Calendar No. 696

108TH CONGRESS
2d Session

SENATE

REPORT
108–342

TRANSPORTATION, TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS BILL, 2005

SEPTEMBER 15, 2004.—Ordered to be printed

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

REPORT

[To accompany S. 2806]

The Committee on Appropriations reports the bill (S. 2806) making appropriations for the Departments of Transportation and the Treasury; the Executive Office of the President; and certain independent agencies for the fiscal year ending September 30, 2005, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amounts of new budget (obligational) authority for fiscal year 2005

Amount of bill as reported to Senate	$44,052,003,000
Amount of budget estimates, 2005	43,783,352,000
Fiscal year 2004 enacted	46,146,853,000

95–821 PDF

CONTENTS

TOTAL OBLIGATIONAL AUTHORITY PROVIDED—GENERAL FUNDS AND TRUST FUNDS

The accompanying bill contains recommendations for new budget (obligational) authority for the Department of Transportation, Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 2005.

The Committee considered budget estimates for new budget authority for fiscal year 2005 in the aggregate amount of $43,783,352,000. Compared to that amount, the accompanying bill recommends new budget authority totaling $44,052,003,000. In addition to new budget authority for fiscal year 2005, large amounts of contract authority are provided by law, the obligation limits for which are contained in the annual appropriations bill. The principal items in this category are the trust funded programs for Federal-aid highways, for mass transit, and for airport development grants. For fiscal year 2005, estimated obligation limitations and exempt obligations total $46,902,908,000.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2005, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended, with respect to appropriations contained in the accompanying bill, the terms "program, project, and activity" shall mean any item for which a dollar amount is contained in appropriations acts (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 and discretionary grant allocations made through either bill or report language. In addition, the percentage reductions made pursuant to a sequestration order to funds appropriated for facilities and equipment, Federal Aviation Administration, shall be applied equally to each budget item that is listed under said accounts in the budget justifications submitted to the House and Senate Committees on Appropriations as modified by subsequent appropriations acts and accompanying committee reports, conference reports, or joint explanatory statements of the committee of conference.

REPROGRAMMING GUIDELINES

The Committee includes a provision (sec. 511) establishing the authority by which funding available to the agencies funded by this Act may be reprogrammed for other purposes. The provision specifically requires the advanced approval of the House and Senate Committees on Appropriations of any proposal to reprogram funds that: (1) creates a new program; (2) eliminates a program, project, or activity [PPA]; (3) increases funds or personnel for any PPA for which funds have been denied or restricted by the Congress; (4) proposes to redirect funds that were directed in such reports for a specific activity to a different purpose; (5) augments an existing PPA in excess of $5,000,000 or 10 percent, whichever is less; (6) reduces an existing PPA by $5,000,000 or 10 percent, whichever is less; or (7) creates, reorganizes, or restructures offices different from the congressional budget justifications or the table at the end of the Committee report, whichever is more detailed.

The Committee has included a new requirement that each agency shall submit a report to the House and Senate Committees on Appropriations not later than 60 days after enactment of this Act to establish the baseline for application of reprogramming and transfer authorities provided in this Act. Specifically, each agency should provide a table for each appropriation with columns displaying the budget request; adjustments made by Congress; adjustments for rescissions, if appropriate; and the fiscal year enacted level. The table shall delineate the appropriation both by object class and by PPA. The report must also identify items of special congressional interest.

The Committee expects the agencies and bureaus to submit reprogramming requests in a timely manner and to provide a thorough explanation of the proposed reallocations, including a detailed justification of increases and reductions and the specific impact the proposed changes will have on the budget request for the following fiscal year. Except in emergency situations, reprogramming requests should be submitted no later than June 30.

The Committee expects each agency to manage its programs and activities within the amounts appropriated by Congress. The Committee reminds agencies that reprogramming requests should be submitted only in the case of an unforeseeable emergency or a situation that could not have been anticipated when formulating the budget request for the current fiscal year. Further, the Committee notes that when a Department or agency submits a reprogramming or transfer request to the Committees on Appropriations and does not receive identical responses from the House and Senate, it is the responsibility of the Department to reconcile the House and Senate differences before proceeding, and if reconciliation is not possible, to consider the request to reprogram funds unapproved.

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

CONGRESSIONAL BUDGET JUSTIFICATIONS

For fiscal year 2005, the Office of Management and Budget [OMB] directed each agency to prepare a performance budget. The Committee is committed to supporting the Administration as it seeks to implement the requirements of the Government Performance and Results Act [Results Act]. The Committee has found the presentation of linking budgetary resources to specific performance targets to be a valuable tool for reviewing and evaluating agency priorities relative to financial proposals and continues to support the linkage of costs to performance in agency programs. The Committee, however, is troubled that the agencies funded under this Act have chosen to accommodate an increasing amount of performance information in budget justifications by eliminating fundamental programmatic budget data that is critical to the work of the Committee. This trend has made it increasingly difficult for the Committee to perform its necessary oversight work in reviewing agency budget proposals.

Budget justifications are prepared not for the use of the agency, but instead are the primary tool used by the House and Senate Committees on Appropriations to evaluate the resource requirements and proposals of agencies. The Committee is aware that the format and presentation of budget materials is largely left to the agency within presentation objectives set forth by OMB. In fact, OMB Circular A–11, Part 6 specifically states that the "agency should consult with your congressional committees beforehand to ensure their awareness of your plans to modify the format of agency budget documents." The Committee is disappointed that none of the agencies funded under this Act heeded that direction and only a small number of agencies even offered to brief the Committee regarding the new format for justification materials in advance of the submission of their fiscal year 2005 budget requests.

While the Committee values the inclusion of performance data and presentations, it is important to ensure that, in the implementation of the Results Act, vital budget information that the Committee needs is not lost. Therefore, the Committee directs that justifications submitted with the fiscal year 2006 budget request by agencies funded under this Act must contain the customary level of detailed data and explanatory statements to support the appropriations requests at the level of detail contained in the funding table included at the end of the Report. Among other items, agencies shall provide a detailed discussion of proposed new initiatives, proposed changes in the agency's financial plan from prior year enactment, and detailed data building the request for the new year for transfers and annualization of prior year programs. At a minimum, each agency must also provide adequate justification for funding and staffing changes for each individual office and materials that compare programs, projects, and activities that are proposed for fiscal year 2006 to the fiscal year 2005 enacted level.

The Committee is aware that the analytical materials required for review by the Committee are unique to each Agency in this Act. Therefore, the Committee expects that the each agency will coordinate with the House and Senate Committees on Appropriations in advance on its planned presentation for the budget justification materials to support of the fiscal year 2006 budget request.

TEA21 AUTHORIZATIONS EXPIRATION

The Transportation Equity Act for the 21st Century [TEA21] provides authorizations for most Federal highway, transit and highway safety programs, and most of those authorizations provide contract authority. The role of the appropriations process with respect to contract authority programs generally is to set obligation limitations so that overall Federal spending stays within legislated targets and to appropriate liquidating cash to cover the outlays associated with obligations that have been made.

TEA21 authorized these Federal surface transportation programs through fiscal year 2003, and since then, Congress has enacted several short-term extensions to the programs and provided the necessary amount of contract authority. The Congress must reauthorize these programs in order to create new contract authority for fiscal year 2004 and later years. Both the Senate and House have passed reauthorization legislation. Until such legislation is enacted, there will not be new contract authority to fund such surface transportation programs as the Federal-aid highways, transit discretionary grants, or highway safety grants, although any unobligated balances from prior years will carry over and be available for obligation.

In developing the fiscal year 2005 appropriations recommendations for the Federal surface transportation programs authorized by TEA21, the Committee has generally assumed continuation of the program structure and funding levels in current law as if authorized through the end of fiscal year 2005.

