is a great concern of the international aviation community. It is a worldwide problem . . . it is in fact a causal event, and has been, in a number of accidents". The Committee believes that more research and analysis needs to be conducted on this problem, and has added $500,000 under "Research, engineering and development" to address the problem. In addition, the Committee encourages the FAA's International Office to work closely with the International Civil Aviation Organization and NTSB to develop standardized training and evaluation procedures for improving and monitoring English language proficiency around the world.

ACCOUNTWIDE ADJUSTMENTS

The Committee recommends accountwide adjustments resulting in a net decrease of $9,137,000 below the budget estimate. These adjustments are discussed below.

Travel reform.—FAA officials have advised the Committee that travel reforms already approved by the agency are expected to save $5,900,000 in annual travel costs. These include changes in permanent change of station (PCS) reimbursements as well as temporary duty (TDY) travel. The Committee has long advocated these type of changes, and the bill assumes those program savings for fiscal year 1998.

Time-off awards.—The Committee recommends $3,825,000 for time off awards in fiscal year 1998, an increase of 41 percent over the fiscal year 1995 level, but $2,875,000 less than requested by the administration. The Committee notes that a large percentage of the FAA workforce consumes leave at greater than the government-wide average, and many employees will still be exempt from the cap on annual leave carryover during fiscal year 1998. Therefore, the Committee believes a fewer amount of time-off awards can be accommodated.

DOT library contribution.—The Committee recommendation reduces FAA's contribution to the DOT library in the Nassif Building by $120,000 due to budget constraints. This leaves an expected FAA contribution of $1,180,000 for fiscal year 1998. The Committee believes this is a fair representation of the use of this facility by the FAA, especially given the fact that the FAA utilizes its own technical library in the FAA headquarters building.

Interest on Sunday premium pay.—The Committee deletes the $242,000 budgeted for interest on Sunday premium pay. Should the existing prohibition be lifted, the FAA would be required to pay interest on these expenses. However, these funds will not be necessary since the Committee is recommending continuation of the prohibition on Sunday premium pay in those cases where employees do not work on a Sunday.

BILL LANGUAGE

Manned auxiliary flight service stations.—The Committee bill includes the limitation requested in the President's budget prohibiting funds from being used to operate a manned auxiliary flight service station in the contiguous United States. The FAA budget includes no funding to operate such stations during fiscal year 1998.

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

Sunday premium pay.—The bill retains a provision begun in fiscal year 1995 which prohibits the FAA from paying Sunday premium pay except in those cases where the individual actually worked on a Sunday. The statute governing Sunday premium pay (5 U.S.C. 5546(a)) is very clear: "An employee who performs work during a regularly scheduled 8-hour period of service which is not overtime work as defined by section 5542(a) of this title a part of which is performed on Sunday is entitled to * * * premium pay at a rate equal to 25 percent of his rate of basic pay." Disregarding the plain meaning of the statute and previous Comptroller General decisions, however, in Armitage v. United States, the Federal Circuit Court held in 1993 that employees need not actually perform work on a Sunday to receive premium pay. The FAA was required immediately to provide back pay totaling $37,000,000 for time scheduled but not actually worked between November 1986 and July 1993. Without this provision, the FAA would be liable for significant unfunded liabilities, to be financed by the agency's annual operating budget. This provision is identical to that in effect for fiscal years 1995 through 1997, and as requested by the administration in the fiscal year 1998 President's budget.

O'Hare slot management.—The bill continues the general provision enacted beginning in fiscal year 1995 which prohibits funding to implement or enforce regulations that would result in slot allocations for international operations to any carrier at O'Hare Airport in excess of the number of slots allocated to and scheduled by that carrier as of the first day of the 1993–1994 winter season, if that international slot is withdrawn from an air carrier under existing regulations for slot withdrawals. The provision continues the cap on withdrawals in effect since fiscal year 1995.

Facilities and Equipment

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 1997	[1] $1,790,000,000
Budget estimate, fiscal year 1998	1,875,000,000
Recommended in the bill	1,875,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+85,000,000
Budget estimate, fiscal year 1998	....

[1] Excludes $147,700,000 in emergency contingent appropriations.

The facilities and equipment (F&E) appropriation is the principal means for modernizing and improving air traffic control and airway facilities. This account 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 $1,875,000,000 for this program, which represents an increase of $85,000,000 above the level provided for fiscal year 1997 (for similar non-emergency activities) and the same as the budget estimate. The bill provides that of the total amount recommended, $1,655,890,000 is available for obligation until September 30, 2000, and $219,110,000 (the amount for personnel and related expenses) is available until September 30, 1998. These obligation availabilities are consistent with past appropriations Acts and the same as the budget request.

The following chart shows the fiscal year 1997 enacted level, the fiscal year 1998 budget estimate and the Committee recommendation for each of the projects funded by this appropriation:

FACILITIES AND EQUIPMENT
Fiscal Year 1998
(In thousands of dollars)

TITLE	FY 1997 Enacted	FY 1998 Estimate	FY 1998 Committee
ENGINEERING DEVELOPMENT, TEST AND EVALUATION:			
AVIATION WEATHER SERVICES IMPROVEMENTS	19,942.0	23,000.0	33,000.0
EN ROUTE AUTOMATION	96,500.0	0.0	0.0
VOICE SWITCHING AND CONTROL SYSTEM (VSCS) - EDT&E	13,300.0	0.0	0.0
OCEANIC AUTOMATION SYSTEM	39,000.0	32,000.0	42,000.0
AERONAUTICAL DATA LINK (ADL) APPLICATIONS	0.0	0.0	15,000.0
NEXT GENERATION VHF A/G COMMUNICATION SYSTEM	2,090.0	7,400.0	7,400.0
WIDE AREA AUGMENTATION SYSTEM (WAAS) FOR GPS	95,000.0	0.0	0.0
NATIONAL SATELLITE TEST BED	11,500.0	0.0	0.0
AIR TRAFFIC MANAGEMENT (ATM)	0.0	18,240.0	45,440.0
WEATHER AND RADAR PROCESSOR (WARP)	0.0	0.0	24,400.0
SUBTOTAL - EN ROUTE PROGRAMS	**277,332.0**	**80,640.0**	**167,240.0**
TERMINAL DIGITAL RADAR (ASR-11)	13,300.0	42,200.0	42,200.0
TERMINAL AUTOMATION	48,000.0	68,000.0	73,000.0
REMOTE MAINTENANCE MONITORING SYSTEM	6,000.0	0.0	0.0
WEATHER SYSTEMS PROCESSOR (WSP)	8,055.0	6,200.0	6,200.0
AIRPORT SURFACE TARGET IDENTIFICATION SYSTEM	4,000.0	0.0	0.0
INNOVATIVE INFRARED DEICING TECHNOLOGY	0.0	0.0	970.0
SUBTOTAL - TERMINAL PROGRAMS	**79,355.0**	**116,400.0**	**122,370.0**
LOCAL AREA AUGMENTATION SYSTEM FOR GPS (LAAS)	6,000.0	6,500.0	6,500.0
WIDE AREA AUGMENTATION SYSTEM (WAAS)	0.0	101,530.0	114,000.0
SUBTOTAL - LANDING/NAVAIDS	**6,000.0**	**108,030.0**	**120,500.0**
FAA TECHNICAL CENTER FACILITY - BUILDING LEASE	5,290.0	5,290.0	5,290.0
UTILITY PLANT MODIFICATIONS	910.0	0.0	0.0
NAS IMPROVEMENT OF SYSTEM SUPPORT LABORATORY	2,000.0	2,000.0	2,000.0
TECHNICAL CENTER FACILITIES	9,000.0	7,000.0	7,000.0
INDEPENDENT OPERATIONAL TEST SUPPORT	3,500.0	3,200.0	3,200.0
SUBTOTAL, RDT&E EQUIPMENT AND FACILITIES	**20,700.0**	**17,490.0**	**17,490.0**
TOTAL ACTIVITY 1	***383,387.0***	***322,560.0***	***427,600.0***
AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT:			
LONG RANGE RADAR (LRR) PROGRAM - REPLACE/ESTABLISH	16,500.0	6,600.0	6,600.0
EN ROUTE AUTOMATION	106,100.0	214,240.0	214,190.2
NEXT GENERATION WEATHER RADAR (NEXRAD)	0.0	3,000.0	3,000.0
AIR TRAFFIC OPERATIONS MANAGEMENT	1,000.0	1,000.0	1,000.0
WEATHER AND RADAR PROCESSOR (WARP)	24,650.0	24,400.0	0.0
AERONAUTICAL DATA LINK (ADL) APPLICATIONS	17,425.0	8,000.0	0.0
ARTCC BUILDING IMPROVEMENTS/PLANT IMPROVEMENTS	62,087.0	98,551.7	86,451.7
VOICE SWITCHING AND CONTROL SYSTEM (VSCS)	101,700.0	50,700.0	50,700.0

FACILITIES AND EQUIPMENT
Fiscal Year 1998
(In thousands of dollars)

TITLE	FY 1997 Enacted	FY 1998 Estimate	FY 1998 Committee
RCF - EXPAND/RELOCATE	2,825.0	1,440.0	1,440.0
TRAFFIC FLOW MANAGEMENT	38,000.0	0.0	0.0
AIR TRAFFIC MANAGEMENT	0.0	44,200.0	17,000.0
DATA MULTIPLEXING NETWORK (DMN)	3,900.0	3,900.0	3,900.0
CRITICAL COMMUNICATIONS SUPPORT	0.0	4,300.0	4,300.0
SATELLITE COMMUNICATIONS CIRCUIT BACK-UP	2,000.0	0.0	0.0
DOD BASE CLOSURE - FACILITY TRANSFER	500.0	2,200.0	2,200.0
BACK-UP EMERGENCY COMMUNICATIONS (BUEC)	3,000.0	8,500.0	8,500.0
AIR/GROUND COMMUNICATION RFI ELIMINATION	0.0	2,000.0	2,000.0
VOLCANO MONITOR	2,000.0	0.0	0.0
ATC BEACON INTERROGATOR (ATCBI) REPLACEMENT	1,000.0	7,400.0	7,400.0
SPECTRUM AUCTION IMPACT	40,000.0	0.0	0.0
LOW DENSITY RADIO COMMUNICATIONS LINK	0.0	29,840.0	23,840.0
ATC EN ROUTE RADAR FACILITIES	0.0	6,748.3	6,748.3
EN ROUTE COMMS AND CONTROL FACILITIES IMPROVEMENT	3,265.0	918.3	918.3
OMEGA TERMINATION COST	0.0	0.0	6,700.0
SUBTOTAL - EN ROUTE PROGRAMS	**425,952.0**	**517,938.3**	**446,888.5**
TERMINAL DOPPLER WEATHER RADAR (TDWR) - PROVIDE	4,655.0	4,800.0	2,300.0
MODE S - PROVIDE	3,980.0	0.0	0.0
TERMINAL AUTOMATION	16,300.0	40,000.0	33,800.0
REMOTE MAINTENANCE MONITORING SYSTEM (RMMS)	17,900.0	0.0	0.0
TERMINAL AIR TRAFFIC CONTROL FACILITIES - REPLACE	74,400.0	62,000.0	67,000.0
CONTROL TOWER/TRACON FACILITIES - IMPROVE	16,354.0	18,631.1	4,800.0
TERMINAL VOICE SWITCH REPLACEMENT (TVSR)	12,300.0	9,940.0	1,640.0
RADIO CONTROL EQUIPMENT (RCE) - PROVIDE	0.0	3,000.0	3,000.0
EMPLOYEE SAFETY/OSHA AND ENVIRONMENTAL COMPLIANCE	21,000.0	43,700.0	23,000.0
CHICAGO METROPLEX	2,900.0	4,700.0	4,700.0
NEW AUSTIN AIRPORT AT BERGSTROM	16,900.0	3,700.0	2,000.0
POTOMAC METROPLEX	1,000.0	2,600.0	27,600.0
DENVER METROPLEX	4,000.0	1,200.0	1,200.0
NORTHERN CALIFORNIA METROPLEX	7,500.0	21,700.0	21,700.0
ATLANTA METROPLEX	6,500.0	15,600.0	25,400.0
TOWER AUTOMATION PROGRAM	10,000.0	2,000.0	0.0
DIGITAL VOICE RECORDER SYSTEM	4,000.0	3,000.0	3,000.0
NAS INFRASTRUCTURE MANAGEMENT SYSTEM (NIMS)	0.0	26,750.0	18,000.0
AIRPORT SURVEILLANCE RADAR (ASR-9)	0.0	23,700.0	23,700.0
AIRPORT SURFACE DETECTION EQUIPMENT (ASDE-3)	4,000.0	0.0	8,600.0
TERMINAL RADAR (ASR) - IMPROVE	4,445.0	3,240.5	3,240.5
SOUTHERN CALIFORNIA METROPLEX	5,700.0	0.0	0.0
AIRPORT MOVEMENT AREA SAFETY SYSTEM (AMASS)	15,393.0	0.0	14,300.0
TERMINAL COMMUNICATIONS IMPROVEMENTS	3,406.0	2,189.0	0.0
GRR/GRT RADIO REPLACEMENT	12,900.0	0.0	0.0
SUBTOTAL - TERMINAL PROGRAMS	**264,633.0**	**292,450.6**	**288,980.5**
AUTOMATED SURFACE OBSERVING SYSTEM (ASOS)	12,644.0	14,850.0	14,850.0

FACILITIES AND EQUIPMENT
Fiscal Year 1998
(In thousands of dollars)

TITLE	FY 1997 Enacted	FY 1998 Estimate	FY 1998 Committee
OASIS	500.0	4,900.0	3,900.0
AUTOMATED WEATHER OBSERVING SYSTEM (AWOS)	550.0	0.0	0.0
AWOS/ASOS AUGMENTATION-STATE OF ALASKA	550.0	0.0	0.0
ADVANCED WEATHER OBSERVING SYSTEMS	0.0	0.0	7,150.0
DIGITAL ALTIMETER SETTING INDICATORS (DASI) - REPLACE	0.0	1,600.0	1,600.0
FLIGHT SERVICE FACILITIES IMPROVEMENT	0.0	1,418.5	1,418.5
SUBTOTAL - FLIGHT SERVICE PROGRAMS	**14,244.0**	**22,768.5**	**28,918.5**
VOR/DME/TACAN NETWORK PLAN	1,900.0	2,445.0	2,445.0
INSTRUMENT LANDING SYSTEM (ILS) - ESTABLISH/UPGRADE	2,900.0	3,000.0	3,000.0
ILS - REPLACE MARK 1A, 1B, AND 1C	0.0	2,200.0	2,200.0
LOW LEVEL WINDSHEAR ALERT SYSTEM (LLWAS)	17,399.0	4,300.0	4,300.0
RUNWAY VISUAL RANGE (RVR)	3,000.0	3,500.0	3,500.0
INSTRUMENT APPROACH PROCEDURES AUTOMATION (IAPA)	2,400.0	0.0	0.0
GULF OF MEXICO OFFSHORE PROGRAM	5,950.0	3,200.0	3,200.0
ILS REPLACEMENT/WILCOX CAT II/III	0.0	2,745.0	2,745.0
WIDE AREA AUGMENTATION SYSTEM (WAAS)	0.0	51,300.0	0.0
NDB SUSTAIN	0.0	1,400.0	1,400.0
NAVIGATIONAL AND LANDING AIDS - IMPROVE	3,744.0	2,402.5	2,402.5
ILS - REPLACE GRN-27	9,000.0	0.0	0.0
APPROACH LIGHTING SYSTEM IMPROVEMENT (ALSIP)	2,000.0	0.0	0.0
LORAN-C UPGRADES	4,650.0	0.0	5,000.0
PRECISION APPROACH PATH INDICATORS (PAPI)	3,125.0	0.0	5,000.0
ANEMOMETERS-JUNEAU, AK	375.0	0.0	0.0
SUBTOTAL - LANDING AND NAVIGATIONAL AIDS	**56,443.0**	**76,492.5**	**35,192.5**
ALASKAN NAS INTERFACILITY COMM SYSTEM (ANICS)	12,000.0	8,600.0	8,600.0
FUEL STORAGE TANK REPLACEMENT AND MONITORING	40,000.0	30,000.0	30,000.0
FAA BUILDINGS AND EQUIPMENT - IMPROVE/MODERNIZE	12,600.0	10,000.0	10,000.0
ELECTRICAL POWER SYSTEMS - SUSTAIN/SUPPORT	15,000.0	16,200.0	16,200.0
AIR NAVAIDS AND ATC FACILITIES (LOCAL PROJECTS)	2,000.0	2,000.0	2,000.0
AIRCRAFT RELATED EQUIPMENT PROGRAM	4,900.0	2,000.0	2,000.0
AIRCRAFT FLEET MODERNIZATION	0.0	2,701.0	2,701.0
AIRPORT CABLE LOOP SYSTEMS - SUSTAINED SUPPORT	0.0	500.0	500.0
COMPUTER AIDED ENG GRAPHICS (CAEG) REPLACEMENT	1,500.0	1,000.0	1,000.0
SUBTOTAL - OTHER ATC FACILITIES	**88,000.0**	**73,001.0**	**73,001.0**
TOTAL ACTIVITY 2	***849,272.0***	***982,650.9***	***872,981.0***
NON-ATC FACILITIES AND EQUIPMENT:			
NAS MANAGEMENT AUTOMATION PROGRAM (NASMAP)	0.0	1,000.0	1,000.0
HAZARDOUS MATERIALS MANAGEMENT	15,000.0	20,000.0	15,000.0
AVIATION SAFETY ANALYSIS SYSTEM (ASAS)	19,400.0	16,800.0	16,800.0
OPERATIONAL DATA MANAGEMENT SYSTEM (ODMS)	5,100.0	1,600.0	0.0
FAA EMPLOYEE HOUSING - PROVIDE	5,000.0	0.0	0.0

FACILITIES AND EQUIPMENT
Fiscal Year 1998
(In thousands of dollars)

TITLE	FY 1997 Enacted	FY 1998 Estimate	FY 1998 Committee
LOGISTICS SUPPORT SYSTEM AND FACILITIES	1,500.0	9,749.0	9,749.0
TEST EQUIPMENT - MAINTENANCE SUPPORT	1,000.0	500.0	500.0
INTEGRATED FLIGHT QUALITY ASSURANCE	2,000.0	4,000.0	4,000.0
SAFETY PERFORMANCE ANALYSIS SUBSYSTEM (SPAS)	2,600.0	4,100.0	4,100.0
NATIONAL AVIATION SAFETY DATA CENTER	3,700.0	2,000.0	2,000.0
NAS RECOVERY COMMUNICATIONS (RCOM)	1,500.0	0.0	0.0
PERFORMANCE ENHANCEMENT SYSTEM	5,400.0	11,000.0	11,000.0
EXPLOSIVE DETECTION SYSTEMS	144,200.0	0.0	0.0
SUBTOTAL - SUPPORT EQUIPMENT	**206,400.0**	**70,749.0**	**64,149.0**
COMPUTER BASED INSTRUCTION (CBI) - EXPAND/IMPROVE	3,000.0	5,500.0	3,000.0
AERONAUTICAL CENTER TRAINING AND SUPPORT FACILITIES	0.0	6,000.0	6,000.0
NATIONAL AIRSPACE SYSTEM (NAS) TRAINING FACILITIES	1,000.0	1,500.0	1,500.0
DSR TRAINING SIMULATOR (MARC)	0.0	0.0	4,000.0
SUBTOTAL - TRAINING EQUIPMENT & FACILITIES	**4,000.0**	**13,000.0**	**14,500.0**
TOTAL ACTIVITY 3	***210,400.0***	***83,749.0***	***78,649.0***
MISSION SUPPORT:			
SYSTEM ENGINEERING AND DEVELOPMENT SUPPORT	31,341.0	31,930.0	30,960.0
PROGRAM SUPPORT LEASES	29,600.0	27,500.0	27,500.0
LOGISTICS SUPPORT SERVICES	8,800.0	6,000.0	6,000.0
MIKE MONRONEY AERONAUTICAL CENTER - LEASE	15,500.0	15,200.0	15,200.0
IN-PLANT NAS CONTRACT SUPPORT SERVICES	4,800.0	2,500.0	2,500.0
TRANSITION ENGINEERING SUPPORT	47,500.0	44,800.0	44,800.0
FREQUENCY AND SPECTRUM ENGINEERING - PROVIDE	1,200.0	1,500.0	1,500.0
PERMANENT CHANGE OF STATION MOVES	8,500.0	3,800.0	3,800.0
FAA SYSTEM ARCHITECTURE	6,500.0	5,200.0	5,200.0
TECHNICAL SERVICES SUPPORT CONTRACT (TSSC)	65,900.0	54,700.0	54,700.0
RESOURCE TRACKING PROGRAM	1,000.0	500.0	500.0
CENTER FOR ADVANCED AVIATION SYSTEM DEV. (MITRE)	57,000.0	55,300.0	59,000.0
FY 2000 COMPUTER REPLACEMENT	0.0	18,000.0	18,000.0
WAREHOUSED EQUIPMENT	0.0	0.0	7,000.0
TOTAL ACTIVITY 4	***277,641.0***	***266,930.0***	***276,660.0***
PERSONNEL AND RELATED EXPENSES:			
PERSONNEL AND RELATED EXPENSES	217,000.0	219,110.0	219,110.0
TOTAL ACTIVITY 5	***217,000.0***	***219,110.0***	***219,110.0***
TOTAL	***1,937,700.0***	***1,874,999.9***	***1,875,000.0***

ACQUISITION REFORM

Two years ago, this Committee approved far-reaching flexibilities for the FAA to reform its acquisition policies. At that time, the FAA estimated that such reforms would save 20 percent of the cost of its acquisitions. However, the recent independent financial assessment concluded that FAA's budget assumed no such savings, a fact verified by the Acting FAA Administrator in this year's hearing, in which he said "our budget reflects basically a status quo operation". The Committee did not approve acquisition reform in order to achieve the status quo. In the future, the FAA is expected to show savings from acquisition reform.

ATC CAPITAL NEEDS AND THE CONGRESSIONAL BUDGET PROCESS

The Committee does not agree with those who suggest that the Congressional budget process might be unable to provide for the high priority air traffic control modernization needs of the FAA. As the GAO and the DOT Inspector General have repeatedly stated, FAA's modernization problems have not been the result of inadequate funding, but instead of weak, unfocused and unaccountable management at the FAA. When additional needs are justified, they are provided in the Congressional budget process. This is recognized even in the administration's internal budget priorities. For example, in October 1996, FAA's planning documents assumed that the Office of Management and Budget would provide total F&E funding of $8.1 billion over the fiscal years 1998 through 2002. However, only three months later, the Office of Management and Budget provided a comparable planning estimate of $9.7 billion. Over this short timeframe, the administration freed up $1.6 billion in extra funds for ATC modernization—showing that the current budget process does not impose fixed or immutable budget limits.

FUNDING RESPONSIBILITY FOR NAVIGATION SYSTEMS

In a recent version of FAA's "NAS Architecture" plan, the agency suggested that certain navigation and landing aids should be the financial responsibility of non-federal parties such as airport authorities. The Committee believes these are important aviation safety systems which have historically been acquired and maintained by the Federal Government. The Committee considers the procurement and maintenance of navigational aids, landing aids, and approach lighting systems to be generally the responsibility of the government, as part of the "contract" that aviation passengers and general aviation pilots enter into through the payment of aviation excise taxes. The FAA has the responsibility to provide a national system of air traffic control equipment and services. The Committee believes proposals to shift a subset of these responsibilities to airports is inappropriate and could result in the diminution of aviation safety, since airports are neither staffed nor funded to assume ownership, operation, or maintenance of such equipment. The procurement and maintenance of such equipment should remain a financial responsibility of the FAA, and the agency should not move forward on any proposal to transfer this responsibility without specific Congressional authorization.

ENGINEERING, DEVELOPMENT, TEST AND EVALUATION

Aviation weather services improvements.—The Committee is concerned that FAA cut this important safety program severely during the internal fiscal year 1998 budget process. The FAA's capital improvement program shows total required funding (over all years) of $326,700,000, yet the budgeted amount is only $173,100,000. Last year the agency expected to request $51,200,000 for fiscal year 1998, yet the budget contains only $23,000,000. The Committee recommendation provides $10,000,000 above the budget request to accelerate the development of this important safety system.

Oceanic automation system.—The Committee recommends $42,000,000 for oceanic automation system development, an increase of $10,000,000 above the budget estimate. This raises funds to the September 1995 capital improvement plan (CIP) level to accelerate deployment of this technology.

Aeronautical data link.—The Committee recommendation provides total funding of $15,000,000 for development of aeronautical datalink technology, compared to $8,000,000 in the budget request. The Committee also provides all funding under this budget activity to reflect the developmental nature of this work, rather than under a procurement budget activity, as suggested by the FAA. The recommendation restores about a third of the reduction cut by the FAA from the level proposed in the September 1995 capital plan. When realized, this technology will allow critical safety data to be sent directly into the cockpit, for on-the-spot evaluation and use by pilots.

Air traffic management.—The recommendation adds funding for three high priority safety and capacity enhancement technologies:

Center/tracon automation system (CTAS)	+$15,000,000
Conflict probe	+5,000,000
Collaborative decisionmaking	+7,200,000

These enhancements are all strongly supported by the FAA, but the budget provides insufficient funding. They all help controllers route aircraft more efficiently and will help pilots plan their routes around hazardous weather. They offer both safety and capacity benefits. The earlier capital plan prepared by FAA showed much higher levels of funding for these initiatives, but later these funds were reduced. The Committee believes these programs should not be reduced.

Terminal automation.—The recommendation includes $73,000,000 for continued development of the standard terminal automation replacement system (STARS), compared to $68,000,000 in the budget estimate. The additional $5,000,000 in funding is for the software development risk mitigation effort proposed by the Secretary of Transportation in a recent reprogramming request. The FAA recently raised their assessment of the software development for this program to "high risk" status—an unusual step and a clear indication that some fallback option is needed. These funds provide an "insurance policy" should the current program encounter insurmountable problems. A similar project was undertaken a few years ago for the en route automation program, and ended up saving time and money in the fielding of upgraded computer systems. The Committee believes a similar approach is needed for terminal automation, and is proposed without prejudice to the baseline program.

Innovative deicing technology demonstration.—In order to demonstrate the effectiveness of innovative infrared heating, in a commercial application, for aircraft deicing in an enclosed facility at smaller regional airports, the Committee has provided $970,000 for such a demonstration project at Rhinelander/Oneida County Airport, Wisconsin. The use of infrared heating for aircraft deicing has been tested by the FAA. Its application appears to be more cost effective than the use of glycol for deicing aircraft, with the added benefit of a significant reduction in the environmental impact of glycol contamination of the watershed from runoff. The Rhinelander/Oneida County Airport typifies the small commercial airport, relying on 34 commercial operations daily by the smaller commuter aircraft to connect to major hub airports. The Committee believes that additional testing of this new technology in an operational environment will help document that infrared heating is a practical and cost effective alternative for deicing various types of aircraft.

Wide area augmentation system (WAAS).—The Committee recommends $114,000,000 for continued development of the GPS wide area augmentation system (WAAS). This program is designed to provide en route navigation and precision landing air traffic control services, and replace many of FAA's existing ground-based radars and navigation aids. The recommended level is $38,830,000 (25 percent) below the President's budget request, but $19,000,000 (20 percent) above the level provided for fiscal year 1997. The Committee has long supported this program, and in past years has recommended funding above the FAA's request. However, the Committee is disturbed this year to learn of probable cost growth in the hundreds of millions of dollars, as well as uncertainty regarding technical requirements and the provision of critical satellite datalink services. FAA officials advise the Committee that the program's total cost estimate has risen from $512,500,000 in April 1994 to a current estimate of $957,400,000. In addition, the latest estimate may not include all estimated costs for the system. The FAA's current capital plan includes only $555,900,000 for this program.

The Committee does not believe FAA has either resolved its technical requirements or decided which programs will be reduced in order to accommodate the substantial WAAS cost growth. Because of this uncertainty, and given the FAA's history of proceeding too quickly with programs undergoing developmental problems such as these, the Committee believes the WAAS program should proceed at a slower pace until the uncertainties are addressed by the FAA and coordinated with the aviation user community. During this time of reassessment by the FAA, the Committee encourages the agency to fully explore lower-cost options and the cost-capability tradeoffs offered.

PROCUREMENT OF AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT

En route automation.—A minor reduction of $49,800 is due to budget constraints. Given the size of the overall program, this reduction should have no impact.

Weather and radar processor.—Funding for the weather and radar processor (WARP) has been transferred to budget activity one, "Engineering, development, test, and evaluation", at the requested level of $24,400,000, to better reflect the development nature of the work performed.

Aeronautical datalink applications.—Funding for aeronautical datalink applications has been transferred to budget activity one, "Engineering, development, test, and evaluation", to better reflect the development nature of the work performed, and is discussed under that section of this report.

ARTCC building improvements.—The Committee recommendation of $86,451,700 is a reduction of $12,100,000 from the budget estimate. The recommendation deletes funding to begin construction/relocation of the Honolulu center/radar approach control (CERAP) from Diamond Head crater on Oahu. Total cost of this project is $33,500,000. The Committee has not seen benefit-cost studies or other information indicating the merit of this project. Although the Committee has supported studies and analyses to address this issue in the past, this is the first year in which major construction funding for a new facility has been proposed. The Committee is also aware of potential environmental problems which need further investigation. Given budget constraints and the lack of overall justification, the Committee recommends a deferral of this project. The Committee will consider funding after completion of a benefit-cost analysis which justifies the project as a high priority.

Air traffic management.—The Committee recommendation deletes the $27,200,000 requested for the traffic flow management infrastructure project. Instead, a similar amount of funds has been provided under "Engineering development, test and evaluation" for safety and capacity enhancement initiatives. In essence, this recommendation transfers funds from FAA's internal activities to high-technology development activities oriented to improving safety.

Low density radio communications link.—The budget request includes $6,000,000 to begin installing filters on older air traffic control radars in order to accommodate the sale of that portion of the radio frequency spectrum resulting from previous spectrum auctions. Since contract award will not occur until fiscal year 1999 for this work, funds will not be needed until that time.

Omega termination cost.—The recommendation transfers $6,700,000 from Coast Guard, "Acquisition, construction and improvements" to this appropriation in order to more appropriately reflect organizational responsibilities. Since funding for operation and maintenance of the Omega system was transferred from the Coast Guard to the FAA a few years ago, the Committee does not believe the Coast Guard should once again assume financial responsibility for capital requirements related to this system. This is more appropriately a responsibility of the FAA.

Terminal doppler weather radar.—The Committee recommends a reduction of $2,500,000 in this program due to FAA delays and uncertainties regarding installation of certain TDWR systems. When FAA identifies to the Committee that these uncertainties have been addressed, funds will be provided for this important system. The FAA is encouraged to resolve these problems as soon as possible.

The Committee continues to believe that the FAA should accelerate its installation of a terminal doppler weather radar system serving New York City airports. Although the requirements have been known for many years, and the system has been procured, the agency has been unable to install the radar due to local concerns. The FAA's recent report, required by section 1217 of the FAA Reauthorization Act of 1996, concluded that it was not cost-beneficial to consider use of offshore platforms for such a system. The Committee continues to believe this important safety system should be installed as a high priority, and the agency should move forward without further delay.

Terminal automation (procurement).—The Committee's recommended reduction of $6,200,000 reflects program savings due to revised STARS delivery schedules and site adjustments for both the baseline system and for STARS support systems. This should have no impact on the overall program.

Terminal air traffic control facilities-replacement.—The Committee recommends $67,000,000 compared to $62,000,000 in the budget request. The recommendation adds $5,000,000 to the $700,000 budgeted for a new control tower at North Las Vegas, Nevada, in order to accelerate this project.

Control tower/Tracon facilities improvement.—The Committee recommends $4,800,000 for this project, a reduction of $13,831,100 from the budget estimate. The recommendation reflects a large backlog of unobligated funding in this program, and FAA's estimate that funds will be left over even at the end of fiscal year 1998. The recommendation provides only the amount of new funding FAA believes they can obligate during fiscal year 1998.

Terminal voice switch replacement.—The Committee recommends $1,640,000, a reduction of $8,300,000 from the budget estimate. The recommendation is based on delays in FAA's procurement of large replacement switches. These funds will not be needed during fiscal year 1998 because of program delays.

Employee safety/OSHA compliance.—The recommended funding of $23,000,000 provides an increase of 9.5 percent versus the proposed increase of 108 percent. Much of the proposed increase is for contractor support and for energy conservation activities. The recommended level is sufficient to fully fund tower fire safety issues and 80 percent of regional mitigation activities. The recommendation allows additional funding for aviation safety-related activities like aviation weather research and human factors research, while still providing a healthy increase for this program.

New Austin airport at Bergstrom.—The reduction of $1,700,000 reflects the large balance of unobligated funds in this program.

Potomac Metroplex.—According to FAA's benefit-cost analysis, a single consolidated metroplex control facility is the most cost-effective option for the Washington metropolitan area, with a benefit-to-cost ratio of 17 to 1. The analysis verifies what FAA suspected in 1992: such a facility would improve safety and save money in the long run. In September 1995, the FAA's capital plan included $27,600,000 for construction of this facility in fiscal year 1998. However, after that time FAA officials attempted to terminate this project, remove funding and distort the technical analysis to fit a pre-determined goal. In December 1996, FAA advised this Committee in writing that, "analysis to date indicates that the consolidation * * * into a single metroplex facility. * * * is not the best option". This was not the case then, and is not the case now.

The funding recommendation of $27,600,000 is based on the original funding profile for fiscal year 1998, as included in FAA's September 1995 capital plan. The Committee directs FAA to use these funds, as well as prior year funds for this project which remain unobligated, only for planning, land acquisition, construction and other activities related to a single metroplex control facility consolidating terminal radar approach control (TRACON) facilities in the Washington metropolitan area. The Committee further directs the FAA to report to the House and Senate Committees on Appropriations by October 1, 1997 on its schedule and plan for completing this project, including a schedule for obligation of these and prior year funds. The Committee will not tolerate further delay on this project. The Committee expects the FAA Administrator to take necessary action to ensure that officials are held accountable for past actions in this program and that similar problems do not occur in the future.

Atlanta Metroplex.—FAA reduced fiscal year 1998 funding for this important project from $25,400,000 in the September 1995 capital plan to $15,600,000 in the final budget. FAA's benefit-cost study shows a huge benefit from accelerating the construction of this facility. It is not clear why FAA favors some metroplex locations over others, apparently without regard to their own benefit-cost studies. To correct this, the Committee's recommendation funds this project at the September 1995 capital plan level of $25,400,000, an increase of $9,800,000. Funding of $6,500,000 was provided for this project in fiscal year 1997.

Tower automation program.—The reduction of $2,000,000 is based on a large unobligated balance in this program and program savings.

NAS infrastructure management system (NIMS).—The Committee recommends $18,000,000 for this program, a reduction of $8,750,000 from the budget estimate but an increase of $12,000,000 (200 percent) above the fiscal year 1997 enacted level. The Committee recommended no funding for this program last year, and continues to have concerns, as follows: (1) A recent report of the DOT Inspector General concluded that the FAA has duplicative and potentially wasteful programs in this area, including a prototype development using operating funds and, in parallel, this totally new development called NIMS. Because of this duplication, it is not clear to the Committee whether it is more cost-beneficial to upgrade the prototype, or continue with this new development program; (2) NIMS backup justification documents provided by FAA include no cost breakdown or quantities beyond fiscal year 1998. These documents claim that such fundamental justification is still "to be determined", and compounds the uncertainty by adding the statement "future requirements under review". This is startling, given the Committee's recommendation last year to defer the program based on a lack of justification; and (3) this is not a safety project, and a portion of the funds would be more effectively utilized to restore cuts in critical safety programs. This recommendation reduces funding by one-third, but still provides a large increase over last year. The Committee hopes the FAA can provide stronger and more complete justification for this program next year, should funding be requested.

Airport surface detection equipment.—Even though the budget includes no funding for this safety program, the Committee believes the FAA will need $5,600,000 in fiscal year 1998 to install power conditioning bearing replacements and for procurement of additional spares. The current radars are experiencing failures, and require this new equipment. The recommendation provides these funds, as well as $3,000,000 to continue investigating loop detector technology imbedded in runway pavements to provide a low-cost, low-maintenance ASDE option. This was first funded in fiscal year 1997, and involves a pilot project at Long Beach Airport in California.

Airport movement areas safety system (AMASS).—The Committee recommends $14,300,000 for procurement of additional AMASS systems. No funds are included in the budget estimate. The FAA currently only plans to buy 20 systems, even though the existing contract has an option for 16 additional systems. The FAA advised the Committee this year that the agency doesn't want to acquire additional systems at this time because of "budgetary priorities and carryover balance". The Committee believes that this is an important safety system, and should have a higher budgetary priority. The AMASS system is also strongly supported by the National Transportation Safety Board. The recommended level is sufficient to fund an additional 10 sites, to be determined by the FAA based on benefit-cost analysis.

Terminal communications improvements.—The reduction of $2,189,000 reflects program savings during execution of this activity.

OASIS.—The recommended reduction of $1,000,000 is based on program savings due to execution of this activity.

Advanced weather observing systems.—The recommendation provides $7,150,000 for procurement of additional weather observing systems. The Committee directs FAA to compare the cost-capability tradeoffs between the existing AWOS and ASOS systems and, after that analysis, procure systems that meet such requirements based on full and open competition between all qualified vendors. None of these funds may be used for installation or commissioning costs for existing ASOS systems. Funding of $14,850,000 for that purpose has been provided under "Automated surface observing system".

Instrument landing systems, establishment and upgrade.—Of the funds provided for establishment and upgrade of instrument landing systems (ILSs), $100,000 is for installation of localizer and glideslope equipment at Zanesville Airport in Ohio; $250,000 is for an ILS at Hays Municipal Airport in Hays, Kansas; and $400,000 is for land acquisition related to installation of an ILS at Stanly County Airport in North Carolina.

Loran-C upgrades.—The Committee recommends $5,000,000 to continue Loran-C upgrades initiated by this Committee in fiscal year 1997. Funding of $4,650,000 was provided for this purpose in fiscal year 1997. The Committee believes this is a meritorious effort which should be continued.

Precision approach path indicators (PAPI).—The Committee recommends $5,000,000 to continue the procurement and installation of precision approach path indicators (PAPI) begun in fiscal year 1997. Funding of $3,125,000 was provided in fiscal year 1997 for this safety system.

PROCUREMENT OF NON-ATC FACILITIES AND EQUIPMENT

Hazardous materials management.—The recommended level of $15,000,000 provides the same funding level as provided in fiscal year 1997, instead of the 25 percent increase requested. The Committee believes that this level of effort program can proceed at the same pace as fiscal year 1997 in order to fund higher priority safety initiatives.

Operational data management system (ODMS).—The FAA recently issued a stop work order to the prime contractor on this program due to programmatic problems. Given this turn of events, and pending the FAA's review of the program, the recommendation defers further funding, a reduction of $1,600,000 from the budget estimate.

Computer-based instruction.—The recommendation of $3,000,000 holds funding for this program to the fiscal year 1997 level due to budget constraints and higher priorities. This is an administrative computer system designed to save the FAA money on training over the long term. The Committee believes it more essential to reserve programmatic increases for safety initiatives.

DSR training simulator.—The bill includes $4,000,000 for the Mid-America Aviation Resource Consortium to procure a display system replacement (DSR) air traffic control simulator compatible with new DSR systems now being installed in en route centers nationwide. The current ATC simulation equipment used to train future controllers is obsolete. This new DSR training simulation system at MARC will enable new controllers to be trained to operate the DSR system when it becomes fully operational in en route centers across the nation in the year 2000.

MISSION SUPPORT

System engineering and development support.—The recommended reduction of $970,000 reflects the need to fund other, higher priority safety and capacity initiatives. The Committee believes FAA will be able to manage their system engineering activity with this modest (3 percent) reduction to the budget request.

Center for advanced aviation systems development.—The budget proposes to reduce funding for the Center for Advanced Aviation Systems Development at Mitre by 3 percent. However, when adjusted for inflation, this is a real reduction of approximately 6 percent. Given the significant reduction in this program a few years ago and the improvements in management since that time, the Committee believes it unwise and counterproductive to the FAA to reduce this important support activity further. In fact, as the FAA's planning has transitioned toward the development of a comprehensive "NAS Architecture" plan over the past year and a half, Mitre's broad-based expertise is perhaps more critical than in past years.

The Committee's recommendation allows a 4 percent increase. The bill also modifies the cap on staffing at this center by raising the ceiling from 335 to 350 (4 percent) , the first increase in 3 years.

Warehoused equipment.—Currently, the FAA has 4 products warehoused because of lack of funding for installation and commissioning. The Committee considers this an embarrassment to the agency, and consequently provides high priority funding for the FAA to begin working off this backlog. According to FAA, total required funding is $103,904,000. The recommendation provides funds to install and commission two systems: Medium-Intensity Approach Lighting System Replacements (MALSR) and Runway End Identification Lighting (REIL) systems (quantities of 3 and 55 systems, respectively). These are safety systems which help guide pilots to airport runways. The Committee further directs FAA to submit a report to the House and Senate Committees on Appropriations not later than February 15, 1998 detailing the agency's plans to install the remaining warehoused equipment.

PERSONNEL AND RELATED EXPENSES

The recommendation provides $219,110,000, no change to the budget estimate and $2,110,000 above the level enacted for fiscal year 1997. Most of these funds pay for FAA installation work at field offices throughout the country.

ADVANCE APPROPRIATIONS

The Committee bill does not include the advance appropriations for fiscal years 1999 through 2005 totaling $2,368,400,000 requested by the administration. The FAA has provided no evidence that such appropriations would save the Federal Government money in the long run or result in faster implementation of new technology. In fact, the Committee believes that providing more funding up front for systems still under development would lessen fiscal discipline and oversight, and increase the likelihood that such systems would end up behind schedule and over budget. Absent compelling justification to the contrary, the Committee continues to believe that annual appropriations review will provide stronger fiscal displine and better Congressional oversight.

ASSESSMENTS

The Committee has learned that the Office of the Associate Administrator for Research and Acquisitions (ARA) has been "taxing" facilities and equipment programs in order to create a pool of funds for administrative expenses and budget contingencies of that office. Since funds are provided for administrative expenses of the Research and Acquisition program under FAA "Operations", the Committee believes it improper for those funds to be supplemented by assessments on F&E programs. The Committee directs the FAA to discontinue this practice immediately. No charges may be assessed against F&E projects by the ARA organization except for reimbursement of services directly related to the F&E project being charged.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 1997	[1] $187,412,000
Budget estimate, fiscal year 1998	200,000,000
Recommended in the bill	185,000,000
Bill compared with:	
Appropriation, fiscal year 1997	−2,412,000
Budget estimate, fiscal year 1998	−15,000,000

[1] Excludes $21,000,000 in emergency appropriations contained in Public Law 105–208.

This appropriation provides funding for long-term research, engineering and development programs to improve the air traffic control system and to increase its safety and capacity to meet air traffic demands of the future, 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 $185,000,000, a reduction of $15,000,000 below the President's budget request and $2,412,000 (1 percent) below the fiscal year 1997 enacted level (excluding emergency appropriations).

While still the safest airway system in the world, aviation accidents in this country in 1994 and 1996 highlight the need for more rapid implementation of advanced safety technologies, especially those related to forecasting and detection of hazardous weather conditions such as windshear, safety monitoring and oversight technologies, and aging aircraft technologies. The high percentage of accidents and incidents due to human error, deicing, and other hazardous weather problems call for sustained, high priority research programs to address these issues. The Committee recommendation also provides funding above the budget request for aircraft safety technology research, to be focused on propulsion and fuel systems and aging aircraft issues. In some cases, these priorities have necessitated reductions in other research programs.

A table showing the fiscal year 1997 enacted level, the fiscal year 1998 budget estimate, and the Committee recommendation follows:

RESEARCH, ENGINEERING, AND DEVELOPMENT
Fiscal Year 1998

Program Name	FY 1997 Enacted	Budget Estimate	Committee Recommend
System Development and Infrastructure	**13,660,000**	**75,550,000**	**9,804,000**
System planning & resource management	1,860,000	1,164,000	1,860,000
Technical laboratory facility	6,600,000	3,341,000	2,500,000
Center for Advanced Aviation System Development	5,200,000	5,444,000	5,444,000
Personnel and related expenses	0	65,601,000	0
Capacity and Air Traffic Management Technology	**34,889,000**	**9,108,000**	**25,297,000**
Air traffic management technology	4,000,000	2,986,000	2,986,000
Oceanic automation program	6,539,000	0	5,000,000
Runway incursion reduction	6,000,000	2,990,000	6,000,000
System capacity, planning and improvements	8,950,000	1,367,000	7,241,000
Cockpit technology	3,000,000	1,765,000	4,070,000
General aviation/vertical flight technology	2,600,000	0	0
Modeling, analysis, and simulation	3,800,000	0	0
Communications, Navigation & Surveillance	**19,000,000**	**15,132,000**	**15,132,000**
Communications	6,000,000	4,706,000	4,706,000
Navigation	13,000,000	10,426,000	10,426,000
Surveillance	0	0	0
Weather	**13,000,000**	**3,982,000**	**15,300,000**
Airport Technology	**5,200,000**	**5,458,000**	**5,000,000**
Aircraft Safety Technology	**36,504,000**	**26,625,000**	**42,662,000**
Aircraft systems fire safety	6,993,000	2,049,000	6,993,000
Advanced materials/structural safety	3,065,000	1,700,000	3,065,000
Propulsion and fuel systems	3,400,000	1,691,000	5,000,000
Flight safety/atmospheric hazards research	2,063,000	1,660,000	2,063,000
Aging aircraft	13,889,000	12,966,000	15,000,000
Aircraft catastrophic failure prevention research	3,094,000	1,270,000	4,000,000
Aviation safety risk analysis	4,000,000	5,289,000	6,541,000
System Security Technology	**36,055,000**	**49,895,000**	**39,655,000**
Explosives and weapons detection	27,397,000	36,200,000	30,135,000
Airport security technology integration	2,258,000	4,000,000	2,485,000
Aviation security human factors	5,039,000	4,695,000	5,540,000
Aircraft hardening	1,361,000	5,000,000	1,495,000
Human Factors & Aviation Medicine	**23,504,000**	**10,737,000**	**26,550,000**
Flight deck/maintenance/system integration human factors	10,898,000	7,272,000	12,550,000
Air traffic control/airway facilities human factors	8,606,000	3,078,000	10,000,000
Aeromedical research	4,000,000	387,000	4,000,000
Environment and Energy	**3,600,000**	**2,891,000**	**3,600,000**
Innovative/Cooperative Research	**2,000,000**	**622,000**	**2,000,000**
Total appropriation	*187,412,000*	*200,000,000*	*185,000,000*

Adjustments to the budget estimate are as follows:

SYSTEM DEVELOPMENT AND INFRASTRUCTURE

System planning and resource management.—The recommendation provides $1,860,000, the same as the fiscal year 1997 enacted level.

Technical laboratory facility.—The recommendation allocates $2,500,000 compared to $6,600,000 provided in fiscal year 1997. These funds upgrade technical facilities at the FAA Technical Center.

Center for advanced aviation system development.—The recommendation provides $5,444,000, the same as the budget estimate and $244,000 (4.7 percent) above the fiscal year 1997 enacted level. The ceiling on technical staffyears has been raised in the bill to 350, up from 335 in fiscal year 1997. The Committee continues to be impressed with the work of FAA's federally-funded research and development center, and believes that a small increase in the staffyear ceiling is justified.

CAPACITY AND AIR TRAFFIC MANAGEMENT TECHNOLOGY

Air traffic management technology.—The Committee recommends $2,986,000 compared to $4,000,000 provided last year. The Committee believes a higher priority should be placed on safety-related research. Significant additional funding has been provided under "Facilities and equipment" to accelerate high payoff air traffic management technologies such as collaborative decisionmaking and conflict probe.

Oceanic automation.—The Committee recommends $5,000,000 compared to $6,539,000 provided last year. The Committee believes a higher priority should be placed on safety-related research. Significant additional funding has been provided under "Facilities and equipment" to accelerate fielding of oceanic automation technologies, rather than long-term research.

Runway incursion reduction.—The Committee recommends $6,000,000, the same amount provided last year. The FAA had proposed a reduction of $2,706,000 (45 percent) in this activity. The Committee believes this important area of safety research should remain a priority in FAA's overall research program. Within the total, the Committee encourages the FAA to give a priority to funding for the surface movement advisor (SMA) program. This is consistent with Congressional direction in past years.

System capacity, planning and improvements.—The Committee recommends $7,241,000, a reduction of 19 percent below the 1997 level. This activity finances studies and assessments of ways to enhance capacity at our nation's commercial airports. These funds are being reduced in order to place a higher, much needed emphasis on safety, which was reduced in the budget request. The administration requested a reduction of 55.2 percent in this program, a portion of which is restored in the Committee's recommendation.

Cockpit technology.—The Committee recommends $4,070,000, a 35.7 percent increase over last year. This funds enhancements to the Traffic Collision Avoidance System (TCAS).

COMMUNICATIONS, NAVIGATION AND SURVEILLANCE

Communications.—The Committee recommends $4,706,000, a reduction of 21 percent below the $6,000,000 provided last year. Instead of increasing this program, the Committee has recommended additional funds under "Facilities and equipment" for advanced datalink, automatic dependent surveillance-broadcast, and similar communications technologies.

Navigation.—The Committee recommends $10,426,000, a reduction of 20 percent below the $13,000,000 provided last year. These funds are largely in support of FAA's GPS implementation program. Given the uncertainty surrounding the affordability of FAA's wide area surveillance program as currently planned, uncertainty over the future financing for local area surveillance, and a need to place higher priority on improving aviation safety, the Committee believes a slower pace in this area of research is justified.

WEATHER RESEARCH

The Committee recommendation includes $15,300,000 for research to reduce aviation hazards of dangerous weather, an increase of $9,245,000 (153 percent) above the budget estimate and $2,300,000 (17.7 percent) above last year's level.

Once again this year, the Committee is disappointed with the FAA's budget request for this important area of aviation safety research. According to FAA testimony submitted in this year's appropriations hearing, the weather program manager requested $15,300,000 in fiscal year 1998, which was drastically reduced in the administration's internal budget process. Within the overall total, institutional research would have been reduced by 70 percent (from $7,949,000 to $2,332,000). These reductions would have terminated research to address clear air turbulence and deicing problems, which is not acceptable to the Committee.

The Committee restores the original request of the program manager, and directs the FAA not to reprogram any of these funds to other activities outside the weather research program. Within the funds provided, $500,000 is for the Center for Wind, Ice and Fog at Mount Washington Observatory in New Hampshire; $2,500,000 is to continue Project Socrates; and not less than $11,000,000 is to continue institutional research coordinated by the National Center for Atmospheric Research (NCAR) in Colorado.

AIRPORT TECHNOLOGY

The Committee recommends $5,000,000, compared to $5,200,000 provided last year. The small reduction is to establish higher priorities in the safety area and is without prejudice to this work. These activities include runway pavement research and other research into civil engineering improvements at the nation's airports.

AIRCRAFT SAFETY TECHNOLOGY

Overall, the Committee recommends $42,662,000, a $6,158,000 (16.9 percent) increase over the $36,504,000 provided last year and $3,663,000 (9 percent) above the administration's request. Given the TWA 800 and Valujet tragedies last year, the Committee believes a higher priority should be accorded research into aging aircraft, fuel and electrical systems on board aircraft, and measurement of industry safety performance.

Programs raised to the fiscal year 1997 enacted funding level.—Funding for aircraft systems fire safety and advanced materials/structural safety was proposed for reduction in the budget request, compared to the fiscal year 1997 level. The Committee recommendation raises the level of funding for each program to the fiscal year 1997 funding level.

Flight safety/atmospheric hazards research.—The Committee recommendation holds funding for this area of research to the fiscal year 1997 level in order to fund higher priority areas. The reduction is without prejudice.

Propulsion and fuel systems.—The Committee recommends $5,000,000, an increase of $1,600,000 (47 percent) over the $3,400,000 provided last year and $1,952,000 (64 percent) above the administration's request. The Committee believes greater emphasis should be placed on safety research in this area.

Aging aircraft.—The Committee recommends $15,000,000, an increase of $1,111,000 (8 percent) above the $13,889,000 provided last year.

Aircraft catastrophic failure prevention research.—The Committee recommends $4,000,000, an increase of $906,000 (29.3 percent) above the $3,094,000 provided last year.

Aviation safety risk analysis.—The Committee recommends $6,541,000, an increase of $2,541,000 (63.5 percent) above the $4,000,000 provided last year. This program researches ways to improve FAA's monitoring and oversight of the aviation industry through development of better safety performance measures and computer systems to monitor that performance and target inspection and enforcement activity.

SYSTEM SECURITY TECHNOLOGY

Overall, the Committee recommendation provides an increase of $3,600,000 (10 percent) over the level provided last year.

Explosives and weapons detection.—The Committee recommends $30,135,000, an increase of $2,738,000 (10 percent) above the level provided last year. This activity funds research into new technologies related to bomb and weapons detection.

Airport security technology integration.—The Committee recommends $2,485,000, an increase of $227,000 (9.1 percent) above the level provided last year.

Aviation security human factors.—The Committee recommends $5,540,000, an increase of $501,000 (10 percent) above the level provided last year.

Aircraft hardening.—The Committee recommends $1,495,000, an increase of $134,000 (9.8 percent) above the level provided last year.

HUMAN FACTORS AND AVIATION MEDICINE

Overall, the Committee recommendation provides an increase of $3,046,000 (13 percent) above the $23,504,000 provided last year. The Committee remains disappointed that, once again this year, the FAA has placed human factors research at or near the bottom of its research priorities, choosing instead to propose increases in the agency's institutional laboratory capabilities, in-house research planning, and other similar activities. The Committee can only wonder about the agency's commitment to improving safety over the long-term when the budget proposes to reduce funding in the two causal areas where fatal aviation accidents continue to be most concentrated—human factors and hazardous weather. Once again this year, the Committee appreciates the opportunity to rearrange aviation research priorities in a manner which will advance aviation safety rather than institutional prerogatives.

Flight deck/maintenance/system integration human factors.—The recommendation provides $12,550,000, a 15 percent increase above the level provided last year.

Air traffic control/airway facilities human factors.—The recommendation provides $10,000,000, a 16 percent increase above the level provided last year. Of the funds provided, $500,000 is only for additional research into assessment, evaluation, and development of training methodologies related to the English language proficiency problem. This issue is discussed further under FAA "Operations". The FAA is also encouraged to follow up with further research into the fatigue-related effects of the current "2–2–1" shift rotation policy for air traffic controllers. A recent study by the Civil Aeromedical Institute raised issues of sleep deprivation and performance loss which, in the Committee's opinion, warrant immediate follow-on research.

Aeromedical research.—The recommendation provides $4,000,000, the same level as provided last year. The Committee continues to value the work performed in this project and conducted mainly at the Civil Aeromedical Institute in Oklahoma. The budget requested $4,587,000 for this project, an increase of 14.7 percent over fiscal year 1997.

ENVIRONMENT AND ENERGY

The recommendation provides $3,600,000, the same level as provided last year. This program researches ways to mitigate the impact of airport noise around the country. The budget proposed $2,891,000, a reduction of 19.7 percent.

INNOVATIVE AND COOPERATIVE RESEARCH

The recommendation provides $2,000,000, the same level as provided last year. This program finances the FAA centers of excellence, the FAA fellows program, and other university-based research of long-term interest to aviation. The budget included $2,364,000, an increase of 18.2 percent.

FLIGHT 2000 (HA-LASKA) DEMONSTRATION

Over the past year, FAA has developed a proposal for a demonstration project which would help assess the potential for a number of "free flight" technologies. Formerly called "Ha-laska", because the demonstration would take place in the states of Hawaii and Alaska, the program was renamed "Flight 2000" earlier this year by the FAA. In this year's appropriations hearing, the FAA's head of acquisition described Flight 2000 as "an affordable opportunity in a relatively short period of time to be able to bring all these technologies together". However, when the Committee requested specific data on the costs, schedule, numbers and types of aircraft, and other specific requirements for this program, the FAA was unable to provide such data. Although there are indications this limited demonstration would cost between $400 million and $1 billion, the FAA has not explained how such funding would fit into their annual research budget, which totals less than $200 million. A major airline industry association testified this year before the Committee that the proposal was "half-baked at best", and the FAA has presented no information indicating the kind of industry support which would be needed for a half billion dollar investment. The fiscal year 1998 budget includes no specific funding for this effort, and FAA has not identified where in the budget offsetting reductions would be found. Neither has the FAA provided studies which support selection of the specific states recommended for the demonstration program and comparing them to benefits from other possible locations.

For all these reasons, the Committee is convinced that FAA is not yet ready to begin such an ambitious and expensive demonstration. Therefore, the bill prohibits funds from being used for this program during fiscal year 1998. Since no funds are identified in the budget justifications for this project, the effect on the project may be negligible. However, the prohibition protects other important programs from having their funds reprogrammed later in the year, and ensures thorough Congressional review before the program proceeds. The Committee believes that the Flight 2000 demonstration program must meet the same standard of justification as other FAA programs, and withholds judgment on future funding pending stronger justification.

The Committee also directs FAA not to withhold appropriated funding for any free flight-related development program (e.g., conflict probe, center/tracon automation system) in order to include such technologies in the Flight 2000 demonstration. The Committee does not believe these efforts should be delayed while Flight 2000 is being evaluated.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

	Liquidation of contract authorization	*Limitation on obligations*
Appropriation, fiscal year 1997	($1,500,000,000)	($1,460,000,000)
Budget estimate, fiscal year 1998	(1,500,000,000)	(1,000,000,000)
Recommended in the bill	(1,600,000,000)	(1,700,000,000)
Bill compared with:		
Appropriation, fiscal year 1997	(+100,000,000)	(+240,000,000)
Budget estimate, fiscal year 1998	(+100,000,000)	(+700,000,000)

The bill includes a liquidating cash appropriation of $1,600,000,000 for grants-in-aid for airports, authorized by the Airport and Airway Improvement Act of 1982, as amended. This funding provides for liquidation of obligations incurred pursuant to contract authority and annual limitations on obligations for grants-in-aid for airport planning and development, noise compatibility and planning, the military airport program, reliever airports, and other authorized activities. This is $100,000,000 above the level requested in the President's budget due to the obligation limitation increase of $700,000,000.

LIMITATION ON OBLIGATIONS

The bill includes a limitation on obligations of $1,700,000,000 for fiscal year 1998. This is $700,000,000 (70 percent) above the President's budget request and $240,000,000 (16.4 percent) above the fiscal year 1997 level.

A table showing the distribution of these funds compared to the fiscal year 1997 levels and the President's budget request follows:

Project	1997 enacted	1998 estimate	1998 recommended
Entitlements	$904,574,777	$620,047,886	$961,022,664
Primary airports	525,435,591	392,445,465	531,483,478
Cargo airports (2.5%)	36,500,000	18,459,909	42,500,000
Alaska supplemental	10,672,557	10,672,557	10,672,557
States (18.5%)	270,100,000	136,603,326	314,500,000
Carryover entitlement	61,866,629	61,866,629	61,866,629
Small Airport Fund	92,392,456	70,129,936	94,976,005
Non-hub airports	61,594,971	46,753,291	63,317,337
Non-commercial service airports	30,797,485	23,376,645	31,658,668
Discretionary Set-Asides	162,061,469	23,518,268	344,001,331
Noise (31% of discretionary)	143,540,158	20,830,466	239,174,034
Military airport program (4%)	18,521,311	2,687,802	65,293,675
General aviation/reliever/non-primary commercial service			39,533,622
Other Discretionary	300,971,299	286,303,910	300,000,000
Capacity/safety/security/noise	214,179,417	205,961,690	213,127,999
Small hubs	15,398,743	11,688,323	15,829,334
Remaining discretionary	71,393,139	68,653,897	71,042,666
Total limitation	1,460,000,000	1,000,000,000	1,700,000,000

Philadelphia International Airport.—The Committee understands that Philadelphia International Airport has submitted an application for multiyear funding for construction of a new runway. This runway would greatly increase capacity at the airport and reduce costly delays. The Committee recognizes the need for capacity enhancements at this airport, and urges the FAA to award discretionary grants for the new runway project during fiscal year 1998 consistent with existing evaluation criteria.

Clover Field Airport.—The Committee is pleased to note that since 1989, the FAA has assisted the City of Pearland, Texas in its efforts to acquire Clover Field Airport, a privately-owned, public-use reliever airport near Houston Hobby Airport. The FAA has helped fund Clover Field's feasibility study, airport master plan, and environmental assessment. The city is currently moving forward with the final step toward acquisition, the appraisal process, and hopes to complete it this summer, in time to receive FAA funding for final acquisition in fiscal year 1997. The Committee considers this to be a worthy project, recognizing that Clover Field has served the region for over fifty years, and noting that the FAA has also recognized its importance by choosing it as the site for the recently-commissioned doppler weather radar and by making it one of the few general aviation facilities with a GPS weather station. Therefore, if the City of Pearland is unable to complete its due diligence in time to receive fiscal year 1997 FAA funds, the Committee encourages the FAA to provide funding in fiscal year 1998 for the final acquisition of Clover Field Airport.

New Orleans International Airport, Louisiana.—The Committee understands that New Orleans International Airport has submitted an application for multiyear funding for construction of a new runway. This runway would greatly increase capacity at the airport and reduce costly delays. The Committee recognizes the need for capacity enhancements at this airport, and urges the FAA to award discretionary grants for the new runway project during fiscal year 1998 consistent with existing evaluation criteria.

Leesburg Municipal Airport, Virginia.—The Committee urges the FAA to consider the capital improvement program request of the Leesburg Municipal Airport in Loudoun County, Virginia.

Manassas Regional Airport, Virginia.—The Committee encourages the FAA to consider, without delay, the phase II noise compatibility grant request of the Manassas Regional Airport in Prince William County, Virginia.

Stafford Regional Airport, Virginia.—The Committee recommends that the FAA consider the grant request made by the Stafford Regional Airport in Stafford County, Virginia, to facilitate construction of this reliever airport.

Lee County Airport, Virginia.—The Committee encourages the FAA Administrator to consider grant applications for the design, land acquisition, and construction for the replacement airport for Lee County, Virginia. General aviation development is currently constrained in Lee County, which is currently served by an airport in Pennington Gap, Virginia. The existing airport's runway length of 2,265 is too short to meet the demand for multi-engine or business jet aircraft. Furthermore, because of its geographic location on top of a ridge, the development costs of the existing airport are prohibitive compared to developing an alternate site. Construction of a replacement airport would allow Lee County to improve its aviation services and capitalize on the promising economic development efforts now underway in the county.

Stockton Metropolitan Airport, California.—The Committee wants to express its support for AIP funding for the Stockton Metropolitan Airport, so the airport can lengthen the runway. Currently, the runway at Stockton Airport is insufficient to handle wide-body cargo aircraft that are necessary to ship fresh produce overseas. The runway extension is vital to the export viability of California agricultural products. The application for AIP funds has the support of local officials. To assist their efforts, the Committee encourages the FAA to fund the runway extension at Stockton Airport.

Niagara Falls International Airport, New York.—The Niagara Falls International Airport is an integral part of the Western New York Regional Airport System. It serves as a reliever airport for Greater Buffalo International Airport, as well as serving the charter needs of both commercial and supplemental carriers. It is also the home base for units of the U.S. Air Force Reserve and the New York Air National Guard. The current configuration of the airport limits the ability to develop its southeast corner. The construction of a new taxiway would create a more efficient taxiway system and allow the airport to expand its role as a conduit for trade along the Canadian border and Niagara Falls tourism. The Committee encourages the FAA Administrator to provide funding to the Niagara Falls International Airport for this project.

Chippewa County Airport, Michigan.—The Committee encourages the Administrator of the FAA to consider using AIP funding for the design and construction of a crosswind runway at Chippewa County Airport near Kincheloe, Michigan. The Committee understands that a feasibility study has determined that a new crosswind runway is vital to continue safe flight operations at the airport.

LaCrosse Municipal Airport, Wisconsin.—The Committee urges the FAA Administrator to give expeditious consideration to awarding discretionary grant funds during fiscal year 1998 for reconstruction of the airport runway at LaCrosse Municipal Airport in La Crosse, Wisconsin. The Wisconsin Department of Transportation has given this project first priority in the state for airport improvements due to the serious deterioration of the runway, which has not been repaired or improved in twenty-one years. The Committee understands that continued delay in implementing these repairs may result in a serious disruption of operations at the airport.

Unexpended funds.—The Committee notes that the FAA currently has over $60,000,000 in AIP grants over two years old which have outlayed no funds in over two years. A recent IG report highlights the fact that, with greater monitoring effort, some of these funds could potentially be withdrawn and redistributed to other airport projects around the country. The FAA is encouraged to investigate this issue over the coming months, in order to maximize the effectiveness of available airport grant resources.

Miami International Airport, Florida.—The Miami International Airport (MIA), currently the sixth largest airport in the United States, is among the fastest growing airports in the country. According to the FAA's 1996 Aviation Capacity Enhancement Plan, this airport is projected to increase 115 percent in enplanements and 61 percent in aircraft movements by the year 2010, placing MIA first in growth among the nation's largest fifteen airports. This growth will stimulate a need for increased aviation capacity at the airport in order to minimize delays. To alleviate future congestion, minimize delay, and allow for growth, MIA is planning to construct a new runway within the boundaries of this airport. The new runway could be finished by the year 2002 at a projected cost of $175 million. The Committee recognizes the need for capacity enhancements at this airport, and urges the FAA to award discretionary grants for the new runway project during fiscal year 1998 consistent with existing evaluation criteria.

Dallas/Fort Worth International Airport, Texas.—The Committee commends Dallas/Fort Worth International Airport (DFW) for successfully completing, under budget and ahead of schedule, the construction of its east runway, which has greatly enhanced the capacity of the nation's air transportation system. The Committee is particularly pleased that DFW completed this project for approximately $25 million less than the originally projected total cost, despite substantial mitigation expenses incurred during construction. As an incentive for other airports to match DFW's demonstrated ability to efficiently manage public funds and to use those funds for a documented cost-beneficial project, the Committee encourages the FAA to give continued favorable consideration to the funding of the next phase of DFW's comprehensive expansion program—the construction of its new west runway.

Yucca Valley Airport, California.—The Committee is concerned with actions taken by the FAA regarding the Yucca Valley Airport in California. Due to the need for a viable general aviation airport in Yucca Valley/Joshua Tree, the Committee expects the FAA to conduct a unbiased site selection study for this area which includes the current airport in Yucca Valley.

GENERAL PROVISIONS

Sixth runway, Denver International Airport.—The bill retains, with modification, the general provision (sec. 324) enacted beginning in fiscal year 1995 which restricts funding for engineering, design, or construction of a sixth runway at the new Denver International Airport, unless the FAA Administrator determines, in writing, that safety conditions warrant obligation of such funds. This year the Committee recommends an exception to the overall prohibition, to allow planning and analysis activities related to potential noise impacts of the sixth runway project.

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

The bill includes a zero obligation limitation on borrowings during fiscal year 1998 under the aircraft purchase loan guarantee program. The President's budget requested an appropriation of $5,000. The Committee does not believe this appropriation is justified.

ADMINISTRATIVE SERVICES FRANCHISE FUND

The bill includes a provision prohibiting the FAA from adding new activities to the Administrative Services Franchise Fund during fiscal year 1998. The Committee believes that, since the fund has only been in operation a short time, any expansion of activities included in the fund should await an evaluation of the fund's effectiveness and cost savings.

FEDERAL HIGHWAY ADMINISTRATION

SUMMARY OF FISCAL YEAR 1998 PROGRAM

The Federal Highway Administration provides financial assistance to the states to construct and improve roads and highways, enforces federal standards relating to interstate motor carriers and the highway transport of hazardous materials, and provides technical assistance to other agencies and organizations involved in road building activities. Title 23 U.S.C. and other supporting legislation provide authority for the various activities of the Federal Highway Administration. Most of the funding is provided by contract authority, with program levels established by annual limitations on obligations provided in appropriations Acts.

The current authorization, the Intermodal Surface Transportation Efficiency Act of 1991 (P.L. 102–240), expires on September 30, 1997. The Committee's recommendations herein are based on current law. The appropriate legislative committees are encouraged to report new authorizing legislation quickly to ensure the uninterrupted continuation of the nation's highway programs in fiscal year 1998.

Under the Committee recommendations, a total program level of $23,245,511,000 would be provided for the activities of the Federal Highway Administration in fiscal year 1998. This is $2,298,105,446 above the fiscal year 1997 level, and $1,214,980,000 over the budget estimate.

The following table summarizes the fiscal year 1997 program levels, the fiscal year 1998 program requests and the Committee's recommendations:

Program	1997 enacted	1998 estimate	1998 recommended
Federal-aid highways	$18,000,000,000	$20,170,000,000	$21,500,000,000
Federal-aid supplemental	694,810,534		
Motor carrier safety grants	78,225,000	100,000,000	85,325,000
State infrastructure banks	150,000,000	150,000,000	
Transportation infrastructure credit program		100,000,000	
Exempt federal-aid programs	2,024,410,000	1,510,571,000	1,660,226,000
Total	20,947,445,534	22,030,571,000	23,245,511,000

LIMITATION ON GENERAL OPERATING EXPENSES

Limitation, fiscal year 1997 [1]	($521,114,000)
Budget estimate, fiscal year 1998	(494,376,000)
Recommended in the bill	(510,313,000)
Bill compared with:	
Limitation, fiscal year 1997	(−10,801,000)
Budget estimate, fiscal year 1998	(+15,937,000)

[1] Excludes reductions of $1,883,438 to comply with TASC and $141,653 for bonuses and awards.

This limitation controls spending for the salaries and expenses of the Federal Highway Administration required to conduct and administer the federal-aid highways programs and most other federal highway programs. The limitation includes a number of contract programs, such as highway research, development and technology, and support for minority business enterprises. In addition, administrative costs for highway-related safety grants are transferred to the limitation.

The Committee recommends a limitation of $510,313,000. This amount is $10,801,000 below the fiscal year 1997 enacted level and $15,937,000 above the level requested in the budget.

The following table summarizes the fiscal year 1997 limitation, the fiscal year 1998 budget estimate, and the Committee's recommendations:

Program	1997 enacted	1998 estimate	1998 recommended
Administrative expenses (exc. OMC):			
Salaries and expenses	$176,127,000	$179,065,000	$179,065,000

Program	1997 enacted	1998 estimate	1998 recommended
Travel	9,813,000	9,813,000	9,813,000
Transportation	673,000	656,000	656,000
Rent, communications, and utilities	25,738,000	28,204,000	27,683,000
Printing	92,000	89,000	89,000
TASC	17,659,000	20,636,000	20,636,000
Supplies	2,204,000	2,149,000	2,149,000
Equipment	3,512,000	6,938,000	6,938,000
Other	12,313,000	13,708,000	13,708,000
Undistributed	....	....	−3,400,000
Motor carrier safety administrative expenses	49,000,000	52,765,000	50,750,000
Contract programs/research and development:			
Highway R & D	67,124,000	73,903,000	58,165,000
ITS	120,358,000	54,000,000	94,600,000
Technology deployment	13,811,000	14,800,000	13,311,000
National advanced driving simulator	....	12,250,000	12,250,000
Local technical assistance	2,827,000	....	....
National Highway Institute	4,269,000	....	....
Minority business enterprises	9,378,000	10,000,000	10,000,000
International transportation	475,000	900,000	900,000
Rehabilitation of TFHRC	500,000	2,000,000	2,000,000
Technical assistance to Russia	200,000	400,000	....
Transportation investment analysis	250,000	....	....
Federal lands contamination site clean-up	2,466,000	....	....
Cost allocation study	300,000	....	....
GPS support	....	2,100,000	1,000,000
R and T technical support	....	10,000,000	10,000,000
Total	519,089,000	494,376,000	510,313,000

ADMINISTRATIVE EXPENSES

The Committee recommends a total of $257,337,000 for administrative expenses. This amount is $9,206,000 more than provided in fiscal year 1997 and $3,921,000 less than the budget request. The recommendation assumes a reduction from 1997 levels of 80 full time equivalent positions for a total of 3,165. The Committee recommendation includes $50,750,000 for motor carrier safety operations, not including the $7,400,000 for the research, development and technology program.

Salaries and expenses reduction.—The Committee recommendation includes an account-wide adjustment of $3,400,000. Funds budgeted for strategic planning and retreats, information resource management (IRM) activities, travel and transportation, and telecommunications are to be reduced; however, the Federal Highway Administration is accorded the flexibility to allocate the reduction. The Committee notes that activities planned for expanding FHWA's teleconferencing capabilities and for upgrading or replacing automated data processing equipment can be deferred pending FHWA's plans on reducing its field office presence.

Rent, communications, and utilities.—The Committee recommendation for rent, communications, and utilities totals $27,683,000, or $521,000 below the budget request. The Committee has not provided funds requested for facility security enhancements. GSA has informed the Committee that the costs of additional security enhancements are not reflected in the rates that it charges and will not be until fiscal year 1999, when it proposes to implement a security surcharge. As such, the Committee believes that the request for $521,000 is premature at this time. This action will not diminish security at any of FHWA's facilities.

FHWA streamlining plan.—With the completion of the interstate system, the FHWA has undertaken several initiatives in the recent past to assess the various structural elements of its organization to determine how the programs it administers can be delivered more efficiently and effectively. While the size and complexity of the program administered by the FHWA has increased substantially over the past several years, FHWA will experience a projected reduction in staffing levels of over eleven percent from a fiscal year 1993 base to the close of fiscal year 1999. A three-level organization (i.e., headquarters, regional offices, and state-level division offices) remains in place today.

The Committee is concerned that the FHWA has not seriously addressed the efficiency of delivering programs through its current field structure. In particular, it is not clear to the Committee the value added by regional offices for program delivery, or whether they represent a necessary management layer. Therefore, the Committee directs the FHWA to submit a report to the House and Senate Committees on Appropriations no later than ninety days after the enactment of this Act. The report shall contain a detailed implementation plan for streamlining its field structure, with special emphasis on eliminating or significantly reducing the regional office structure. The report shall also include: specific milestones for implementation of the streamlining plan; a statement of the number of facilities to be closed; a statement of costs, by year, associated with implementing the streamlining plan; an assessment of employee impacts; and an assessment of the impacts of the streamlining on delivery of the federal-aid and motor carrier programs administered by FHWA, including the priority activities that can be addressed by redeploying personnel resources.

Motor carrier safety operations.—The Committee recommends $50,750,000 for motor carrier safety operations, not including $7,400,000 for research. This is an increase of $1,750,000 above the 1997 enacted level, but $2,015,000 less than requested. At this level, salaries and benefits, travel, printing, and supplies and materials increases are fully funded. Other service programs have received a 5 percent increase instead of the 44 percent increase requested.

Miller Highway.—The Committee has continued a prohibition (sec. 332) on the use of funds for the improvement of the Miller Highway in New York City, New York.

CONTRACT PROGRAMS

The limitation on general operating expenses includes a total of $202,226,000 for contract programs. This represents a decrease of $19,732,000 from the fiscal year 1997 level. The Committee has deferred consideration of a number of FHWA's contract programs since the Department has proposed within its surface transportation reauthorization proposal to fund these activities from contract authority to be available outside the annual limitation. These programs include: local technical assistance; the National Highway Institute; various components of the intelligent transportation systems program; and the long term pavement performance program. The Committee expects that the appropriate legislative committees will consider this request during their deliberations on the reauthorization of the Intermodal Surface Transportation Efficiency Act. No changes from the budget request are recommended for the National Advanced Driving Simulator, minority business enterprises, rehabilitation of the Turner-Fairbanks facility and for research and technology technical support programs.

HIGHWAY RESEARCH, DEVELOPMENT AND TECHNOLOGY

The Committee directs the FHWA to prepare a five-year strategic plan for its research and development (R&D), training, and technology transfer and deployment activities and programs. The plan should be prepared in consultation with the American Association of State Highway and Transportation Officials and the National Academy of Sciences. The plan should be submitted to the House and Senate Committees on Appropriations concurrently with the Department's annual budget justifications beginning in fiscal year 1999. FHWA should ensure that the plan assesses the short- and long-term R&D and technology deployment activities which offer the greatest potential payoffs. FHWA should reallocate future funding requests based on this objective assessment. Evidence of this reallocation of funds should be reflected in the fiscal year 1999 President's budget.

To ensure that resources devoted towards advanced research, technology deployment, intermodal research, and strategic planning are properly allocated, the Committee expects the fiscal year 1999 budget submittal to delineate proposed LGOE expenditures as well as the proposed use of any contract authority. The Committee appreciates the improvement in the budget justification that was evidenced in the fiscal year 1998 budget submittal.

The Committee recommends $58,165,000 for highway research, development and technology programs. The following table summarizes the fiscal year 1997 program level, the fiscal year 1998 budget estimate and the Committee recommendations for the various research areas:

Program	1997 program	1998 estimate	1998 recommended
Safety	$8,650,000	$9,000,000	$9,500,000
Pavements	19,731,000	11,150,000	10,000,000
Structures	14,362,000	15,256,000	14,000,000
Environment	5,443,000	5,566,000	5,500,000
Right-of-way	322,000	365,000	365,000
Policy	5,328,000	8,000,000	5,400,000
Planning	5,889,000	16,025,000	6,000,000
Motor carrier	7,399,000	8,541,000	7,400,000
Total	67,124,000	73,903,000	58,165,000

Within the funds provided for highway research and development, the Committee has provided up to $100,000 for the San Joaquin Valley air quality study.