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Section 3 of the Department of Transportation Act of October 15, 1966 (Public Law 89–670) provides for establishment of the Office of the Secretary of Transportation [OST]. The Office of the Secretary is comprised of the Secretary and the Deputy Secretary immediate and support offices; the Office of the Under Secretary for Transportation Policy, including the offices of the Assistant Secretary for Aviation and International Affairs and the Assistant Secretary for Transportation Policy and Intermodalism; three Assistant Secretarial offices for Budget and Programs, Governmental Affairs, and Administration; and the Offices of Small and Disadvantaged Business Utilization, Intelligence and Security, Chief Information Officer, the General Counsel and Public Affairs. The Office of the Secretary also includes the Department's Office of Civil Rights and the Department's Working Capital Fund.

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$80,426,000
Budget estimate, 2005	102,689,000
Committee recommendation	86,000,000

[1] Reflects reduction of $477,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect reduction of $2,136,000 pursuant to Division F, section 517 of Public Law 108–199.

This appropriation finances the costs of policy development and central supervisory and coordinating functions necessary for the overall planning and direction of the Department. It covers the immediate secretarial offices and the offices of the assistant secretaries, general counsel and other support offices.

The Committee recommends a total of $86,000,000 for the Office of the Secretary of Transportation including $60,000 for reception and representation expenses. The recommendation provides in excess of a 6 percent increase over the fiscal year 2004 enacted level. The budget request proposes a consolidated appropriation for the various offices comprising the Office of the Secretary. The Committee does not approve the request and has continued to provide individual appropriations for each office. Furthermore, the Committee recommendation continues to fund the immediate Office of the Secretary, the immediate Office of the Deputy Secretary, and the Executive Secretariat instead of the consolidated immediate Office of Secretary and Deputy Secretary, as requested.

The accompanying bill authorizes the Secretary to transfer up to 5 percent of the funds from any office of the Office of the Secretary to another. The Committee directs the Assistant Secretary for budget and programs to submit a quarterly report detailing all transfers pursuant to this authority. Also, the Committee continues language that permits up to $2,500,000 of fees to be credited to the Office of the Secretary for salaries and expenses.

The following table summarizes the Committee's recommendation in comparison to the budget estimate:

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2004 enacted [1]	2005 estimate	
Immediate Office of the Secretary and Deputy Secretary	....	5,308	....
Immediate Office of the Secretary	2,197	....	2,400
Immediate Office of the Deputy Secretary	696	....	725
Office of the General Counsel	15,312	16,920	15,700
Office of the Under Secretary for Transportation Policy	12,239	12,918	12,627
Office of the Assistant Secretary for Budget and Programs	8,486	8,889	8,600
Office of the Assistant Secretary for Governmental Affairs	2,286	2,587	2,500
Office of the Assistant Secretary for Administration	24,467	32,935	24,364
Assistant to the Secretary and Director of Public Affairs	1,904	2,034	1,968
Office of the Executive Secretariat	1,438	....	1,484
Board of Contract Appeals	696	801	750
Office of Small and Disadvantaged Business Utilization	1,261	1,295	1,290
Office of Intelligence and Security	1,988	2,260	2,200
Office of the Chief Information Officer	7,456	16,742	11,392
Total	80,426	102,689	86,000

[1] Reflects reductions of $477,000 pursuant to section 168 of Public Law 108–199. Does not reflect reduction of $2,136,000 pursuant to section 517 of Public Law 108–199.

IMMEDIATE OFFICE OF THE SECRETARY

The Secretary of Transportation provides leadership and has the primary responsibility to provide overall planning, direction, and control of the Department.

The Committee recommends $2,400,000 for fiscal year 2005 for the Immediate Office of the Secretary, $338,000 less than the budget request and $203,000 greater than the fiscal year 2004 enacted level. This recommendation provides in excess of a 10 percent increase for this office.

IMMEDIATE OFFICE OF THE DEPUTY SECRETARY

The Deputy Secretary has the primary responsibility of assisting the Secretary in the overall planning and direction of the Department.

The Committee has recommended a total of $725,000 for the Immediate Office of the Deputy Secretary, $345,000 less than the budget request and $29,000 greater than the fiscal year 2004 enacted level.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel provides legal services to the Office of the Secretary including the conduct of aviation regulatory proceedings and aviation consumer activities and coordinates and reviews the legal work in the chief counsels' offices of the operating administrations. The General Counsel is the chief legal officer of the Department of Transportation and the final authority within the Department on all legal questions.

The Committee recommends $15,700,000 for expenses of the Office of the General Counsel for fiscal year 2005, $1,220,000 less than the budget request and $388,000 greater than the fiscal year 2004 enacted level.

OFFICE OF THE UNDER SECRETARY OF TRANSPORTATION FOR POLICY

The Under Secretary for Policy is the chief policy officer of the Department and is responsible to the Secretary for the analysis, development, and review of policies and plans for domestic and international transportation matters. The Office administers the economic regulatory functions regarding the airline industry and is responsible for international aviation programs, the essential air service program, airline fitness licensing, acquisitions, international route awards, computerized reservation systems, and special investigations such as airline delays.

For fiscal year 2005, the Committee recommendation includes $12,627,000 for the Office of the Under Secretary for Policy, $219,000 less than the budget request and $388,000 greater than the fiscal year 2004 enacted level.

OFFICE OF THE ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS

The Assistant Secretary for Budget and Programs is the principal staff advisor to the Secretary on the development, review, presentation, and execution of the Department's budget resource requirements, and on the evaluation and oversight of the Department's programs. The primary responsibilities of this office are to ensure the effective preparation and presentation of sound and adequate budget estimates for the Department, to ensure the consistency of the Department's budget execution with the action and advice of the Congress and the Office of Management and Budget, to evaluate the program proposals for consistency with the Secretary's stated objectives, and to advise the Secretary of program and legislative changes necessary to improve program effectiveness.

The Committee recommends a total of $8,600,000 for the Office of the Assistant Secretary for Budget and Programs, $289,000 less than the budget request and $533,000 over the fiscal year 2004 enacted level. The Committee is disappointed with the level of detail being provided in the budget justification and supporting documentation and hopes that the fiscal year 2006 presentation will provide a more detailed program justification.

Overdue Congressional Reports.—The Committee continues to direct the Assistant Secretary for Budget and Programs to report at the beginning of each fiscal quarter on the status of all outstanding reports and reporting requirements, including how delinquent congressionally mandated or requested reports are and an estimated date for delivery.

Characterization of Budget Requests.—The Committee notes the proliferation of the use of the word "mandatory" to describe certain requested discretionary increases in the fiscal year 2005 budget justifications of the Department and its modal administrations. The Committee would encourage the Department to limit the use of the word "mandatory" in official budget presentation documents to the identification of mandatory spending as recognized by Congress and the Office of Management and Budget and as defined in budget acts.

OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS

The Assistant Secretary for Governmental Affairs advises the Secretary on all congressional and intergovernmental activities and on all departmental legislative initiatives and other relationships with Members of Congress. The Assistant Secretary promotes effective communication with other Federal agencies and regional Department officials, and with State and local governments and national organizations for development of departmental programs; and ensures that consumer preferences, awareness, and needs are brought into the decision-making process.

The Committee recommends a total of $2,500,000 for the Office of the Assistant Secretary for Governmental Affairs, $87,000 less than the budget request and $214,000 over the fiscal year 2004 enacted level.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

The Assistant Secretary for Administration is responsible for establishing policies and procedures, setting guidelines, working with the Operating Administrations to improve the effectiveness and efficiency of the Department in human resource management, security and administrative management, real and personal property management, and acquisition and grants management.