Safety.—The Committee recommends $9,500,000 for safety, including an additional $500,000 for pedestrian and bicycle safety research. As submitted, FHWA's request would continue the allocation of insufficient funds towards these areas of highway safety research. Crashes involving pedestrians and bicyclists result in some 6300 deaths annually. New technologies and approaches should be pursued, especially at intersections, where 2300 pedestrians and bicyclists are killed each year in crashes. To address this significant highway safety problem, the FHWA shall conduct research that is focused on integrating consideration of these users of the highway system into the planning and design of both traditional intersections and new intersection treatments, such as roundabouts. Furthermore, the relative allocation of funds between pedestrian safety, bicycle safety, and work zone safety should be reevaluated by the Research and Technology Executive Board of FHWA and the Research and Technology Coordinating Committee of the TRB. A new high priority research program for pedestrian and bicycle safety should be forthcoming in the fiscal year 1999 budget request. Lastly, the Committee directs that the total amount of funds (LGOE and contract authority) allocated for highway safety research and development activities in fiscal year 1998 shall exceed the total amount provided in fiscal year 1997.

Within the funds provided for highway safety research, funds are to be used to develop and test standardized training materials and courses that are offered by certified instructors for instructor, adult and child bicyclist safety education. An evaluation of the effectiveness of these courses in reducing bicycling crashes and associated fatalities and injuries shall also be conducted. All courses shall include substantial on-road bicycle safety training.

Pavements.—The Committee recommends $10,000,000 for pavements research and development. Although FHWA has tried to increase cost sharing for this program, the Committee maintains that more vigorous efforts are necessary. Of the funds provided, $1,000,000 shall not be obligated until FHWA has increased substantially the amount of cost sharing that it receives for the fiscal year 1998 pavements program when compared to the amount of similar matches received for the fiscal year 1997 program. FHWA shall submit documentation showing increased contributions for comparable program efforts (other than long-term performance pavement) to the House and Senate Committees on Appropriations fifteen days prior to obligating these reserved funds.

Within the funds provided, the Committee encourages the FHWA to accelerate research on highway operations, including the development of new approaches to highway construction, and the improvement of construction materials, procedures, and operating specifications. This investment will help develop technologies to repair a section of highway quicker than conventional methods allow. The objective is to reduce the exposure of the motoring public to highway construction activities, thus reducing congestion and accident risk. By accelerating construction processes in combination with the use of higher performing materials and practices, the life of highways will be extended, overall costs and the need for repairs reduced, and safety improved.

Structures.—The Committee recommends $14,000,000 for the structures research program. Substantial progress continues to be made in developing non-destructive evaluation (NDE) technologies. FHWA already has helped to commercialize three NDE technologies and the R&D pipeline contains twenty-five additional technologies that are being tested. The “find it and fix it” approach being pursued under the structures program will yield a variety of technologies of direct benefit to the state and local highway communities. The Committee expects the FHWA to conduct a more vigorous effort to obtain cost sharing with the private sector. To encourage this cost sharing, $2,000,000 of the funds provided for the structures program shall not be obligated until the FHWA demonstrates to the House and Senate Committees on Appropriations that it has substantially increased its cost sharing arrangements.

The Committee encourages the FHWA to work with the State of Michigan in the use of advanced carbon and glass composites as reinforcements for concrete to replace steel in the manufacture of pre-stressed bridge beams and bridge decks. To the extent practicable, FHWA shall assist the state in designing a monitoring protocol and installing or deploying active monitoring devices. This technology has the potential to impart significant advantages in the construction of vehicular bridges over conventional reinforcing materials.

Environment.—The Committee recommends $5,500,000 for environmental research and directs that the recommendations in the recent TRB report on clean air and transportation modeling concerns be appropriately addressed.

Right-of-way.—The Committee recommends $365,000, the same as requested in the budget.

Policy.—The Committee recommends $5,400,000 for policy research. FHWA should ensure that the highest priority for these funds is to provide the states with information and tools, such as HPMS, HERS, life-cycle cost analysis, and cost allocation models, to better evaluate the cost-benefit of their investments. The Policy Office should continue its efforts to delineate which data are most critical to FHWA's mission and which data are most needed by the states. Unnecessary conferences and data collection activities should be eliminated. Use of the internet should reduce publication expenses and increase funds available for additional and more targeted policy research. FHWA should ensure that any contract funds (e.g., from the new National Technology Deployment Initiatives Program or the advanced research program), if authorized, should be used to supplement the most pressing policy research needs.

Planning.—The Committee recommends $6,000,000 for planning, research and development. Within the funds provided, FHWA shall allocate $2,000,000 for TRANSIMS, an advanced travel modeling project. The Committee anticipates that additional funding to support TRANSIMS will be derived from contract authority provided within the reauthorization of the Intermodal Surface Transportation Efficiency Act. The Committee directs FHWA to submit a report to the House and Senate Committees on Appropriations detailing how the TRANSIMS project will be completed during the next few years, plans for pilot testing, and future federal funding contributions that may be necessary. This plan shall be submitted before March 1, 1998.

The Committee has not provided any funds for research related to sustainable communities. This proposal was not adequately reviewed by the FHWA's Research and Technology Executive Board or TRB's Research and Technology Coordinating Committee. Furthermore, the budget submission does not adequately justify the program request. Before the Committee provides funds for this initiative, evidence of substantial cost sharing from interested parties and from other federal agencies must be obtained, and requests for pilot projects should be documented from several states.

Motor carrier.—The Committee recommends $7,400,000 for motor carrier research. This is the same level as enacted last year; however, from this total, $537,000 was redistributed to research and technology (R&T) technical support. In fiscal year 1998, the Committee has provided separate funding for R&T technical support.

In the past, the Office of Motor Carriers' (OMC) research funds have been supplemented with intelligent transportation systems (ITS) funds. Last year, for example, OMC received $800,000 in additional dollars from the ITS account for a variety of research activities. It is possible that a sizable infusion of funding will be received in fiscal year 1998, and as such, the Committee does not see any need to increase OMC's R&D funding this year.

The Committee continues to be supportive of the national advanced driving simulator and is pleased to note that OMC plans to contribute $450,000 in research funds for development efforts. This funding will be used to incorporate a class eight tractor as one of the four research components in the simulator, which will allow OMC to analyze driver fatigue, the effects of inclement weather, and the dynamics of single or multiple trailers on driver performance. The Committee directs OMC to keep this funding at the budgeted level in fiscal year 1998 and encourages the office to consider a like amount in fiscal year 1999.

The Committee is concerned that OMC may be overburdened with R&D projects. Currently, this account has over 20 ongoing fatigue-related projects, many of which have been in existence for five or more years. As such, the Committee has not provided additional funding to begin new initiatives. If OMC believes that additional projects are necessary, it should coordinate with the trucking industry to develop and initiate jointly funded projects.

Intelligent transportation systems (ITS).—The Committee recommends $94,600,000 for continued research in intelligent transportation systems. In addition to these funds, the Department has requested in its surface transportation reauthorization proposal another $196,000,000 in contract authority outside the limitation on general operating expenses.

The results of past investments in ITS are beginning to be realized. Numerous evaluations have quantified the initial contributions of ITS to promoting the efficiency and safety of our nation's surface transportation system. FHWA, FTA and NHSTA should continue supporting these studies. The Committee is pleased with the overall progress of the national ITS program. States, MPOs, and local governments are investing $1,000,000,000 per year or more into ITS projects. As new technologies are advanced and as the benefits of these systems are realized, the total amount invested in ITS is expected to increase substantially.

The Committee is concerned, however, about the number of ITS projects that are over budget, requiring cost adjustments, delayed because of renegotiations of agreements among partners, or need to be reconfigured. The Committee directs the joint program office (JPO) more closely monitor federally sponsored operational tests and deployment projects to ensure that problems are addressed earlier in the innovation process. The Committee is also disturbed to learn that $4,000,000 of the $10,000,000 provided last year for the RT–TRACS project was used, without proper consultation, for a variety of purposes other than operational testing.

The director of the JPO is urged to accelerate the Department's facilitation of the standards process and to reallocate funds from less important activities, such as mainstreaming, training, outreach, and meetings and travel for contractors and consultants, to achieve this objective. Although some limited progress has been made, the standards-setting process must be accelerated substantially beyond the pace now envisioned. The adoption of more standards is needed to ensure interoperability. The Committee directs that ITS projects that are federally financed shall be consistent with the national ITS systems architecture and approved ITS standards. This requirement is necessary to ensure that federal funds used in the national ITS program are not wasted by being utilized in purely local, non-interoperable systems and technologies. The Committee also directs that all actions necessary be taken to secure the communications spectrum necessary for ITS.

The following table depicts the 1997 program level, the fiscal year 1998 budget estimate, and the Committee's recommendation for the ITS program by activity:

Program	1997 program	1998 estimate	1998 recommended
Intelligent transportation systems:			
Research and development	$28,605,000	$33,000,000	$30,000,000
AHS/advanced crash avoidance	22,000,000	....	....
Architecture and standards	5,000,000	....	....
Operational tests	54,992,000	....	50,000,000
Evaluations	2,000,000	9,000,000	7,000,000
Mainstreaming	....	3,000,000	....
Program support	7,761,000	9,000,000	7,600,000
Total, ITS	120,358,000	54,000,000	94,600,000

ITS research and development.—The Committee recommends $30,000,000 for ITS research and development, $3,000,000 less than the amount requested. Within the funds provided, the Committee has included $1,500,000 for highway/rail intersection innovative research, instead of $3,500,000 requested in the budget. Considerable unspent funds in this area remain, and progress on previously designated projects to advance this technology has been slow. The Committee recommends $6,000,000 for traffic management and control research.

The Committee continues to support FHWA's efforts to advance and deploy the commercial vehicle information system and network (CVISN). In addition to developing the key technologies and information systems needed to improve the MCSAP and to promote automated and safe clearance, FHWA has made substantial progress in the area of deployment as evidenced by ten states now participating in the CVISN projects, and 25 other states developing plans for future involvement. FHWA has set an example of how to forge successful partnerships with numerous stakeholders to advance and deploy ITS/CVO technology. This program is already beginning to promote motor carrier safety and productivity and will be of direct benefit to state regulatory and safety officials. Consequently, the Committee is recommending $7,900,000 for CVO research activities, which is $400,000 more than requested.

More than 1000 sites are now using the ASPEN computer system with the inspection selection process built into it. The Committee believes that continuing to improve these roadside links is important in order to advance driver- and vehicle-specific information systems. The fiscal year 1998 priorities for the CVO shall be: to expand the CVISN to additional states; to improve data communication links at the roadside; and to advance and test the safer driver/vehicle information system at one additional location during fiscal year 1998. This system should provide both improved information storage and data communications, be able to accommodate data on intrastate carriers, and be designed in such a manner as to be compatible with future CVISN capabilities. Within the funds provided, the Committee has allocated $400,000 to advance the system.

FHWA should assist the states now participating in the CVISN to incorporate within their information systems the capabilities developed under the 200/50 site effort, including carrier prioritization, and prior inspection retrieval. MCSAP officers already report substantial benefits from this system. FHWA should ensure that data communications improvements continue at a substantial pace.

Consistent with past directives, the Committee continues to believe that the highest priority for the use of federal CVISN funds must be to improve safety. As part of the package of user services being pursued by CVISN pilot and prototype projects, safety functions should receive priority funding. None of the funds provided for this program shall be used to link internal carrier or private sector information systems for shippers, banks, and insurers. Uses of CVISN that do not directly and substantially benefit state governments should be funded almost exclusively by the private sector.

The Committee maintains that the highest priority should be assigned for the crash avoidance research and operational test program of NHTSA. The Director of the ITS joint program office shall ensure that sufficient funds are provided to continue NHTSA's ITS program and is guided by its new five-year ITS strategic plan. The Committee requests NHTSA and the JPO to maximize the non-federal contribution of any research regarding user acceptance or marketability of ITS products, especially given the direct economic benefits to the private sector of such research. Furthermore, research to determine the costs and benefits of crash avoidance technologies should be designed not to duplicate private sector responsibilities.

The Committee notes that NHTSA's ITS program has successfully developed several technologies and systems that can be used as measurement tools in crash avoidance research. Research should maximize the use of these new tools and future budget requests should minimize expenditures on additional tools until the current methodologies are fully exploited.

The Committee recommends $7,500,000 for enabling research. Within these funds, the Committee provides $250,000, as requested, to upgrade the driving simulator facility. The Committee questions the need to continue funding construction and improvements at both the fixed based simulator at the NADS and the fixed based simulator at the Turner-Fairbanks facility. The Administrator of the Federal Highway Administration is directed to provide to the House and Senate Committees on Appropriations a report detailing why both facilities are required.

The Committee strongly supports the investment of $7,000,000 for rural ITS research and operational tests. The Committee believes that sufficient time and effort has been spent studying rural ITS needs and that it is time to accelerate operational testing. The ITS joint program office shall ensure that funds made available for rural ITS operational tests receive primary consideration.

The ITS program has yielded technologies capable of rapidly detecting the location of crashes and traffic congestion. Relatively little investment has been made to optimize the capabilities of response vehicles that are critical to restoring traffic flow. FHWA is requested to conduct a review of the state of technology and practice associated with incident response vehicles, and to assess what technological improvements are necessary to improve response time and stimulate technology transfer as part of a comprehensive ITS program. The review should be completed before March 1, 1998.

While a number of operational tests have been undertaken in the ITS program to test a myriad of potential applications, the Committee is not aware that the JPO has considered the integration of advanced electronic and information technologies for snow and ice management. Within the funds provided for ITS research and development, the Committee encourages the JPO to support testing of an integration of automated vehicle location using global positioning systems, geographic information systems, and communications technologies designed specifically to enhance the efficiency and effectiveness of winter maintenance operations in urban, suburban and rural areas.

Automated highway systems (AHS)/advanced crash avoidance.— The budget requested that funding provided for the automated highway systems and crash avoidance programs be from contract authority rather than funds under the limitation on general operating expenses. Accordingly, the Committee defers consideration of this request to the appropriate legislative committees. The Committee strongly supports the action of the joint program office to commission a review of the AHS program by the Transportation Research Board (TRB) of the National Academy of Science. The results of the TRB review should be incorporated into a revised five-year strategic program plan to be submitted to the House and Senate Committees on Appropriations. Uncertainties regarding the future of this national program dictate prudence and careful evaluation of the options. The Committee expects that the JPO will ensure that the TRB carefully considers how to balance long-term infrastructure dimensions of the AHS with the need for more immediate short-term safety improvements. The Committee expects that the progress achieved by the AHS consortium will be continued, either by the consortium or through other means, but with a refocused balance including the attainment of short-term safety objectives.

Operational tests.—The Committee recommends a total of $50,000,000 for operational tests. Within the funds provided,

$1,000,000 has been included to expedite operational testing of ITS safety functions. The remaining $49,000,000 is provided for the following operational tests:

Advanced transportation weather information system, University of North Dakota	$750,000
Arizona National Center for Traffic and Logistics Management	1,000,000
Commercial vehicle operations, I–5, California	3,000,000
Cumberland Gap tunnel, Kentucky	3,100,000
Dade County Expressway, Florida toll collection system	2,000,000
Franklin County, Massachusetts traveler information system	875,000
Greater Milwaukee freeway traffic management system (MONITOR)	1,000,000
Houston, Texas	2,000,000
I–90/I–94 rural ITS corridor, Wisconsin	1,700,000
Inglewood, California	500,000
Louisiana Interstates 55, 10, and 610, ITS systems	7,000,000
Market Street and Pennsylvania convention center passenger information system	325,000
Minnesota Guidestar	8,000,000
Nashville, Tennessee traffic guidance system	1,500,000
National capital region congestion mitigation	8,000,000
National Institute for Environmental Renewal	1,000,000
I–90 connector, Rensselaer County, New York	2,500,000
I–275, St. Petersburg, Florida	1,000,000
Syracuse, New York advanced transportation management system	1,500,000
Texas Transportation Institute	1,000,000
Rt. 236/I–495, Northern Virginia, ITS systems	500,000
Western Transportation Institute	750,000

Advanced transportation weather information system, University of North Dakota.—The Committee has provided $750,000 for the Advanced transportation weather information system at the University of North Dakota, a rural ITS initiative which provides short-range weather and road condition forecasts using interactive voice technologies. The project is jointly funded with private sector interests and, consistent with earlier directions by this Committee, intends to be totally commercialized by 2001 when federal support is eliminated.

Minnesota Guidestar.—As noted in a February 1997 General Accounting Office report, Minnesota Guidestar continues to be a national leader in research and deployment of ITS technologies. The Committee commends these efforts and urges Guidestar to continue its efforts to successfully integrate ITS technologies into a multi-modal transportation system. The Committee provides $8,000,000 for Minnesota Guidestar. Up to 25 percent of this amount may be made available to the University of Minnesota's Center for Transportation Studies and the Humphrey Institute of Public Affairs to support education, research and training aspects of the project.

National Capital region congestion mitigation ITS deployment project.—The Committee recommends $8,000,000 for the national capital region congestion mitigation ITS deployment project. Within the funds provided, $1,000,000 shall be for George Mason University to assist in the capital beltway deployment project as well as to establish an ITS implementation center at the university.

Evaluations/program assessment.—The Committee recommends $7,000,000 for evaluation and program assessment activities.

Mainstreaming.—The Department requests a total of $10,000,000 for mainstreaming activities, of which $3,000,000 is requested under the limitation of general operating expenses and the balance from contract authority. The Committee has not provided the $3,000,000 requested for awareness and advocacy activities. These funds are better spent on operational testing and research and development activities. The Committee defers consideration of the contract authority request to the appropriate legislative committees.

A limited ITS mainstreaming program, including technical assistance and outreach, will benefit state and local governments. The Department proposes, however, to spend some $22,000,000 on these activities. Numerous ITS benefits already have been documented as a result of investing in more than eighty operational tests and eleven model deployment projects. These studies, as well as the hundreds of visits to ITS facilities by state employees and officials that have already been supported by the FHWA, reduce the need for a substantial increase in mainstreaming activities. Furthermore, the Committee believes that, although a limited training program would be useful, the training program proposed is unprecedented in recent FHWA experience. The proposed expenditure of $10,000,000 for training would be in addition to the funds requested for training through the National Highway Institute and the local technical assistance program centers. This inordinate amount of funding requested for training would raise questions about the appropriate role of the Department vis-a-vis the role of the civil and electrical engineering departments in the nation's universities and colleges. Moreover, the Committee does not believe it appropriate or warranted that federal funds be used to fund scholarships to support international travel of non-federal personnel.

Technology assessment and deployment.—The Committee recommends $13,311,000 for technology assessment and deployment. No funds are provided for the national rural development project. The Committee directs that funds expended in fiscal year 1998 for assessment and deployment of safety-related technologies shall exceed the amount allocated in fiscal year 1997.

Although the office of technology applications at FHWA has obtained substantial cost sharing for its program, the Committee believes that additional non-governmental funds can be obtained to strengthen this program since the private sector often receives direct financial benefits from the products of the program. To ensure greater leverage of federal funds, the Committee directs that $1,000,000 of the funds recommended shall not be obligated until the FHWA receives substantially increased cost-sharing from non-federal sources for comparable technology assessment and deployment activities. Such documentation shall be provided to the House and Senate Committees on Appropriations for approval to obligate the funds placed in reserve.

For several years, the Committee has encouraged FHWA's office of highway safety and office of technology applications to develop and deploy new highway safety campaigns and outreach efforts. FHWA has responded with useful outreach campaigns such as work zone safety, "safety by design", and "read your road". The Committee strongly encourages these offices to accelerate their preliminary work to develop new campaigns to address run-off the road crashes, aggressive driving, and crashes due to failure-to-yield. The Committee expects at least two new campaigns to be underway in pilot testing by next year.

International transportation.—The Committee recommends $900,000 for the international transportation program. The Committee's recommendation merges the technical assistance to Russia program into the international program. Within the funds provided for the international program, no more than $400,000 may be expended to support the Russia program. The Committee has not provided funds for the Pan American Institute of Highways, which was previously funded through appropriations made to the National Highway Institute. If the FHWA believes that continued involvement in this international organization is needed, funds made available to the National Highway Institute can be used.

The Committee believes that substantially increased leveraging of federal funds with private sector funds should be obtained to support the international program. Many of the activities supported by this program are of direct benefit to the private sector. FHWA should increase its private sector contributions to expand partnerships under this program.

Turner-Fairbanks renovation.—The Committee recommends $2,000,000 to complete the renovation of the Turner-Fairbanks complex. Together with the funds provided for improved equipment at the facility, there does not appear to be any need for further capital improvements at this facility for the next several years.

Technical assistance to Russia.—Funds for this activity have been provided under the international transportation program beginning in fiscal year 1998.

GPS.—The Committee recommends $1,000,000 for the GPS system, which is $1,100,000 less than requested. Additional funding has been provided for GPS-related activities within the Office of the Secretary.

HIGHWAY-RELATED SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1997	($2,049,000)
Budget estimate, fiscal year 1998	(4,000,000)
Recommended in the bill	(—)
Bill compared with:	
Appropriation, fiscal year 1997	(−2,049,000)
Budget estimate, fiscal year 1998	(−4,000,000)

The highway-related safety grant program assists states and localities in implementing highway safety standards administered by the Federal Highway Administration. These standards cover traffic control devices, highway surveillance, and highway-related aspects of pedestrian safety. In fiscal year 1997, this program was merged with the National Highway Traffic Safety Administration's section 402 program. The Committee has not provided the requested liquidating cash appropriation of $4,000,000, because sufficient liquidating cash is provided for this activity under NHTSA's section 402 program in fiscal year 1998.

Federal-aid Highways

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1997	($19,800,000,000)
Budget estimate, fiscal year 1998	(19,800,000,000)
Recommended in the bill	(20,800,000,000)
Bill compared with:	
Appropriation, fiscal year 1997	(+1,000,000,000)
Budget estimate, fiscal year 1998	(+1,000,000,000)

The Committee recommends a liquidating cash appropriation of $20,800,000,000 for the federal-aid highways program. This is $1,000,000,000 more than provided last year or included in the budget estimate. This increase is necessary to pay the outstanding obligations of the various highway programs anticipated at the levels assumed in the Committee recommendation.

FEDERAL-AID HIGHWAYS PROGRAM

The current authorization for federal-aid highways programs, the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 (P.L. 102–240), expires at the end of fiscal year 1997. The Committee's recommendations for federal-aid highways programs are based on current law. The appropriate legislative committees are encouraged to reauthorize the surface transportation programs before the end of this fiscal year to ensure that federal financial assistance to states and localities to build and rehabilitate the nation's infrastructure is not interrupted. The following discussion is based on current law.

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

There are almost four million miles of public roads in the United States and approximately 577,000 bridges. The federal government provides grants to states to assist in financing the construction and preservation of about 945,000 miles (24 percent) of these roads, which represents an extensive interstate system plus key feeder and collector routes. Highways eligible for federal aid carry about 85 percent of total U.S. highway traffic.

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

National highway system.—The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 authorized—and the National Highway System Designation Act of 1995 subsequently established—the National Highway System (NHS). This 160,000-mile road system is the culmination of years of effort by many organizations, both public and private, to identify routes of national significance. It includes all interstate routes, a large percentage of urban and rural principal arterials, the defense strategic highway network, and major strategic highway connectors, and is estimated to carry up to 70 percent of commercial truck traffic and 40 percent of all vehicular traffic. A state may choose to transfer up to 50 percent of its NHS funds to the surface transportation program category. If the Secretary approves, 100 percent may be transferred. The federal share for the NHS is 80 percent, except for the interstate portion which is generally 90 percent, with an availability period of 4 years.

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

Each state receives an amount in addition to its regular apportionments so that its total funding reaches a legislative percentage established in ISTEA. This additional amount is called "hold harmless." Hold harmless funds are used as if they were STP funds except that only one-half of the funds received are subject to set-asides and sub-state distribution requirements of the STP.

Each state is also guaranteed that its apportionments for the current fiscal year and its allocations for the previous fiscal year will be an amount that is at least equal to 90 percent of the state's contributions to the highway account of the highway trust fund. The additional amount is called the "90 percent of payments guarantee." Funds are distributed in the same manner as hold harmless funds.

Interstate construction.—The designation of a 40,000-mile interstate system was authorized by Congress in 1944 to serve the needs of national defense, to link the nation's largest cities, and to connect with key Canadian and Mexican highways at suitable border points. Since 1944, the system has gradually been expanded, now encompassing 42,794 miles of designated routes. From December 1994 to December 1995, an additional 15 miles of the interstate system were opened to traffic. This brings the total number of miles open to traffic as of December 31, 1995, to 42,764 miles, or 99.9 percent of the total system. In addition, the remaining 30 miles included 25 miles under construction and 5 miles under design development and right-of-way acquisition. Funding authorization for this program terminated in fiscal year 1995.

Bridge replacement and rehabilitation program.—This program is continued by ISTEA to provide assistance for bridges on public roads including a discretionary set-aside for high cost bridges.

Bridges on Indian reservation roads are given special attention. Besides the inventorying and inspection of these bridges, one percent of a state's annual bridge apportionment is to be used for such eligible projects. Fifty percent of a state's bridge funds may be transferred to the NHS or the STP.

Interstate maintenance.—This program, established by ISTEA, basically replaces the I–4R program. It finances projects to rehabilitate, restore, and resurface the interstate system. Reconstruction of bridges, interchanges, and over-crossings along existing interstate routes is also an eligible activity if it does not add capacity other than high occupancy vehicle (HOV) and auxiliary lanes.

Interstate system reimbursement.—This program, established by ISTEA, provides a new category of funding for the purpose of reimbursing states for their cost of constructing segments of the interstate system without federal assistance in the early days of the interstate construction program. Funds are used as STP funds, except that one-half of the amount received by a state is not subject to the set-asides or sub-state distribution rules of that program.

Congestion mitigation and air quality improvement program.—This program provides funds to states to improve air quality in non-attainment areas for ozone and carbon monoxide. A wide range of transportation activities are eligible, as long as DOT, after consultation with EPA, determines they are likely to help meet national ambient air quality standards. If a state has no non-attainment areas, the funds may be used as if they were STP funds.

Federal lands highways.—This program provides for three road categories: Indian reservation roads, parkways and park roads, and public lands highways (which incorporates the previous forest highways category). Funds are allocated on the basis of relative needs except that the forest highway portions of public lands highways and Indian reservation roads are allocated by administrative formula.

Minimum allocation.—Each state is guaranteed an amount so that its percentage of apportionments in each fiscal year from the total of interstate construction, interstate maintenance, interstate substitution, national highway system, bridge program, surface transportation program, scenic byways, and safety belt and motorcycle helmet grants, plus allocations received in the prior year, must not be less than 90 percent of the state's percentage of estimated highway trust fund contributions. The contributions used in the calculation are from two years prior to the current fiscal year—the latest year for which data are available.

Emergency relief.—This program provides for the repair and reconstruction of federal-aid highways and federally-owned roads which have suffered serious damage as the result of natural disasters or catastrophic failures. ISTEA modified previous law slightly: the territorial limitation was raised to $20,000,000 per fiscal year, and the number of days a state or territory has to make emergency repairs in order to receive a 100 percent federal share was increased to 180 days.

HIGHWAY TRUST FUND FINANCING MECHANISM

The highway trust fund was originally established in the U.S. treasury in accordance with provisions of the Highway Revenue Act of 1957, as amended (23 U.S.C. 12 note). It has been extended several times, most recently by the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, commercial motor vehicles, and truck use are designated by the Act to be appropriated and transferred from the general fund of the treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers based on the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary.

The Surface Transportation Assistance Act (STAA) of 1982 established a mass transit account within the trust fund to be funded by one-ninth of the excise tax collections under sections 4041 and 4081 of the Internal Revenue Code (26 U.S.C.) imposed after March 31, 1983. The funds from this account are used for expenditures in accordance with section 21 of the Federal Transit Act.

Subsequent legislation has increased the total federal tax levied on each gallon of gasoline to 18.3 cents, of which 12 cents is applied to the highway account, 2 cents to the mass transit account, and 4.3 cents for deficit reduction.

Amounts required for outlays to carry out the federal-aid highway program are appropriated to the Federal Highway Administration. Other charges to the trust fund are made by the Secretary of the Treasury for transfers of certain taxes to the land and water conservation fund and to the aquatic resources trust fund, for refunds of certain taxes, repayment of advances from the general fund, and for the interest on advances. Amendments to the Internal Revenue Code in the 1982 STAA related to the highway trust fund require that before an apportionment is made, the Secretary of the Treasury must determine that adequate revenues will be available to meet these expenditures within 24 months after the close of the fiscal year for which the apportionment is made.

HIGHWAY TRUST FUND SPENDING VERSUS RECEIPTS

In recent years, there has been much discussion about alleged shortfalls in the amount spent by the Federal Government for highway programs compared to the amount of highway user taxes it collects. Charges have been made that highway spending has been set significantly below the level of taxes being collected in an effort to make the federal deficit smaller. A closer examination of expenditures and receipts shows that this is not the case. As can be seen from the table in this section, total highway trust fund (highway account) outlays have exceeded trust fund tax receipts in 10 of the 21 years since 1976.

Part of the confusion results from a failure to distinguish between the unexpended and unobligated balances in the trust fund. For example, there was an estimated $12,118,000,000 cash balance in the highway trust fund's highway account at the end of fiscal year 1996.

Following is a description of this situation contained in a May 1989 GAO report:

> *According to FHWA, the balance in the Highway Account has often been misunderstood, with many believing that the balance represents excess cash that will not be needed to pay commitments. This view, however, is not an accurate portrayal of the Highway Account balance since these funds are, in fact, needed to pay outstanding commitments. It should also be noted that the Highway Trust Fund exists only as an accounting record. User taxes are actually deposited in the U.S. Treasury and amounts equivalent to these taxes are transferred to the Trust Fund as needed.*
>
> *How the Trust Fund functions becomes clearer when it is compared with an individual's charge account. For discussion purposes, assume that an individual has $1,000 in cash from previous monthly paychecks but also has outstanding charges amounting to over $1,500. In this case, the $1,000 in cash cannot be considered excess because it is needed to pay the incoming charges. On the other hand, the individual is also not in a deficit situation since at the end of the month his or her $900 paycheck will be available to help pay the outstanding charges. This scenario is repeated in each succeeding month. Thus, the cash the individual has on-hand plus a future paycheck helps to ensure there will be sufficient funds to pay all outstanding charges.*

Similarly, according to FHWA Office of Policy Development data, the Highway Account had a balance of $9 billion at the end of fiscal year 1988, which is analogous to the $1,000 cash-on-hand. At the same time, these FHWA data show that unpaid commitments (charge account balance) amounted to almost $31 billion; $22 billion more than the account balance. This situation, however, is acceptable under a reimbursable system because, although commitments to make payment have been made, payment is not made until the states submit actual bills for completed work at a later date. In the interim, revenues, like the individual's paycheck in the previous example, continue to accrue in the Highway Account.

The Committee also notes that cumulative highway account tax receipts since 1957 are expected to total approximately $320 billion, and cumulative highway outlays are expected to total approximately $329 billion by the end of fiscal year 1996. The principal reason for the current cash balance is the interest paid to the fund from the general fund of the treasury. These intragovernmental transfers from the general fund to the trust fund have exceeded $20 billion since the highway trust fund was established in 1957. However, such transfers have no effect on the federal deficit. This mechanism is explained in a February 1990 Congressional Research Service report as follows:

> *While specific taxes and premiums are often levied on segments of the population to help cover a trust fund program's expenditures, trust funds also receive "income" from the government—i.e., "credit" from one government account*

to another—or what in essence is paper income. No economic resources are moved, no actual money collected.

Following is a table of federal highway trust fund spending compared to receipts for fiscal years 1976 to 1997:

HIGHWAY TRUST FUND STATUS (HIGHWAY ACCOUNT)

[In millions of dollars]

Fiscal year	Income	Expenditure	Trust fund balance	Tax receipts	Interest income
1976	$6,000	$6,521	$9,077	$5,413	$587
TQ	1,689	1,758	9,009	1,676	13
1977	7,302	6,147	10,164	6,709	593
1978	7,567	6,058	11,673	6,904	662
1989	8,046	7,154	12,564	7,189	857
1980	7,647	9,212	10,999	6,620	1,027
1981	7,434	9,174	9,259	6,305	1,129
1982	7,822	8,035	9.046	6,744	1,079
1983	8,853	8,838	9,062	7,777	1,076
1984	11,533	10,384	10,210	10,507	1,027
1985	12,906	12,756	10,361	11,800	1,106
1986	13,306	14,180	9,486	12,251	1,054
1987	12,727	12,802	9,412	11,793	934
1988	13,645	14,038	9,019	12,836	809
1989	15,134	13,602	10,551	14,358	776
1990	13,453	14,375	9,629	12,472	981
1991	15,303	14,686	10,246	14,494	810
1992	16,572	15,518	11,300	15,664	908
1993	16,864	16,641	11,523	16,046	817
1994	17,055	19,011	9,517	16,250	754
1995	19,377	19,472	9,421	18,829	548
1996	22,692	19,995	12,118	22,034	658
1997 estimate	22,688	20,120	14,686	21876	812
Total	262,878	260,358	....	244,672	18,206

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, fiscal year 1997	($18,000,000,000)
Budget estimate, fiscal year 1998	(20,170,000,000)
Recommended in the bill	(21,500,000,000)
Bill compared with:	
Limitation, fiscal year 1997	(+3,500,000,000)
Budget estimate, fiscal year 1998	(+1,330,000,000)

The accompanying bill includes language limiting fiscal year 1998 federal-aid highway obligations to $21,500,000,000, an increase of $3,500,000,000 over the fiscal year 1997 enacted level, and $1,330,000,000 over the administration's request.

The Committee's recommendation is based on current law. Accordingly, the Committee has denied new bill language requested by the department that would change the administration of the federal-aid highway program. Specifically, the Committee has not included language that would make funds available for the following programs: the gateway border crossing program; Research and Special Program Administration's strategic planning and intermodal research program; the Truman-Hobbs projects; recreational trails; rehabilitation of the Woodrow Wilson Bridge; Appalachian Highways; and integrated safety funds. These activities shall be considered in the context of the reauthorization of the Intermodal Surface Transportation Efficiency Act.

Although the following table reflects an estimated distribution of obligations by program category, the bill includes a limitation applicable only to the total of certain federal-aid highways spending. Furthermore, these program categories and their allocations are based on current law and may change as part of the reauthorization of the Intermodal Surface Transportation Efficiency Act.

FEDERAL-AID HIGHWAYS ESTIMATED OBLIGATIONS

[In thousands of dollars]

Program	Fiscal year—			
	1996 actual	1997 enacted	1998 estimated	1998 recommended
Subject to limitation:				
National highway system	$3,049,875	$3,220,775	$3,607,360	$3,695,352
Surface transportation program	5,897,492	6,151,997	4,782,367	7,058,487
Bridge program	2,273,213	2,471,944	2,172,576	2,836,182
Interstate completion	401,588			
Interstate maintenance	2,149,843	2,607,038	3,607,390	2,991,182
Interstate substitution	96,347			
Interstate system reimbursement	5,961	1,789,319	805,221	2,052,973
Congestion mitigation and air quality improvement	939,147	920,605	1,046,787	1,056,255
Donor state bonus	557,584	460,750		528,641
Intelligent transportation systems	95,859	113,000	196,000	113,000
Federal lands highways	388,235	428,003	511,875	428,033
Administration and research	612,077	695,950	620,376	665,676
Applied research and technology	35,674	46,561		41,000
Other programs	1,177,921	27,689	820,048	33,250
Subtotal, limitation	17,680,815	18,933,630	18,170,000	21,500,000
Exempt from limitation:				
Emergency relief:				
Regular program	127,387	137,435	100,000	100,000
Supplemental	286,302	800,031		
Minimum allocation	744,445	718,306	761,323	641,323
Federal-aid highways demos	800,063	927,496	649,248	649,247
Bonus program (non-add)	(211,342)	(241,173)		269,656
Subtotal, exempt	1,958,197	2,583,268	1,510,571	1,660,226
Grand total, Federal-aid highways	19,639,012	21,516,898	19,680,571	23,160,226

A LIST OF THE FEDERAL HIGHWAY PROGRAMS CURRENTLY UNDER THE LIMITATION FOLLOWS:

Interstate Construction.
Interstate Maintenance.
Interstate Gap Closing.
Interstate 4R.
Interstate Discretionary—Construction.
Interstate Discretionary—4R Maryland.
Interstate Discretionary—4R.
Interstate Discretionary—Apportioned.
Interstate Discretionary—Discretionary.
Rail-Highway Crossings on Any Public Road.
Hazard Elimination.

Combined Road Plan.
Consolidated Primary.
Rural Secondary.
Urban System.
Highway Planning and Research.
Public Lands.
Indian Reservation Roads.
Parkways and Park Highways.
Forest Highways.
Special Urban High Density.
Special Bridge Replacement.
Bridge Replacement and Rehabilitation—Apportioned, Discretionary, and
Talmadge Bridge.
Franconia Notch.
Bypass Highway Demonstration.
Urgent Supplemental Bridges.
Los Angeles Freight Transportation Demo, CA–131(a).
Baton Rouge Interchange Congestion, Demo, LA–131.
Louisville Primary Connector Accel. Demo, KY–131(e).
Vermont Certification Demo–131(f).
Devils Lake Erosion Demo, ND–131(g).
Bridge Over Intracoastal Waterway Demo, FL–131(h).
Idaho Truck Safety/Railroad Elimination Demo–131(i).
Acosta Bridge, Florida.
Administration.
Studies (Sections 158, 159, 164 & 165 under P.L. 100–17).
Demonstration Projects—149(d).
Strategic Highway Research Program.
Operation Lifesaver.
Congestion Pricing Pilot.
National Highway System.
Bridge Rehabilitation and Replacement.
Surface Transportation Program.
Interstate Substitution.
Congestion Mitigation and Air Quality.
Donor State Bonus.
Metropolitan Planning.
Apportionment Adjustment.
Model Intermodal Transportation Plans.
Transportation Assistance Program.
Seismic Research and Development.
Fundamental Properties of Asphalt.
Eisenhower Transportation Fellowship.
Timber Bridge Research and Demonstration.
Intelligent Transportation Systems.
Ferry Boat Construction.
Bureau of Transportation Statistics.
University Transportation Centers.
University Research Institute.
Scenic Byways Technical Assistance.
Scenic Byways Interim Program.
Tax Evasion Project.
Safety Belt/Helmet Incentive Grants.

Alcohol Impaired Driving Countermeasures.
International Truck Registry Uniformity.
Applied Research and Development Program.
Border Crossings.
Infrastructure Investment Commission.
High Speed Rail Corridor Crossings.

Administration of obligation limitation.—The bill includes language regarding the administration of this obligation limitation. The provision provides for an equitable distribution of the available obligational authority based upon the funds apportioned by legislative or administrative formula and upon funds allocated without a formula. In making such a distribution, it is intended that discretionary and other non-formula fund allocations also be considered in the distribution of obligational authority. If these allocations are unknown at the time obligational authority is initially made available to the states, an estimated fair proportion of obligational authority should be reserved for distribution at the appropriate time.

Under the provision, total first quarter obligations are limited to 12 percent, sufficient authority is provided to prevent lapses, funds are to be redistributed after August 1, 1997, and amounts authorized for administrative expenses, the federal lands program, the intelligent transportation systems program, and amounts made available under sections 1040, 1047, 1064, 6001, 6005, 6006, 6023 and 6024 of Public Law 102–240 and 49 U.S.C. 5316, 5317 and 5338 are not to be distributed.

The Committee believes that there is adequate legislative history with respect to the intentions of the Congress in enacting annual limitations on obligations. The Committee is reiterating, however, the language on pages 25 and 26 of House Report 94–1221 stating that this limitation should not be used by the Secretary as discretionary authority to distort the priorities established in federal highway legislation. The Committee expects the Secretary to control obligations in accordance with Congressional intent and directs that the Department of Transportation continue to provide, on a monthly basis, a report on the cumulative amount of obligations by state for each program in the federal-aid highways and highway safety construction program categories. This report should include the amount of unobligated contract authority available to each state for each program, as well as a complete description of any actions taken by the Department or the Office of Management and Budget for the purpose of complying with this obligation limitation.

Belford Ferry terminal.—The Committee directs the Secretary to review the demand for a ferry service from Comptons Creek in Middletown, New Jersey, including the existence of a willing operator and adequate ridership, and report the results to the House and Senate Committees on Appropriations. An assurance of adequate demand must be received by the Committees before the department may release any funds for the permitting, design, or construction of a ferry terminal and any associated infrastructure in Comptons Creek in Middletown, New Jersey.

International trade corridors.—The emergence of the United States, Canada and Mexico as the world's largest trade zone has represented phenomenal growth and opportunity for all three counties and promises to continue doing so in years ahead. Future projections estimate a 93 percent increase in trade between the United States and Mexico by the year 2000. Similarly, trade between the United States and Canada is expected to climb 21 percent during this same period. Increased trade will place an added burden on the nation's transportation systems.

Trade flows in the United States have shifted from east-west to north-south. The growing trade with Canada and Mexico depends heavily on United States infrastructure. In 1993, 88 percent of the total U.S. trade with Mexico was land-based. The ability to transport goods efficiently and effectively through the U.S. will enable this country to realize the full potential of trade agreements such as the North American Free Trade Agreement.

The Committee recognizes that international trade corridors are critical for trade and national economic benefits, and encourages the appropriate legislative committees to consider the importance of these corridors when reauthorizing the Intermodal Surface Transportation Efficiency Act of 1991.

Bureau of Transportation Statistics.—The Committee recognizes the importance of timely and credible transportation data collection and analysis in making sound federal investments. Therefore, the Committee encourages the Bureau of Transportation Statistics to work with qualified universities, including the University of Minnesota's Humphrey Institute, to develop a model program for policy analysis of transportation statistical information. The collaboration should provide recommendations for an on-going program of regional transportation data collection, management, integration, dissemination, interpretation and analysis. The Bureau is directed to report to the Committee by May 1, 1998 on its progress.

ESTIMATED FISCAL YEAR 1998 OBLIGATION LIMITATION

Unlike previous years, the Committee has chosen not to include a distribution of the federal-aid highways obligation limitation by state so as to not prejudice the formula and states equity issues that will be considered in the context of the reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991.

RIGHT-OF-WAY REVOLVING FUND

(LIMITATION ON DIRECT LOANS)

(HIGHWAY TRUST FUND)

Limitation, fiscal year 1997	(--)
Budget estimate, fiscal year 1998	(--)
Recommended in the bill	(--)
Bill compared with:	
Appropriation, fiscal year 1997	(--)
Budget estimate, fiscal year 1998	(--)

The Right-of-Way Revolving Fund was terminated in fiscal year 1996. The program continues, however, to be shown for reporting purposes as balances remain outstanding. Approving the budget request, a prohibition on further obligations is recommended for fiscal year 1998.

The initial legislation for this program required states to construct the highway and reimburse the revolving fund within seven years from the date of advance. This provision was necessary to assure that the fund would be replenished and allow advances to be made to other states requiring right-of-way acquisition. Since the 1968 Act, the 1973 Highway Act extended the required time for construction to ten years and the 1976 Highway Act extended the time limit indefinitely, if deemed necessary by the Secretary.

When right-of-way acquisition has been made and highway construction is initiated, the states become eligible for federal grants under the various highway programs. At the point when progress payments are made to the states for construction, the state in turn reimburses the revolving fund for advances made to the state for right-of-way acquisition. Using this method of funding, all reimbursements made to the revolving fund may be reallocated to other states requiring advances.

Motor Carrier Safety Grants

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1997	($74,000,000)
Budget estimate, fiscal year 1998	(90,000,000)
Recommended in the bill	(85,000,000)
Bill compared with:	
Appropriation, fiscal year 1997	(+11,000,000)
Budget estimate, fiscal year 1998	(−5,000,000)

The motor carrier safety assistance program (MCSAP) provides grants to assist states in developing or implementing national programs for the uniform enforcement of federal and state rules and regulations concerning motor safety. The major objective of this program is to reduce the number and severity of accidents involving commercial motor vehicles. Grants are made to qualified states for the development of programs to enforce the federal motor carrier safety and hazardous materials regulations and the Commercial Motor Vehicle Safety Act of 1986. The basic program is targeted at roadside vehicle safety inspections of both interstate and intrastate commercial motor vehicle traffic.

The Committee recommends $85,000,000 in liquidating cash for this program.

LIMITATION ON OBLIGATIONS

The Committee recommends a limitation on obligations of $85,325,000 for motor carrier safety grants. This provides an increase of $7,100,000 over the 1997 enacted level and a decrease of $14,675,000 below the budget request. The Committee recommends the following changes to the budget request:

Basic motor carrier safety grants	+$7,500,000
Performance-based incentive grant program	−7,500,000
Border assistance	−500,000
Priority initiatives	−4,000,000
State training and administration	−175,000
Information systems and strategic planning	−10,000,000
Net change to the budget request	−14,675,000

Basic motor carrier safety grants.—The Committee has provided $75,000,000 for basic motor carrier safety grants, which is $7,500,000 more than requested.

Safety performance incentive grant program.—The Committee has not provided separate funding for the new safety performance incentive grant program because the Office of Motor Carriers (OMC) has just begun pilot testing this effort and does not expect to complete final evaluation or issue a report on the pilot tests until January 1998. Thereafter, OMC will initiate a rulemaking to develop and implement a safety performance-based incentive grant program. This rulemaking will not be finalized prior to fiscal year 1999, thus it is premature for the Committee to begin funding this grant program in fiscal year 1998. Instead, the Committee has incorporated the requested funding for this effort within the basic motor carrier safety grant program, which will hold funding for the program near the amount enacted in fiscal year 1997.

Although the Committee has not provided funding for this effort in fiscal year 1998, it does not prejudice the grant program from receiving funding in future years. However, the Committee would be more inclined to provide such funding once it reviews a final regulation that incorporates the following features:

(1) a document that has designed states' commercial vehicle safety plans to focus MCSAP resources on the primary contributing factors and conditions associated with commercial vehicle-involved crashes, including efforts to reduce the role of the motoring public in such crashes;

(2) a document that assures states' proposed commercial vehicle safety plans will potentially provide at least the same level of commercial vehicle safety, including traffic enforcement, as was provided under the previous enforcement plans;

(3) a mechanism that provides additional financial incentives for accomplishment of safety objectives, as measured over time, beyond the amount that would have otherwise been allocated under a performance-based allocation that does not reward accomplishments and successful outcomes; and

(4) an effective mechanism to assure that states reduce violations of their out-of-service orders to a minimal level.

Border assistance.—The Committee has provided $2,500,000 for border assistance, which is $1,500,000 more than provided in fiscal year 1997 but $500,000 less than requested. The Committee has not provided $500,000 to the second tier states, which are states that border Arizona, California, New Mexico, and/or Texas because the North American Free Trade Agreement does not allow Mexican carriers to go beyond the four border states until the year 2000. OMC has argued that these states will need education on what to do if Mexican carriers go beyond the border states and into the second tier states. At this point, the Committee does not see the necessity of providing this funding because Mexican carriers are not even allowed to traverse across the four border states but still must operate only in limited commercial zones along the border.

Priority initiatives.—The Committee has deleted funding for new high priority initiatives because of duplication of efforts between OMC's research and development program and their administrative account. If a state chooses to fund judicial outreach, drug interdiction, or any other high priority effort, it may do so through increased funding it receives from the basic grant.

State training and administration.—The Committee has provided $825,000 for state training and administration, which is the same amount as provided in fiscal year 1997. Last year, the Committee directed that no more than $100,000 of this funding could be used for the Challenge grant program and that this competition should be in part, or wholly, funded with corporate and industry support by fiscal year 1999. Although OMC did not fund the Challenge program from this account, it provided $253,000 from the motor carrier safety grant program, does not appear to be reducing this funding in fiscal year 1998, and does not plan to phase out federal support for this program until 2002. The Committee believes these actions circumvent the intent of Congress and therefore directs that no more than $100,000 from any motor carrier account be used to support the Challenge program in fiscal year 1998. The Committee expects that this program will be entirely self-supporting in fiscal year 1999.

Information systems and analysis.—The Committee has provided $3,000,000 for information systems and data analysis, which is $5,000,000 less than requested. Reductions to this program were made for two reasons. First, these efforts have typically been funded from other appropriated funds, such as from the operations and ITS accounts. OMC still plans to draw down funding from these other sources to augment funds in this appropriation. Second, the budget request does not clearly justify why such a large increase for data analysis and information systems is necessary or what the additional dollars would be used for that cannot be provided from current sources.

Commercial vehicle information system.—The Committee has provided $3,000,000 for this effort. Five states are currently participating in a pilot program. OMC had requested funding for national implementation of the pilot program; however, only 10 to 12 states plan to participate in fiscal year 1998. The Committee has provided sufficient funding to increase the state participation to this level.

Driver program initiative.—The Committee recommends $1,000,000 for the commercial motor vehicle driver safety program, but remains concerned that a strategic plan outlining the most cost effective use of this money does not exist. Consequently, the Committee directs OMC to submit a report that: (1) reviews the commercial motor vehicle driver safety program and identifies the most pressing challenges regarding driver performance and the successful implementation of the commercial driver's licenses; (2) develops a five year strategy to address these challenges; and (3) prioritizes the research activities that could be conducted assuming different levels of expenditures between $1,000,000 and $3,000,000 per year. A carefully designed plan justifying these expenditures should be submitted to both the House and the Senate Committees on Appropriations by March 1, 1998. The plan should clearly articulate what activities could not be performed by the states and the private sector in a timely manner and why federal investment is warranted. Particular attention should be directed at efforts to ensure that all states are electronically submitting driver convictions in a timely manner to appropriate states of record. This is needed to advance judicial and prosecutorial education and outreach strategies, and to promote full compliance of all states with all requirements of the commercial driver's license program. OMC should not obligate any of these funds for activities that are similar to those being conducted by the private sector, such as driver training or presentations on alcohol or controlled substances.

STATE INFRASTRUCTURE BANKS

Appropriation, fiscal year 1997	$150,000,000
Budget estimate, fiscal year 1998[1]	150,000,000
Recommended in the bill	....
Bill compared with:	
Appropriation, fiscal year 1997	−150,000,000
Budget estimate, fiscal year 1998	−150,000,000

[1] The budget proposes to finance this account from the Highway Trust Fund.

The Committee has not provided any new funding for the state infrastructure bank program. In fiscal year 1997, $150,000,000 was provided for this program. The appropriation request is not authorized under existing law.

The National Highway Systems Designation Act originally authorized up to ten pilot states to test the state infrastructure bank program and allows these states to capitalize its bank by contributing up to ten percent of most of its Federal-aid highway apportionments. The ten states approved for participation in the original pilot program included: California, Missouri, Arizona, Ohio, Oklahoma, Oregon, Texas, Florida, South Carolina, and Virginia. The Department of Transportation and Related Agencies Appropriations Act, 1997, appropriated an additional $150,000,000 to continue and further expand the program. The department recently announced an additional twenty-nine states to participate in the program.

The Committee recognizes the value of attracting non-federal resources to increase funding for transportation investments and will reassess the department's request for additional capitalization of the state infrastructure banks should such funding be authorized as part of the reauthorization of the Intermodal Surface Transportation Efficiency Act.

TRANSPORTATION INFRASTRUCTURE CREDIT PROGRAM

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1997	....
Budget estimate, fiscal year 1998	$100,000,000
Recommended in the bill	....
Bill compared with:	
Appropriation, fiscal year 1997	....
Budget estimate, fiscal year 1998	−100,000,000

The Committee has not approved the administration's proposal to create a new transportation infrastructure credit program. This program request is unauthorized; the state infrastructure bank program and the direct loan financing program (the Alameda Corridor project)—the programs after which the transportation infrastructure credit program is modeled—are still in very nascent stages of development; and any further expansion of these programs should be considered in the context of the reauthorization of the Intermodal Surface Transportation Efficiency Act.

Further, the Committee notes that the Administration earlier indicated that this program would provide loan guarantees and direct loans to further projects of national significance. The Committee understands that the Department of the Treasury had a number of concerns regarding the establishment of this program which would potentially erode the effectiveness of the proposed program. Moreover, the administration now indicates that grants, rather than loans, would be made under this program. The Committee does not believe that a new discretionary grant program is needed or adequately justified at this time.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

SUMMARY OF FISCAL YEAR 1998 PROGRAM

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

The administration has submitted legislation to reauthorize the agency's current statutes and programs as well as to authorize new highway safety incentive grants. The legislation will amend the following three major laws: (1) the National Traffic and Motor Vehicle Safety Act, (chapter 301 of title 49, U.S.C.); (2) the Highway Safety Act, (chapter 4 of title 23, U.S.C.); and (3) the Motor Vehicle Information and Cost Savings Act, (Part C of subtitle VI of title 49, U.S.C.). The first law provides for the establishment and enforcement of safety standards for vehicles and associated equipment and the conduct of supporting research, including the acquisition of required testing facilities and the operation of the national driver register (NDR). Discrete authorizations were subsequently established for the NDR under the National Driver Register Act of 1982.

Title 23 U.S.C. chapter 4 provides for coordinated national highway safety programs (section 402) to be carried out with the states together with supporting highway safety research, development, and demonstration programs (section 403). The Anti-Drug Abuse Act of 1988 (Public Law 100–690) authorized a new drunk driving prevention program (section 410) to make grants to states to implement and enforce drunk driving prevention programs.

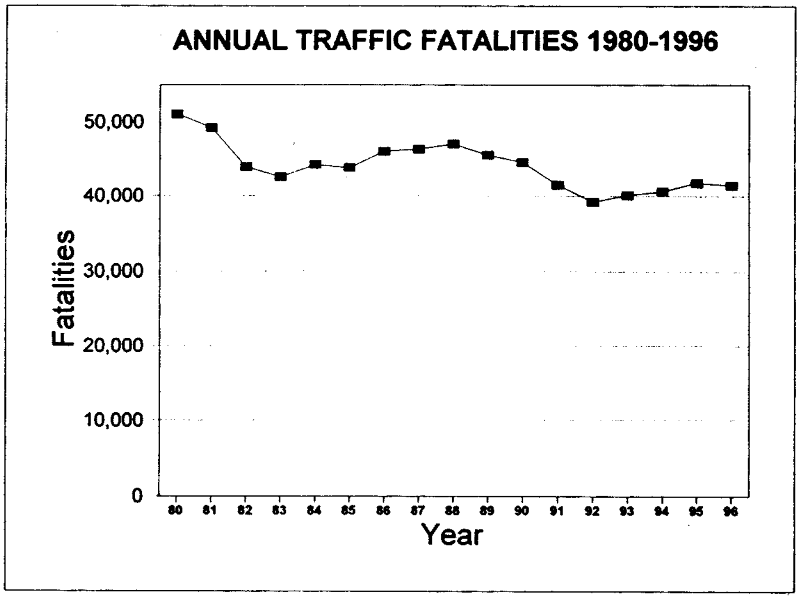
The Intermodal Surface Transportation Efficiency Act of 1991 included amendments to title 23. That act reauthorized section 402 formula grants, provided for modified section 410 alcohol-impaired driving countermeasures grants, and authorized new section 153 safety belt and motorcycle helmet grants. Section 153(j) grants were concluded in fiscal year 1994 and replaced by section 153(h) sanction provisions. ISTEA also authorized additional funding for the national driver register and for an expanded drug recognition expert training program.

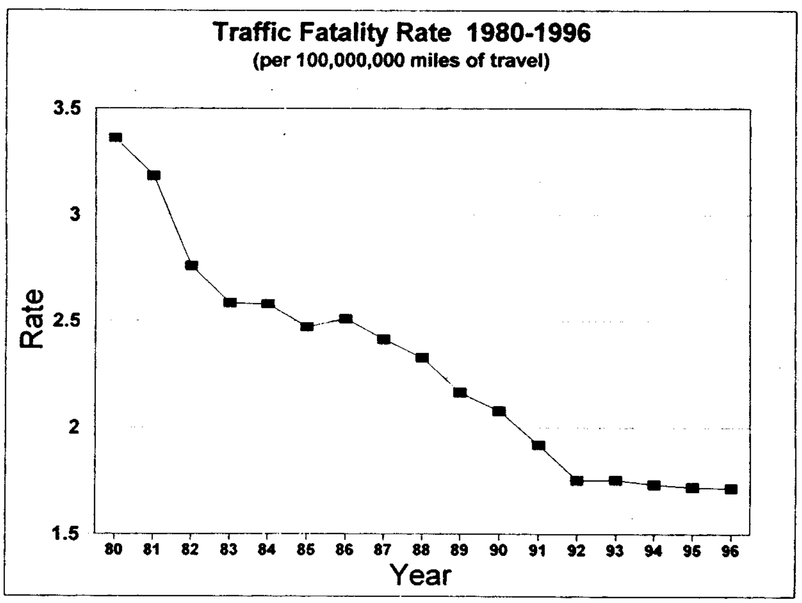
Title 23 was subsequently amended by provisions in the National Highway System (NHS) Designation Act, 1995. In that act, the national maximum speed limit was repealed, thus allowing states to set their own speed limits. Penalty transfer provisions of section 153 were repealed for states failing to enact motorcycle helmet usage laws. The act requires states to enact "zero tolerance" alcohol laws to qualify for the section 410 basic grant rather than the supplemental grant previously. Failure to do so within three years would result in a five percent reduction in the federal highway grants in fiscal year 1999 and ten percent in succeeding years. The national driver register was reauthorized for fiscal years 1995 and 1996 in the NHS and for 1997 in the Emergency Supplemental Appropriations Act (P.L. 105–18). Several new research initiatives were authorized including a study of new technology to enhance the driving performance of older drivers, and a study to develop and evaluate radio and microwave technology to warn drivers about highway obstacles and poor visibility problems caused by inclement weather.

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

Traffic Safety Trends

In 1992, the nation experienced the lowest number of highway fatalities ever despite an increasing amount of travel on the roadways. This trend reversed itself in 1993. The latest NHTSA data indicates fatalities in 1996 were 41,500, or 2,250 higher than the 1992 level. Likewise, the overall fatality rate (deaths per 100 million vehicle miles traveled) has leveled off to 1.7 fatalities since 1993 after significant declines in previous years. The following charts show these safety trends:


ANNUAL TRAFFIC FATALITIES 1980-1996
Fatalities
50,000
40,000
30,000
20,000
10,000
0
80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96
Year


Traffic Fatality Rate 1980-1996
(per 100,000,000 miles of travel)
Rate
3.5
3
2.5
2
1.5
80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96
Year

Operations and Research

(INCLUDING HIGHWAY TRUST FUND)

Appropriation, fiscal year 1997 [1]	$132,612,000
Budget estimate, fiscal year 1998	147,500,000
Recommended in the bill	146,907,000
Bill compared with:	
Appropriation, fiscal year 1997	+14,295,000
Budget estimate, fiscal year 1998	−593,000

[1] Does not reflect reductions of $597,812 for TASC and $32,000 in awards and bonuses.

The Committee recommends new budget authority and obligation limitations for a total program level of $146,907,000. The recommendation provides an 11 percent increase above the 1997 enacted level and will allow NHTSA to expand work on all of its critical air bag initiatives. The bill includes language limiting the availability of the operations and research appropriations to a three year period. Budget and staffing data for this appropriation are as follows:

	1997 enacted [1]	1998 estimate	Recommended in the bill
Safety Performance	$12,226,000	$13,124,000	$13,124,000
(Positions)	(95)	(95)	(95)
Safety Assurance	18,966,000	19,923,000	19,703,000
(Positions)	(103)	(103)	(103)
Highway safety	44,465,000	49,665,000	49,415,000
(Positions)	(203)	(203)	(203)
Research and analysis	50,387,000	57,411,000	57,411,000
(Positions)	(132)	(132)	(132)
Office of administrator	3,728,000	4,116,000	4,116,000
(Positions)	(41)	(41)	(41)
General administration	8,568,000	9,419,000	9,419,000
(Positions)	(90)	(90)	(90)
Grant administration reimbursement	−6,358,000	−6,158,000	−6,158,000
Accountwide Adjustments	....	....	−123,000
Total	131,982,000	147,500,000	146,907,000

[1] Includes reductions of $629,812 for TASC and in awards and bonuses.

The Committee recommends the following changes to the budget request for this appropriation:

Safety Assurance:	
Auto safety hotline	−$150,000
Odometer fraud	−70,000
Highway Safety:	
Emergency medical services	−250,000
Accountwide Adjustments:	
Hold operating expenses to 5 percent increase	−123,000
Net change to the budget estimate	−593,000

Fuel economy standards.—The Committee has included a general provision (sec. 321) that prohibits funds to prepare, prescribe, or promulgate corporate average fuel economy (CAFE) standards for automobiles that differ from those previously enacted. The limitation does not preclude the Secretary of Transportation, in order to meet lead time requirements of the law, from preparing, proposing, and issuing a CAFE standard for model year 2000 automobiles that is identical to the CAFE standard established for such automobiles for model year 1999.

Uniform tire quality grading standards.—The bill includes a provision prohibiting any agency funded in this Act from planning, finalizing, or implementing any rulemaking which would require passenger car tires to be labeled to indicate their low rolling resistance.

Auto safety hotline.—The Committee has reduced funding for the hotline by $150,000. In 1997, funding for the hotline more than doubled, with significant amounts used to hire a consultant to determine how the hotline could be better utilized. The consultant did not begin work until more than halfway through the fiscal year and has initiated many low cost projects, such as printing and placing posters in pilot sites. NHTSA expects that many of the consultant's activities will continue into fiscal year 1998, using 1997 funding. As such, the Committee does not see a need to continue funding the consultant at the 1997 level, and has reduced the program to better reflect what new costs are anticipated to occur in fiscal year 1998.

Odometer fraud.—The Committee has allocated $140,000 for odometer fraud, $80,000 above the enacted level and $70,000 below the request. In the past, NHTSA has provided states with seed money to enhance their state enforcement programs. This year, the administration proposed a new component to the odometer fraud program, which would train state investigators to work with NHTSA in particular crime-afflicted areas. NHTSA originally requested more than $50,000 per investigator, which would cover living expenses for one year. After careful evaluation of similar programs in FHWA and FRA, which cost between $10,000 and $17,000 less per investigator than NHTSA has estimated, the Committee believes a lower amount than the budget request will be adequate.

The bill continues to carry a general provision (sec. 327) that enables the Secretary of Transportation to administer and implement the exemption provisions of the Motor Vehicle Information and Cost Savings Act, as requested. These provisions have, for more than 20 years, exempted sellers of large trucks from the odometer disclosure regulation because vehicles weighing over 16,000 pounds often travel more than 15,000 miles per month, and over the years, their odometers may turn over several times. Most purchasing decisions with respect to these vehicles are based on service and maintenance records rather than odometer readings.

Seat belt and child safety seat usage.—Forty-nine states have seat belt laws. The current seat belt usage rate is estimated at 68 percent. This rate has risen very slowly in the past few years and some states have been struggling to maintain use rates at the current level. Fifty states have child safety seat laws. However, half the children under age five who die in traffic crashes are not secured in child safety seats and nearly 80 percent of child safety seats are used incorrectly.

In April 1997, the President announced a broad national strategy to reduce child occupant fatalities by 15 percent and increase safety belt usage rates to 85 percent by the year 2000. The Committee commends the administration for taking this important step. Meeting the 85 percent seat belt goal would prevent 4,192 fatalities and 102,518 injuries each year. Reaching the child occupant protection goal would prevent 103 fatalities per year. No other transportation safety initiatives will do more sooner to benefit the public health. Therefore it is essential that these goals are achieved.

The Committee strongly supports the implementation of these presidential initiatives and directs the Secretary of Transportation and the Administrator of NHTSA to keep the Committee fully apprised of its activities in achieving these goals by providing biannual reports to the House and Senate Committees on Appropriations on the specific steps undertaken. The first report should be submitted by December 1, 1997.

Emergency medical services (EMS).—The Committee has provided $1,300,000 for emergency medical services, which is $250,000 less than requested. This year, the budget separated the EMS research component from the EMS program component. When these accounts are combined, the administration requests a 63 percent increase. The Committee has fully funded the research component and provided a 36 percent increase in the program component. This increase should adequately fund the establishment of an educational council, which was the only new component in the budget request.

Biomechanics.—The Committee has provided $1,200,000 for indepth highway traffic injury studies, which are conducted at four trauma centers. The Committee recognizes the pioneering work of these centers, most notably the work being done by the William Lehman Injury Research Center at the Jackson Memorial Medical Center and the New Jersey College of Medicine, in applying multidisciplinary sciences to discover and quantify new injury patterns in crashes, including those associated with air bag inflation. The Committee suggests that additional funding for air bag research investigations provided in this bill should make full use of the resources and expertise available at these two trauma centers.

The Committee is concerned that NHTSA is spreading over two federal fiscal years grants formerly provided in a single fiscal year, and that NHTSA is basing funding for some current-year grants on future appropriated funds, subject to the availability of funds. This major change in NHTSA's funding mechanism for crash injury studies at trauma centers could adversely affect the ability of these centers to maintain the experienced teams necessary to conduct advanced trauma research. NHTSA is therefore directed to cease its prospective funding mechanism and to consider in its grant decisions local, institutional or governmental fiscal years which may vary from the federal fiscal year and impact trauma center research activities.

The Committee continues to be deeply concerned about the number of children who are injured or killed by air bags. To reduce child injuries and enhance the safety and effectiveness of occupant protection systems for children, the Committee directs NHTSA to provide $100,000 to develop a biofidelic child crash test dummy to collect data on children's unique biologic features and the behavior of children under crash conditions.

The Committee recognizes a collaborative research project involving a consortia of the Children's Hospital of Pennsylvania, the University of Pennsylvania, Pennsylvania State University and a private Pennsylvania crash investigation corporation in developing a biofidelic child crash test dummy. This project will use previously conducted human and primate surrogate data as well as data from controlled low acceleration tests and child flexibility data to provide the biofidelic basis for the new child crash test dummies.

Special crash investigations.—The Committee has fully funded the special crash investigations program, an increase of $700,000 above the fiscal year 1997 level. According to the budget request, this funding will be used to analyze air bag related crashes which involve serious injuries or fatalities. While the Committee supports additional investigations of air bag crashes to provide more in-depth and timely analysis of this complex issue, there is concern that NHTSA does not plan to analyze specifically the safety performance of vehicles with depowered air bags. The March 1997 NHTSA rule, which allows manufacturers to depower their air bags, has been followed by announcements from several manufacturers that all or most of their 1998 model year vehicles will incorporate depowered air bags. NHTSA's rulemaking on this subject showed widely divergent views on the safety effects of depowering with the agency taking one view, and the manufacturers and insurers another. The Committee further notes that NHTSA's estimates of the safety consequences of depowering changed significantly between the time of the proposal and the time of the final rule. The Committee believes that the importance of this issue requires real-world data for its resolution, and as such, directs NHTSA to concentrate some of these funds on investigating crashes involving vehicles with depowered air bags in which there was a front seat occupant fatality or serious injury. As part of this effort, NHTSA should compare the effectiveness of depowered air bags with that of fully powered air bags for: (1) vulnerable occupants such as small statured adults and children, (2) all unbelted occupants, and (3) injuries for all occupants. It is expected that NHTSA will seek vehicle manufacturers' assistance in identifying those vehicles that incorporate depowered air bags.

Operating expenses.—The Committee has held operating expenses to a five percent increase, excluding rental costs that are being billed directly to the agency in fiscal year 1998.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1997	$168,100,000
Budget estimate, fiscal year 1998	185,000,000
Recommended in the bill	186,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+17,900,000
Budget estimate, fiscal year 1998	+1,000,000

The Committee recommends $186,000,000 to liquidate contract authorizations for state and community highway safety grants (23 U.S.C. 402), safety belt and motorcycle helmet use grants (23 U.S.C. 153), alcohol-impaired driving countermeasures grants (23 U.S.C. 410), section 211(b) of the National Driver Register Act of 1982, as amended, and section 209 of Public Law 95–599, as amended. The recommendation represents an eleven percent increase over the 1997 level and provides a $1,000,000 increase above the budget request.

LIMITATION ON OBLIGATIONS

As in past years and recommended in the budget request, the bill includes language limiting the obligations to be incurred under the various highway traffic safety grants programs. The bill includes separate obligation limitations with the following funding allocations:

	1997 enacted	1998 estimate	Recommended in the bill
State and community safety grants	$140,200,000	$140,200,000	$140,200,000
Alcohol incentive grants	25,500,000	34,000,000	35,000,000
Occupant protection grants	....	9,000,000	9,000,000
National driver register	2,400,000	2,300,000	2,300,000
Total	168,100,000	185,500,000	186,500,000

Section 402 formula grants.—These grants are awarded to states for the purpose of reducing traffic crashes, fatalities and injuries. The states may use the grants to implement programs to reduce deaths and injuries caused by exceeding posted speed limits; encourage proper use of occupant protection devices; reduce alcohol- and drug-impaired driving; reduce crashes between motorcycles and other vehicles; reduce school bus crashes; improve police traffic services; improve emergency medical services and trauma care systems; increase pedestrian and bicyclist safety; increase safety among older and younger drivers; and improve roadway safety. The grants also provide additional support for state data collection and reporting of traffic deaths and injuries.

An obligation limitation of $140,200,000 is included in the bill, which is the same amount as requested. Also, language is included in the bill that limits funding available for federal grants administration to $5,268,000 for NHTSA.

The bill continues to carry language that prohibits the use of funds for construction, rehabilitation, and remodeling costs, or for office furnishings or fixtures for state, local, or private buildings or structures.

Alcohol-impaired driving incentive grants.—A new grant program will offer two-tiered basic and supplemental grants to reward states that pass new laws and start more effective programs to attack drunk and impaired driving. This continues the department's strong emphasis on impaired drivers that was addressed under the former Section 410 incentive grant program. States may qualify for grants in three ways. First, they can enact administrative license revocation and .08 blood alcohol content (BAC) laws. Second, they can implement four of the following five programs: (1) prevent persons under age 21 from obtaining alcohol; (2) increased police enforcement coupled with publicity; (3) graduated licensing laws with nighttime driving restrictions and zero tolerance; (4) effective sanctions for repeat DWI offenders; and (5) enactment of administrative license revocation laws. Third, states may also qualify for these incentive grants by demonstrating exceptional performance in reducing the rate of fatally injured drivers with BAC levels of .10 or higher. Supplemental grants are provided to states that adopt additional measures, including open container laws, mandatory alcohol testing for drunk driving suspects involved in fatal or serious injury, .02 BAC per se laws for persons under age 21 with a minimum of 30 day license suspension, financially self-sustaining programs and the use of passive alcohol sensors by police.

Recent statistics have shown an increase in the number of alcohol-related incidents and fatalities. In 1995, the number of alcohol-related fatalities increased sharply to 17,274 from 16,580 in 1994. Alcohol involvement in motor vehicle accidents injures another one million people each year. The Committee has set an obligation limitation of $35,000,000 for alcohol-impaired grants as a means to combat the increased fatalities. This level is $1,000,000 more than requested.

Occupant protection incentive grants.—The Committee has fully funded the new occupant protection incentive grant program, with the expectation that it will be authorized shortly. This new grant program will offer incentives to states to implement tougher laws and programs to increase safety belt usage, child safety seat usage, and correct child seat usage. To receive these grants, states must satisfy certain basic grant criteria by having specific laws and programs, such as passing primary enforcement laws or driver license penalty points for belt law violations, implementing increased police enforcement of occupant protection laws, requiring safety belt use by all front seat passengers, requiring minimum fines for safety belt and child safety seat violations, and requiring that children up to age four be in a child safety seat in an appropriate seat position. States may also qualify for incentive grants by demonstrating exceptional performance in increasing seat belt usage rates.

National driver register.—The bill includes an obligation limitation of $2,300,000 for the national driver register, the same level as requested. The national driver register program assists state motor vehicle administrators in communicating effectively and efficiently with other states to identify problem drivers (i.e., drivers whose licenses are suspended or revoked for certain serious traffic offenses, including vehicle operation under impairment by alcohol and other drugs).

FEDERAL RAILROAD ADMINISTRATION

SUMMARY OF FISCAL YEAR 1998 PROGRAM

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

The total recommended program level for the FRA for fiscal year 1998 is $918,834,000. The following table summarizes the fiscal year 1997 program levels, the fiscal year 1998 program requests and the Committee's recommendations:

Program	1997 enacted [1]	1998 estimate	Recommended in the bill
Office of the Administrator	$16,739,000	$20,559,000	$19,434,000
Railroad safety	51,407,000	57,067,000	56,967,000
Railroad research and development	20,100,000	21,638,000	21,038,000
Northeast corridor improvement program	175,000,000	[2]	250,000,000
Next generation high speed rail	24,757,000	19,595,000	18,395,000
Rhode Island rail development	7,000,000	10,000,000	10,000,000
Grants to National Passenger Rail Corporation [3]	587,950,000	[4] 789,450,000	543,000,000
High-speed rail trainsets and facilities	80,000,000	....	....
Alaska railroad	10,000,000	....	....
Direct loan financing program	58,680,000	....	....
Direct loan financing limitation	(400,000,000)	....	....
Total	1,031,633,000	918,309,000	918,834,000

[1] Excludes reduction of $170,979 for TASC and $15,000 in awards and bonuses. Also excludes $18,900,000 in emergency appropriations for railroad repair and rehabilitation from Public Law 105–18.
[2] Financing for the Northeast Corridor Improvement Program is included in grants to the National Railroad Passenger Corporation's budget request.
[3] Includes mandatory passenger rail service payments.
[4] Funding requested from the Highway Trust Fund.

OFFICE OF THE ADMINISTRATOR

Appropriation, fiscal year 1997 [1]	$16,739,000
Budget estimate, fiscal year 1998	20,559,000
Recommended in the bill	19,434,000
Bill compared with:.	
Appropriation, fiscal year 1997	+2,695,000
Budget estimate, fiscal year 1998	−1,125,000

[1] Excludes reductions of $103,000 for TASC and $4,000 in awards and bonuses.

This account provides funds for executive direction and administration, policy support, passenger and freight services salaries and expenses, and contractual support. The Committee recommends an appropriation of $19,434,000 to continue the office of the administrator and passenger and freight service assistance functions.

Recommended adjustments to the budget request are as follows:

Reduce rental costs	−$955,000
Reduce costs associated with new information technology equipment	−120,000
Decrease new support services	−50,000
Net adjustment to the budget request	−$1,125,000

Rental costs.—The Committee has provided $2,000,000 for rental payments instead of $2,955,000 as requested. In August 1996, because of the "sick building" problem, the entire FRA headquarters organization was relocated outside of the Nassif building until cleaning and repair is completed. The two floors that FRA was located on prior to its move have been cleaned; however, FRA does not want to move back into the Nassif building. It is the Committee's understanding that, although FRA's floors are being used by other modes, there is still vacant space within the Nassif building, which is less expensive to rent on a per square-foot basis than the space FRA is currently utilizing. Furthermore, the department is in the process of consolidating its employees into fewer locations. The Committee does not agree that an entire modal administration, previously located within the Nassif building, should be located a significant distance away from the department's other daily operations. The Committee has included a provision in the bill that limits FRA's expenditure for rental payments within Washington

D.C. to departmental space and has reduced the rental payment request to reflect the costs of rent at the Nassif building.

Information technology equipment.—The Committee recommends $172,000 for new information technology equipment. At this level, the Committee is doubling the amount of funding provided in 1997 to replace and upgrade hardware and software components and enhance automation systems and databases.

Support services.—The Committee has provided $75,000 for new support services, which is $50,000 less than requested. Because of downsizing initiatives the Committee believes that the large increase proposed is not necessary. These reductions should be made within the training, travel, and supplies portion of the budget request. At the recommended level, FRA will be able to continue contracting out for analysis where it does not have the necessary staff expertise and should not eliminate any ongoing support contracts.

Rail relocations.—The Committee directs the FRA to continue, within available funds, ongoing consultative efforts regarding railroad relocations between railroads, the administration, and local communities.

RAILROAD SAFETY

Appropriation, fiscal year 1997 [1]	$51,407,000
Budget estimate, fiscal year 1998	57,067,000
Recommended in the bill	56,967,000
Bill compared with:	
Appropriation, fiscal year 1997	+5,560,000
Budget estimate, fiscal year 1998	−100,000

[1] Does not reflect reductions of $57,979 for TASC and $11,000 awards and bonuses.

The federal role in the railroad safety program is to protect railroad employees and the public by ensuring the safe operation of passenger and freight trains. The authority to accomplish this role is found in the Federal Railroad Safety Act of 1970 (as amended), the Department of Transportation Act, and the Hazardous Materials Transportation Act. Greatly expanded railroad safety authority was granted to the FRA under the Rail Safety Improvement Act of 1988.

The Committee recommends a total appropriation of $56,967,000 for railroad safety programs in fiscal year 1998. This is $5,560,000 above the level provided in fiscal year 1997 and a reduction of $100,000 below the level proposed in the budget estimate.

Railroad safety advisory committee.—The Committee has provided $100,000 for the railroad safety advisory committee. In fiscal year 1997, this committee was able to conduct its work on $50,000. This year, the budget requested $200,000, a four-fold increase. The Committee has provided funding at twice the enacted level for fiscal year 1997, which shall allow sufficient funds to continue consensus-based rulemakings on rail safety issues.

Outreach efforts.—The Committee is favorably impressed with FRA's outreach efforts to educate railroad workers on their roles and responsibilities in new accident reporting technologies, rail/highway crossing safety, and other important new safety initiatives. The Committee directs FRA to continue their partnership with the labor organization representing railroad conductors, brakemen and engine service employees to develop and implement cooperative safety training programs. These training and education programs should be designed to be used by all classifications of rail workers.

RAILROAD RESEARCH AND DEVELOPMENT

Appropriation, fiscal year 1997 [1]	$20,100,000
Budget estimate, fiscal year 1998	21,638,000
Recommended in the bill	21,038,000
Bill compared with:	
Appropriation, fiscal year 1997	+938,000
Budget estimate, fiscal year 1998	−600,000

[1] Does not reflect reductions of $8,000 for TASC.