The Committee continues to be concerned about the rapid growth in this account. Considering the tight fiscal restraints that the Committee is operating under, it is hard to understand how the budget of this office continues to explode while at the same time its missions and responsibilities have diminished. Therefore, the Committee directs the Inspector General to review the spending priorities, budget justifications and mission of this office for the last three fiscal years to determine if the resources requested are commensurate with mission responsibilities. The Committee recommends $24,364,000 for the Office of the Assistant Secretary for Administration, $8,571,000 below the budget request and $103,000 below the fiscal year 2004 enacted level.

OFFICE OF PUBLIC AFFAIRS

The Director of Public Affairs is the principal advisor to the Secretary and other senior Departmental officials and news media on public affairs questions. The Office issues news releases, articles, fact sheets, briefing materials, publications, and audiovisual materials. It also provides information to the Secretary on opinions and reactions of the public and news media on transportation programs and issues. It arranges news conferences and provides speeches, talking points, and byline articles for the Secretary and other senior departmental officials, and arranges the Secretary's scheduling. The Committee recommends $1,968,000 for the Office of Public Affairs, $66,000 less than the budget request and $64,000 greater than the fiscal year 2004 enacted level.

EXECUTIVE SECRETARIAT

The Executive Secretariat assists the Secretary and the Deputy Secretary in carrying out their management functions and responsibilities by controlling and coordinating internal and external written materials.

The Committee recommends $1,484,000 for the Executive Secretariat, $16,000 less than the budget request and $49,000 over the fiscal year 2004 enacted level.

BOARD OF CONTRACT APPEALS

The primary responsibility of the Board of Contract Appeals is to provide an independent forum for the trial and adjudication of all claims by, or against, a contractor relating to a contract of any element of the Department, as mandated by the Contract Disputes Act of 1978, 41 U.S.C. 601.

The Committee has provided $750,000 for the Board of Contract Appeals Board, $51,000 less than the budget request and $54,000 greater than the fiscal year 2004 enacted level.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

The Office of Small and Disadvantaged Business Utilization has primary responsibility for providing policy direction for small and disadvantaged business participation in the Department's procurement and grant programs, and effective execution of the functions and duties under sections 8 and 15 of the Small Business Act, as amended. The Committee recommends $1,295,000, equal to the budget request.

OFFICE OF INTELLIGENCE AND SECURITY

The Office of Intelligence and Security keeps the Secretary and his advisors informed on intelligence and security issues pertaining to transportation. The Office also ensures that transportation policy and programs support the national objectives of general welfare, economic growth and stability, and the security of the United States.

The Committee recommends $2,200,000 for the Office of Intelligence and Security for fiscal year 2005. This amount is $60,000 less than the budget request and $212,000 greater than the fiscal year 2004 enacted level.

OFFICE OF THE CHIEF INFORMATION OFFICER

The Office of the Chief Information Officer [OCIO] serves as the principal adviser to the Secretary on matters involving information resources and information systems management.

The budget request assumes a funding level that is almost 80 percent more than the fiscal year 2004 enacted level. The Committee recommends an appropriation of $11,392,000, $5,350,000 less than the budget request and $3,936,000 greater than the fiscal year 2004 enacted level. This amount represents an increase of over 50 percent over the fiscal year 2004 enacted level. The Committee is working within an extremely tight allocation level and would like to continue to work with the CIO to ensure that this office has the resources necessary to ensure that the Departments information technology infrastructure runs effectively and safely.

Budget Justification.—The Committee is concerned about the lack of budget justification materials that document all funding utilized by the OCIO. The Committee directs that the Department shall provide in the fiscal year 2006 budget submission a detailed justification of all funds that are utilized and managed by this office regardless of the source.

E-Payroll.—The Committee has learned from the Office of the Inspector General that the Department lacks a detailed action plan as it relates to the E-payroll project. This project has experienced, at a minimum, a 1 year delay and a cost overrun of $2,000,000 in fiscal year 2004 that may increase to as much as $10,000,000. The Committee directs the OCIO working with the Assistant Secretary for Administration to submit a plan to the House and Senate Committee on Appropriations within 90 days of enactment that addresses the weaknesses identified by the Inspector General as they relate to E-payroll. The plan at a minimum shall include: (1) the original cost; (2) the original scope of the project; (3) any deviation from the original scope; (4) all cost increases over the original cost; (5) the estimated cost of completion; and (6) specific steps taken to improve project oversight and accountability.

OFFICE OF CIVIL RIGHTS

Appropriations, 2004 [1 2]	$8,518,000
Budget estimate, 2005	8,700,000
Committee recommendation	8,700,000

[1] Reflects reduction of $51,000 pursuant to Division H, section 168 of Public Law 108–199.
[2] Does not reflect reduction of $153,000 pursuant to Division F, section 517 of Public Law 108–199.

The Office of Civil Rights is responsible for advising the Secretary on civil rights and equal employment opportunity matters, formulating civil rights policies and procedures for the operating administrations, investigating claims that small businesses were denied certification or improperly certified as disadvantaged business enterprises, and overseeing the Department's conduct of its civil rights responsibilities and making final determinations on civil rights complaints. In addition, the Civil Rights Office is responsible for enforcing laws and regulations which prohibit discrimination in federally operated and federally assisted transportation programs. The Committee has provided a funding level of $8,700,000 for the Office of Civil Rights, the full amount requested.

COMPENSATION FOR AIR CARRIERS

(RESCISSION)

Rescissions, 2004	....
Budget estimate, 2005	....
Committee recommendation	−$235,000,000

The Air Transportation Safety and System Stabilization Act provided $5,000,000,000 to compensate air carriers for direct losses incurred during the Federal ground stop of civil aviation after the September 11, 2001, terrorist attacks, and for incremental losses incurred between September 11 and December 31, 2001. There is currently a balance of approximately $270,000,000 in the program.

The bill includes a rescission of $235,000,000 from balances available in this account. The Committee is aware that a number of issues considered by the Court of Appeals were found to be not ripe for resolution at this point in time. Therefore, the Committee has retained sufficient resources in the event of future claims.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

Appropriations, 2004 [1]	$20,741,000
Budget estimate, 2005	10,800,000
Committee recommendation	15,000,000

[1] Reflects reduction of $123,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect reduction of $314,000 pursuant to Division F, section 517 of Public Law 108–199.

The Office of the Secretary performs those research activities and studies which can more effectively or appropriately be conducted at the departmental level. This research effort supports the planning, research and development activities needed to assist the Secretary in the formulation of national transportation policies. The program is carried out primarily through contracts with other Federal agencies, educational institutions, nonprofit research organizations, and private firms. The Committee recommends $15,000,000 for transportation planning, research, and development, $5,741,000 less than the fiscal year 2004 enacted level and $4,200,000 more than the President's budget request. The Committee directs funding to be allocated to the following projects that are listed below:

Project	Amount
Circumpolar Infrastructure Task Force of the Arctic Council and Northern Forum, AK	$450,000
DOT privacy assessment	750,000
Inland waters freight mobility study, AL	750,000
SDSU instrument training capital initiative, SD	200,000
UI NIATT transportation infrastructure research and technology transfer, ID	300,000
Transportation, infrastructure, and logistics research	750,000
University of Nebraska—Kearney agricultural transportation pilot project, NE	500,000
Western Washington University Transportation and Border Research Institute, WA	1,000,000
Yellow Bend Port feasibility study, AR	300,000

WORKING CAPITAL FUND

Limitation, 2004 [1]	$116,715,000
Budget estimate, 2005 [2]	151,054,000
Committee recommendation	151,054,000

[1] Does not reflect reduction of $17,816,000 pursuant to Division F, section 517 of Public Law 108–199.
[2] Proposed without limitation.