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

The Committee recommends an appropriation of $21,038,000 for fiscal year 1998, which represents a $600,000 decrease below the budget estimate. The bill includes the following reductions to the budget estimate:

Delete funding for maglev initiative	−$500,000
Hold funding for environmental issues to 1997 level	−100,000
Net change to the budget request	−600,000

Maglev initiative.—The Committee has deleted funding for the new magnetic levitation (maglev) initiative. The administration requested $500,000 to evaluate maglev technology and the efforts the U.S. Air Force, the U.S. Navy, and NASA may be pursuing. However, only one of these three agencies—the U.S. Air Force—has received funding for its endeavor. Furthermore, maglev does not appear to be a cost beneficial transportation option, as noted in FRA's August 1996 report on the commercial feasibility of high speed ground transportation. Of the options considered in this report, which ranged from high speed rail operating conventional trains at 90 miles per hour to maglev, the three most viable options appeared to be operating at speeds between 90 and 125 miles per hour. Maglev was not a viable option on any of the corridors considered except the northeast corridor, which Congress is already investing significant sums to upgrade for electrified high-speed rail service. Because of uncertain funding in the future for these projects, limited prospects of commercialization of maglev technology, and the unclear transportation-related purpose of the other agencies' activities, the Committee has deleted funding for this program.

Environmental issues.—The Committee has provided $200,000 for environmental issues, which is the same amount as provided in 1997. The request did not justify why an additional $100,000 was necessary for this program.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

Appropriation, fiscal year 1997 [1]	$175,000,000
Budget estimate, fiscal year 1998 [2]	....
Recommended in the bill	250,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+75,000,000
Budget estimate, fiscal year 1998	+250,000,000

[1] Includes $60,000,000 appropriated in the Omnibus Consolidated Appropriations Act of 1997.
[2] The administration requested funding for the Northeast Corridor Improvement Program as part of the National Railroad Passenger Corporation's capital grant.

Title VII of the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act) authorized $2,500,000,000 for the Northeast Corridor Improvement Program (NECIP). That Act was later amended to add a list of projects to be funded in the event the total amount of authorized funding became available. This project list was again amended in the Rail Safety Improvement Act of 1988 to authorize new safety-related projects which the Committee initiated in the aftermath of the Chase, Maryland, Conrail-Amtrak accident. Currently, the program includes a major upgrade of the north end of the corridor to improve running speeds between New York City and Boston, including electrification of the rail line between New Haven, Connecticut and Boston. The program also includes routine upgrade and rehabilitation of the south end of the corridor between Washington, D.C. and New York City.

The Committee recommends $250,000,000 for the Northeast Corridor Improvement Program. This is $50,000,000 more than the administration requested for NECIP under Amtrak's capital grant request. Both Amtrak and FRA have testified that 1998 is the most critical year for achieving full implementation of high-speed rail in the corridor by the summer of 2000. Once electrification is completed and train sets are delivered, Amtrak plans to begin operating 8 daily high-speed trains between Boston and New York. Amtrak projects that this service will generate $168,000,000 in additional revenues in the year 2000. This figure is projected to grow to $308,900,000 by the year 2003. The forecasted revenue growth resulting from electrification and high-speed rail service should greatly assist Amtrak in becoming free of federal operating subsidies by the year 2002.

RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM

Section 511 of Public-Law 94–210, as amended authorizes obligation guarantees for meeting the long-term capital needs of private railroads. Railroads utilize this funding mechanism to finance major new facilities and rehabilitation or consolidation of current facilities. No appropriations or new loan guarantee commitments are proposed in fiscal year 1998 consistent with the budget request.

NEXT GENERATION HIGH SPEED RAIL

Appropriation, fiscal year 1997 [1]	$24,757,000
Budget estimate, fiscal year 1998	19,595,000
Recommended in the bill	18,395,000
Bill compared with:	
Appropriation, fiscal year 1997	−6,362,000
Budget estimate, fiscal year 1998	−1,200,000

[1] Does not reflect reductions of $2,000 for TASC.

The next generation high speed rail program funds the development, demonstration, and implementation of high speed rail technologies. It is managed in conjunction with the program authorized in the Intermodal Surface Transportation Efficiency Act of 1991 for similar purposes.

The Committee recommends $18,395,000 for the next generation high speed rail program. Adjustments in total program funding from the budget request are as follows:

Budget activity	1997 enacted	1998 estimate	Recommended in the bill
High-speed train control	$4,000,000	$5,000,000	$3,800,000
Non-electric locomotives	9,000,000	8,000,000	8,000,000
Grade crossing & innovative technology	4,999,000	4,500,000	4,500,000
Track & structures technology	6,500,000	1,550,000	1,550,000
Planning technology	1,250,000	0	0
Administration	426,000	545,000	545,000
Total	[1] 26,175,000	19,595,000	18,395,000

[1] Includes $1,420,882 in carryover authority.

High speed train control systems.—The Committee has provided $3,800,000 for high speed train control, which is $1,200,000 less than requested. Much of this funding was to be used by the State of Illinois on train control systems; however, the Illinois project is in the process of being significantly altered. Under the original project, for which Congress has provided $7,000,000, work was to occur on a portion of Southern Pacific's track north of Springfield, Illinois. However, after Southern Pacific was acquired by Union Pacific, this project was reconsidered. Currently, the State of Illinois is negotiating the train control project with Chicago-area Metropolitan Rail (METRA) on their track between Joliet and Chicago. Because of delays in this work, to date the state has only obligated $1,000,000 of the appropriated funds. The remaining $6,000,000 is still available. Until plans are finalized by the State of Illinois, both the interoperability of train control systems and the flexible block project may be delayed.

Non-electric locomotives.—The Committee has fully funded the budget request of $8,000,000 for high speed, non-electric locomotives. Funds for FRA to continue its focus on high speed fossil fuel research on flywheel turbine technology, such as the advanced locomotive propulsion system (ALPS) program, have been provided. In addition, the Committee commends the FRA for its consideration of a separate initiative to further evaluate other high speed non-electric locomotive technologies that may incorporate ALPS in the future. As such, the Committee suggests that FRA continue to evaluate these other technologies, which: (1) utilize modern, recently developed locomotive car bodies; (2) meet forthcoming FRA Tier II passenger rail car construction standards and other applicable federal safety regulations; and (3) have the potential to operate at 150 miles per hour, yet be available for revenue demonstration at speeds of 125 miles per hour within a two to three year period.

Rhode Island Rail Development

Appropriation, fiscal year 1997	$7,000,000
Budget estimate, fiscal year 1998	10,000,000
Recommended in the bill	10,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+3,000,000
Budget estimate, fiscal year 1998	....

The Committee recommends $10,000,000 for the Rhode Island Rail Development project, the same amount as requested. In November, 1996, the State of Rhode Island passed a $62,000,000 bond referendum, of which $50,000,000 is guaranteed for the rail redevelopment project. This funding will be spent to add track capacity adjacent to the northeast corridor mainline and gain overhead clearances sufficient for double stack container trains. Because of the bond, the Committee is no longer concerned about the state's ability to match federal funding on this project.

Grants to the National Railroad Passenger Corporation

Appropriation, fiscal year 1997 [1 2]	$587,950,000
Budget estimate, fiscal year 1998 [2 3]	789,450,000
Recommended in the bill	543,000,000
Bill compared with:	
Appropriation, fiscal year 1997	−44,950,000
Budget estimate, fiscal year 1998	−246,450,000

[1] Includes $22,500,000 for operating losses provided under the Omnibus Consolidated Appropriations Act, 1997.

[2] Includes $142,000,000 for mandatory retirement payments.

[3] The administration requested a total of $789,450,000 from the Highway Trust fund, which included $200,000,000 for the Northeast Corridor Improvement Program and $23,450,000 for Pennsylvania Station Redevelopment.

The National Railroad Passenger Corporation (Amtrak) is a private/public corporation created by the Rail Passenger Service Act of 1970 and incorporated under the laws of the District of Columbia to operate a national rail passenger system. Amtrak started operation on May 1, 1971.

The Committee recommends a total funding level of $543,000,000 for grants to Amtrak to cover operating losses, retirement payments, and capital expenses in fiscal year 1998. This amount is $44,950,000 below the 1997 enacted level. The Committee has not funded Amtrak from the highway trust fund, as requested by the administration, because the proposal is not authorized. Also, the Committee has continued to fund the Northeast Corridor Improvement Program separately instead of incorporating these funds into Amtrak's capital grant.

STATUS OF AMTRAK

Amtrak continues to face serious economic and financial challenges. In 1995, Amtrak developed a strategic business plan designed to increase revenues, control costs, and eliminate the need for federal operating subsidies by the year 2002. Significant progress was made in 1995 to improve Amtrak's bottom line and Amtrak ended the year with a positive cash balance. However, this progress has not continued in more recent years. Beginning in 1996, the plan has been revised several times, each time to reflect updated realities of its inability to raise additional revenues and/or control costs.

The Committee received some very frank and disconcerting testimony this year regarding Amtrak's financial viability from the General Accounting Office (GAO) and Amtrak. The testimony described a railroad in a very unstable position. GAO noted three important and troubling points. First, Amtrak's net loss was $764,000,000 in fiscal year 1996, and the gap between its operating deficit and federal operating support was $82,000,000. Second, Amtrak's debt and capital lease obligations rose from $527,000,000 in fiscal year 1993 to $987,000,000 in fiscal year 1996, nearly doubling in a three year period. This debt excludes an additional $1 billion Amtrak expects to incur beginning in 1999 to finance high-speed train sets and maintenance facilities in the northeast corridor and the acquisition of new locomotives. Third, over the last four years, GAO estimates that Amtrak's interest expenses have tripled, from a fiscal year 1993 level of $20,600,000 to a fiscal year 1996 level of $60,200,000. In 1993, six percent of Amtrak's operating assistance was used to make interest payments on its debt, but by fiscal year 1996, that percentage rose to 21 percent. Slightly less than a quarter of all of Amtrak's operating assistance is now going to pay for interest on its debts rather than covering costs associated with day-to-day running of the railroad. As interest payments on its debt consume an ever increasing portion of operating assistance, Amtrak will have less and less subsidy available for current operating assistance. Based on these findings, GAO concluded that "Amtrak is in a very precarious position * * * Greater than expected losses have made it difficult for Amtrak to continue its path toward eliminating federal operating support".

This year, Amtrak testified that "there are no simple solutions to Amtrak finances, but it is very clear that Amtrak cannot continue to go on as we have been, bleeding the corporation and trying to achieve prosperity by downsizing the system. . . . We either run a national system with the appropriate resources or we should begin to take steps to shut it down". Amtrak believes that in order to be free of federal operating subsidies by the year 2002, it needs a dedicated source of capital funding. To achieve this, the corporation has proposed diverting one half cent from the federal gas tax. The half-cent would provide Amtrak up to $750,000,000 per year for capital improvements. However, this proposal was not contained in the administration's recent reauthorization proposal or in the 1998 budget request. The amount contained in the half cent proposal is significantly more than what was appropriated for capital grants and the northeast corridor improvement program in 1996 and 1997 ($345,000,000 and $398,450,000, respectively) and the amount requested by the administration for fiscal year 1998 ($445,450,000). Despite the Committee's strong support for Amtrak, in today's domestic discretionary environment, such increases in capital funding are highly unlikely. Therefore, Amtrak needs to find new ways to survive on its current federal subsidies and scale back its expectations to be more in line with today's fiscal realities.

Although many are convinced that the outlook for Amtrak is bleak without substantial federal investment, the Committee believes that Amtrak has many opportunities to increase its revenues in the near-term. For example, Amtrak has begun to aggressively pursue increased mail and express services, which will provide the corporation with additional revenues to augment its federal appropriation. In a recent letter to this Committee, Amtrak stated that mail and express "will add a significant amount to our bottom line and play an important role in improving the economics of our long-distance trains". Also, Amtrak is pursuing a number of other options that have great possibility. These options include allowing companies to run fiber-optic cable and placing cellular towers along Amtrak-owned rights-of-way. Finally, under the administration's reauthorization proposal, the eligibility of most federal surface transportation programs would be broadened to permit States the flexibility to use a portion of their federal-aid highway funding to make capital investments to support Amtrak services. Based on fiscal year 1997 federal-aid highway program levels, if this provision were enacted, states could transfer up to $250,000,000 to support Amtrak's operations.

But funding alone is not the panacea for Amtrak. Comprehensive legislative reforms must also occur for Amtrak to address the railroad's financial and operational problems, which include unemployment, liability, contracting out, and labor reforms. It is not within this Committee's jurisdiction to undertake these reforms; however, without significant changes, federal appropriations alone will not be adequate to solve Amtrak's problems. Without legislative reform, it is unlikely that Amtrak will be able to reduce its operating expenses sufficiently to become independent of federal operating subsidies by the year 2002.

The Committee has included bill language (title IV) establishing an independent commission, modeled after the Base Realignment and Closure Commission, that would conduct an independent economic analysis of the entire Amtrak system. This Commission is necessary because Amtrak's own restructuring efforts have not worked as planned. Some of Amtrak's unprofitable routes have been mandated by Congress, which has stymied Amtrak's efforts to operate in a more business-like manner. The Commission will make recommendations on route closings and realignments urgently needed for the survival of a passenger rail system in the United States. No segment of Amtrak's system will be exempt from review and all routes, including the northeast corridor, would be carefully scrutinized. With these determinations being made by the commission, painful route closure and realignment decisions should have a greater chance of being implemented. These recommendations would then be considered by Congress on an expedited basis. If Amtrak is to survive and run in a manner consistent with sound business practices, objective, business principles need to govern Amtrak's operations, rather than outside considerations or constraints. Congress needs to be able to justify to the taxpayers whatever decisions it makes regarding Amtrak and this is best accomplished based on sound assessments and recommendations.

The Committee believes that this commission could expand on ideas recently proposed by a blue ribbon working group on intercity rail. This group reported that "genuine renewal of national passenger rail service will not be resolved by political rhetoric nor by periodic, last minute infusions of cash; rather, it requires that the

Congress take a long, hard step back from the status quo in order to pilot a viable, market-driven course for the future". This working group recommended to the House Transportation and Infrastructure Committee that the national passenger rail system be restructured into two components. First, passenger rail service should be provided, on a competitive basis, in all densely populated corridors of the United States. Second, periodic rail service should be developed throughout all regions of the nation with cultural, historic, or scenic character if it is economically justifiable. The Commission should consider these ideas as part of its review.

OPERATING EXPENSES

The Committee recommendation provides $283,000,000 for Amtrak's operating losses in fiscal year 1998. The recommendation fully funds the administration's request of $202,000,000 for routine operating expenses, and provides $81,000,000 for railroad retirement payments.

Railroad retirement expenses.—Since fiscal year 1991, Congress has provided Amtrak with an excess railroad retirement subsidy. The subsidy is the difference between what Amtrak calculates as its "excess" payments, according to current law, defined as liability to the Railroad Retirement Account (RRTA) less the estimated benefits which are expected to be paid to Amtrak retirees. The subsidy represents a major component of the federal financial assistance provided to Amtrak and is separately justified each year by Amtrak as a "mandatory payment".

In fiscal year 1998, Amtrak and the administration requested $142,000,000 for this subsidy. The Committee has provided $81,000,000 for this purpose, which is the amount identified in the 1998 budget justification as Amtrak's corporate liability for non-Amtrak beneficiaries. The Committee has reduced the amount provided for retirement payments because there is evidence that Amtrak is overstating the tax liability and understating the benefits paid to Amtrak annuitants by a total of $61,000,000.

First, Amtrak has questionably included $43,000,000 in employee tier II payments as a liability when calculating the subsidy. These funds, although withheld by Amtrak from an employee's pay check, are part of an employee's overall compensation. Therefore, even though these payments are part of Amtrak's overall salary expenditures, these obligations, much like personal taxes owed to state and local jurisdictions, are the responsibility of the employee. Also, these funds are included by Amtrak as a salary expense when determining its profit/loss. Since Amtrak is using these payments to justify a direct subsidy from the federal government, it is, in effect, having the federal government underwrite a portion of its employees' salaries.

Second, the Railroad Retirement Board and the Office of Management and Budget (OMB) have identified $18,000,000 in non-Social Security Equivalent Benefits (SSEB) that Amtrak should consider when calculating the federal RRTA subsidy. These benefits include occupational disability and early retirement costs. For example, Amtrak employees can retire at age 60, while social security benefits cannot be collected until age 62; thus the two years of payments are categorized as non-SSEB payments. According to OMB, failing to include these payments as benefits received understates the level of support paid by the Railroad Retirement Board to former Amtrak employees. Amtrak has been aware of this estimated beneficiary payment but apparently has chosen to ignore it in its calculation of its payment responsibility.

Because of these two problems, the bill contains language that limits the uses of Federal funds provided for “excess” retirement payments. The bill language clarifies the federal commitment to pay retirement expenses for former employees of railroads that are no longer in operation, as originally proposed in 1991. The Committee believes that this language does not change Amtrak’s obligation to make retirement payments for its current and former employees until they are eligible for social security payments. Amtrak employees will continue to pay into the retirement fund through a payroll deduction. However, Congress will no longer appropriate an equivalent amount which Amtrak can then use for operating losses. The Corporation has $1.6 billion in non-federal revenues that it can use to fund these needs.

CAPITAL IMPROVEMENTS

The Committee recommendation provides $260,000,000 for Amtrak’s capital program in fiscal year 1998. This is $36,550,000 more than the 1997 enacted level. Consistent with the budget estimate and actions taken in fiscal year 1997, the availability of funds is delayed until July 1, 1998.

Transfer of capital dollars to operating losses.—The Committee is very concerned about the legality of one of Amtrak’s actions to reduce its cash deficit in fiscal year 1997. At the beginning of the year, Amtrak’s board of directors agreed to transfer $38,000,000 of federal capital appropriations to pay debt service interest, allowing Amtrak to reduce its budget deficit for fiscal year 1997 from $70,000,000 to $32,000,000. These dollars were appropriated as part of the fiscal year 1996 capital grant.

Public Law 104–50, which provided $230,000,000 in general capital appropriation for fiscal year 1996, makes funding available “for capital improvements”. A review of this law, and without further justification to the contrary indicates that the use of general capital appropriations for interest debt reduction is not permissible under current law. Furthermore, this use of capital funds to pay interest is not in compliance with accepted financial standards.

In Amtrak’s 1997 capital plan, the corporation cited an additional $40,000,000 in capital funds that it planned to transfer from Amtrak’s intercity and western business units to debt service interest. If transferred once the 1997 capital funds become available on July 1, 1997, this would be the second instance of Amtrak utilizing capital funds for purposes other than which these funds had been appropriated.

The Committee is insistent that Amtrak discontinue this practice. The Committee appropriates capital funds specifically for capital improvements, such as the purchase or rehabilitation of equipment, and not to cover the cost of borrowing from commercial banks. To prevent such actions from occurring in the future, the bill contains language which prohibits the transfer of funds for capital improvements to debt service payments unless specifically authorized by law. Furthermore, the bill also contains language that subjects Amtrak to the Anti-Deficiency Act to help ensure that capital funds are used for their intended purpose.

Pennsylvania station redevelopment project.—No capital funding has been provided for the Pennsylvania Station redevelopment project, consistent with Amtrak's grant request. Last year, based on an Inspector General report questioning the accuracy of the costs to redevelop Pennsylvania Station and expand train operations into the adjacent Farley Post Office building, the Committee stated that it would not provide additional funding for this project until the cost estimates are revised, a new schedule is developed, and written, binding commitments are secured from all funding sources. At this time, the Committee has not received any of this data.

In March 1997 Amtrak testified that it had separated itself from the development of the Farley building and would not provide any funding for this effort. Amtrak's only commitment would be to enhance Pennsylvania Station to satisfy health and life safety needs, and to accommodate high speed rail. Amtrak has not yet determined how much funding it will require to meet these needs as its fiscal year 1998 capital budget will not be approved by the Amtrak board of directors until after enactment of the 1998 appropriations act. When that determination is made, Amtrak has the flexibility within its capital improvement program to utilize some of the appropriation for life and safety-related expenses and other enhancements necessary for high speed rail.

FEDERAL TRANSIT ADMINISTRATION

SUMMARY OF FISCAL YEAR 1998 PROGRAM

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 Transit Administration until enactment of the Intermodal Surface Transportation Efficiency Act of 1991, the Federal Transit Administration administers federal financial assistance programs for planning, developing and improving comprehensive mass transportation systems in both urban and non-urban areas.

Much of the funding for the Federal Transit Administration is provided by contract authority, with program levels established by annual limitations on obligations provided in appropriations Acts. However, direct appropriations are required for the Washington Metropolitan Area Transit Authority as well as for portions of certain other accounts.

The current authorization for many of the programs funded by the Federal Transit Administration is contained in the Intermodal Surface Transportation Efficiency Act, which expires at the end of fiscal year 1997. The Committee's recommendation is based on current law. The Committee encourages the appropriate legislative committees to reauthorize the transit programs before the end of the fiscal year to avoid unnecessary interruption in providing transit operating assistance as well as financial assistance for planning and capital improvement of mass transportation systems in all over the nation.

The total funding recommended for FTA for fiscal year 1998 is $4,837,738,000, including $627,738,000 direct appropriations and $4,210,000,000 limitations on the use of contract authority. The total recommended is $455,556,000 above the fiscal year 1997 program level. Increases of $350,815,000 are provided for transit formula grants and $100,000,000 for transit discretionary programs above the fiscal year 1997 program level.

The following table summarizes the fiscal year 1997 program levels, the fiscal year 1998 program requests, and the Committee's recommendations:

Program	1997 enacted	1998 estimate	Recommended in the bill
Administrative expenses	$41,497,000	[1] $47,018,000	$45,738,000
Formula grants	2,149,185,000	—	2,500,000,000
Formula programs	—	3,498,500,000	—
University transportation centers	6,000,000	[1] 6,000,000	6,000,000
Transit planning and research	85,500,000	[1] 91,800,000	86,000,000
Discretionary grants	1,900,000,000	—	2,000,000,000
Major capital investments	—	650,000,000	—
Washington Metro	200,000,000	200,000,000	200,000,000
Total	4,382,182,000	4,487,318,000	4,837,738,000

[1] The President's budget proposed that these programs be financed from the highway trust fund, and that the university transportation system program be funded within the transit planning and research program.

ADMINISTRATIVE EXPENSES

Appropriation, fiscal year 1997 [1]	$41,497,000
Budget estimate, fiscal year 1998 [2]	47,018,000
Recommended in the bill	45,738,000
Bill compared with:	
Appropriation, fiscal year 1997	+4,241,000
Budget estimate, fiscal year 1998	−1,280,000

[1] Excludes reductions of $451,135 for TASC reduction and $4 for awards and bonuses.
[2] The budget proposes to fund this program from the mass transit account of the highway trust fund.

The bill includes a total of $45,738,000 for administrative expenses of the Federal Transit Administration, an increase of $4,241,000 over the 1997 enacted level. This amount provides sufficient resources to fund FTA's current personnel and resource support requirements, and includes the full amounts requested for continued development of the electronic grant making and management system ($335,000), improvements to the wide area network ($100,000), and software and systems development for the electronic commerce procurement program ($100,000).

Full-time equivalent (FTE) staffyears.—In fiscal year 1997, the Congress provided funding to support 495 full-time (FTE) staffyears at the FTA. The current projection is that less staffyears will be utilized in fiscal year 1997 due to hiring delays. Follow-on funding for these unfilled positions is assumed in the fiscal year 1998 request for administrative expenses. The Committee recommendation deletes a portion of these funds for a program savings of $1,280,000.

Project management oversight activities, section 23.—The Committee has included bill language that limits to $15,000,000 the amount of funds that may be withheld from transit capital grants to conduct oversight activities in fiscal year 1998. The FTA's project management oversight program is intended to inform and assist FTA management and FTA grantees in carrying out their individual responsibilities as stewards of public funds under the federal transit law. The project management oversight program encompasses project management oversight of major capital projects; and safety, procurement, management, and financial compliance reviews and audits of FTA grantees. A recent Inspector General audit has revealed, however, that the FTA has allocated significant resources of section 23 funds for numerous management initiatives which are not eligible for section 23 funding. In addition, the IG audit determined that available section 23 funds were significantly underutilized as FTA annually apportions the maximum section 23 funds allowed by law, but obligates significantly less than the total available funds. The Committee's action to limit the amount of project management oversight funds to $15,000,000, together with unobligated balances carried forward from previous fiscal years, will ensure that section 23 funds are used only for purposes intended by Congress. Further, the Committee's action will ensure that discretionary capital grants are more fully utilized to provide capital, operating and planning assistance to FTA's grantees while ensuring that critical project management oversight and financial reviews of FTA's grantees are performed.

The Committee believes that the management initiatives identified by the Inspector General's audit as ineligible for section 23 funds are activities more appropriately funded by the FTA's national research and planning or administrative expenses accounts. Such activities include but are not limited to: civil rights compliance investigations; computer systems for management of ADA compliance; National transit database activities; electronic grant making and management activities; planning reviews; alternative analysis support; bus testing oversight; ISTEA management oversight; turnkey demonstrations; reviews of financial capacity methods; Defense Contract Audit Agency activities; and best practice manual activities. The Committee directs that the ineligible activities identified by the IG's audit be justified under the national research and planning account or the administrative expenses account beginning in fiscal year 1999. Moreover, the Committee directs that the FTA submit with its annual budget submission a detailed program plan by activity and detailed justification of its oversight program, similar to the format of FHWA's intelligent transportation systems justifications.

WMATA oversight.—The Committee has continued a general provision (sec. 326) that requires FTA oversight of the Washington Metropolitan Area Transit Authority (WMATA) to be conducted from FTA's Washington metropolitan offices. The FTA has considered transferring the oversight function of WMATA to the regional office in Philadelphia, Pennsylvania. With such a transfer, all significant decisions would inevitably be referred to FTA headquarters. This appears to make little sense since WMATA is located in the nation's capital and literally a few blocks from the Department of Transportation's Washington headquarters. The FTA shall continue to allocate two full time equivalent staff positions in the FTA's Washington, D.C. offices to conduct management and oversight of WMATA. To ensure high-quality, professional oversight, the Committee directs that the individuals assigned to conduct such oversight have significant, long-term institutional knowledge of WMATA and its operations.

FORMULA GRANTS

	Appropriation (General Fund)	*Limitation (Trust Fund)*
Appropriation, fiscal year 1997	$490,000,000	($1,659,185,000)
Budget estimate, fiscal year 1998	....	....
Recommended in the bill	290,000,000	(2,210,000,000)
Bill compared with:		
Appropriation, fiscal year 1997	−200,000,000	(+550,815,000)
Budget estimate, fiscal year 1998	+290,000,000	(+2,210,000,000)

The Committee recommends $2,500,000,000 for formula grants. This level is $350,815,000 over the 1997 enacted level. Formula grant funds are available for capital and operating assistance to both urbanized and non-urbanized areas, and for capital assistance to organizations providing service to elderly and disabled persons.

Transit operating assistance.—The bill provides $200,000,000 for transit operating assistance in fiscal year 1998, a reduction of $200,000,000 from the 1997 enacted level. The administration proposed to eliminate operating assistance in fiscal year 1998 while seeking to expand the definition of capital expenditures to include preventive maintenance. The Committee has included bill language that would provide transit operating assistance to urbanized areas of less than 200,000 in population at a level no less than seventy-five percent of the amount of operating assistance such areas were to receive under Public Law 103–331. This "hold harmless" provision was included in the Department of Transportation and Related Agencies Appropriations Acts for 1996 and 1997. Further, the Committee has included bill language that, in the distribution of the limitation on operating assistance to urbanized areas that had a population under the 1990 decennial census of 1,000,000 or more, instructs the Secretary to direct each area to give priority consideration to the impact of reductions in operating assistance on smaller transit authorities operating within the area, and to consider the needs and resources of such transit authorities operating in that area. This provision, too, was carried in the Department of Transportation and Related Agencies Appropriations Acts for fiscal years 1996 and 1997.

Expanding the definition of capital expenditures.—The Committee encourages the appropriate legislative committees in the context of the reauthorization of the Intermodal Surface Transportation Efficiency Act to consider the administration's proposal to expand the definition of capital expenditures to include preventive maintenance. Doing so would make the transit definition of capital more consistent with that of the federal-aid highways program and would mitigate reductions in operating assistance anticipated in fiscal year 1998. Should the reauthorization of the Intermodal Surface Transportation Efficiency Act include provisions expanding the definition of capital expenditures, the FTA is encouraged to undertake an aggressive campaign to educate and assist transit authorities in adjusting to the change in definition.

Formula grant apportionments.—Under current law, the Federal Transit Act provides formula allocated programs of capital and operating assistance for urbanized areas under section 18. The section 16(b)(2) program of grants for services to elderly and disabled persons is distributed by a statutory formula. Unlike previous years, the Committee has chosen not to include a distribution of the formula grants program funds so as to not prejudice consideration of the reauthorization of the transit formula grants apportionment formulas.

FORMULA PROGRAMS

(HIGHWAY TRUST FUND)

	Limitation on obligations	*Liquidation of contract authorization*
Appropriation, fiscal year 1997	....	....
Budget estimate, fiscal year 1998	($3,498,500,000)	($1,500,000,000)
Recommended in the bill	....	....
Bill compared with:		
Appropriation, fiscal year 1997	....	....
Budget estimate, fiscal year 1998	(−3,498,500,000)	(−1,500,000,000)

The budget proposes to consolidate all formula grant activities into this account. The fixed guideway modernization formula program and the buses and bus facilities program, together with the existing formula grants program, are proposed to be merged into this new account structure. In addition, the administration proposes to create a new program—access to jobs and training—which would provide funds for grants to states, local agencies, and nonprofit organizations for transportation services to match the needs of welfare recipients to get to jobs and training with the services available in the community.

Since this proposal is not authorized under current law, the Committee defers consideration of this request to the appropriate legislative committees, which shall be considered in the context of the reauthorization of the Intermodal Surface Transportation Efficiency Act.

UNIVERSITY TRANSPORTATION CENTERS

Appropriation, fiscal year 1997	$6,000,000
Budget estimate, fiscal year 1998 [1]	....
Recommended in the bill	6,000,000
Bill compared with:	
Appropriation, fiscal year 1997	....
Budget estimate, fiscal year 1998	+6,000,000

[1] The budget proposes to fund this program from the mass transit account of the highway trust fund and within the transit planning and research account.

The Committee has approved $6,000,000 for the university transportation centers program, the same level as provided in fiscal year 1997. ISTEA added three centers to the ten previously established. These centers conduct research, training, and development activities related to the transportation of passengers and property.

The regional centers currently authorized in the Intermodal Surface Transportation Efficiency Act and their focus areas are:

Region I—Massachusetts Institute of Technology, Strategic Management of Transportation Systems.

Region II—City University of New York, Regional Mobility and Accessibility Investment Strategies.

Region III—Pennsylvania State University, Advanced Technologies in Transportation Operations and Management.

Region IV—University of Tennessee, Transportation Safety.

Region V—University of Michigan, Commercial Highway Transportation.

Region VI—Texas A&M State University, Mobility for Regional Development.

Region VII—University of Nebraska, Midwestern and Rural Transportation Policy, Planning, and System Management.

Region VIII—North Dakota State University, Rural and Non-Metropolitan Transportation.

Region IX—University of California, Berkeley, Improving Accessibility for All.

Region X—University of Washington, Operations Management and Planning.

The national centers authorized under ISTEA are:

National Center for Transportation and Industrial Productivity at the New Jersey Institute of Technology;

National Center for Transportation Management, Research & Development at Morgan State University; and

Mack-Blackwell National Rural Transportation Study Center at the University of Arkansas.

Transit Planning and Research

Appropriation, fiscal year 1997	$85,500,000
Budget estimate, fiscal year 1998[1]	91,800,000
Recommended in the bill	86,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+500,000
Budget estimate, fiscal year 1998	-5,800,000

[1] The budget proposes to fund this program from the mass transit account of the highway trust fund.

The Committee recommends a total of $86,000,000 for the planning and research, training, and human resources programs of the FTA. This is $500,000 more than the level appropriated in fiscal year 1997 and $5,800,000 less than requested in the budget. The bill contains language specifying that $39,500,000 shall be available for the metropolitan planning program; $4,500,000 for the rural transit assistance program; $8,250,000 for the transit cooperative research program; $22,500,000 for the national program; $8,250,000 for the state program; and $3,000,000 for the National Transit Institute. The increase of $500,000 over the 1997 enacted level is for the national research program. The Committee directs the FTA to prepare a five-year plan for the agency's research program. The plan should be prepared in consultation with the American Association of State Highway and Transportation Officials, the American Public Transit Association, the National Academy of Sciences, and other interested parties. The plan should be submitted to the House and Senate Committees on Appropriations with the fiscal year 1999 budget justifications. FTA should ensure that the plan assesses the short- and long-term research and development activities which offer the greatest payoffs and reflects a research plan that is responsive to the transit community. The Committee also expects the plan to include indicators of expected progress or milestones wherever feasible. The FTA shall reallocate future funding requests based on this objective assessment.

The Committee has deleted funding for lower priority activities proposed to be funded within the national program, including a study of domestic bus manufacturing (−$150,000) and outreach activities (−$200,000). Continued support in fiscal year 1997 is provided for a number of important, ongoing initiatives including:

Joblinks employment transportation program	$1,000,000
Hennepin community works program, Hennepin County, Minnesota	1,000,000
Project ACTION (Accessible Community Transportation in Our Nation)	2,000,000
Advanced technology transit bus	10,000,000
Fuel cell bus program	2,500,000
Advanced transportation and alternative fueled technologies consortium	1,500,000
Rural transportation assistance program	750,000
Fatigue awareness and safety training program	1,000,000

Joblinks employment transportation program.—The Committee recognizes that the lack of transportation alternatives can limit access by lower income and unemployed persons to employment and job training opportunities, especially for residents of inner-city and rural communities. Further, the lack of transportation can be an obstacle for individuals receiving public assistance to meet new work requirements. Accordingly, the Committee has provided $1,000,000 to continue the Joblinks demonstration program administered by the Community Transportation Association of America (CTAA). The Committee encourages the FTA to work with the CTAA to develop with the Northern Tier Transit Coalition a pilot project for a regional transportation system to link communities along the corridor between Gardner and Greenfield, Massachusetts.

Advanced technology transit bus.—The Committee has provided $10,000,000 to continue development of the advanced technology transit bus. This level is the same as requested in the budget. The Committee notes that ATTB technologies have yet to be fully tested and not a single ATTB has been placed in revenue service. As such, any claims that the ATTB bus is a safer, more cost-effective bus have not been fully substantiated. The Committee directs that none of these funds—or funds provided for transit planning and research—are to support the planning or development of a 30-foot or dual mode trolley bus based on the ATTB design. The Committee believes that any plans to proceed beyond the current program should be fully financed by the Electric Power Research Institute or other grantees or partners, such as public sector utilities.

Fuel cell bus program.—The Committee has provided $2,500,000 for continued development of the fuel cell bus. This level is $2,500,000 below the level requested in the budget. The Committee notes that this program was once a cooperative venture. However, the FTA is now the only federal agency financially supporting the development of the fuel cell bus program since the Department of Energy and the Advanced Research Projects Agency are no longer participating financially in the program. The Committee directs the FTA to increase its cost-sharing arrangements with other federal and non-federal parties in the fuel cell bus program to increase non-FTA financial participation in the program. The Committee notes that the National Park Service has expressed an interest in the use of fuel cell propulsion in its Grand Canyon Master Plan to relieve congestion in the park. Therefore, it is possible that the Department of the Interior, as well as the Department of Energy, could participate financially in this program. The funding provided in this Act for the fuel cell bus program is available only for research and development and shall not be available for an intermodal and national depository fuel cell bus facility, or to accelerate the pre-commercialization of the fuel cell bus.

Advanced transportation and alternative fueled technologies consortia program.—The Committee has provided $1,500,000 for the advanced transportation technologies program. The Committee intends this level of funding to support the ongoing advanced transportation technologies projects undertaken by the CALSTART consortium.

The Committee is aware of efforts to authorize the transition of the advanced transportation technology consortia program to the department. The Committee received several requests to fund this transition in fiscal year 1998. Should this program be authorized in the reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991, the Committee encourages the department to include the consortia program in its fiscal year 1999 budget request.

Fatigue awareness and safety training program.—The Committee has provided $1,000,000 to develop and disseminate a fatigue educational awareness program as recommended by the National Transportation Safety Board at the Transportation Safety Institute. In cooperation with the American Public Transit Administration, the FTA is to develop a fatigue educational awareness program and distribute it to transit agencies to use in fitness-for-duty training for supervisors and employees involved in safety-sensitive activities.

Given the highest priorities of the Secretary of Transportation and the Committee in the area of safety, the Committee is disturbed to learn that the FTA did not allocate resources in fiscal year 1997 for this activity, citing the lack of funding in the national planning and research program. The Committee notes that the FTA was able to allocate funding provided under the national program in fiscal year 1997 for many far less important activities, such as mobility summits and joint development symposia, development of the FTA web page, summer internship programs, and academy outreach programs. The Committee directs the FTA to maintain a safety and security program funded from the national research program at a level of at least $2,100,000 in fiscal year 1998.

Zinc-air battery development.—The Committee encourages the FTA to support research on the applicability of zinc-air battery propulsion systems for heavy duty vehicles such as transit buses. This technology has been quite successful when tested on small and medium sized vehicles in Europe, and offers a lightweight, high-energy, cost-effective alternative to existing fuel cell batteries.

Reverse commute.—The Committee recognizes the increasing demand for “reverse commuting” options for urban residents seeking public transit alternatives to reach their jobs in suburban areas, as well as in suburban to suburban commutes. The Committee commends the public-private partnerships across the country that have successfully implemented reverse commute alternatives, and urges the FTA to work with these entities to develop and distribute an educational guide to advise metropolitan communities across the nation on ways to develop and implement successful reverse commute strategies.

TRUST FUND SHARE OF EXPENSES

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1997	($1,920,000,000)
Budget estimate, fiscal year 1998	(—)
Recommended in the bill	(2,210,000,000)
Bill compared with:	
Appropriation, fiscal year 1997	(+290,000,000)
Budget estimate, fiscal year 1998	(+2,210,000,000)

For fiscal year 1998, the Committee has provided $2,210,000,000 in liquidating cash for the trust fund share of transit expenses. This appropriation is liquidating cash necessary to pay the vouchers the FTA expects in fiscal year 1998.