The Working Capital Fund [WCF] provides common administrative services to the Department's operating administrations and other Federal entities. The services are centrally performed in the interest of economy and efficiency and are funded through negotiated agreements with Department operating administrations and other Federal customers, and are billed on a fee-for-service basis to the maximum extent possible.

The budget request proposes to remove the obligation limitation on the Working Capital Fund on services to the operating administrations of the Department. The Committee believes that the discipline of an annual limitation is necessary to keep assessments and services of the Working Capital Fund in line with costs. The accompanying bill provides a limitation of $151,054,000 on activities financed through the Working Capital Fund. As in past years, the limitation shall apply only to the Department and not to other entities. The Committee directs that services shall be provided on a competitive basis to the maximum extent possible.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

Appropriations, 2004 [1]	$895,000
Budget estimate, 2005	900,000
Committee recommendation	900,000

[1] Reflects reduction of $5,000 pursuant to Division F, section 168 of Public Law 108–199.

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

In fiscal year 2001, the short-term lending program was converted from a direct loan program to a guaranteed loan program. In fiscal year 2005, the program will continue to focus on providing working capital to disadvantaged, minority, and women-owned businesses in order to strengthen their competitive and productive capabilities. Since fiscal year 1993, the short-term lending program has been a separate line item appropriation, which segregated such activities in response to changes made by the Federal Credit Reform Act of 1990. The limitation on guaranteed loans under the Minority Business Resource Center is at the administration's requested level of $18,367,000.

Of the funds appropriated, $500,000 covers subsidy costs and $400,000 is for administrative expenses to carry out the Guaranteed Loan Program.

MINORITY BUSINESS OUTREACH

Appropriations, 2004 [1]	$2,982,000
Budget estimate, 2005	3,000,000
Committee recommendation	3,000,000

[1] Reflects reduction of $18,000 pursuant to Division H, section 168 of Public Law 108–199.
[2] Does not reflect reduction of $24,000 pursuant to Division F, section 517 of Public Law 108–199.

This appropriation provides contractual support to assist small, women-owned, Native American, and other disadvantaged business firms in securing contracts and subcontracts arising out of projects that involve Federal spending. It also provides support to historically black and Hispanic colleges. Separate funding is requested by the administration since this program provides grants and contract assistance that serves Department-wide goals and not just OST purposes.

Minority Business Contractor List.—The Committee directs the Office of Minority Business Outreach to compile a master list of qualified minority business contractors that shall be posted on the Departments web page no later than May 2, 2005.

NEW HEADQUARTERS BUILDING

Appropriations, 2004	....
Budget estimate, 2005	$160,000,000
Committee recommendation	....

This appropriation finances the cost to outfit and rent a new Department of Transportation headquarters building. The proposed concept would consolidate all of the department's headquarters operating administration functions (except FAA), from various locations in the Washington, DC, metropolitan area into leased buildings within the central employment area of the District of Columbia.

While the proposed headquarters building would consolidate most of the Department of Transportation in one location, it comes at a huge price. Under this proposal, the Federal Government would pay in excess of $1,250,000,000 over the next 15 years to customize and lease space in this building. This lease option would cost the Federal Government approximately $513,000,000 more than the projected costs of constructing a new Federal building.

In fiscal year 2004, the Department of Transportation was appropriated $42,000,000 under GSA's Federal Buildings Fund. GSA later reprogrammed an additional $3,000,000 toward the new headquarters building. The Committee is aware of the strict timing issues associated with the construction and development of the new headquarters building as well as the need for better office space.

The Committee denies the funding for the new building without prejudice. The Committee notes, however, that of the funds appropriated in fiscal year 2004, approximately $28,000,000 remains unobligated as of June 30, 2004. Therefore, the Committee directs the Department to use the unobligated fiscal year 2004 funds to extend the Department's current lease at the Nassif building. In addition, with the remaining funds—approximately $9,000,000—the Department is encouraged to evaluate the existing space at the Nassif building for modifications to better suit the long-term needs of the Department and to continue to work with the GSA to evaluate costs and options to meet the Department's future space requirements.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

	Appropriations [2]	Mandatory [3]	Total
Appropriations, 2004 [1]	$51,693,000	$50,000,000	$101,693,000
Budget estimate, 2005	....	50,000,000	50,000,000
Committee recommendation	52,000,000	50,000,000	102,000,000

[1] Reflects reduction of $307,000 pursuant to Division H, section 168 of Public Law 108–199.
[2] Payments to Air Carriers (Airport and Airway Trust Fund).
[3] From overflight fees.

The Essential Air Service [EAS] and Rural Airport Improvement Program provides funds directly to commuter/regional airlines to provide air service to small communities that otherwise would not receive air service and for rural airport improvement as provided by the 1996 Federal Aviation Reauthorization Act.

The Federal Aviation Reauthorization Act of 1996 authorizes user fees for flights that fly over, but do not land in, the United States. The first $50,000,000 of each year's fees were to go directly to carry out the Essential Air Service Program and, to the extent not used for essential air service, to improve rural airport safety. If $50,000,000 in fees is not available, then the funds must be made available from appropriations otherwise made available to the FAA Administrator.

For fiscal year 2005, the administration has proposed a $50,000,000 EAS program, of which $36,000,000 is to be funded from overflight fees credited to the Airport and Airway Trust Fund and $14,000,000 is to be derived from overflight fees previously collected and transferred to the Payments to Air Carriers account. The administration is also proposing major revisions to the program that would repeal the statutory entitlement that certain communities have to receiving at least a minimum level of scheduled air service. Specifically, the Department has proposed to continue to subsidize air service to the extent of 90 percent of the total subsidy required for the most isolated communities. Communities that are within certain distances of major airports would qualify for surface transportation subsidy. Communities within: (1) 100 highway miles of a large or medium hub airport; (2) 75 highway miles of a small hub; or (3) 50 highway miles of a non-hub airport with jet service would qualify for a surface transportation subsidy and would be required to contribute at least 50 percent of the subsidy. At all other subsidized communities, the administration would offer an array of options, including paying for 75 percent of the cost of the traditional EAS-type scheduled service. In addition, the administration would work with the communities and State departments of transportation to procure charter service, single-engine, single-pilot service, regionalized service or ground transportation in cases where these alternative services would be more responsive to communities' needs.

The Committee recommendation provides a total of $102,000,000 for the Essential Air Service, which is comprised of an appropriation of $52,000,000 and $50,000,000 from mandatory funding. This level of funding, along with available carryover balances in the program from previous appropriations, is sufficient to continue subsidies for all current points receiving the service. The Committee has not included the requested general provision to restructure the EAS program.

The following table reflects the points currently receiving service and the annual rates as of February 1, 2004 in the continental United States and Hawaii.

FISCAL YEAR 2005 SUBSIDIZED ESSENTIAL AIR SERVICE COMMUNITIES

States/Communities	Est. Miles to Nearest Hub (S, M, or L) [1]	Avg. Daily Enplnmnts at EAS Point (YE 9/30/03)	Ann. Sbsdy Rates at 3/1/2004	Subsidy per Passenger	Total Psgrs (YE 9/30/03)
ALABAMA:					
Muscle Shoals	60	16.6	$1,284,408	$123.50	10,400
ARIZONA:					
Kingman	103	7.4	747,401	161	4,643
Page	280	12.4	1,552,631	200	7,760
Prescott	102	12.8	747,401	93	8,000
Show Low	168	5.7	692,423	194	3,569
ARKANSAS:					
El Dorado	108	7.5	898,283	192	4,679
Harrison	77	8.7	989,018	181	5,463
Hot Springs	53	10.5	989,018	151	6,571
Jonesboro	79	5.9	898,283	245	3,669
CALIFORNIA:					
Crescent City	362	34.9	333,717	15	21,825

FISCAL YEAR 2005 SUBSIDIZED ESSENTIAL AIR SERVICE COMMUNITIES—Continued

States/Communities	Est. Miles to Nearest Hub (S, M, or L) [1]	Avg. Daily Enplnmnts at EAS Point (YE 9/30/03)	Ann. Sbsdy Rates at 3/1/2004	Subsidy per Passenger	Total Psgrs (YE 9/30/03)
Merced	114	24.2	844,479	56	15,142
COLORADO:					
Alamosa	162	11.6	1,114,753	154	7,235
Cortez	258	21.1	896,007	68	13,189
Pueblo	43	6.0	883,016	236	3,748
GEORGIA:					
Athens	72	21.7	[2] 1,000,000	74	13,565
HAWAII:					
Hana	32	10.3	945,029	147	6,440
Kalaupapa	....	4.3	483,982	180	2,694
Kamuela	39	8.9	745,773	134	5,549
ILLINOIS:					
Decatur	120	40.3	917,077	36	25,205
Marion	122	34.0	1,253,076	59	21,303
Quincy	108	26.4	1,109,530	67	16,512
IOWA:					
Burlington	96	24.1	999,412	66	15,064
Fort Dodge	94	22.7	1,088,354	76	14,241
Mason City	128	43.7	1,088,354	40	27,382
KANSAS:					
Dodge City	149	6.8	1,224,838	286	4,277
Garden City	201	19.6	1,224,838	100	12,287
Great Bend	120	1.3	547,941	659	831
Hays	180	16.8	1,301,876	124	10,495
Liberal	153	7.9	684,578	138	4,944
Manhattan	120	22.0	360,803	26	13,801
Salina	93	6.1	360,803	95	3,812
KENTUCKY:					
Owensboro	105	18.4	1,032,673	90	11,513
MAINE:					
Augusta	68	10.3	1,069,228	166	6,438
Bar Harbor	157	32.4	1,069,228	53	20,260
Presque Isle	276	45.1	1,166,135	41	28,214
Rockland	80	18.3	1,069,228	93	11,468
MICHIGAN:					
Escanaba	114	26.7	[2] 300,000	18	16,739
Ironwood	218	6.1	479,879	126	3,797
Iron Mountain	101	17.5	478,693	44	10,930
Manistee	180	4.7	485,545	164	2,954
MINNESOTA:					
Hibbing	178	27.9	1,048,612	60	17,440
Thief River Falls	302	12.8	707,017	88	8,035
MISSISSIPPI:					
Laurel/Hattiesburg	90	33.9	1,056,991	50	21,218
MISSOURI:					
Cape Girardeau	123	23.6	990,694	67	14,761
Ft. Leonard Wood	130	18.1	885,918	78	11,317
Kirksville	137	6.9	968,249	223	4,348
MONTANA:					
Glasgow	280	6.8	823,591	195	4,230
Glendive	223	3.1	823,591	428	1,925
Havre	248	3.8	823,591	344	2,391
Lewistown	125	2.7	823,591	484	1,702
Miles City	146	3.5	823,591	378	2,178
Sidney	273	6.2	823,591	212	3,877
West Yellowstone	315	127.6	418,488	5	79,860
Wolf Point	293	4.7	823,591	277	2,971
NEBRASKA:					
Alliance	256	3.3	542,413	265	2,050
Chadron	311	3.7	542,413	233	2,333
Grand Island	140	13.6	[2] 1,000,000	117	8,515
Kearney	181	16.5	1,019,014	99	10,309
McCook	271	5.3	1,398,330	419	3,337

FISCAL YEAR 2005 SUBSIDIZED ESSENTIAL AIR SERVICE COMMUNITIES—Continued

States/Communities	Est. Miles to Nearest Hub (S, M, or L) [1]	Avg. Daily Enplnmnts at EAS Point (YE 9/30/03)	Ann. Sbsdy Rates at 3/1/2004	Subsidy per Passenger	Total Psgrs (YE 9/30/03)
Norfolk	109	3.9	751,373	309	2,429
North Platte	277	18.3	751,373	66	11,432
Scottsbluff	109	24.1	[2] 1,000,000	66	15,102
NEVADA:					
Ely	237	2.6	698,078	434	1,608
NEW HAMPSHIRE:					
Lebanon	75	78.1	1,084,930	22	48,912
NEW MEXICO:					
Alamogordo	91	3.5	849,235	388	2,186
Carlsbad	141	8.8	560,070	101	5,533
Clovis	103	6.0	1,118,197	299	3,744
Hobbs	90	2.6	560,318	347	1,615
Silver City	133	5.4	935,667	279	3,358
NEW YORK:					
Massena	143	7.7	429,337	89	4,830
Ogdensburg	123	6.3	429,337	110	3,920
Plattsburgh	78	4.1	721,198	284	2,539
Saranac Lake	126	6.9	721,198	166	4,341
Watertown	65	9.9	429,337	69	6,199
NORTH DAKOTA:					
Devils Lake	405	5.5	869,635	254	3,427
Dickinson	319	10.8	1,540,089	229	6,736
Jamestown	332	6.0	869,635	231	3,766
OKLAHOMA:					
Enid	84	7.3	977,302	213	4,588
Ponca City	81	5.9	977,302	266	3,668
PENNSYLVANIA:					
Altoona	108	23.0	546,159	38	14,394
Johnstown	82	32.7	301,417	15	20,464
Oil City/Franklin	86	10.3	874,067	135	6,453
PUERTO RICO:					
Ponce	77	9.4	552,388	94	5,856
SOUTH DAKOTA:					
Brookings	206	2.1	955,726	713	1,340
Huron	279	4.2	955,726	360	2,657
Pierre	397	17.3	318,861	29	10,841
Watertown	207	41.0	1,871,825	73	25,687
TENNESSEE:					
Jackson	85	15.2	1,156,325	122	9,493
TEXAS:					
Brownwood	145	6.1	964,677	253	3,807
Victoria	108	65.2	464,869	11	40,831
UTAH:					
Cedar City	178	27.5	770,285	45	17,221
Moab	240	5.5	674,804	195	3,452
Vernal	174	6.5	595,436	146	4,079
VERMONT:					
Rutland	118	6.3	804,102	203	3,967
VIRGINIA:					
Staunton	133	22.0	615,578	45	13,769
WASHINGTON:					
Moses Lake	108	16.5	1,344,557	131	10,299
WEST VIRGINIA:					
Beckley	181	7.2	1,033,847	230	4,486
Bluefield	145	5.0	1,033,847	329	3,144
Greenbrier	172	8.0	683,212	136	5,008
WYOMING:					
Laramie	144	27.1	366,473	22	16,963
Riverton	310	31.5	[2] 1,000,000	51	19,725

FISCAL YEAR 2005 SUBSIDIZED ESSENTIAL AIR SERVICE COMMUNITIES—Continued

States/Communities	Est. Miles to Nearest Hub (S, M, or L) [1]	Avg. Daily Enplnmnts at EAS Point (YE 9/30/03)	Ann. Sbsdy Rates at 3/1/2004	Subsidy per Passenger	Total Psgrs (YE 9/30/03)
Rock Springs	184	27.3	141,240	8	17,078
Worland	164	8.0	353,345	71	4,985

[1] Hub classifications are subject to change annually based on the overall enplanement levels at the hubs and at all airports Nationwide.
[2] Estimate.