DISCRETIONARY GRANTS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, fiscal year 1997	($1,900,000,000)
Budget estimate, fiscal year 1998	(—)
Recommended in the bill	(2,000,000,000)
Bill compared with:	
Limitation, fiscal year 1997	(+100,000,000)
Budget estimate, fiscal year 1998	(+2,000,000,000)

The bill includes language limiting to $2,000,000,000 obligations for the discretionary grants program. This represents an increase of $100,000,000 from the 1997 enacted level. The Committee has adhered to the current requirements of the Intermodal Surface Transportation Efficiency Act that direct that of the funds made available under this heading, forty percent be available for rail modernization, forty percent be available for new starts discretionary grants, and twenty percent be available for buses and bus facilities. The following table shows the fiscal year 1997 limitation, the fiscal year 1998 budget estimate and the Committee recommendation:

	1997 Enacted	1998 Request	Recommended
Buses and bus facilities	$380,000,000	[1]	$400,000,000
Fixed guideway modernization	760,000,000	[1]	800,000,000
New starts [2]	760,000,000	[1] ($650,000,000)	800,000,000
Total	1,900,000,000	[1]	2,000,000,000

[1] The Administration proposes to merge the buses and bus facilities and fixed guideway modernization programs into a new formula grants program and create a new major capital investment program. The 1998 budget request level for new starts is shown here for comparability purposes.

[2] In addition to the amounts made available in fiscal year 1997 for new starts, the Department of Transportation and Related Agencies Appropriations Act 1997 also reprogrammed $56,956,000 in prior year funds.

Three-year availability of section 5309 discretionary funds.—The Committee has included bill language that permits the Administrator to reallocate discretionary new start and buses and bus facilities funds from projects which remain unobligated after three years. Funds made available in the fiscal year 1995 Department of Transportation and Related Agencies Appropriations Act and previous Acts are available for reallocation in fiscal year 1998 as availability for these discretionary projects is limited to three years. The

Committee, however, directs that the FTA not reallocate funds provided in fiscal year 1995 for the Whitehall ferry terminal or Twin Cities projects as these projects are moving ahead and will be prepared to obligate these funds during fiscal year 1998.

Further, the Committee directs that should additional funds from previous appropriations Acts be available for reallocation, the FTA is directed to reprogram these funds no earlier than fifteen days after notification to the House and Senate Committees on Appropriations and only to the extent that those projects are capable to fully obligate additional resources in the course of fiscal year 1998. With respect to reallocation of discretionary bus and bus facility funds, the FTA is directed to reallocate funds to only those projects identified in the reports accompanying the Department of Transportation and Related Agencies Appropriations Act, 1998, and no earlier than fifteen days after notification to the House and Senate Committees on Appropriations.

BUSES AND BUS FACILITIES

The Committee recommends $400,000,000 for bus purchases and bus facilities, including maintenance garages and intermodal facilities. Bus systems are expected to play a vital role in the mass transportation systems of virtually all cities. FTA estimates that approximately 95 percent of the areas that provide mass transit service do so through bus transit only and over 60 percent of all transit passenger trips are provided by bus. The Committee believes that the $400,000,000 recommended under this heading, together with other appropriations that are available for bus projects, should provide the funding necessary to retain existing bus riders as well as to attract new riders who currently use private automobiles.

Under current law, the federal share for most bus projects is 80 percent. However, the federal share increases to 90 percent for the incremental costs of bus-related equipment needed to meet the requirements of Clean Air Act and the Americans with Disabilities Act.

The recommended amount for buses and bus facilities includes the following allocations:

State of Alabama: Mobile intermodal facility	$11,000,000
State of Arizona:	
Phoenix buses and bus facilities	9,000,000
Tucson intermodal facility	1,700,000
State of California:	
Folsom multimodal facility	3,000,000
Foothill transit bus maintenance facilities	11,000,000
I–5 Consortium Cities Joint Powers Authority facilities	10,000,000
Inglewood transit center project	500,000
Lake Tahoe intermodal center	1,400,000
Long Beach buses and bus facilities	3,000,000
Marina/Ft. Ord buses and multimodal center	2,000,000
Mendocino County buses	800,000
Riverside County buses and bus facility	4,700,000
Sacramento bus facility	1,500,000
San Joaquin (Stockton) bus facilities	4,000,000
San Ysidro border intermodal center	500,000
Santa Clara buses	5,000,000
Santa Cruz metropolitan transit district buses and bus facility	2,000,000
Solano County buses and bus-related equipment	2,400,000

Sonoma County bus facilities	2,000,000
Unitrans maintenance facility	1,000,000
Woodland transfer facility	200,000
Yolo County buses and paratransit vehicles	1,750,000
Yosemite area regional transportation solution	500,000
State of Colorado: buses and bus facilities–	3,000,000
State of Connecticut:	
Bridgeport buses and bus facilities	4,000,000
New Haven bus facility	2,400,000
State of Delaware: New Castle bus facility	3,000,000
State of Florida:	
Daytona Beach intermodal facility	4,000,000
Florida Citrus Connection buses	3,000,000
Lakeworth buses and bus facilities	1,000,000
LYNX buses	3,000,000
Metro-Dade County buses and bus facilities	8,000,000
Orlando intermodal facility	2,000,000
Palm Beach County buses and bus facilities	2,000,000
Tampa (Hillsborough County), HARTline buses and bus facilities	3,000,000
Volusia County (VOTRAN) buses and bus facilities	3,000,000
State of Georgia:	
Chatham bus facility	8,000,000
MARTA buses	5,000,000
State of Hawaii: Honolulu buses and bus facility	2,000,000
State of Illinois: buses and bus facilities	9,000,000
State of Indiana:	
Indianapolis buses	2,000,000
South Bend intermodal facility	4,000,000
State of Louisiana: buses and bus facilities	25,000,000
State of Maryland: buses and bus facilities	8,000,000
Commonwealth of Massachusetts:	
Franklin RTA buses	500,000
Greenfield Montague Transportation Area buses	700,000
South Station intermodal transportation center	1,000,000
Worcester Union Station	3,500,000
State of Michigan: buses and bus facilities	15,000,000
State of Minnesota: Metropolitan Council transit operations, buses and bus facilities	18,000,000
State of Nevada:	
Clark County buses	8,500,000
Reno, Washoe County Regional Transportation Commission, buses and bus facilities	3,000,000
State of New Mexico: Santa Fe buses and bus facilities	2,000,000
State of New York:	
Nassau County and Long Island buses and bus facilities (Goodwill Games)	1,000,000
New Rochelle intermodal facility	3,000,000
NFTA HUBLINK program	2,000,000
Staten Island/Brooklyn mobility project	2,000,000
Syracuse buses	8,600,000
Yonkers intermodal facility	4,000,000
State of North Carolina: buses and bus facilities	5,000,000
State of Ohio: buses and bus facilities	25,000,000
State of Oregon:	
Eugene-Springfield-Lane County buses and bus facilities	1,000,000
Salem and Corvallis buses and bus facilities	1,000,000
Commonwealth of Pennsylvania:	
Allegheny County buses	1,000,000
Armstrong Mid-County buses and bus facility	200,000
Berks Area Reading transit intermodal facility	500,000
Cambria County buses and bus facilities	800,000
Fayette and Somerset buses, vans, and bus facilities	600,000
Indiana County buses	500,000
Lackwanna County paratransit vans	300,000
Lawrence County buses	1,000,000
Lehigh and Northampton buses	1,000,000
Mid Mon Valley transit authority buses	750,000

New Castle area transit authority buses	750,000
North Philadelphia intermodal facility	1,600,000
Schuylkill County buses	200,000
Scranton buses and bus facility	3,000,000
SEPTA buses	15,000,000
Towanda Borough intermodal bus facility	4,000,000
Williamsport buses and bus facility	2,500,000
State of Tennessee: buses and bus facilities	8,000,000
State of Texas:	
Austin buses	1,000,000
Brazos transit systems buses and bus facilities	3,000,000
Corpus Christi buses and bus facilities	1,000,000
El Paso buses	1,000,000
Fort Worth buses	1,500,000
Galveston buses and bus facilities	2,000,000
State of Utah: buses and bus facilities	4,000,000
Commonwealth of Virginia:	
Alexandria paratransit system	250,000
Falls Church electric buses	400,000
Dulles corridor buses and bus facilities	5,000,000
Richmond downtown intermodal station (Main Street Station)	5,000,000
State of Washington:	
Bremerton buses and transportation center	2,000,000
Everett intermodal center	5,000,000
King County multimodal facility	2,000,000
Snohomish County buses	5,000,000
Tacoma Dome station project	3,000,000
Thurston County intercity buses	2,000,000
State of Wisconsin:	
Milwaukee facility	1,000,000
Statewide buses and bus equipment	19,000,000
State of West Virginia:	
Huntington intermodal facility	7,000,000

Eureka, California.—Funds provided in the fiscal year 1997 Department of Transportation and Related Agencies Appropriations Act for an intermodal facility in Eureka, California shall be available for the expansion and rehabilitation of a bus maintenance facility in Humboldt County, California.

Salem and Corvallis, Oregon.—Of the funds provided to Salem and Corvallis, Oregon, the Committee provides $700,000 for a downtown multi-modal transit mall in the city of Corvallis and the remaining funds for the Salem Mass Transit District for compressed natural gas-fueled buses and a CNG filling station that will serve both city buses and private sector fleets.

Santa Barbara, California.—The Committee directs the FTA to award $2,500,000 from available balances and recoveries in fiscal year 1997 to fulfill the terms of the letter of no prejudice awarded to Santa Barbara by the FTA for state-of-the-art, electric battery-powered buses that were initially used at the 1996 Summer Olympic Games.

State of Louisiana.—The Committee has provided $25,000,000 for buses and bus-related facilities in the state of Louisiana to be distributed as follows: $993,000 for Baton Rouge bus-related facilities; $1,913,000 for Jefferson Parish buses; $990,000 for Lafayette bus-related facility; $226,000 for Lake Charles buses; $1,191,000 for LA DOTD vans and equipment; $1,410,000 for Monroe buses and bus-related equipment; $17,200,000 for New Orleans buses and bus-related facilities; $626,000 for Shreveport buses and bus-related facility; and $451,000 for St. Tammany Parish buses and bus-related facility.

State of Michigan.—The Committee has provided $15,000,000 in the bill for the State of Michigan for buses and bus facilities. In addition to the funds provided in this Act, the FTA shall make available to the State of Michigan for the procurement of buses and bus-related facilities funds originally provided in the fiscal year 1995 Department of Transportation and Related Agencies Appropriations Act for a passenger intermodal transit center in Detroit, Michigan.

State of Tennessee.—The Committee has provided $8,000,000 for the State of Tennessee. Within these funds, $4,400,000 shall be available to Chattanooga for the purchase of alternatively-fueled buses.

Brazos, Texas transit systems buses and bus facilities.—Funds provided in this Act for Brazos, Texas transit systems buses and bus facilities shall not be available for the Woodlands Town Center intermodal project.

FIXED GUIDEWAY MODERNIZATION

The Committee recommends $800,000,000 from the discretionary grants program to modernize existing rail transit systems. These funds shall be distributed based on a formula to be determined in the context of the reauthorization of the Intermodal Surface Transportation Efficiency Act.

NEW STARTS

The bill includes $800,000,000 of new authority for new starts. These funds are available for preliminary engineering, right-of-way acquisition, project management, oversight, and construction of new systems and extensions. The funds are to be distributed, subject to authorization, as follows:

Atlanta—North Springs project	$44,600,000
Boston Piers MOS–2 project	46,300,000
Canton-Akron-Cleveland commuter rail project	2,300,000
Charlotte South corridor transitway project	1,000,000
Cincinnati Northeast/Northern Kentucky rail line project	500,000
Clark County, Nevada, fixed guideway project	5,000,000
Cleveland blue line extension to Highland Hills project	800,000
Cleveland Berea red line extension to Hopkins International Airport	700,000
Cleveland waterfront line extension project	1,200,000
Dallas-Fort Worth RAILTRAN project	14,000,000
DART North central light rail extension project	8,000,000
Dekalb County, Georgia light rail project	1,500,000
Denver Southwest corridor project	21,400,000
Florida Tri-County commuter rail project	7,000,000
Galveston rail trolley system project	1,000,000
Houston advanced regional bus plan project	1,000,000
Houston regional bus project	51,100,000
Indianapolis Northeast corridor project	1,000,000
Jackson, Mississippi intermodal corridor project	4,000,000
Los Angeles MOS–3 project	76,000,000
MARC commuter rail improvements	27,000,000
Memphis, Tennessee regional rail project	1,000,000
Metro-Dade transit east-west corridor project	9,000,000
Miami North 27th Avenue project	9,000,000
Mission Valley East corridor project	1,000,000
New Jersey—Hudson-Bergen project	54,800,000
New Jersey Secaucus Project	27,000,000
New Orleans Canal Street corridor project	8,000,000

New Orleans Desire streetcar project	2,000,000
North Carolina Research Triangle Park project	6,000,000
Northern Indiana South Shore commuter rail project	2,000,000
Oceanside-Escondido light rail project	5,000,000
Oklahoma City MAPS corridor transit project	1,600,000
Orange County transitway project	4,000,000
Orlando Lynx light rail project	31,800,000
Pennsylvania Strawberry Hill/Diamond Branch rail project	500,000
Phoenix metropolitan area transit project	8,000,000
Pittsburgh airport busway project	3,000,000
Portland—Westside/Hillsboro project	63,400,000
Sacramento LRT project	20,300,000
Salt Lake City South LRT project	42,800,000
San Bernardino Metrolink project	1,000,000
San Diego Mid-Coast corridor project	3,000,000
San Francisco BART extension to the airport project	54,800,000
San Juan Tren Urbano	25,700,000
San Jose Tasman LRT project	21,400,000
Seattle-Tacoma commuter rail project	4,000,000
Seattle-Tacoma light rail project	2,000,000
St Louis—St Clair LRT extension project	30,000,000
Staten Island-Midtown Ferry service project	5,000,000
Tampa Bay regional rail project	2,000,000
Tidewater, Virginia rail project	2,000,000
Toledo, Ohio rail project	1,000,000
Twin Cities transitways projects	20,000,000
Virginia Rail Express Fredericksburg to Washington commuter rail project	2,500,000
Whitehall ferry terminal project	5,000,000
Wisconsin central commuter rail project (Metra)	5,000,000

Atlanta North Springs project.—The Metropolitan Atlanta Rapid Transit Authority (MARTA) is constructing a 1.9 mile, two-station extension of the North Line from just north of the Dunwoody Station to North Springs. The project is part of the larger North Line extension to the MARTA heavy rail rapid transit system. The segment from Buckhead to Dunwoody opened in June 1996. The initial 5.7-mile segment, from Lenox Station to Buckhead, was constructed without FTA assistance. When the North Springs extension is completed, it will serve the rapidly-growing area north of Atlanta, which includes Perimeter Center and north Fulton County, and will connect this area with the rest of the region by providing better transit service for both commuters and inner-city residents traveling to expanding job opportunities. A full funding grant agreement (FFGA) was issued for this project in December 1994, providing for a total of $305,010,400 in new starts funding. The Committee recommends $44,600,000 for fiscal year 1998.

Boston piers MOS–2 project.—The Massachusetts Bay Transportation Authority (MBTA) is developing an underground transitway connecting the MBTA's existing transit system with the South Boston Piers area, located at the periphery of the central business district. This area is slated for future development, and is expected to more than double its existing commercial space by 2010. A 1.5-mile tunnel, to be constructed in two phases, will extend from the existing Boylston Station to the World Trade Center; five underground stations will provide connections to MBTA's red, orange, and green lines. Electric trolleys or dual-mode vehicles will operate in the transitway tunnel and on surface routes in the eastern end of the Piers area. Phase 1 of the project consists of a one mile bus tunnel with three stations located at South Station, Fan Pier, and the World Trade Center. Phase 2 will extend the tunnel to Boylston

Station. Parts of Phase 1 are integrally related to construction of the Central Artery/Tunnel highway project now underway. Joint construction will help reduce transitway costs, environmental impacts and construction impacts. Section 3035(j) of ISTEA directs FTA to enter into a full funding grant agreement (FFGA) for this project. An FFGA for this project was issued for phase 1 in November 1994 for $330,726,320. For fiscal year 1998, the Committee recommendation includes $46,300,000 for the project.

Canton-Akron-Cleveland commuter rail project.—This regional line will relieve traffic congestion on Interstate 77 and help with air quality issues in non-attainment areas. Currently, the Ohio Department of Transportation is reviewing existing and proposed land use patterns and impacts, preliminary ridership estimates, and preliminary cost estimates. This phase will be completed by mid-1996. Phase II will complete the analysis by assessing the economic and environmental implications of a commuter rail system, as well as other transportation modes available to meet anticipated travel demand. The Committee has included $2,300,000 for the proposed Canton-Akron-Cleveland commuter rail project and commends the Ohio Department of Transportation, as the grantee, for ensuring the project's viability by encouraging a three city, regional line.

Charlotte South corridor transitway project.—The City of Charlotte, North Carolina is considering high capacity bus and rail alternatives for several corridors. The city has completed a system planning study which examined alternative bus and rail technologies for each of eight different corridors in a radial pattern from the Charlotte central business district. The study recommended proceeding with more detailed planning analysis for the airport, Pineville and Matthews corridors. The Committee has provided $1,000,000 in fiscal year 1998.

Cincinnati Northeast/Northern Kentucky rail line project.—The corridor extends from the Cincinnati/Northern Kentucky International Airport through downtown Cincinnati to King's Island Amusement Park in Warren County, Ohio. This 33-mile corridor paralleling I–71 generally runs in a northeasterly direction, and so is referred to as the Northeast Corridor. The capital cost of the rail alternative is $800,000,000. The project is currently in the system planning studies phase. For fiscal year 1998, the Committee has included $500,000.

Clark County, Nevada RTC fixed guideway project.—The Committee has provided $5,000,000 for preliminary engineering and design for a proposed fixed guideway system in the Las Vegas, Nevada valley. The regional transportation commission is currently in the final phase of a major investment study for the Las Vegas corridor.

Cleveland Blue Line extension to Highland Hills project.—$800,000 has been provided for a major investment study of the Shaker Heights to Highland Hills corridor in Cleveland, Ohio. This project is expected to provide residents in Cleveland and its first-ring suburbs access to job opportunities in the rapidly growing I–271 corridor.

Cleveland Berea Red Line extension to Hopkins International Airport.—The Committee has provided $700,000 for preliminary engineering for the selected alternative in the Cleveland-Berea corridor, which is expected to provide greater access in the developing Berea/Brook Park industrial corridor.

Cleveland Waterfront line extension project.—The Committee has provided $1,200,000 for a major investment study of the area including Playhouse Square, Cleveland State University and St. Vincent Quadrangle in Cleveland, Ohio.

Dallas-Fort Worth RAILTRAN project.—The RAILTRAN project will provide commuter rail service between Dallas and Fort Worth, Texas. This project consists of 25 miles of service between South Irving and Fort Worth. The system is currently in the preliminary engineering phase. Phase 2 is estimated to cost $129,010,000. Congress has appropriated $26,530,000 for this project to date and recommends $14,000,000 for fiscal year 1998.

Dart North Central light rail extension project.—Dallas Area Rapid Transit (DART) plans to build a North Central Corridor LRT extension beyond the Park Lane Station and their starter system. The project is 11.4 miles long with 6 stations, terminating in Plano. The southern 6.8 miles, from Park Lane to the Richardson Transit Center, would be double tracked. The northern 5.5 miles would be single tracked with limited station development. The project is estimated to cost $354,300,000. The project is now in the preliminary engineering phase. Through fiscal year 1997, Congress has appropriated $16,368,000. For fiscal year 1998, the Committee recommends $8,000,000 for this project.

Dekalb County, Georgia light rail project.—The Committee has provided $1,500,000 for the DeKalb County, Georgia light rail project. The project would consist of a preliminary determination of the feasibility and impact of a proposed rail line connecting the Lindbergh Station with the East Lake Station and extending it into south DeKalb to DeKalb College South Station. The preliminary conceptual study will consist of numerous activities including: initial location studies for alignment, stations and maintenance facilities, identification of patron estimates; assessments of parking needs, and preliminary cost estimates; consideration of property acquisition and major street and utility relocation; preliminary topographic mapping and soil analysis; and at least one initial public session on the preliminary conceptual plan.

Denver southwest corridor project.—The Regional Transit District (RTD) in Denver is developing an 8.7 mile light rail extension from I–25 and Broadway in Denver to Mineral Avenue in Littleton. This double-track line will operate over an exclusive, grade-separated right-of-way and connect with the Central Corridor light rail in downtown Denver, which opened in October 1994. RTD estimates that it will carry 22,000 passengers a day. The existing Central Corridor line was built entirely without federal assistance, and RTD has $26,000,000 for the Southwest Corridor in its capital reserve. The total federal share for the entire system, including the locally funded starter line, is less than 50 percent. FTA issued an FFGA for this project in May 1996, committing $120,000,000 in federal funds for this project. To date, $2,831,000 has been provided for the project. The Committee recommends $21,400,000 for the Denver Southwest corridor project in fiscal year 1998.

Florida Tri-County commuter rail project.—The Tri-County Commuter Rail Authority (Tri-Rail) operates a 67-mile commuter rail system connecting Dade, Broward, and Palm Beach counties in Florida. Tri-Rail has been adding service and new stations to meet increasing demands for service. Tri-Rail's five-year capital improvement program includes the addition of a second track on part of the line, rehabilitation of the signal system, station improvements and parking extensions. The capital program is estimated to cost $423,300,000. The project is currently in the preliminary engineering phase. To date, Congress has appropriated $43,307,000, which is being used for station improvements, bridge rehabilitation, and double tracking. The Committee recommends $7,000,000 for this project in fiscal year 1998.

Galveston, Texas rail trolley system project.—The Committee has provided $1,000,000 to expand the existing rail trolley system in Galveston, Texas to the University of Texas. No appropriations have been previously provided for this project.

Houston advanced regional bus plan project.—The Committee has provided $1,000,000 for a major investment study to begin the follow-on phases of the Houston METRO regional bus project.

Houston regional bus project.—The Regional Bus Plan developed by Houston Metro consists of a package of improvements to the existing bus system. It consists of service expansions in most of the region, new and extended HOV facilities and ramps, several transit centers and park-n-ride lots, and supporting facilities. The local share for the project is fifty percent. Section 3035 (uu) of ISTEA directs FTA to negotiate and sign an FFGA for $500,000,000 for this project, provided that a locally preferred alternative for the priority corridor project had been selected by March 1, 1992. This condition has been met, and the FFGA was issued in December 1994, to provide a total of $500,000,000 for this project. To date, $327,323,000 has been appropriated for the project. The Committee recommendation includes $51,100,000.

Indianapolis Northeast corridor project.—The Committee recommends $1,000,000 for a major investment study to determine how to address significant traffic congestion problems in the northeast Indianapolis metropolitan region. No previous appropriations have been made for this project.

Jackson, Mississippi intermodal corridor project.—The Committee recommends $4,000,000 for preliminary engineering of the Jackson, Mississippi intermodal corridor. The corridor extends from the Jackson State University campus through downtown Jackson to the Jackson International Airport. Through fiscal year 1997, $5,500,000 has been appropriated for this project.

Los Angeles, MOS–3 project.—The 23-mile $5,700,000,000 Metro Red Line Rail project is planned as "minimum operable segments (MOSs) for funding purposes. ISTEA defined MOS–3 to include three Metro Rail extensions including the North Hollywood extension, the East Side extension, and the Mid-City extension. A full funding grant agreement has been signed, committing $1,416,490,000 in funding. To date, Congress has appropriated $510,227,000, including $70,000,000 in fiscal year 1997. For fiscal year 1998, the Committee recommendation includes $76,000,000 for the project. Of the funds provided, $24,000,000 shall be available for the East Side extension, together with the required local matching funds.

None of the funds provided to the Los Angeles MOS–3 project shall be available until (1) the LACMTA produces an adopted recovery plan and a financially constrained long range transportation plan, including compliance with the consent decree for enhanced bus service; (2) the FTA conducts a final review and accepts the plans; (3) the General Accounting Office and the Department of Transportation's Inspector General conduct an independent analysis of the plans and provide such analysis to the House and Senate Committees on Appropriations; (4) the House and Senate Committees on Appropriations have concluded its review of the GAO/IG analysis; and (5) until after the FTA has re-negotiated parts 1A and 1B of the MOS–3 full funding grant agreement.

MARC commuter rail improvements.—The Committee recommends $27,000,000 for the MARC commuter rail project in fiscal year 1998. The Mass Transit Administration (MTA) of Maryland is extending the Maryland Commuter Rail (MARC) system to provide service from Point of Rocks to Frederick, Maryland. This extension will provide service from suburban Montgomery and Frederick counties to Baltimore, Maryland and Washington, D.C. The project involves track, signal, station improvements along an existing freight line. The environmental assessment of the Frederick extension has been completed, station sites have been selected, and final design is underway. MARC expects to initiate service on this extension in 1998. ISTEA authorized funds in the amount of $160,000,000 for this project. An FFGA was issued in June 1995, to provide a total of $105,251,000 to complete the project. Through fiscal year 1997, $56,734,000 has been appropriated for this project.

Memphis, Tennessee regional rail project.—The Memphis Area Transit Authority (MATA) is studying transit options in the corridor between downtown Memphis and the Medical Center. The Medical Center Corridor connects the two largest employment centers in the region. One alternative being studied is an expansion of the 2.2-mile vintage rail trolley that MATA currently operates in downtown Memphis. Through fiscal year 1997, Congress has appropriated $4,749,000 for a regional transit/rail plan. The Committee recommends $1,000,000 for fiscal year 1998.

Metro-Dade transit east-west corridor project.—The Florida Department of Transportation is proposing a locally preferred set of multimodal improvements that will link the suburban area west of Florida International University, downtown Miami and the seaport. The MPO has selected the locally preferred alternative which includes the minimum operable segment of an 11.8 mile Metrorail line from the Palmetto Expressway through the Miami Intermodal Center near the airport to the seaport. The locally preferred alternative also includes HOV lanes along SR 836 from the Turnpike to SR 112 along a new elevated SR 836/112 interconnector, and improvements to SR 836 to LeJeune Road. To date, $1,490,000 has been appropriated for the project. In fiscal year 1998, the Committee recommends $9,000,000.

Miami-North 27th Avenue project.—The Metro-Dade Transit Agency (MDTA) is considering rail, busway, and bus options for improving transportation in the 9.5 mile N.W. 27th Avenue corridor. One alternative is an elevated heavy rail line which would operate in full integration with stage 1 metrorail, connect with major regional educational and sports facilities, and terminate at the Dade/Broward county line. The preliminary capital cost of the rail alternative is $453–$463 million. This includes final design, right-of-way and rolling stock acquisition. A major investment study has been completed. There is no authorization for this project in ISTEA. Congress has appropriated $3,961,000 through fiscal year 1997 which has been used to fund preliminary engineering and preparation of draft and final environmental impact statements. The Committee recommends $9,000,000 for fiscal year 1998.

Mission Valley east corridor project.—The Committee recommends $1,000,000 for the Mission Valley east corridor project. The Metropolitan Transit Development Board is considering transit improvement options in the Mission Valley East corridor. The corridor is approximately 5.8 miles long, following Interstate 8 from Interstate 15 to near Baltimore Drive in La Mesa, California. A draft environmental impact statement is scheduled to be circulated for public comment in mid-1997, and a locally preferred alternative is scheduled for selection in the fall of 1997. No previous appropriations have been provided for the project.

New Jersey Hudson-Bergen project.—The New Jersey Transit Corporation (NJ Transit) is proposing a 20.5 mile, 33-mile-station light rail transit project along the Hudson River Waterfront in Hudson County. The line would extend from the Vince Lombardi park-n-ride lot in Bergen County to Bayonne, passing through Port Imperail in Weehauken, and New Jersey City. The core of the system would serve the high-density commercial centers in Jersey City and Hoboken, and provide connections with NJ Transit commuter rail service, PATH trains to Newark and Manhattan, and the Port Imperial ferry from Weehauken to Manhattan. This project is a major component of the Urban Core program of interrelated projects defined in ISTEA, designed to significantly enhance mobility in the Northeastern New Jersey area. ISTEA specifically exempted these projects from the FTA section 3 evaluation criteria. New Jersey Transit is seeking funding to complete a 10-mile "first construction stage" from Hoboken Terminal to 34th Street in Bayonne and Westside Avenue in Jersey City. A full funding grant agreement is in place, committing $604,090,000 of section 5309 new start funds. A total of $99,020,000 has been appropriated to date for this project. The Committee recommends $54,800,000 for the Hudson-Bergen LRT project in fiscal year 1998.

New Jersey Secaucus project.—As part of its Urban Core program of interrelated projects, New Jersey Transit is constructing a major commuter rail transfer station in Secaucus, at the point where the Main and Bergen Lines intersect with the Northeast Corridor Line. The project consists of a new, three-level transfer station; track, signal and bridge upgrades; and construction of a new platform and elevated walkway. It will allow commuters on the Main Line, Bergen County Line, Pascack Valley Line, and Port Jervis Line to transfer to Northeast Corridor commuter trains destined to Penn Station in midtown Manhattan or Penn Station in Newark. Located in the Meadowlands, this project is part of a potential public/private partnership which could include a major commercial center. Section 3031 of ISTEA identifies the Secaucus Transfer Station as an element of the New Jersey Urban Core program of projects, and requires FTA to enter into an FFGA for elements that can be fully funded in fiscal years 1992 through 1997. In addition, ISTEA earmarked $634,400,000 for the entire Urban Core program of projects. Section 3031(c) specifically exempts these projects from the project justification requirements. An FFGA was issued for the Secaucus Transfer project in December 1994 to provide a total of $444,250,000 through fiscal year 1998, including $233,180,000 funds already provided in prior year appropriations. The Committee recommends $27,000,000 for fiscal year 1998, completing the full funding grant agreement.

New Orleans Canal Street corridor project.—The Regional Transit Authority (RTA) is developing a 4.4 mile streetcar project in downtown New Orleans. The Canal Street corridor would extend along the median of Canal Street from the Canal Ferry at the Mississippi River in the Central Business District, through the Mid-City neighborhood, to two outer termini at N. Anthony and Degado Community College/City Park. The capital cost estimate is $92,600,000. The project is currently in the preliminary engineering phase. Through fiscal year 1997, Congress has appropriated $26,382,000. The Committee recommendation includes $8,000,000 for the Canal Street corridor in fiscal year 1998.

New Orleans Desire streetcar project.—The Regional Transit Authority seeks to design and construct the fabled Streetcar Named Desire route as a major transit artery. Using Royal and Bourbon/Dauphine Streets, the four mile line would travel through the historic New Orleans neighborhoods of Bywater, Faubourg Marigny and the Vieux Carre (the French quarter). The Committee has included $2,000,000 for on-going major investment analyses and preliminary engineering and design activities in fiscal year 1998. To date, $1,986,000 has been provided by Congress for this project.

North Carolina Research Triangle Park project.—The Regional Transit Plan proposes a three-phased project that will link the three counties of Wake, Durham and Orange in the Triangle Transit Authority (TTA). In phase I, TTA proposes to initiate regional rail service from Durham to downtown Raleigh and from downtown Raleigh to North Raleigh. Through fiscal year 1997, Congress has appropriated $2,000,000. For fiscal year 1998, the Committee recommends $6,000,000 for preliminary engineering and environmental studies.

Northern Indiana South Shore commuter rail project.—The Committee has provided $2,000,000 for a major investment study for the Westlake Corridor commuter rail project in Indiana. The Westlake Corridor would be a new commuter rail service that would operate on an abandoned right-of-way that was previously secured by the Northern Indiana Commuter Transportation District. Westlake Corridor would begin in the Lowell/St. John area of central Lake County and travel northward through Munster and Hammond, linking with the existing East/West South Shore railroad line and terminating at Randolph Street Station in Chicago, Illinois. The Westlake Corridor will eventually serve high residential growth areas in south central Lake County, Munster and Hammond. The major investment study will refine the proposed alignment and provide total cost estimates for the project. Through fiscal year 1997, Congress has appropriated $500,000 for this project.

Oceanside-Escondido light rail project.—The Committee recommends $5,000,000 for the North San Diego County Transit District's Oceanside-Escondido light rail project. This project will convert a 22 mile freight rail corridor into a passenger rail system from the coastal city of Oceanside to the inland city of Escondido, and will relieve State Route 78 congestion. No previous appropriations have been provided for this project.

Oklahoma City MAPS corridor transit project.—The Central Oklahoma Transportation and Parking Authority (COPTA) is proposing a 3 mile, vintage trolley circulator in downtown Oklahoma City. The project is known as the MAPS (Metropolitan Area Projects) Transportation System Rail Element. COPTA estimates that 1,700 daily riders will use this route in the year 2000. The project will serve the Alfred P. Murrah bombing memorial and proposed federal office campus. To date, Congress has appropriated $1,986,000 for the project, all of which is currently unobligated. For fiscal year 1998, the Committee recommends $1,600,000. Funding provided for the Oklahoma City MAPS project in fiscal years 1997 and 1998 shall be available only for the purchase of rubber wheel trolleys and bus systems.

Orange County, California transitway project.—The Orange County Transportation Authority (OCTA) and the Department of California Department of Transportation (Caltrans) are currently completing a 108-mile system of HOV lanes and developing an intermodal transportation network in Orange County. Previous federal appropriations provided $23,325,000 for construction of one element of Orange County's HOV lane system—the I–405/SR–55 transitway. OCTA will complete construction of the $164,000,000 I–405/SR–55 transitway project and add express buses and park-and-ride lots with local funds. OCTA is seeking continued federal appropriations for the bus and rail transit elements of the Central Orange County Transitway project for which the Committee has included $4,000,000 in fiscal year 1998.

Orlando Lynx light rail project.—In September 1992, the Florida Department of Transportation began developing a multimodal master plan to identify improvements to the Interstate 4 corridor from the Polk/Osceola county line to I–95 in Volusia County. That plan contains a light rail transit (LRT) component which would encompass approximately 24 miles. The minimum operating segment from the Lynx systems plan indicates an LRT from Central Parkway (Altamonte Springs) in Seminole County to the Orlando/Orange County international drive tourist district. The LRT would be located in the median of a reconstructed Interstate 4, or adjacent to an existing railroad corridor. The total cost of the project, including park-n-ride, bus and LRT facilities, is estimated to be between $650,000,000 and $800,000,000. For fiscal year 1998, the Committee recommendation includes $31,800,000.

Pennsylvania Strawberry Hill/Diamond Branch rail project.—The Committee has provided $500,000 for the Strawberry Hill/Diamond Branch rail project in Scranton, Pennsylvania. Funds are provided for the acquisition and restoration of rail connections between Lackawanna Avenue Station, Scranton and Lackawanna Rail Authority's Main Line, at Olive Street. The project will facilitate direct rail service from downtown Scranton to communities in the mid and upper Lackawanna Valley ending in Carbondale.

Phoenix metropolitan area transit project.—The Committee recommends $8,000,000 for preliminary planning and design of a fixed guideway system in Phoenix, Arizona. The initial segment would span a 10-mile stretch from downtown Tempe to downtown Phoenix. No previous appropriations have been provided.

Pittsburgh airport busway project.—The Port Authority of Allegheny County is constructing a 7-mile busway and a 1-mile HOV facility to serve a 20-mile corridor between the airport and downtown Pittsburgh. The busway, extending from Carnegie to downtown Pittsburgh, will follow sections of active and abandoned railroad right-of-way from Carnegie to Station Square, which is across the Monongahela River from downtown Pittsburgh. At Station Square the exclusive busway will merge with a 1.1 mile HOV facility comprised of a rehabilitated Wabash Tunnel and new bridge across the Monongahela River to complete the connection into downtown Pittsburgh. In the remaining 12 miles of the corridor, from Carnegie to the airport, buses will operate in mixed traffic on the relatively uncongested Parkway West. Through fiscal year 1997, $130,930,000 has been appropriated for the project. In fiscal year 1998, the Committee recommends $3,000,000.

Portland-Westside/Hillsboro project.—The Westside-Hillsboro light rail project extends the existing MAX system from the terminus in downtown Portland to downtown Hillsboro. The route includes a three mile twin tube tunnel under the West Hills. The project is 17.7 miles long with 20 stations, 9 park-n-ride lots, and parking spaces for approximately 3,700 automobiles. The project will include 36 low-floor light rail vehicles. Section 3035(b) of ISTEA directs the FTA to enter into a multiyear agreement with the Tri-County Metropolitan Transportation District of Oregon (Tri-Met) in the amount of $515,000,000 for the segment from downtown Portland to 185th Avenue. Consistent with P.L. 102–143, two extensions were combined into a single $910,000,000 project in December 1994, and Tri-Met entered into a $910,000,000 FFGA with FTA that month. The 1994 FFGA for the Westside-Hillsboro project provides a contingent commitment of new start funds of $74,000,000 to fund one-third of the Hillsboro extension cost. Construction is underway along the entire segment. A further amendment to the FFGA was made in November 1997 adding $40,000,000 to the project. The projected revenue service date is 1998. For fiscal year 1998, the Committee recommends $63,400,000 for this project.

Sacramento LRT project.—The Sacramento Regional Transit District (RT) is developing an 11.3 mile light rail project on the Union Pacific right-of-way in the South Sacramento Corridor. RT has elected to phase the project to maximize the use of available state and local capital funds and to correspond with available operating funds. Phase 1, known as the Interim Operable Segment (IOS), consists of a 6.3-mile segment of the full project. The segment would operate between downtown Sacramento and Meadowview Road. The estimated capital cost of the IOS is $254,500,000. Phase 2 is estimated to cost an additional $22,000,000. Section 3035 of ISTEA directed FTA to enter into a multiyear grant agreement with RT for $26,000,000 to provide for the completion of alternatives analysis, preliminary engineering, and final design. Of that amount, $9,919,000 has been appropriated through fiscal year 1997 and $20,300,000 is recommended for the Sacramento LRT project in fiscal year 1998.

Salt Lake City South LRT.—The Utah Transit Authority (UTA) is implementing a 15-mile light rail transit (LRT) line from downtown Salt Lake City parallel to I–15 and State Street to suburban areas to the south. The LRT line will operate at-grade on city streets in downtown Salt Lake City (two miles) and in a railroad right-of-way (13 miles) owned by UTA to the suburban community of Sandy. The total cost of this project, including a maintenance facility, vehicles, stations, park-n-ride centers, and finance costs is estimated at $312,500,000. The LRT project is part of the Interstate 15 corridor improvements which include reconstruction of a parallel segment of I–15. Section 3035(f) of ISTEA directed FTA to enter into a multiyear grant agreement with UTA which provides $131,000,000 in new start funds to carry out the construction of the project. Through fiscal year 1997, Congress has appropriated $73,392,000 for right-of-way acquisition, engineering, design and construction. For fiscal year 1998, the Committee has included $42,800,000 for the Salt Lake City South LRT.

San Bernardino Metrolink project.—The Committee recommends $1,000,000 for the San Bernardino Metrolink project to procure natural gas engines. No previous appropriations have been provided for this project.