FEDERAL AVIATION ADMINISTRATION

The Federal Aviation Administration is responsible for the safe movement of civil aviation and the evolution of a national system of airports. The Federal Government's regulatory role in civil aviation began with the creation of an Aeronautics Branch within the Department of Commerce pursuant to the Air Commerce Act of 1926. This Act instructed the agency to foster air commerce; designate and establish airways; establish, operate, and maintain aids to navigation; arrange for research and development to improve such aids; issue airworthiness certificates for aircraft and major aircraft components; and investigate civil aviation accidents. In the Civil Aeronautics Act of 1938, these activities were transferred to a new, independent agency named the Civil Aeronautics Authority.

Congress streamlined regulatory oversight in 1957 with the creation of two separate agencies, the Federal Aviation Agency and the Civil Aeronautics Board. When the Department of Transportation [DOT] began its operations in 1967, the Federal Aviation Agency was renamed the Federal Aviation Administration [FAA] and became one of several modal administrations within DOT. The Civil Aeronautics Board was later phased out with enactment of the Airline Deregulation Act of 1978, and ceased to exist in 1984. Responsibility for the investigation of civil aviation accidents was given to the National Transportation Safety Board in 1967. FAA's mission expanded in 1995 with the transfer of the Office of Commercial Space Transportation from the Office of the Secretary, and decreased in December 2001 with the transfer of civil aviation security activities to the new Transportation Security Administration.

The total recommended program level for the FAA for fiscal year 2005 amounts to $13,913,427,000, which is $35,429,000 more than the fiscal year 2004 enacted level. The following table summarizes the Committee's recommendations:

Program	Fiscal year 2004 enacted [1]	Fiscal year 2005 budget estimate	Committee recommendation
Operations [2]	$7,486,493,000	$7,849,000,000	$7,784,000,000
General fund appropriation	3,013,043,000	1,847,000,000	2,526,990,000
Trust fund appropriation [3]	4,473,450,000	6,002,000,000	4,959,503,000
Facilities and equipment [4]	2,892,831,000	2,500,000,000	2,500,000,000
Research, engineering and development	118,734,000	117,000,000	129,427,000
Grants-in-Aid for airports [5]	3,379,940,000	3,500,000,000	3,500,000,000
Total available budget resources	13,877,998,000	13,966,000,000	13,913,427,000

[1] Reflects reduction of $82,366,000 pursuant to Division H, section 168 of Public Law 108–199.
[2] Does not reflect reduction of $7,286,000 pursuant to Division F, section 517 of Public Law 108–517.
[3] Includes $2,000,000 for the Bureau of Transportation Statistics in fiscal year 2005.
[4] Does not reflect fiscal year 2003 rescission of $30,000,000 of unobligated balances pursuant of Public Law 108–199.
[5] Does not include appropriation of $1,988,200 for Ft. Worth Alliance Airport pursuant to Division H, section 167 of Public Law 108–199.

OPERATIONS

Appropriations, 2004[1]	$7,486,493,000
Budget estimate, 2005	7,849,000,000
Committee recommendation	7,784,000,000

[1]Reflects reduction of $44,432,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect reduction of $7,286,000 pursuant to Division F, section 517 of Public Law 108–199.

This appropriation provides funds for the operation, maintenance, communications, and logistical support of the air traffic control and air navigation systems. It also covers administrative and managerial costs for the FAA's regulatory, international, commercial space, medical, engineering and development programs, as well as policy oversight and agency management functions. The operations appropriation includes the following major activities: (1) the air traffic organization which operates, on a 24-hour daily basis, the national air traffic system, including the establishment and maintenance of a national system of aids to navigation, the development and distribution of aeronautical charts and the administration of acquisition, and research and development programs; (2) regulation and certification activities including establishment and surveillance of civil air regulations to assure safety and development of standards, rules and regulations governing the physical fitness of airmen as well as the administration of an aviation medical research program; (3) the office of commercial space transportation; (4) headquarters, administration and other staff and support offices.

The Committee recommends $7,784,000,000 for FAA operations, an increase of $297,507,000 above the level provided for fiscal year 2004 and $65,000,000 below the President's budget request. The Committee notes that the recommended rate of increase for this appropriation is approximately 4 percent, which is three times the government-wide average budgetary increase of 1.5 percent.

The bill derives $4,959,503,000 of the total appropriation from the airport and airway trust fund. The level is consistent with the requirements of current law and is $1,042,497,000 less than the budget estimate. The balance of the appropriation will be drawn from the general fund of the Treasury.

As in past years, FAA is directed to report immediately to the House and Senate Committees on Appropriations in the event resources are insufficient to operate a safe and effective air traffic control system.

The following table summarizes the Committee's recommendation in comparison to the budget estimate:

[In thousands of dollars]

	Fiscal year—		Committee recommendations
	2004 enacted[1]	2005 budget estimate	
Air Traffic Organization [ATO]	[2](6,217,137)	6,522,109	(6,492,102)
Air Traffic Services	6,001,263		6,267,870
Regulation and Certification	871,148	905,194	905,194
Research and Acquisitions	215,874		224,239
Commercial Space Transportation	11,674	11,941	11,674
Regions and Center Coordination	86,049		88,479
Human Resources	74,955		78,660
Financial Services	48,719		53,624

[In thousands of dollars]

	Fiscal year—		Committee recommendations
	2004 enacted [1]	2005 budget estimate	
Staff Offices	[3] 140,120	409,756	150,739
Information Services/CIO	29,405	....	36,254
Undistributed reduction	....	....	−32,733
TOTAL OPS	7,479,207	7,849,000	7,784,000

[1] Reflects reduction of $44,432,000 pursuant to Division H, section 168 of Public Law 108–199, but does not reflect reduction of $7,286,000 pursuant to Division F, section 517 of Public Law 108–199.
[2] The fiscal year 2005 request proposes to combine Air Traffic Services and Research and Acquisitions in Air Traffic Organization.
[3] The fiscal year 2005 request proposes Financial Services, Human Resource Management, Regions and Centers Operations, and Information Services be combined with other Staff Offices.

Air Traffic Services.—The Committee recommends $6,267,870,000 for the operation and maintenance of the national air traffic control and flight service system. The recommended level is $266,607,000 more than the fiscal year 2004 enacted level. The Committee is confident that although constrained, the recommended funding level is sufficient to continue safe and efficient management of the National Airspace System [NAS]. The recommendation gives the Administrator great flexibility to manage the reduction below the budget request.

Controller Hiring Initiative.—Attrition in air traffic controller workforce is expected to rise sharply in upcoming years as controllers hired after the 1981 controllers' strike become eligible for retirement. The FAA currently estimates that nearly 7,100 controllers or nearly half its workforce could leave the Agency between fiscal years 2004 and 2012.

The Committee is aware that the number of controllers that will need to be hired depends on many factors, including future air traffic levels, new technologies, and initiatives that FAA undertakes to make its processes for hiring, placing, and training new controllers more efficient and cost effective. Nevertheless, the Committee believes it is prudent to begin hiring and training controllers in anticipation of an increased number of retiring controllers. The Committee recommends $10,000,000 to hire and train additional air traffic controllers.

Contract Tower Program.—The Committee continues to support the contract tower program and the cost-sharing program as a cost-effective way to enhance air traffic safety at smaller airports. For the past 22 years, the contract tower program has enhanced aviation safety by providing essential air traffic services at smaller airports that in many cases would not otherwise have a tower. The program consistently has received high marks for customer service from aviation users, and has been an incentive to aid small airports with retaining and developing commercial air service and corporate aviation. Currently, 223 smaller airports participate in the program, representing 45 percent of all control towers in the United States. Federal contract towers handle approximately 25 percent of control tower aircraft operations for about 10 percent of FAA's budget to operate all control towers in the national airspace system.

The safety and efficiency record of the program for the past two decades has been validated numerous times by the DOT Office of

Inspector General [OIG] and FAA safety audits, as well as by the National Transportation Safety Board. The OIG also has verified the significant cost-effectiveness of the program. All Federal contract controllers are FAA certified air traffic controllers who meet the identical training and operating standards as other FAA controllers. Contract tower controllers operate together with FAA-staffed facilities throughout the country as part of a unified national air traffic control system. The FAA exercises management and oversight over all aspects of the program, including operating procedures, staffing plans, certification of contract controllers, security and facility evaluations. Without a Federal program that provides financial assistance, sets safety and training standards, certifies operations and monitors all aspects of contract tower facilities, many of these towers would have to close.

The Committee recommends $86,000,000 to fund the existing contract tower program, the remaining eligible non-Federal towers not currently operated by FAA, and non-towered airports eligible for the program. Of the funds provided for the contract tower program, $500,000 is to deploy computer-based interactive training systems for controllers at FAA contract towers. In designing the system, the FAA should utilize existing interactive computer-based training and testing systems in use at airports. In addition to these resources, the Committee has provided $7,000,000 for the contract tower cost-sharing program.

ATO Resource Tool.—The FAA must deploy and use the ATO resource tool [ART], its labor distribution system, to have the accurate cost and workforce data that is necessary to effectively manage the expected surge in controller attrition. According to the DOT Inspector General, ART could have provided credible workforce data for addressing concerns about controller staffing, related overtime expenditures, and determining how many controllers are needed and where. However, the Committee understands that deployment has now been on hold for almost 2 years while FAA and the controllers' union continue negotiations over its full implementation. Considering the expected surge in controller retirements over the next several years, the Committee strongly urges the Agency and union to resolve their differences as quickly as possible so that all parties have objective data to determine how many controllers are needed and where. The Committee also expects ART to provide information on the time controllers spend controlling aircraft and conducting other duties in order to utilize the controller workforce more productively.

Airway Facility Training.—The Committee believes that basic core skills training and certification for the Airway Facilities [AF] technical workforce is necessary for the safe operation of the NAS and for the viability of the FAA's modernization program. In response to the growing demands of NAS modernization, the FAA recognized the need to establish a core set of information technology skills for the AF technical workforce. The Committee is aware that an analysis of AF technical workforce responsibilities was accomplished in order to identify the core skills required for the performance of their respective positions and that the FAA agreed to revise training with a focus on timely and efficient delivery to accommodate NAS modernization. Unfortunately, despite this agreement to provide at least 20 percent of the workforce with these skills each year, less than 40 percent of the current AF workforce has received the training. The Committee strongly encourages the agency to do whatever is necessary to provide the AF technical workforce with necessary core skills training and certification, and to evaluate shifting the technical training focus to a decentralized model in fiscal year 2005.

Medallion Program.—The Committee recommends $3,000,000 to continue the Medallion program, the same as the fiscal year 2004 level. Strengthening the Medallion program is a key safety initiative in the FAA's current strategic plan.

Alien Species Action Plan [ASAP].—The Committee provides $3,000,000 out of available funds to continue the implementation of the Alien Species Action Plan which was adopted by the FAA as part of its August 26, 1998, Record of Decision approving certain improvements at Kahului Airport on the Island of Maui. These funds will be used to complete capital projects that were started in fiscal year 2002 and continue the operational requirements imposed by the ASAP.

National Airspace Redesign.—Of the funds provided, $4,000,000 shall be for the NY/NJ Airspace Redesign effort and shall not be reprogrammed by the FAA for other activities, including airspace redesign activities outside the NY/NJ metro area. As the FAA moves forward with its redesign program in the New York/New Jersey and Philadelphia area, the Committee encourages the FAA, where appropriate, to consider air noise impacts as part of the redesign effort.

Non-Precision GPS Approaches.—The Committee recommendation encourages to continue work associated with increasing the number of non-precision GPS instrument approaches developed and published for airports that are not Part 139 certificated.

Accounting Operations.—The Committee is aware that the FAA has proposed to consolidate accounting operations in eight offices across the country at the Finance Center at Oklahoma City. The goals of improving financial information and implementing standardized accounting practices through process improvement can be achieved without relocation. The Committee directs the FAA not to proceed with this consolidation.

BILL LANGUAGE

Second Career Training Program.—The Committee has included bill language which was included in the President's budget request which prohibits the use of appropriated funds for the second career training program. This prohibition has been carried in annual appropriations Acts for a number of years.

Sunday Premium Pay.—The bill retains a provision, first included in the fiscal year 1995 appropriations Act, which prohibits FAA from paying Sunday premium pay, except in those cases where the individual actually worked on a Sunday. This provision is identical to that which was in effect for fiscal years 1995–2004. It was requested by the administration for fiscal year 2005.

Manned Auxiliary Flight Service Stations.—The Committee has retained bill language that was requested by the administration to prohibit the use of funds for operating a manned auxiliary flight service station in the contiguous United States. There is no funding provided in the Operations account for such stations in fiscal year 2005.

Aeronautical Charting and Cartography.—The bill prohibits funds in this Act from being used to conduct aeronautical charting and cartography [AC&C] activities through the working capital fund [WCF]. Public Law 106–181 authorized the transfer of these activities from the Department of Commerce to the FAA.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriations, 2004[1]	$2,862,831,000
Budget estimate, 2005	2,500,000,000
Committee recommendation	2,500,000,000

[1] Reflects reduction of $47,169,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect rescission of $30,000,000 of unobligated balances pursuant to Public Law 108–199.

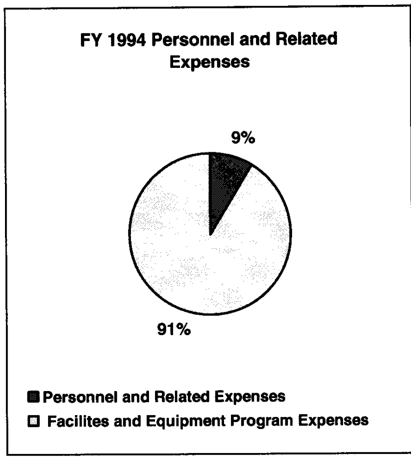
The Facilities and Equipment [F&E] appropriation provides funding for modernizing and improving air traffic control and airway facilities, equipment, and systems. The appropriation also finances major capital investments required by other agency programs, experimental research and development facilities, and other improvements to enhance the safety and capacity of the airspace system. The program aims to keep pace with the increasing demands of aeronautical activity and remain in accordance with the Federal Aviation Administration's comprehensive 5-year capital investment plan [CIP].

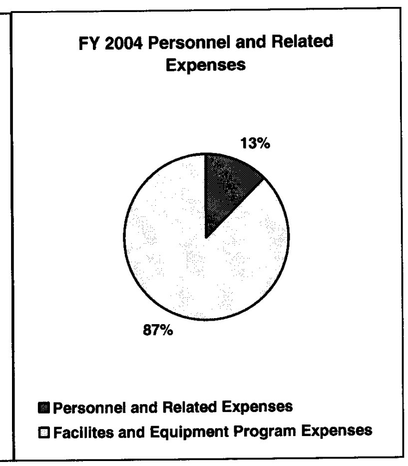
The Committee recommends an appropriation of $2,500,000,000 for the Facilities and Equipment of the Federal Aviation Administration. The Committee recommendation is the same as the budget estimate and is $362,831,000 less than the fiscal year 2004 enacted level. The bill provides that $2,071,300,000 is available for obligation until September 30, 2007, and $428,700,000 is available until September 30, 2005.