San Diego Mid-Coast corridor project.—The Metropolitan Transit Development Board (MTDB), the California Department of Transportation (Caltrans), and the San Diego Association of Governments are proposing commuter rail improvements, a light rail line, and high occupancy vehicle lanes in the Mid-Coast corridor. The corridor extends about 12 miles along the I–5 near the Pacific Ocean from I–8 near Old Town, north to the vicinity of the University of California, San Diego, University Town Centre shopping mall, and Carmel Valley. The commuter rail improvements consist of a new station and parking expansion on the existing Coaster line. The project is estimated to cost $5,700,000. The 10.3 mile Mid-Coast LRT project would extend from Old Town to North University City, and would include 9 stations. The line would connect the Mission Valley and South LRT lines and the Coaster line at the Old Towne Transit Center. An initial phase is proposed from Old Town to Balboa Avenue. The LRT line and supporting bus services are estimated to cost $353,300,000. The proposed HOV lanes would be built by Caltrans in the median of I–5 between Carmel Mountain Road and I–8. Section 3035(g) of ISTEA directed FTA to sign a multiyear grant agreement with MTDB providing $27,000,000 for the completion of alternatives analysis and the final environmental impact statement and to purchase right-of-way. Through fiscal year 1997, Congress has appropriated $5,575,000 of which $2,637,000 was rescinded and reprogrammed. The Committee recommendation includes $3,000,000 for this project in fiscal year 1998.

San Francisco BART extension to the airport project.—Local officials in the San Francisco have proposed a four-station, 6.4-mile extension of the Bay Area Transit (BART) system from Colma to an intermodal station serving the San Francisco International Airport. The route will serve the cities of South San Francisco and San Bruno, connect with the airport, and continue to Millbrae. The majority of the route is to follow a combination of existing and abandoned railroad rights-of-way. Through fiscal year 1997, Congress has provided $83,923,000. For fiscal year 1998, the Committee recommends $54,800,000.

The FTA is directed to issue a full funding grant agreement that includes a federal commitment to the project not in excess of $750,000,000 not later than July 1, 1997.

San Juan, Puerto Rico, Tren Urbano.—The Puerto Rico Department of Transportation and Public Works (DPTW), through its Highway and Transportation Authority (HTA), is proposing a 10.7 mile double-track guideway between Bayamon Centro and the Sagrado Corazon area of Santurce in San Juan. Approximately forty percent of the alignment is at or near grade. The remainder, aside from a short below-grade section in the Centro Medico area and underground through Rio Piedras, is generally elevated above roadway rights-of-way. The project is estimated to cost $1,110,000,000. ISTEA does not contain an authorization for this project. To date, Congress has appropriated $18,430,000 for the Tren Urbano project. For fiscal year 1998, the Committee recommendation includes $25,700,000 for this project.

San Jose Tasman LRT project.—The Committee recommends $21,400,000 for the Tasman LRT project. Phase I west extension consists of 7.6 miles of surface LRT from the northern terminus of the Guadalupe LRT in Santa Clara, west through Sunnyvale, to the CalTrain commuter rail station in Mountain View. The project will include 11 stations and will be double tracked except for partial single tracking between Mountain View and Lockheed stations. The West Extension is estimated to cost $325,000,000, and received an FFGA in July 1996. To date, appropriations for the project have totaled $102,750,000.

Seattle-Tacoma commuter rail project.—The three county Central Puget Sound Regional Transit Authority (RTA) Board adopted a ten year regional transit plan for the Seattle metropolitan area in May 1996. The plan consists of a regional, comprehensive system of services, including commuter rail service between Seattle and Tacoma, additional commuter rail service, LRT service and regional express bus service. The Seattle-Tacoma commuter rail service is proposed to operate along approximately 40 miles of track between the two cities. The total capital cost of the project is estimated at $367,000,000, including track up-grade, stations, parking facilities and rolling stock. Through fiscal year 1997, Congress has appropriated $22,638,000 for the project, although $15,185,000 of that amount was reprogrammed in the fiscal year 1996 appropriations Act. For fiscal year 1998, the Committee recommends $4,000,000.

Seattle-Tacoma light rail project.—The three county Central Puget Sound Regional Transit Authority (RTA) Board adopted a ten year regional transit plan for the Seattle metropolitan area in May 1996. The plan consists of a 25-mile LRT line from the city north through downtown Seattle to the university district, with a possible extension to Northgate. The plan also consists of a 2-mile LRT line from downtown Tacoma to the vicinity of the Tacoma

Dome, 80 miles of commuter rail service, and twenty regional express bus routes. The project is expected to cost $3,900,000,000 and take ten years to implement. For fiscal year 1998, the Committee recommends $2,000,000.

St. Louis-St. Clair LRT extension project.—The Bi-State Development Agency (Bi-State) is proposing a 24.8 mile light rail line between downtown East St. Louis, Illinois, and the vicinity of Scott Air Force Base. The project would connect with the MetroLink light rail project that opened in July 1993. The project is estimated to cost $431,500,000. A full funding grant agreement was executed in October 1996 for the East St. Louis to Belleview Area College Segment. Through 1997, Congress has appropriated $39,708,000 for the project. For fiscal year 1998, the Committee recommends $30,000,000.

Staten Island-Midtown Manhattan ferry service project.—The New York City Department of Transportation (NYCDOT) has proposed construction of terminals and initiation of high speed ferry service between Staten Island and Midtown Manhattan. The service would be provided by privately-owned and operated ferries without public operating subsidies. The estimated cost of this project is $12,600,000. The estimate ridership is 4,800 per day. Section 3035(d) of ISTEA directed the FTA to negotiate and sign a multiyear grant agreement for $12,000,000 to carry out capital improvements for the proposed project. To date, Congress has appropriated $1,372,000, of which $375,000 was rescinded. For fiscal year 1998, the Committee recommends $5,000,000.

Tampa Bay regional rail project.—The Hillsborough Area Transit Authority (HART) is undertaking a study of transportation alternatives in the 32-mile corridor between Tampa and Lakeland, Florida. One alternative to be considered is a commuter rail line on existing CSX tracks that parallel I–4. The commuter rail alternative is estimated to cost approximately $30,000,000. HART is about to undertake a major investment study that will consider alternatives for addressing transportation problems in the I–4 corridor. Through 1997, Congress appropriated $2,876,000 for the corridor. For fiscal year 1998, the Committee recommendation includes $2,000,000 for this project.

Tidewater, Virginia light rail project.—The Committee recommends $2,000,000 for preliminary engineering and environmental impact studies for a light rail project. The project would utilize the existing right-of-way and extend 18 miles between Interstate 64 and Route 44. The project is expected to carry 15,000 riders a day and is projected to cost $376,000,000. No previous appropriations have been provided for the project.

Toledo, Ohio rail project.—The Committee has provided $1,000,000 to complete a major investment study and an environmental analysis for a new fixed guideway transit facility from downtown Toledo to the Central Union Terminal and the Toledo Zoo. The proposed major investment study will analyze the viability of a personal rapid transit system within the Toledo central business district and a trolley line, light rail, or guideway connection with the terminal and the zoo.

Twin Cities transitways projects.—The Twin Cities of Minneapolis-St. Paul is the 15th largest metropolitan area in the nation, with a population of 2.7 million. Until recently, the Twin Cities have managed to escape the congestion, pollution and related problems of the larger, older urban areas. Now, however, the traffic congestion levels are increasing dramatically, with significant adverse impacts on residents. The Twin Cities region has concluded that a network of transitways is indispensable to manage growth wisely and encourage land use and behavioral choices that enhance the quality of life in the Minneapolis-St. Paul area. The Committee provides $20,000,000 for the development and construction of the Hiawatha Corridor fixed guideway from downtown Minneapolis to the Minneapolis-St. Paul International Airport and the Mall of America; a major investment study of the Riverview Corridor from downtown St. Paul to the Airport and the Mall; and planning and analysis of transit alternatives, including commuter rail, and minor transit improvements in the Northstar Corridor linking the Northtown Hub in Anoka County with downtown Minneapolis and the Hiawatha Corridor.

Virginia Railway Express (VRE) Fredericksburg to Washington commuter rail project.—The Committee has provided $2,500,000 for the Virginia Railway Express (VRE) Fredericksburg to Washington commuter rail project. Of the funds provided in the Act, $1,500,000 shall be available for right-of-way acquisition at Route 123 and Route 1 to provide for direct access to the Woodbridge Station of the VRE, and $1,000,000 shall be available to improve pedestrian safety at the King Street Metro and VRE station area.

Whitehall ferry terminal project.—The Committee recommendation includes $5,000,000 for the Whitehall Ferry Terminal in New York City. The New York City Department of Transportation and the New York City Economic Development Corporation have proposed the redesign and reconstruction of the Staten Island Ferry's Whitehall terminal in downtown Manhattan. The terminal was largely destroyed by fire in 1991 and ferry service has been operating out of interim facilities since then. The preliminary estimate of the cost of reconstruction is approximately $80,000,000. Currently, 60,000 people use this terminal a day. Final design is expected to begin in June 1996 and be completed by February 1998. Construction is programmed to begin in late 1998 and will take three years to complete. Through fiscal year 1997, Congress has appropriated $8,675,000.

Wisconsin central commuter rail project.—The Committee recommends $5,000,000 for Wisconsin central commuter rail, or Metra. Funds provided in this Act are to be available for engineering and design work on proposed expansions to the Metra system, as well as station reconstruction in Chicago.

MAJOR CAPITAL INVESTMENTS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, fiscal year 1997	(—)
Budget estimate, fiscal year 1998	($650,000,000)
Recommended in the bill	(—)
Bill compared with:	
Limitation, fiscal year 1997	(—)
Budget estimate, fiscal year 1998	(−650,000,000)

The Committee recommendation disapproves the budget request which proposed to create a new major capital investments program. Funding for this program is currently provided under the section 5309 discretionary grants program. Since this proposal is not authorized under current law, the Committee defers consideration of the request to the appropriate legislative committees which shall consider it in the context of the reauthorization of the Intermodal Surface Transportation Efficiency Act.

MASS TRANSIT CAPITAL FUND

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1997	($2,300,000,000)
Budget estimate, fiscal year 1998 [1]	(2,350,000,000)
Recommended in the bill	(2,350,000,000)
Bill compared with:	
Appropriation, fiscal year 1997	(+50,000,000)
Budget estimate, fiscal year 1998	(—)

[1] The budget proposes to fund the liquidating cash appropriation under a new account entitled mass capital investments.

This liquidating cash appropriation covers obligations incurred under contract authority provided for activities previously discussed under the discretionary grants program. The Committee recommends $2,350,000,000 in liquidating cash for mass transit capital programs, consistent with existing law.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Appropriation, fiscal year 1997	$200,000,000
Budget estimate, fiscal year 1998 [1]	200,000,000
Recommended in the bill	200,000,000
Bill compared with:	
Appropriation, fiscal year 1997	—
Budget estimate, fiscal year 1998	—

[1] The budget proposes to fund this program from the mass transit account of the Highway Trust Fund.

The bill includes the budget estimate of $200,000,000 for the construction of the Washington, D.C. Metrorail system. The Committee recognizes that the administration, the transit authority and the state and local governments in the metropolitan Washington region have reached agreement on financing the remaining 13.5 miles of the adopted regional system and are committed to completion of the system on the "fast track" schedule. The Committee further recognizes that a reliable federal appropriation is critical to securing the necessary credit arrangement required to keep the "fast track" construction program on schedule. The Committee supports the completion of the remaining 13.5 miles and is recommending the budget request to permit WMATA to proceed with the "fast track" construction program.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation's operations program consists of lock and marine operations, maintenance, dredging, planning and development activities related to the operation and maintenance of that part of the Saint Lawrence Seaway between Montreal and Lake Erie within the territorial limits of the United States.

The Committee maintains a strong interest in maximizing the commercial use and competitive position of the Saint Lawrence Seaway. The general language under this heading is the same as the language provided last year. Continuation of this language, in addition to that under the operations and maintenance appropriation, will provide the Corporation the flexibility and access to available resources needed to finance costs associated with unanticipated events which could threaten the safe and uninterrupted use of the Seaway. The language permits the Corporation to use sources of funding not designated for the harbor maintenance trust fund by Public Law 99-662, but which have been historically set aside for non-routine or emergency use: cash reserves derived primarily from prior year revenues received in excess of costs; unused borrowing authority; and miscellaneous income.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

Appropriation, fiscal year 1997 [1]	$10,337,000
Budget estimate, fiscal year 1998	—
Recommended in the bill	11,200,000
Bill compared with:	
Appropriation, fiscal year 1997	+863,000
Budget estimate, fiscal year 1998	+11,200,000

[1] Does not reflect reductions of $12,704 for TASC and $2,000 in awards and bonuses.

On March 4, 1996, the Vice President announced plans to restructure eight federal agencies as performance-based organizations (PBOs). The Saint Lawrence Seaway Development Corporation (Seaway) was one of the eight agencies chosen for the conversion to a PBO. Legislation and a financial plan for the Seaway's PBO was submitted to Congress in July 1996; however, it was not acted upon. The PBO legislation was resubmitted to Congress in May 1997.

As a PBO, the Seaway's primary funding mechanism would change under its proposed legislation from yearly congressional appropriations to mandatory formula-based payments. Due to the PBO proposal, the Seaway is not making an appropriation request in fiscal year 1998, but instead is seeking a mandatory payment from the harbor maintenance trust fund of $11,200,000.

The bill includes an appropriation of $11,200,000 instead of mandatory funding as requested. Establishing the Seaway as a PBO has not been authorized and it is not within this Committee's jurisdiction to do so. Until authorization is enacted, the Committee will continue funding the Seaway according to current law. The Committee recommendation in no way presumes that the Seaway's status will change to become a PBO.

The Committee is concerned about certain provisions contained within the proposed PBO legislation. First, the proposed mandatory funding mechanism would guarantee a certain level of funding irrespective of overall policy goals, such as deficit reduction, which goes against Congressional and Presidential goals to reach a balanced budget by the year 2002. Second, Congress would no longer have a direct role in setting the Seaway's funding levels or determining how those funds should be used. Third, the harbor maintenance trust fund, which is the source of current appropriations for the Seaway and the source for the proposed mandatory payments, has been ruled unconstitutional by the U.S. Court of International Trade. This ruling is under appeal. The decision of constitutionality would affect the Seaway's current funding since its appropriation now comes from that fund. However, should the ruling be upheld, under the PBO formula-based funding mechanism, Congress would have less flexibility in addressing the funding shortfall because the Seaway would be guaranteed a certain level of resources even though no tax would be collected. A final ruling on this case is not anticipated until at least the beginning of fiscal year 1998.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

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

SUMMARY OF FISCAL YEAR 1998 PROGRAM

The Committee recommends $59,620,000 in new budget authority to continue the operations, research and development, and grants-in-aid administered by the Research and Special Programs Administration. This is $1,546,000 more than the 1997 amount and $3,670,000 less than the budget estimate. The following table summarizes fiscal year 1997 program levels, the fiscal year 1998 program requests, and the Committee's recommendations:

Program	1997 enacted [1,2,3]	1998 estimate	Recommended in the bill [3]
Research and special programs	$26,886,000	$30,102,000	$27,934,000
Pipeline safety	30,988,000	32,988,000	31,486,000
Emergency preparedness grants	200,000	200,000	200,000
Total	58,074,000	63,290,000	59,620,000

[1] Does not reflect reductions of $279,842 for TASC and $5,100 in awards and bonuses.
[2] Excludes $3,000,000 provided in the Omnibus Consolidated Appropriations Act, 1997 for emergency appropriations.
[3] Does not include $1,000,000 from pre-existing user fees in the pipeline safety fund.

RESEARCH AND SPECIAL PROGRAMS

Appropriation, fiscal year 1997 [1, 2]	$26,886,000
Budget estimate, fiscal year 1998	30,102,000
Recommended in the bill	27,934,000
Bill compared with:	
Appropriation, fiscal year 1997	+1,048,000
Budget estimate, fiscal year 1998	−2,168,000

[1] Does not reflect reductions of $179,100 for TASC and $3,900 in awards and bonuses.
[2] Excludes $3,000,000 provided under the Omnibus Consolidated Appropriations Act, 1997 for an emergency appropriations.

RSPA's research and special programs administers a comprehensive nationwide safety program to (1) protect the nation from the risks inherent in the transportation of hazardous materials by water, air, highway and railroad; (2) oversee the execution of the Secretary of Transportation's statutory responsibilities for providing transportation services during national emergencies; and (3) coordinate the department's research and development policy planning, university research, and technology transfer. Overall policy, legal, financial, management and administrative support to RSPA's programs also is provided under this appropriation. The total recommended program level for research and special programs is $27,934,000. This is an increase of $1,048,000 above the amount provided in fiscal year 1997 and a reduction of $2,168,000 below the budget request. Budget and staffing data for this appropriation are as follows:

	1997 enacted [1]	1998 estimate	Recommended in the bill
Hazardous materials safety	$15,472,000	$15,492,000	$15,024,000
(Positions)	(129)	(129)	(129)
Research and technology	3,580,000	5,296,000	3,596,000
(Positions)	(13)	(13)	(13)
Emergency transportation	993,000	993,000	993,000
(Positions)	(7)	(7)	(7)
Program support	6,841,000	8,321,000	8,321,000
(Positions)	(48)	(48)	(48)
Total, Research and Special Program	26,886,000	30,102,000	27,934,000
(Total positions)	(197)	(197)	(197)

[1] Does not include $3,000,000 provided under the Omnibus Consolidated Appropriations Act, 1997 for emergency appropriations.

The Committee has included new bill language allowing funds received from states, counties, municipalities, public authorities, and other private sources to be used for expenses incurred in performance of hazardous materials exemptions and approval functions, as requested.

The Committee recommends the following changes to the budget request for this appropriation:

Hazardous materials:	
Hold personnel, compensation and benefits to 1997 level	−$468,000
Research and technology:	
Hold research and development to 1997 level	−1,700,000
Net change to budget estimate	−2,168,000

Personnel, compensation, and benefits.—The Committee has provided $8,557,000 for personnel, compensation, and benefits for hazardous materials safety, which is the same amount as provided in 1997. Last year, following the Valujet tragedy, Congress increased the number of inspectors under this program and provided a full year of funding for each new inspector. However, RSPA has not been able to fill these positions in a timely manner and has experienced a very high attrition rate with its current hazardous materials inspectors because of hiring possibilities outside of the agency. At the beginning of June 1997, RSPA had 22 vacancies to fill and projects that it will lapse over $600,000 in excess personnel, compensation, and benefits funds because these positions remain unfilled. Given these difficulties, the Committee believes a lower funding level will be sufficient but expects these personnel to be hired as soon as possible in fiscal year 1998.

Research and development.—The Committee recommends $2,200,000 for research and development (R&D), which is the same amount as provided in fiscal year 1997, excluding one-time funding provided in the Omnibus Consolidated Appropriations Act for transportation vulnerability and threat assessment research. RSPA has not requested funding to continue this assessment effort in 1998. The Committee believes that additional R&D funding is not necessary because RSPA does not conduct any direct research but instead is responsible for technology sharing, policy formulation, and research agenda-setting. Further, under the reauthorization proposal, RSPA is seeking $10,000,000 in contract authority for R&D, which, if authorized, will amply augment this appropriated level.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

	Pipeline Safety Fund	*Oil Spill Liability Trust Fund*
Appropriation, fiscal year 1997 [1,2]	$28,460,000	$2,528,000
Budget estimate, fiscal year 1998	30,660,000	2,328,000
Recommended in the bills [2]	28,186,000	3,300,000
Bill compared with:		
Appropriation, fiscal year 1997	−274,000	+772,000
Budget estimate, fiscal year 1998	−2,474,000	+972,000

[1] Does not include reductions of $100,742 for TASC and $1,200 in awards and bonuses.
[2] Does not reflect $1,000,000 funded from pre-existing fees collected in the pipeline safety fund.

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

The bill includes $31,486,000 to continue pipeline safety operations, research and development, and state grants-in-aid in fiscal year 1998. This represents a $498,000 increase above the level enacted in 1997 and a reduction of $1,502,000 from the budget request. The bill specifies that, of the total appropriation, $3,300,000 is to be derived from the oil spill liability trust fund and

$28,186,000 from the pipeline safety fund. In addition, the Committee has included language that permits the office of pipeline safety (OPS) to use $1,000,000 from pre-existing fees collected in the pipeline safety reserve fund for one-call notification grants.

The Committee recommends the following changes to the budget request for this appropriation:

Fund personnel, compensation, and benefits from the oil spill liability trust fund	−$344,000
Hold operating expenses to a 10 percent increase	−263,000
Fund some contract activities from the oil spill liability trust fund	−628,000
Delete funding for nondestructive evaluation program	−239,000
Fund one-call activities from reserve fund instead of state grants	−1,000,000
Increase funding drawn from the oil spill liability trust fund	+972,000
Net change to budget request	−1,502,000

Personnel, compensation, and benefits.—The Committee has provided $7,550,000 for personnel, compensation, and benefits, which is $344,000 less than requested. According to RPSA, there are seven work years devoted to environmental policy development, response plan exercises, pipeline inspection and spill response, technical monitoring and special studies of oil pipeline integrity management issues, which are funded through user fees. However, these activities should more appropriately be funded from the oil spill liability trust fund because they relate to environmental liquid petroleum issues. Thus, the Committee has increased the amount derived from the oil spill liability trust fund to accurately reflect these costs.

Operating expenses.—The Committee has provided $3,688,000 for operating expenses, which is $263,000 less than the budget request. OPS had sought a 47 percent increase in this program, including new rent charges. The Committee has provided a 10 percent increase in operating expenses, excluding rental payments.

Contract activities.—The Committee has reduced OPS contract activities by $628,000 because portions of these activities relate to environmentally sensitive, liquid petroleum issues and should be funded by the oil spill liability trust fund. The Committee has increased the amount derived from the oil spill liability trust fund to accurately reflect these contract costs.

Nondestructive evaluation.—The Committee has deleted funding for nondestructive evaluation activities in fiscal year 1998 because ample funding has been appropriated in the past to fully fund ongoing work (−$239,000). To date, $2,200,000 has been appropriated for nondestructive evaluation; however, only one contract totalling $1,900,000 has been awarded. The base contract will not be completed in the fourth quarter of fiscal year 1998, and a one year renewal may be negotiated at that point. With the previously appropriated funds, OPS could renew this contract for the remainder of fiscal year 1998 without depleting its funds, especially since the actual obligation rate for this project has been approximately forty percent less than planned. This action does not prejudice the project from receiving consideration for funding in future appropriations Acts.

One-call notification.—Instead of funding one-call activities from state grants, the Committee has provided bill language that allows OPS to use up to $1,000,000 from its reserve fund for this initiative. OPS has approximately $19,291,000 in its reserve fund. Last year, for the first time, Congress began funding state one-call activities from previously collected user fees instead of from state grant program funds. By tapping the reserve fund, all of the monies provided for state grants can be used for state safety programs. OPS supports the continuation of this effort.

Oil spill liability trust fund.—The budget request sought $2,328,000 from the oil spill liability trust fund; however, the Committee has increased this amount to $3,300,000 because OPS has testified that there are a number of program activities that could be appropriated from this trust fund instead of funded by new user fees.

Remote control and automatic shut-off valves.—The Pipeline Reauthorization Act (P.L. 104–304) requires that no later than June 1, 1998, the Secretary make a determination whether the use of remotely controlled valves is technically and economically feasible and would reduce risks associated with a rupture of an interstate natural gas pipeline. To assist in making such a determination, the law also requires the Secretary to survey and assess the effectiveness of remotely controlled valves to shut off the flow of natural gas in the event of a natural gas pipeline rupture. The Committee believes that the general public and the industry deserve a thorough study of the safety benefits of this technology and urges the Secretary to immediately begin to take the necessary steps to complete this study no later than the legally mandated deadline.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

Appropriation, fiscal year 1997	$200,000
Budget estimate, fiscal year 1998	200,000
Recommended in the bill	200,000
Bill compared with:	
Appropriation, fiscal year 1997	....
Budget estimate, fiscal year 1998	....

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

The bill includes $200,000, the same amount requested for fiscal year 1998, for activities related to emergency response training curriculum development and updates, as authorized by section 117(A)(i)(3)(B) of HMTUSA.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 1997	[1] $37,900,000
Budget estimate, fiscal year 1998	40,889,000
Recommended in the bill	42,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+4,100,000
Budget estimate, fiscal year 1998	+1,111,000

[1] Excludes $94,086 in TASC reductions and $1,000 in reductions for bonuses and awards.

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.

The Committee recommendation provides $42,000,000 for activities of the Office of Inspector General, an increase of $1,111,000 (2.7 percent) above the administration's request and an increase of $1,652,000 (4.4 percent) above the level for comparable activities during fiscal year 1997. Rental payments to the General Services Administration have been included in this appropriation beginning in fiscal year 1998. The recommendation includes $2,448,000 for these expenses, which were budgeted in the office of the secretary through fiscal year 1997. The bill specifies that none of the funds may be utilized for contract audits, a provision carried in previous years.

Audits of Amtrak.—Existing law allows the DOT Inspector General to conduct audits to protect the federal investment in the National Railroad Passenger Corporation (Amtrak), even though the corporation has its own Inspector General. Given the resources and experience of the office of inspector general relative to Amtrak's IG office, the amount of federal assistance and the magnitude of the issues surrounding Amtrak, the Committee encourages the DOT Inspector General to initiative reviews of Amtrak during fiscal year 1998 which are designed to maximize the effectiveness and efficiency of the Federal Government's ongoing investment in the railroad.

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

SURFACE TRANSPORTATION BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 [1]	$12,344,000
Budget estimate, fiscal year 1998 [2]	(14,300,000)
Recommended in the bill	15,853,000
Bill compared with:.	
Appropriation, fiscal year 1997	+3,509,000
Budget estimate, fiscal year 1998	+1,553,000

[1] Does not reflect reduction of $100,000 in awards and bonuses. Also, it excludes $3,000,000 in user fees.
[2] Represents $14,300,000 in user fees, which would offset the appropriation as collected throughout the fiscal year.

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

The Committee recommends a total appropriation of $15,853,000, the same amount requested by the Board.

Salaries and expenses.—The Committee has provided $15,853,000 for salaries and expenses of the Surface Transportation Board, including an estimated $2,000,000 in user fees, which will offset the appropriated funding. At this level, the Board will be able to accommodate 135 full-time equivalent positions.

The Committee believes that the administration's budget request funding was unduly harsh because it sought to fully fund the agency through user fees and reduced the Board's request by $1,553,000 in a year that the Board plans to begin reviewing a sizable class I railroad merger. According to the Board, if they were funded at the administration's budget request, it would require a reduction of 24 full-time equivalent positions. Because the Board is already under severe staffing constraints, any attempt to further reduce staff would have a negative effect on its ability to reduce its case backlog and comply with existing statutory time frames on new cases. This impact would be felt in the processing of the CSX/Norfolk Southern/Conrail merger, as well as on other pending matters, because fewer staff means that fewer cases can be handled simultaneously. The ultimate effect of funding the Board as the budget requested would be parties waiting significantly longer for a resolution of their cases, which is unacceptable to this Committee.

User fees.—The Committee disagrees with the administration's budget request to fund the entire operation of the Surface Transportation Board, or $14,300,000, from the collection of user fees. Current statutory authority, under the Independent Offices Appropriations Act (31 U.S.C. 9701), grants the Board authority to collect user fees based on filings made at the Board by interested parties; however, not to the level provided in the budget estimate. Legislative changes to the Board's authorizing statute to mandate an industry user fee program of $14,300,000 would require Congress to enact such authority prior to October 1, 1997. Even if Congress approves legislation that would authorize the Board to recover the full costs of administering its programs, the Board would have to undertake necessary rulemakings to determine the appropriate level of these assessments. These rulemakings could not be completed in a timely manner to ensure adequate funding for the Board in fiscal year 1998. In addition, it is not clear that this magnitude of user fees would meet existing criteria requiring the agency to show a direct relationship between the fees assessed and the benefit received from the service.

Last year, the Board updated its assessment of user fees. At that time, the Board anticipated collecting approximately $3,000,000 in fiscal year 1997, which Congress included in its calculation of the

Board's needs because these user fees supplement the direct appropriation provided for that year. However, as the fiscal year progressed, the Board realized that it had overestimated its ability to collect fees. Although the Board believes that it will be able to collect $3,000,000 in user fees in fiscal year 1997, approximately 60 percent of the collection will come from a class I merger application. Since the Board does not expect another class I merger in fiscal year 1998, it does not believe that it can collect a similar sum. The bill assumes $2,000,000 in user fees will be collected to offset the direct appropriation provided in fiscal year 1998. Language is included in the bill allowing the fees to be credited to the appropriation as offsetting collections, and reducing the general fund appropriation on a dollar for dollar basis as the fees are received and credited.

The Committee has retained the bill language which provides that any fees received in excess shall remain available until expended, but shall not be available for obligation until October 1, 1998.

Union Pacific/Southern Pacific merger.—The Committee is aware that the Board is engaged in an ongoing environmental mitigation study for Wichita, Kansas in connection with the Board's approval of the Union Pacific/Southern Pacific merger in STB Finance Docket No. 32760. The Board shall base its final environmental mitigation conditions for Wichita on verifiable and appropriate assumptions. The Committee is aware that the Board has continuing jurisdiction over all of its proceedings and related conditions, and expects the Board to exercise that jurisdiction by reexamining the final environmental mitigation measures, if there is any material change in the bases of the assumptions on which the final mitigation for Wichita is imposed. After the Board has approved the final environmental measures for Wichita, if the Union Pacific Corporation or any of its divisions or subsidiaries materially changes or is unable to achieve the assumptions on which the Board based its final environmental mitigation measures, then the Board should reopen Finance Docket 32760 if requested by interested parties, and prescribe additional mitigation properly reflecting these changes if shown to be appropriate.

TITLE II

RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 1997	$3,540,000
Budget estimate, fiscal year 1998	3,640,000
Recommended in the bill	3,640,000
Bill compared with:	
Appropriation, fiscal year 1997	+100,000
Budget estimate, fiscal year 1998	....

The Committee recommends $3,640,000 for the operations of the Architectural and Transportation Barriers Compliance Board, an increase of $100,000 above the fiscal year 1997 levels, and the same as the budget estimate.

The activities of the Board include: ensuring compliance with the standards prescribed by the Architectural Barriers Act; ensuring that public conveyances, including rolling stock, are readily accessible to and usable by physically handicapped persons; investigating and examining alternative approaches to the elimination of architectural, transportation, communication and attitudinal barriers; determining what measures are being taken to eliminate these barriers; developing minimum guidelines and requirements for accessibility standards; and providing technical assistance to all programs affected by Title V of the Rehabilitation Act.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 [1]	$42,407,000
Budget estimate, fiscal year 1998 [2]	40,000,000
Recommended in the bill	46,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+3,593,000
Budget estimate, fiscal year 1998	+6,000,000

[1] Excludes $6,000,000 in emergency appropriations.
[2] The President's budget request also included an appropriation of $6,000,000 in user fees.

Under the Independent Safety Board Act, the National Transportation Safety Board (NTSB) is responsible for improving transportation safety by investigating accidents, conducting special studies, developing recommendations to prevent accidents, evaluating the effectiveness of the transportation safety programs of other agencies, and reviewing appeals of adverse actions involving airman and seaman certificates and licenses, and civil penalties issued by the Department of Transportation.

The bill includes an appropriation of $46,000,000 for salaries and expenses, which is $6,000,000 more than requested in the President's budget, and does not assume the collection of $6,000,000 in user fees.

The following table summarizes the fiscal year 1997 program level, the President's fiscal year 1998 request, and the Committee's recommendations:

Program	1997 enacted		1998 estimate		Recommended in the bill	
	Staff years	Budget authority [1]	Staff years	Budget authority [2]	Staff years	Budget authority
Policy and direction	45	$5,735,000	47	$6,259,000	47	$6,259,000
Aviation safety	129	20,933,000	132	16,006,000	132	16,006,000
Surface transportation	99	11,626,000	102	12,554,000	102	12,554,000
Research and engineering	58	6,121,000	61	6,998,000	61	6,998,000
Administration	29	2,728,000	29	2,859,000	29	2,859,000
Administrative law judges	10	1,264,000	10	1,324,000	10	1,324,000
Total	370	48,407,000	381	46,000,000	381	46,000,000

[1] Includes $6,000,000 emergency appropriation.
[2] Includes $6,000,000 in user fees.

The Committee expects to be advised if the Board proposes to deviate in any way from the staff year allocations or by more than five percent from the funding allocations listed above.

Staff hiring.—The Committee is deeply troubled by the length of time it takes the Safety Board to bring on critical new staff. In fiscal year 1997, the Congress provided funding for the Safety Board to increase its technical and investigative staff by 20 positions. It has taken the Safety Board over six months to begin bringing new personnel on board, and the Board does not expect to have these positions completely filled until near the end of fiscal year 1997. Although the Committee has provided sufficient funding for the Safety Board to hire nine additional technical and investigative staff and two family assistance personnel, there will be deep disappointment if the delays in hiring continue. The Committee expects these personnel to be hired early in fiscal year 1998.

User fees.—The Committee has denied the request to collect $6,000,000 in user fees. This request was based on the assumption that legislation authorizing a commercial aviation accident investigation fee would be enacted and available for expenditure. The Committee does not have the jurisdiction to authorize the collection of this fee and is opposed to such a fee because it makes certain transportation sectors (i.e. the aviation industry) responsible for paying accident investigation costs while other sectors (i.e. rail, highway, marine, etc.) would not be responsible for these costs. In addition, such fees do not appear to meet existing definitions of user fees, and might, upon further analysis, be defined as new taxes.

EMERGENCY FUND

Appropriation, fiscal year 1997 [1]	$1,000,000
Budget estimate, fiscal year 1998	1,000,000
Recommended in the bill	1,000,000
Bill compared with:	
Appropriation, fiscal year 1997	....
Budget estimate, fiscal year 1998	....

[1] Contained in the Omnibus Consolidated Appropriations Act of 1997 as an emergency appropriation.

The bill includes an appropriation of $1,000,000 for the emergency fund. Under Public Law 97–257 (Supplemental Appropriations Act, 1982), Congress provided a $1,000,000 emergency fund to be used for accident investigation expenses when investigations would otherwise have been hampered by lack of funding. Over the past 15 years, the emergency fund has been used five times—in 1985 to assist in recovery of portions of an Air India wreckage; in 1989 to locate and recover the cargo door separated from a United Airlines flight; in 1995 to conduct wake vortex testing following a US Air accident in Aliquippa, Pennsylvania; in 1996 to locate the flight data and cockpit voice recorder of a Boeing 757 that crashed into the Atlantic Ocean near the Dominican Republic; and in 1996 to recover wreckage from the TWA 800 accident site.

When added to the current unobligated balance, the Committee's recommendation doubles the size of the emergency fund to $2,000,000. At this level, sufficient funds should be available for unanticipated or unusually expensive accident investigations. The Committee directs that this fund should continue to be used only for accident investigation expenses when investigations would otherwise be hampered by a lack of funding. New activities, such as providing assistance to families of victims of transportation disasters, are not eligible for these funds. The Committee has provided ample funding for family assistance activities under the Safety Board's salaries and expenses account.

TITLE III

GENERAL PROVISIONS

(INCLUDING TRANSFERS OF FUNDS)

The Committee concurs with the general provisions that apply to the Department of Transportation and related agencies as proposed in the budget with the following changes:

The Committee has not approved the requested deletion of the following sections, all of which were contained in the fiscal year 1997 Department of Transportation and Related Agencies Appropriations Act (section numbers are different):

Section 305 includes a provision that prohibits political and Presidential personnel to be assigned on temporary detail outside the Department of Transportation.

Section 315 prohibits the use of funds to award multi-year contracts for production end items that include certain specified provisions.

Section 318 limits funds to compensate in excess of 350 staff years under the federally-funded research and development contract between the Federal Aviation Administration and the Center for Advanced Aviation Systems Development. The fiscal year 1997 Act limited funds to compensate in excess of 335 staff years.

Section 319 reduces funding for activities of the Transportation administrative service center of the Department of Transportation and limits obligation authority of the center to $96,800,000.

Section 321 prohibits funds to be used to prepare, propose, or promulgate any regulation pursuant to title V of the Motor Vehicle Information and Cost Savings Act prescribing corporate average fuel economy standards for automobiles as defined in such title, in any model year that differs from standards promulgated for such automobiles prior to enactment of this section.

Section 322 prohibits the use of funds to be used for planning, engineering, design or construction of a sixth runway at the Denver International Airport unless the Federal Aviation Administrator determines that safety conditions warrant obligation of such funds. The bill includes a new provision that allows funds to be used for planning or analysis of airport noise issues related to a sixth runway.

Section 324 prohibits the use of funds for any type of training which (a) does not meet needs for knowledge, skills, and abilities bearing directly on the performance of official duties; (b) could be highly stressful or emotional to the students; (c) does not provide prior notification of content and methods to be used during the training; (d) contains any religious concepts or ideas; (e) attempts to modify a person's values or lifestyle; or (f) is for AIDS awareness training, except for raising awareness of medical ramifications of AIDS and workplace rights.

Section 325 prohibits the use of funds in this Act for activities designed to influence Congress on legislation or appropriations except through proper, official channels.

Section 326 requires the Federal Transit Administration's oversight of the Washington Metropolitan Area Transit Authority (WMATA) to be based in Washington, D.C..

Section 329 requires compliance with the Buy American Act.

Section 332 prohibits the use of funds for the improvement of Miller Highway in New York City, New York.

The Committee has included the following general provisions as requested with modifications:

Section 310 would be continued with modifications. The Committee continues to limit first quarter obligations to 12 percent.

Section 311 exempts programs under 49 U.S.C. 5338 previously made available for obligation from the limitation on obligations for discretionary grants of the Federal Transit Administration.

Section 316 allows funds for discretionary grants of the Federal Transit Administration for specific projects, except for fixed guideway modernization projects, not obligated by September 30, 2000, to be used for other projects under 49 U.S.C. 5309.

Section 323 allows funds received by the Bureau of Transportation Statistics from the sale of data products to be used for necessary expenses incurred pursuant to the provisions of section 6006 of the Intermodal Surface Transportation Efficiency Act of 1991.

The Committee has not included provisions proposed in the budget:

(1) relating to the transfer of funds to cover rental payment shortfalls; (2) prohibiting funds used by the National Transportation Safety Board to study age of commercial aircraft pilots; (3) allowing the Administrator of the Federal Aviation Administration to establish a aviation security and safety consortia; (4) allowing additional transfer authority not to exceed 5 percent between discretionary appropriations; (5) authorizing the collection of fees resulting from the siting of mobile service antennas; and (6) authorizing new railroad safety fees.

TITLE IV

AMTRAK ROUTE CLOSURE AND REALIGNMENT

The Committee recommends a new title that establishes an independent commission to provide an economic assessment of the entire Amtrak system. The Commission would make recommendations on route closings and realignments needed for the survival of a passenger rail system in the United States. The Commission's recommendations would then be considered by Congress on an expedited basis.

HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

The following items are included in accordance with various requirements of the Rules of the House of Representatives:

CONSTITUTIONAL AUTHORITY

Clause 2(1)(4) of rule XI of the Rules of the House of Representatives states:

> Each report of a committee on a bill or joint resolution of a public character, shall include a statement citing the

specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution.

The Committee on Appropriations bases it's authority to report this legislation from clause 7 of section 9 of Article I of the Constitution of the United States of America which states:

> No money shall be drawn from the Treasury but in consequence of Appropriations made by law. * * *"

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

RESCISSIONS

Pursuant to clause 1(b) of rule X of the House of Representatives, the following table is submitted describing the rescissions recommended in the accompanying bill:

Office of the Secretary, Payments to air carriers (airport and airway trust fund)	−$38,600,000

TRANSFERS OF FUNDS

Pursuant to clause 1(b) of rule X of the House of Representatives, the following statement is submitted describing the transfers of funds provided in the accompanying bill.

The Committee recommends the following transfers:

Under Coast Guard, Operating expenses: The Director, Office of National Drug Control Policy may transfer, at his discretion, up to $34,300,000 of funds provided herein for Coast Guard drug interdiction activities to any other entity of the Federal Government for drug interdiction activities.

Under Coast Guard, Reserve training: No more than $20,000,000 of funds made available under this heading may be transferred to Coast Guard "Operating expenses" or otherwise made available to reimburse the Coast Guard for financial support of the Coast Guard Reserve.

Under section 317 of the general provisions: Notwithstanding any other provision of law, any funds appropriated before October 1, 1993, under chapter 53 of title 49 U.S.C., that remain available for expenditure may be transferred to and administered under the most recent appropriation heading for any such section.

CHANGES IN EXISTING LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following statements are submitted describing the effects of provisions in the accompanying bill which might be construed, under some circumstances, as directly or indirectly changing the application of existing law.

The bill provides that appropriations shall remain available for more than one year for a number of programs for which the basic authorizing legislation does not explicitly authorize such extended availability.

The bill includes limitations on official entertainment, reception and representation expenses for the Secretary of Transportation and the National Transportation Safety Board. Similar provisions have appeared in many previous appropriations Acts.

The bill provides for transfer of funds which might be construed as changing the application of existing law. Similar provisions have appeared in previous appropriations Acts. These items are discussed under the appropriate heading in the report.

The bill includes a number of limitations on the purchase of automobiles, motorcycles, or office furnishings. Similar limitations have appeared in many previous appropriations Acts.

Several limitations on obligations are contained in Title I. Although these provisions are strict limitations, they do have the effect of reducing obligations below the levels that otherwise would be available.

Language is included in several instances permitting certain funds to be credited to the appropriations recommended.

Language is included that does not permit the Department of Transportation to maintain duplicate physical copies of airline tariffs.

Language is included under Office of the Secretary, "Salaries and expenses," which would allow crediting the account with up to $1,000,000 in user fees.

Language is included that limits operating costs and capital outlays of the Transportation Administrative Service Center of the Department of Transportation and limits special assessments or reimbursable agreements levied against any program, project or activity funded in this Act to only those assessments or reimbursable agreements that are presented to and approved by the House and Senate Appropriations Committees.

Language is included under the Coast Guard, "Operating expenses" which specifies that the number of aircraft on hand at any one time cannot exceed two hundred and twelve.

Language is included under the Coast Guard, "Operating expenses" which specifies that none of the funds appropriated shall be available for pay or administrative expenses in connection with shipping commissioners.

Language is included under the Coast Guard, "Operating expenses" that limits the use of funds for yacht documentation to the amount of fees collected from yacht owners.

Language is included under the Coast Guard, "Operating expenses" that specifies that the Commandant shall reduce both military and civilian employment levels to comply with Executive Order No. 12839.

Language is included under the Coast Guard, "Operating expenses" that stipulates certain criteria to be met (as outlined in the bill) by the Director of the Office of National Drug Control Policy on funds provided for drug interdiction.

Language is included under the Coast Guard, "Operating expenses" that provides the Director of the Office of National Drug Control Policy flexibility to transfer drug interdiction funds to other federal drug interdiction efforts.

Language is included under the Coast Guard, "Acquisition, construction, and improvements" that credits funds received from the sale of the HU–25 aircraft to this account to purchase new aircraft.

Language is included under the Coast Guard, "Acquisition, construction, and improvements" that credits funds from the disposal of surplus property by sale or lease and allows not more than

$9,000,000 to be credited as offsetting collections to this appropriation.

Language is included under Coast Guard, "Reserve training" that limits funds available for transfer to "Operating expenses" to no more than $20,000,000 to reimburse the Coast Guard for financial support of the Coast Guard Reserve.

Language is included under the Coast Guard, "Research, development, test, and evaluation" that credits funds received from state and local governments and other entities for expenses incurred for research, development, testing, and evaluation.

Language is included under the FAA, "Operations" permitting the use of funds to enter into a grant agreement with a nonprofit standard-setting organization to develop aviation safety standards.

Language is included under the Federal Aviation Administration, "Operations" that prohibits the use of funds for new applicants of the second career training program.

Language is included under the FAA, "Operations" that prohibits the use of funds for premium pay unless an employee actually performed work during the time corresponding to the premium pay.

Language is included under the FAA, "Facilities and equipment" that allows certain funds received for expenses incurred in the establishment and modernization of air navigation facilities to be credited to the account.

Language is included under the FAA, "Research, engineering, and development" that allows certain funds received for expenses incurred in research, engineering and development to be credited to the account.

Language is included prohibiting funds for aircraft purchase loan guarantees.

Language is included prohibiting funds to institute new activities under the administrative services franchise fund.

The bill includes a limitation on general operating expenses of the Federal Highway Administration.

The bill includes language prohibiting obligations for right-of-way acquisition.

Language is included under National Highway Traffic Safety Administration, "Operations and research" prohibiting the planning or implementation of any rulemaking on labeling passenger car tires for low rolling resistance.

Language is included under National Highway Traffic Safety Administration, "Highway traffic safety grants" limiting obligations for certain safety grant programs.

Language is included under Federal Railroad Administration, "Office of the administrator" that limits rental payments to the Department of Transportation's headquarters building.

Language is included under Federal Railroad Administration, "Office of the administrator" authorizing the Secretary to receive payments from the Union Station Redevelopment Corporation, credit them to the appropriation charged with the first deed of trust, and make payments on the first deed of trust.

Language is included under Federal Railroad Administration, "Railroad safety" that allows reimbursement of states' employees travel and per diem costs when directly supporting federal railroad safety programs.

Language is included authorizing the Secretary to issue fund anticipation notes necessary to pay obligations under sections 511 through 513 of the Railroad Revitalization and Regulatory Reform Act.

Language is included under Federal Railroad Administration, “Rhode Island rail development” that specifies that the federal contribution shall be matched on a dollar-for-dollar basis and that the Providence and Worcester railroad shall reimburse Amtrak and/or the Federal Railroad Administration up to the first $23,000,000 in legal damages if damages occur resulting from provision of vertical clearances in excess of those required for present freight operations.

Language is included under Federal Railroad Administration, “Grants to the National Railroad Passenger Corporation” that limits the availaility of capital improvement funds until July 1, 1998, and prohibits the transfer of capital expenses to pay for debt service unless authorized by law.

Language is included under Federal Railroad Administration, “Grants to the National Railroad Passenger Corporation” that prohibits Amtrak from committing to or incurring obligations using federal funds for coverage of capital expenses in excess of appropriated funds for capital improvements.

Language is included under Federal Railroad Administration, “Grants to the National Railroad Passenger Corporation” that restricts mandatory railroad retirement payments.

Language is included under Federal Railroad Administration, “Grants to the National Railroad Passenger Corporation” that requires the Administrator of the Federal Railroad Administration to submit quarterly reports on Amtrak’s financial status, future business forecasts as well as recommendations for reducing Amtrak’s operating losses in the near-term and federal financial support in the long-term.

Language is included under Federal Railroad Administration, “Grants to the National Railroad Passenger Corporation,” regarding the use of funds for lease or purchase of passenger motor vehicles.

Language is included under Federal Transit Administration, “Administrative expenses” that limits the amount of funds that may be withheld from transit capital grants to conduct project management oversight activities.

Language is included under Federal Transit Administration, “Formula grants” limiting mass transit operating assistance.

Language is included under Federal Transit Administration, “Discretionary grants” specifying the distribution of funds (subject to authorization) for new fixed guideway systems in this Act.

Language is included under Research and Special Programs Administration, “Research and special programs,” which would allow up to $1,200,000 in fees collected under 49 U.S.C. 5108(g) to be deposited in the general fund of the Treasury as offsetting receipts.

Language is included under Research and Special Programs Administration, “Research and special programs,” that credits certain funds received for expenses incurred for training and other activities.

Language is included under Research and Special Programs Administration, "Pipeline safety" that allows up to $1,000,000 for one-call notification systems to be funded from amounts previously collected and held in a reserve account.

Language is included under Research and Special Programs Administration, "Emergency preparedness grants" specifying the Secretary of Transportation or his designee may obligate funds provided under this head.

Language is included under Office of Inspector General, "Salaries and expenses" prohibiting funds for the conduct of contract audits.

Language is included under Surface Transportation Board, "Salaries and expenses" allowing the collection of $2,000,000 in fees and providing that fees collected in excess of $2,000,000 shall not be available until October 1, 1998.

Language is included under "Architectural and Transportation Barriers Compliance Board, "Salaries and expenses" that provides that funds received for publications and training may be credited to the appropriation.

Language is included rescinding contract authority previously provided.

Section 301 through 332 of the bill contains a number of general provisions that place limitations or funding prohibitions on the use of funds in the bill and which might, under some circumstances, be construed as changing the application of existing law.

Sections 301 through 332 of the bill contain a number of general provisions that allow for the redistribution of previously appropriated funds.

The bill includes language regarding the administration of the federal-aid highway obligation limitation.

Section 314 allows airports to transfer to the Federal Aviation Administration instrument landing systems which conform with FAA specifications in cases where the purchase of such equipment was assisted by a federal airport aid grant.

Section 319 reduced funding for activities of the transportation administrative service center of the Department of Transportation and limits obligation authority of the center to $96,800,000.

Section 321 prohibits funds to be used to prepare, propose, or promulgate any rule under title V of the Motor Vehicle Information and Cost Savings Act prescribing corporate average fuel economy standards for automobiles.

Section 322 prohibits funds for planning, engineering, design or construction of a sixth runway at the Denver International Airport unless the Administrator of the Federal Aviation Administration determines, in writing, that safety conditions warrant obligation of such funds; and permits funds for planning or analysis of noise issues related to the sixth runway.

Section 323 allows funds received by the Bureau of Transportation Statistics from the sale of data products to be credited to the Federal-aid highways account for the purpose of reimbursing the Bureau for such expenses.

Section 324 prohibits funds for any type of training which: (a) does not meet needs for knowledge, skills, and abilities bearing directly on the performance of official duties; (b) could be highly stressful or emotional to the students; (c) does not provide prior notification of content and methods to be used during the training; (d) contains any religious concepts or ideas; (e) attempts to modify a person's values or lifestyle; or (f) is for AIDS awareness training, except for raising awareness of medical ramifications of AIDS and workplace rights.

Section 326 requires Federal Transit Administration oversight of the Washington Metropolitan Area Transit Authority to be based in the Washington, D.C. metropolitan area.

Section 327 allows the Secretary of Transportation to exempt any class of vehicle deemed appropriate under 49 CFR part 580.6.

The bill also includes a new title IV, "Amtrak Route Closure and Realignment".

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following lists the appropriations in the accompanying bill which are not authorized by law:

United States Coast Guard
Federal Aviation Administration
Federal Highway Administration
National Highway Traffic Safety Administration
Federal Railroad Administration
Federal Transit Administration
Research and Special Programs Administration
Bureau of Transportation Statistics
Amtrak Route Closure and Realignment Commission

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, requires that the report accompanying a bill providing new budget authority contain a statement detailing how the new authority compares with the reports submitted under section 602(b) of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

[In millions of dollars]

	602(b) allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary	$12,511	$37,134	$12,480	$37,134
Mandatory	698	665	646	634

The bill provides new spending authority as defined under section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, as follows:

Under Federal Railroad Administration, "Railroad rehabilitation and improvement financing funds", authority is provided to issue notes necessary to pay obligations under section 511 through 513 of the Railroad Revitalization and Regulatory Reform Act. This provision has been included at the request of the administration because the government's financial obligations under this program are difficult to determine in advance and may require immediate expenditures of funds. The Committee has received no indication to date that this authority will be used in fiscal year 1998. Similar provisions have been included in many previous appropriations Acts.

FIVE-YEAR OUTLAY PROJECTIONS

In accordance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the following information was provided to the Committee by the Congressional Budget Office:

Budget authority	$13,126,000,000
Outlays:	
1998	13,415,000,000
1999	15,306,000,000
2000	5,309,000,000
2001	2,315,000,000
2002	1,576,000,000

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of Public Law 93-344, the Congressional Budget Office has provided the following estimates of new budget authority and outlays provided by the accompanying bill for financial assistance to state and local governments:

Budget authority	$540,000,000
Fiscal year 1998 outlays	4,491,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998

Agency and item (1)	Appropriated, 1997 (enacted to date) (2)	Budget estimates, 1998 (3)	Recommended in bill (4)	Bill compared with appropriated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
TITLE I - DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses	52,966,000	56,136,000	60,009,000	+7,043,000	+3,873,000
Office of civil rights	5,574,000	5,574,000	5,574,000		
Transportation planning, research, and development	3,000,000	6,008,000	4,400,000	+1,400,000	-1,608,000
Transportation Administrative Service Center	(124,812,000)		(121,800,000)	(-3,012,000)	(+121,800,000)
Payments to air carriers (Airport and Airway Trust Fund):					
(Liquidation of contract authorization)	(25,900,000)			(-25,900,000)	
(Limitation on obligations)	(25,900,000)			(-25,900,000)	
Rescission of contract authorization	(-12,700,000)	(-38,600,000)	(-38,600,000)	(-25,900,000)	
Rescission	(-1,133,000)			(+1,133,000)	
Rental payments	127,447,000	10,567,000		-127,447,000	-10,567,000
Minority business resource center program	1,900,000	1,900,000	1,900,000		
(Limitation on direct loans)	(15,000,000)	(15,000,000)	(15,000,000)		
Minority business outreach	2,900,000	2,900,000	2,900,000		
Total, Office of the Secretary	193,787,000	83,085,000	74,783,000	-119,004,000	-8,302,000
(Limitations on obligations)	(25,900,000)			(-25,900,000)	
Total budgetary resources	(219,687,000)	(83,085,000)	(74,783,000)	(-144,904,000)	(-8,302,000)

Coast Guard					
Operating expenses	2,319,725,000	2,440,000,000	2,408,000,000	+88,275,000	-32,000,000
Defense function (050)	....	300,000,000	300,000,000	+300,000,000	....
(Transfer from DOD)	(300,000,000)	....	....	(-300,000,000)	....
Supplemental (P.L. 105-18)	1,600,000	....	....	-1,600,000	....
Acquisition, construction, and improvements:					
Offsetting collections	....	-9,000,000	-9,000,000	-9,000,000	....
Vessels	216,500,000	186,900,000	191,650,000	-24,850,000	+4,750,000
Aircraft	18,040,000	26,400,000	33,900,000	+15,860,000	+7,500,000
Other equipment	41,700,000	49,700,000	47,050,000	+5,350,000	-2,650,000
Shore facilities and aids to navigation facilities	52,350,000	69,000,000	59,400,000	+7,050,000	-9,600,000
Personnel and related support	46,250,000	47,000,000	47,000,000	+750,000	....
Subtotal, A C & I appropriations	374,840,000	370,000,000	370,000,000	-4,840,000	....
Environmental compliance and restoration	22,000,000	21,000,000	21,000,000	-1,000,000	....
Port Safety Development	5,000,000	....	....	-5,000,000	....
Alteration of bridges	16,000,000	....	16,000,000	....	+16,000,000
Retired pay	608,084,000	645,696,000	645,696,000	+37,612,000	....
Supplemental (P.L. 105-18)	9,200,000	....	....	-9,200,000	....
Reserve training	65,890,000	65,000,000	67,000,000	+1,110,000	+2,000,000
Research, development, test, and evaluation	19,200,000	19,000,000	19,000,000	-200,000	....
Boat safety (Aquatic Resources Trust Fund)	35,000,000	50,000,000	35,000,000	....	-15,000,000
Total, Coast Guard	3,476,539,000	3,910,696,000	3,881,696,000	+405,157,000	-29,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

Agency and item (1)	Appropriated, 1997 (enacted to date) (2)	Budget estimates, 1998 (3)	Recommended in bill (4)	Bill compared with appropriated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
Federal Aviation Administration					
Operations	4,925,500,000	5,036,100,000	5,300,000,000	+374,500,000	+263,900,000
Appropriation of user fees		300,000,000			-300,000,000
Offsetting Collections	-75,000,000			+75,000,000	
Emergency appropriations	(32,400,000)			(-32,400,000)	
Facilities and equipment (Airport and Airway Trust Fund)	1,793,500,000	1,875,000,000	1,875,000,000	+81,500,000	
Emergency appropriations	(144,200,000)			(-144,200,000)	
Research, engineering, and development (Airport and Airway Trust Fund)	187,412,000	200,000,000	185,000,000	-2,412,000	-15,000,000
Emergency appropriations	(21,000,000)			(-21,000,000)	
Grants-in-aid for airports (Airport and Airway Trust Fund):					
(Liquidation of contract authorization)	(1,500,000,000)	(1,500,000,000)	(1,600,000,000)	(+100,000,000)	(+100,000,000)
(Limitation on obligations)	(1,460,000,000)	(1,000,000,000)	(1,700,000,000)	(+240,000,000)	(+700,000,000)
Rescission of contract authorization	(-800,000,000)			(+800,000,000)	
Total, Federal Aviation Administration	6,831,412,000	7,411,100,000	7,360,000,000	+528,588,000	-51,100,000
(Limitations on obligations)	(1,460,000,000)	(1,000,000,000)	(1,700,000,000)	(+240,000,000)	(+700,000,000)
Total budgetary resources	(8,291,412,000)	(8,411,100,000)	(9,060,000,000)	(+768,588,000)	(+648,900,000)

Federal Highway Administration					
Limitation on general operating expenses	(521,114,000)	(494,376,000)	(510,313,000)	(-10,801,000)	(+15,937,000)
Highway-related safety grants (Highway Trust Fund):					
(Liquidation of contract authorization)	(2,049,000)	(4,000,000)	...	(-2,049,000)	(-4,000,000)
Rescission of contract authority	(-9,100,000)	...	...	(+9,100,000)	...
Federal-aid highways (Highway Trust Fund):					
(Limitation on obligations)	(18,000,000,000)	(20,170,000,000)	(21,500,000,000)	(+3,500,000,000)	(+1,330,000,000)
Supplemental obligation authority (P.L. 105-18)	(694,810,534)	...	...	(-694,810,534)	...
(Exempt obligations) (sec. 310 a-d)	(1,783,237,000)	(1,510,571,000)	(1,390,570,000)	(-392,667,000)	(-120,001,000)
(Bonus program) (sec. 310 e)	(241,173,000)	...	(269,656,000)	(+28,483,000)	(+269,656,000)
(Liquidation of contract authorization)	(19,800,000,000)	(19,800,000,000)	(20,800,000,000)	(+1,000,000,000)	(+1,000,000,000)
Emergency appropriations	(82,000,000)	...	...	(-82,000,000)	...
Emergency relief program (P.L. 105-18)	(650,000,000)	...	...	(-650,000,000)	...
Motor carrier safety grants (Highway Trust Fund):					
(Liquidation of contract authorization)	(74,000,000)	(90,000,000)	(85,000,000)	(+11,000,000)	(-5,000,000)
(Limitation on obligations)	(78,225,000)	(100,000,000)	(85,325,000)	(+7,100,000)	(-14,675,000)
Rescission of contract authorization	(-12,300,000)	...	...	(+12,300,000)	...
State infrastructure banks	150,000,000	...	...	-150,000,000	...
State infrastructure banks (Highway Trust Fund)	...	150,000,000	...	...	-150,000,000
Transportation infrastructure credit program (Highway Trust Fund)	...	100,000,000	...	...	-100,000,000
Total, Federal Highway Administration	150,000,000	250,000,000	...	-150,000,000	-250,000,000
(Limitations on obligations)	(18,773,035,534)	(20,270,000,000)	(21,585,325,000)	(+2,812,289,466)	(+1,315,325,000)
(Sec. 310 obligations)	(2,024,410,000)	(1,510,571,000)	(1,660,226,000)	(-364,184,000)	(+149,655,000)
Total budgetary resources	(20,947,445,534)	(22,030,571,000)	(23,245,551,000)	(+2,298,105,466)	(+1,214,980,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

Agency and item (1)	Appropriated, 1997 (enacted to date) (2)	Budget estimates, 1998 (3)	Recommended in bill (4)	Bill compared with appropriated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
National Highway Traffic Safety Administration					
Operations and research	80,900,000	....	74,492,000	-6,408,000	+74,492,000
Operations and research (Highway Trust Fund)	51,712,000	147,500,000	72,415,000	+20,703,000	-75,085,000
Subtotal, Operations and research	132,612,000	147,500,000	146,907,000	+14,295,000	-593,000
Highway traffic safety grants (Highway Trust Fund):					
(Liquidation of contract authorization)	(168,100,000)	(185,000,000)	(186,000,000)	(+17,900,000)	(+1,000,000)
State and community highway safety grants (Sec. 402) (limitation on obligations)	(128,700,000)	(140,200,000)	(140,200,000)	(+11,500,000)	....
National Driver Register (Sec. 402) (limitation on obligations)	(2,400,000)	(2,300,000)	(2,300,000)	(-100,000)	....
Contract authorization (P.L. 105-18)	2,500,000	....	....	-2,500,000	....
Highway safety grants (Sec. 1003(a)(7)) (limitation on obligations)	(11,500,000)	....	....	(-11,500,000)	....
Occupant protection incentive grants (limitation on obligations)	....	(9,000,000)	(9,000,000)	(+9,000,000)	....
Alcohol-impaired driving countermeasures programs (Sec. 410) (limitation on obligations)	(25,500,000)	(34,000,000)	(35,000,000)	(+9,500,000)	(+1,000,000)
Contract authorization (P.L. 105-18)	500,000	....	....	-500,000	....

Rescission of contract authorization	(-24,800,000)	....	....	(+24,800,000)	....
Total, National Highway Traffic Safety Admin	135,612,000	147,500,000	146,907,000	+11,295,000	-593,000
(Limitations on obligations)	(168,100,000)	(185,500,000)	(186,500,000)	(+18,400,000)	(+1,000,000)
Total budgetary resources	(303,712,000)	(333,000,000)	(333,407,000)	(+29,695,000)	(+407,000)
Federal Railroad Administration					
Office of the Administrator	16,739,000	20,559,000	19,434,000	+2,695,000	-1,125,000
Railroad safety	51,407,000	57,067,000	56,967,000	+5,560,000	-100,000
Railroad research and development	20,100,000	21,638,000	21,038,000	+938,000	-600,000
Northeast corridor improvement program	175,000,000	....	250,000,000	+75,000,000	+250,000,000
High-speed rail trainsets and facilities	80,000,000	....	....	-80,000,000	....
Next generation high speed rail	24,757,000	19,595,000	18,395,000	-6,362,000	-1,200,000
Trust fund share of next generation high-speed rail (Highway Trust Fund):					
(Liquidation of contract authorization)	(2,855,000)	....	....	(-2,855,000)	....
Alaska Railroad rehabilitation	10,000,000	....	....	-10,000,000	....
Rhode Island Rail Development	7,000,000	10,000,000	10,000,000	+3,000,000	....
Direct loan financing program	58,680,000	....	....	-58,680,000	....
Direct loan financing program limitation	(400,000,000)	....	....	(-400,000,000)	....
Grants to the National Railroad Passenger Corporation:					
Operations	364,500,000	....	283,000,000	-81,500,000	+283,000,000
Capital	223,450,000	....	260,000,000	+36,550,000	+260,000,000
Subtotal, Grants to Amtrak	587,950,000	....	543,000,000	-44,950,000	+543,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

Agency and item (1)	Appropriated, 1997 (enacted to date) (2)	Budget estimates, 1998 (3)	Recommended in bill (4)	Bill compared with appropriated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
Capital grants to the National Railroad Passenger Corporation (Highway Trust Fund)		445,450,000			-445,450,000
(Northeast corridor improvements)		(200,000,000)			(-200,000,000)
(Pennsylvania Station Redevelopment Project)		(23,450,000)			(-23,450,000)
Operating grants to the National Railroad Passenger Corporation (Highway Trust Fund)		344,000,000			-344,000,000
Emergency railroad rehabilitation and repair: Emergency funding (P.L. 105-18)	(18,900,000)			(-18,900,000)	
Total, Federal Railroad Administration	1,031,633,000	918,309,000	918,834,000	-112,799,000	+525,000
Federal Transit Administration					
Administrative expenses	41,497,000		45,738,000	+4,241,000	+45,738,000
Administrative expenses (Highway Trust Fund, Mass Transit Account)		47,018,000			-47,018,000
Formula grants	490,000,000		290,000,000	-200,000,000	+290,000,000
Formula grants (Highway Trust Fund):					
(Limitation on obligations)	(1,659,185,000)		(2,210,000,000)	(+550,815,000)	(+2,210,000,000)
Operating assistance grants	(400,000,000)		(200,000,000)	(-200,000,000)	(+200,000,000)
Subtotal, Formula grants	(2,149,185,000)		(2,500,000,000)	(+350,815,000)	(+2,500,000,000)

Formula programs (Highway Trust Fund, Mass Transit Account):					
(Limitation on obligations)		(3,498,500,000)			(-3,498,500,000)
(Liquidation of contract authorization)		(1,500,000,000)			(-1,500,000,000)
University transportation centers	6,000,000		6,000,000		+6,000,000
Transit planning and research	85,500,000		86,000,000	+500,000	+86,000,000
Metropolitan planning	(39,500,000)		(39,500,000)		(+39,500,000)
Rural transit assistance	(4,500,000)		(4,500,000)		(+4,500,000)
Transit cooperative research	(8,250,000)		(8,250,000)		(+8,250,000)
National planning and research	(22,000,000)		(22,500,000)	(+500,000)	(+22,500,000)
State planning and research	(8,250,000)		(8,250,000)		(+8,250,000)
National transit institute	(3,000,000)		(3,000,000)		(+3,000,000)
Subtotal, Transit planning and research	(85,500,000)		(86,000,000)	(+500,000)	(+86,000,000)
Transit planning and research (Highway Trust Fund, Mass Transit Account)		91,800,000			-91,800,000
Metropolitan planning		(39,500,000)			(-39,500,000)
Transit cooperative research		(8,250,000)			(-8,250,000)
Statewide planning		(8,250,000)			(-8,250,000)
National planning and research		(16,800,000)			(-16,800,000)
National mass transportation institute		(3,000,000)			(-3,000,000)
University transportation centers		(6,000,000)			(-6,000,000)
Advanced Technology Transit Bus		(10,000,000)			(-10,000,000)
Subtotal, Transit planning and research		(91,800,000)			(-91,800,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

Agency and item (1)	Appropriated, 1997 (enacted to date) (2)	Budget estimates, 1998 (3)	Recommended in bill (4)	Bill compared with appropriated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
Trust fund share of expenses (Highway Trust Fund) (liquidation of contract authorization)	(1,920,000,000)	....	(2,210,000,000)	(+290,000,000)	(+2,210,000,000)
Rescission of contract authorization	(-271,000,000)	....	....	(+271,000,000)	....
Discretionary grants (Highway Trust Fund) (limitation on obligations):					
Fixed guideway modernization	(760,000,000)	....	(800,000,000)	(+40,000,000)	(+800,000,000)
Bus and bus-related facilities	(380,000,000)	....	(400,000,000)	(+20,000,000)	(+400,000,000)
New starts	(760,000,000)	....	(800,000,000)	(+40,000,000)	(+800,000,000)
Subtotal, Discretionary grants	(1,900,000,000)	....	(2,000,000,000)	(+100,000,000)	(+2,000,000,000)
Rescission of contract authorization	(-588,000,000)	....	....	(+588,000,000)	....
Major capital investments (Highway Trust Fund, Mass Transit Account) (limitation on obligations)	....	(650,000,000)	....	....	(-650,000,000)
Mass capital investments (Highway Trust Fund, Mass Transit Account) (liquidation of contract authority)	....	(2,350,000,000)	....	....	(-2,350,000,000)
Mass transit capital fund (Highway Trust Fund) (liquidation of contract authorization)	(2,300,000,000)	....	(2,350,000,000)	(+50,000,000)	(+2,350,000,000)
Washington Metropolitan Area Transit Authority	200,000,000	....	200,000,000	....	+200,000,000

Washington Metropolitan Area Transit Authority (Highway Trust Fund, Mass Transit Account)	....	200,000,000	....	....	-200,000,000
Total, Federal Transit Administration	822,997,000	338,818,000	627,738,000	-195,259,000	+288,920,000
(Limitations on obligations)	(3,559,185,000)	(4,148,500,000)	(4,210,000,000)	(+650,815,000)	(+61,500,000)
Total budgetary resources	(4,382,182,000)	(4,487,318,000)	(4,837,738,000)	(+455,556,000)	(+350,420,000)
Saint Lawrence Seaway Development Corporation					
Operations and maintenance (Harbor Maintenance Trust Fund)	10,337,000	....	11,200,000	+863,000	+11,200,000
Research and Special Programs Administration					
Research and special programs	26,886,000	30,102,000	27,934,000	+1,048,000	-2,168,000
Hazardous materials safety	(15,472,000)	....	(15,024,000)	(-448,000)	(+15,024,000)
Emergency transportation	(993,000)	....	(993,000)	....	(+993,000)
Research and technology	(3,580,000)	....	(3,596,000)	(+16,000)	(+3,596,000)
Program and administrative support	(6,841,000)	....	(8,321,000)	(+1,480,000)	(+8,321,000)
Subtotal, research and special programs	(26,886,000)	....	(27,934,000)	(+1,048,000)	(+27,934,000)
Emergency appropriations	(3,000,000)	....	....	(-3,000,000)	....
Pipeline safety (Pipeline Safety Fund)	28,460,000	30,660,000	28,186,000	-274,000	-2,474,000
Pipeline safety (Oil Spill Liability Trust Fund)	2,528,000	2,328,000	3,300,000	+772,000	+972,000
Subtotal, Pipeline safety	30,988,000	32,988,000	31,486,000	+498,000	-1,502,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

Agency and item (1)	Appropriated, 1997 (enacted to date) (2)	Budget estimates, 1998 (3)	Recommended in bill (4)	Bill compared with appropriated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
Emergency preparedness grants:					
Emergency preparedness fund	200,000	200,000	200,000	....	....
Total, Research and Special Programs Admin	58,074,000	63,290,000	59,620,000	+1,546,000	-3,670,000
Office of Inspector General					
Salaries and expenses	37,900,000	40,889,000	42,000,000	+4,100,000	+1,111,000
Surface Transportation Board					
Salaries and expenses	12,344,000	14,300,000	15,853,000	+3,509,000	+1,553,000
Offsetting collections	....	-14,300,000	-2,000,000	-2,000,000	+12,300,000
General Provisions					
Bureau of Transportation Statistics (transfer from Federal-aid Highways)	(25,000,000)	(31,000,000)	(25,000,000)	....	(-6,000,000)
Transportation Administrative Service Center reduction	-10,000,000	....	-25,000,000	-15,000,000	-25,000,000
Railroad safety offsetting collections	....	-60,000,000	....	....	+60,000,000

Net total, title I, Department of Transportation	11,983,102,000	13,065,087,000	13,073,031,000	+1,089,929,000	+7,944,000
Appropriations	(12,750,635,000)	(13,103,687,000)	(13,111,631,000)	(+360,996,000)	(+7,944,000)
Rescissions	(-1,719,033,000)	(-38,600,000)	(-38,600,000)	(+1,680,433,000)	
Emergency appropriations	(951,500,000)			(-951,500,000)	
(Limitations on obligations)	(23,986,220,534)	(25,604,000,000)	(27,681,825,000)	(+3,695,604,466)	(+2,077,825,000)
(Sec. 310 obligations)	(2,024,410,000)	(1,510,571,000)	(1,660,226,000)	(-364,184,000)	(+149,655,000)
Net total budgetary resources	(37,993,732,534)	(40,179,658,000)	(42,415,082,000)	(+4,421,349,466)	(+2,235,424,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

Agency and item (1)	Appropriated, 1997 (enacted to date) (2)	Budget estimates, 1998 (3)	Recommended in bill (4)	Bill compared with appropriated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
TITLE II - RELATED AGENCIES					
Architectural and Transportation Barriers Compliance Board					
Salaries and expenses	3,540,000	3,640,000	3,640,000	+100,000	
National Transportation Safety Board					
Salaries and expenses	42,407,000	40,000,000	46,000,000	+3,593,000	+6,000,000
Appropriation of user fees		6,000,000			-6,000,000
Emergency appropriations	(6,000,000)			(-6,000,000)	
Emergency funding (P.L. 105-18)	(29,859,000)			(-29,859,000)	
Emergency fund		1,000,000	1,000,000	+1,000,000	
Emergency fund (emergency appropriations)	(1,000,000)			(-1,000,000)	
Total, National Transportation Safety Board	42,407,000	47,000,000	47,000,000	+4,593,000	
Total, title II, Related Agencies	82,806,000	50,640,000	50,640,000	-32,166,000	
Appropriations	(45,947,000)	(50,640,000)	(50,640,000)	(+4,693,000)	
Emergency appropriations	(36,859,000)			(-36,859,000)	

TITLE III - GENERAL PROVISIONS					
National Civil Aviation Review Commission	2,400,000	....	....	-2,400,000	....
Amtrak route closure and realignment commission	....	....	1,000,000	+1,000,000	+1,000,000
Net total appropriations	12,068,308,000	13,115,727,000	13,124,671,000	+1,056,363,000	+8,944,000
Scorekeeping adjustments:					
Emergency appropriations	-289,600,000	....	....	+289,600,000	....
Emergency funding (P.L. 105-18)	-698,759,000	....	....	+698,759,000	....
General provision: Bonuses & awards	-513,604	....	....	+513,604	....
Pipeline safety	1,000,000	....	1,000,000	....	+1,000,000
Railroad Safety	-3,000,000	....	....	+3,000,000	....
Total, adjustments	-990,872,604	....	1,000,000	+991,872,604	+1,000,000
Net grand total	11,077,435,396	13,115,727,000	13,125,671,000	+2,048,235,604	+9,944,000
Appropriations	(12,796,468,396)	(13,154,327,000)	(13,164,271,000)	(+367,802,604)	(+9,944,000)
Rescissions	(-1,719,033,000)	(-38,600,000)	(-38,600,000)	(+1,680,433,000)	....
(Limitations on obligations)	(23,986,220,534)	(25,604,000,000)	(27,681,825,000)	(+3,695,604,466)	(+2,077,825,000)
(Sec. 310 obligations)	(2,024,410,000)	(1,510,571,000)	(1,660,226,000)	(-364,184,000)	(+149,655,000)
Net grand total budgetary resources	(37,088,065,930)	(40,230,298,000)	(42,467,722,000)	(+5,379,656,070)	(+2,237,424,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

Agency and item (1)	Appropriated, 1997 (enacted to date) (2)	Budget estimates, 1998 (3)	Recommended in bill (4)	Bill compared with appropriated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
602B SUMMARY					
Total mandatory and discretionary	11,077,435,396	13,115,727,000	13,125,671,000	+2,048,235,604	+9,944,000
Mandatory	617,284,000	645,696,000	645,696,000	+28,412,000	....
Discretionary:					
General purposes:					
Defense (050)	....	300,000,000	300,000,000	+300,000,000	....
Nondefense	10,460,151,396	12,170,031,000	12,179,975,000	+1,719,823,604	+9,944,000
Total, Discretionary	10,460,151,396	12,470,031,000	12,479,975,000	+2,019,823,604	+9,944,000

ADDITIONAL VIEWS OF MARTIN OLAV SABO, DAVID R. OBEY, THOMAS M. FOGLIETTA, ESTEBAN EDWARD TORRES, JOHN W. OLVER, AND ED PASTOR

The Fiscal Year 1998 Transportation Appropriations bill is generally fair and accomplishes the difficult task of balancing the nation's competing transportation needs. However, we have serious concerns about the impact of the bill on the future of Amtrak, the passenger rail system that is vital to the transportation and economic needs of millions of train passengers and thousands of communities across the nation.

Amtrak is at a critical crossroads. Earlier this year, we heard candid and disturbing testimony about the railroad's financial situation. Amtrak President Thomas Downs testified that without a significant cash infusion, Amtrak could be bankrupt within a year. Amtrak is already borrowing to meet payroll, and may soon reach its commercial borrowing limits.

DEVASTATING CUT IN OPERATIONS

This bill provides a total of $793 million for Amtrak, but only $283 million will go for operations. This is the lowest level in 20 years and represents a cut of $61 million below the Administration's request for operations.

At issue in the bill's cut in the operating subsidy is the proper calculation of Amtrak's liability for railroad retirement benefits. These technical issues should be resolved. However, the fact remains that a $61 million cut in Amtrak's operating funds would have an immediate and devastating impact on the railroad.

A cut of this size could make Amtrak's cash problems insurmountable—and a long-term fix irrelevant. In the near-term, it is critical that Amtrak maintain sufficient cash reserves to meet its existing obligations.

The bill also provides $510 million in capital funding for Amtrak, including $250 million for the Northeast Corridor. This represents a capital increase of more than $111 million over last year, which could undoubtedly be used to make needed long-term improvements. However, we question whether it helps Amtrak to provide significantly more money for capital if the railroad becomes insolvent.

RIGOROUS REVIEW REQUIRED

Amtrak can remain solvent only by increasing revenues and reducing costs, and a rigorous review and financial restructuring are required. A number of proposals are currently under consideration in Congress to restructure Amtrak and restore its long-term viability.

This bill contains a proposal to establish a commission to review Amtrak's operations and route structure similar to the Base Realignment and Closure commissions that reviewed our nation's military installations. While we share Chairman Wolf's concerns about the need for Amtrak restructuring, we do not agree that establishing this commission is the best way to address Amtrak's financial problems.

COSTS OF FAILURE

Time is of the essence. If we do not take immediate steps to preserve Amtrak, we risk losing an important transportation and economic resource forever. That alone is reason enough to put this corporation back on the right fiscal track. However, failure to do so would also cost 23,000 Americans their jobs and drop a massive financial liability into the laps of U.S. taxpayers.

Under current law, the federal government would be responsible for an estimated $6 billion in costs associated with closing Amtrak. Among these liabilities are the costs of unemployment benefits, C–2 labor protections, tax losses and other obligations, including $2.3 billion in debt to public and private investors.

While the current financial situation is dark, there are some positive signs for Amtrak. In the past two years, Amtrak has increased ridership and revenues, cut costs and made important investments to modernize its aging train fleet. Much work remains to be done to revitalize Amtrak. Clearly, however, the costs of failure—in train service, jobs and federal investment—are far too high to accept.

We are encouraged that Chairman Wolf has pledged to help put Amtrak back on the right track, and we look forward to working together to ensure its bright future.

MARTIN O. SABO.
ED PASTOR.
ESTEBAN E. TORRES.
THOMAS M. FOGLIETTA.
JOHN W. OLVER.
DAVID OBEY.

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