The Committee recommendations focus on reinforcing greater accountability and mission goals, and strive for better or alternative ways of improving and modernizing the system. Furthermore, in reviewing the budget estimate for this account, the Committee has placed priority on funding programs necessary to upgrade current equipment for future capacity requirements or programs that will enable the FAA to proceed with initiatives to improve safety and initiatives to alleviate congestion, reduce aircraft spacing, and increase the efficiency of the NAS.

F&E Management.—The Federal Aviation Administration's most recent estimate projects expenditures of approximately $43,523,000,000 on the air traffic control modernization effort from 1981 through 2005. The estimate for the modernization of the system has continued to evolve and escalate since 1981.

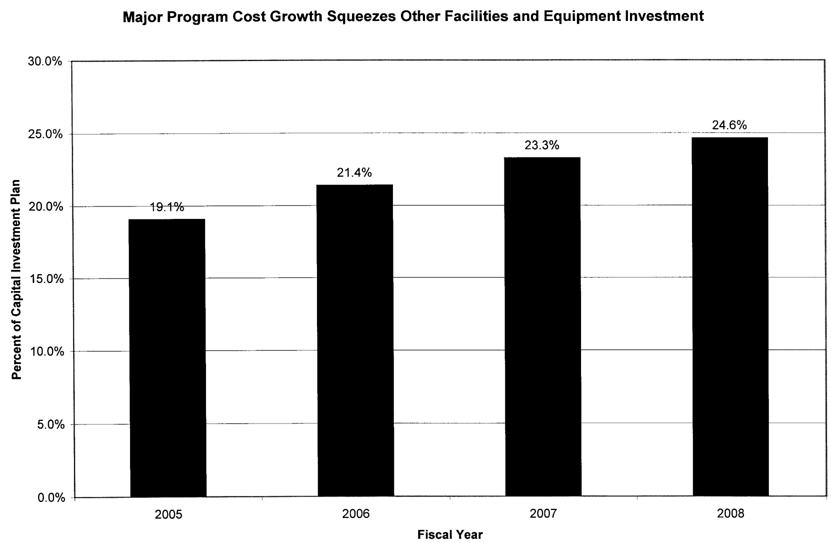
The Committee is concerned about the overhead and related costs in this account. Data provided by FAA shows that personnel and related expenses consume a greater share of the F&E appropriation each year. In fiscal year 1994, personnel expenses accounted for about 9 percent but have grown to 13 percent of F&E in fiscal year 2004. Under the budget estimate for fiscal year 2005, the FAA requests growth for direct personnel and related expenses to almost 18 percent of the F&E appropriation. As dramatic as this growth has been, data accounting for only the direct personnel costs understate a true assessment of the administrative overhead of these activities. Most individual budget lines in this account also assume funding in the range of 10 to 25 percent for program and contract management. Further compounding this trend, the F&E account also provides resources for support contracts and system engineering support, and technical support services among other things. All of these costs ultimately translate into less funds for specific air traffic modernization projects.





Just as growth in personnel and related expenses reduce the amount of funding that is available for procurement, cost escalation and delays in a few large acquisition programs are severely limiting the resources available for procuring and installing other equipment that will modernize the NAS. For example, funding for one new program, such as ERAM, and funding for other programs like WAAS and STARS that have chronic schedule delays and cost overruns threaten to take a disproportionate share of funding for modernization.

The following table displays the aggregate amount of funding projected for just these three programs as a percentage of the total amount of F&E funding each year for the next 5 fiscal years:



The FAA faces difficult funding decisions on a number of fronts as a result of its inability to effectively manage large-scale acquisitions. In fact, the FAA has not delivered any major system within initial cost, schedule, or performance goals due primarily to a complete failure to impose acquisition management discipline. This is particularly perplexing considering the Congress provided FAA two unprecedented and powerful tools in 1996 by granting relief from Federal personnel and procurement rules, both of which the Agency believed were hindering its ability to modernize the National Airspace System. FAA has not taken full advantage of this flexibility. While contracts are awarded faster, there has been little bottom line impact on cost and schedule problems with major acquisitions remain the norm. For example, last year the DOT Inspector General analyzed 20 major acquisitions and found that 14 of these projects experienced cost overruns of over $4,300,000,000, which is more than the annual appropriation for modernizing the NAS.

Clearly, the FAA must take immediate steps to control personnel cost growth and to impose budget and schedule discipline on major acquisition programs. Our Nation's air traffic control system has failed to keep up with the increasing and changing demands, and the FAA will not be able to meet future demands and needs without changing and improving the ways we modernize the NAS. This challenge is unlikely to be met without changing the FAA culture. Ultimately, changing the FAA culture is a long term proposition, but the failure to do so will harm the aviation industry, inconvenience the flying public, and serve as an obstacle to national economic growth.

Budget Activities Format.—Beginning in fiscal year 2003, the Federal Aviation Administration has formatted the budget activities of the Facilities and Equipment budget request in terms of strategic goals. If the purpose of that structure is to display the link between budget and performance, then the FAA has failed to meet that objective. Clearly, the budget presentation for the past 3 fiscal years has served only to obfuscate the significant programmatic and execution issues facing the FAA and has not facilitated any meaningful program benefits. One has only to review the agency's highest cost programs to realize that the current topical groupings are not relevant to budgetary, programmatic, or operational considerations.

The Committee recommendation is presented in a format used in prior appropriations reports to better assist the FAA in managing the Facilities and Equipment capital program. The Committee greatly prefers the following structure and believes that it offers a better delineation between developmental initiatives, procurement activities, infrastructure requirements, and personnel costs. The Committee directs that future requests for the Facilities and Equipment account conform to this format.

The Committee's recommended distributions of the funds for each of the projects funded by the appropriation:

FACILITIES AND EQUIPMENT

	Fiscal Year		Committee recommendation
	2004 enacted	2005 estimate	
Engineering Development, Test and Evaluation:			
Advanced Technology Development & Prototyping	$70,100,000	$37,300,000	$56,575,000
Safe Flight 21	30,300,000	40,454,000	44,454,000
Aeronautical Data Link (ADL) Applications	10,000,000	4,000,000	4,000,000
Next Generation VHF Air/Ground Communications System (NEXCOM)	85,850,000	31,950,000	29,950,000
Free Flight Phase 1	32,000,000	....	....
Free Flight Phase 2	100,000,000	92,500,000	92,500,000
Louisville, KY technology demonstration	8,000,000	....	....
Local Area Augmentation System	34,400,000	....	10,000,000
GCNSS	20,000,000	....	20,000,000
NAS Improvement of System Support Laboratory	....	1,000,000	1,000,000
Technical Center Facilities	13,000,000	12,000,000	12,000,000
Technical Center Building and Plant Support	3,500,000	4,300,000	4,300,000
Total Activity 1	407,150,000	223,504,000	274,779,000
Air Traffic Control Facilities and Equipment:			
En Route Automation Program	307,000,000	361,200,000	333,200,000
Next Generation Weather Radar (NEXRAD)	....	4,900,000	4,900,000
ATOMS Local Area/Wide Area Network	1,100,000	1,000,000	1,000,000
Weather and Radar Processor (WARP)	8,500,000	4,700,000	4,700,000
ARTCC Building Improvements/Plant Improvements	28,000,000	35,000,000	28,000,000
Voice Switching and Control System (VSCS)	32,800,000	24,100,000	24,100,000
Air Traffic Management (ATM)	37,500,000	57,000,000	38,000,000
Critical Telecommunication Support	1,500,000	1,300,000	1,300,000
Air/Ground Communications Infrastructure	24,100,000	13,500,000	13,500,000
Volcano Monitoring	4,000,000	....	4,000,000
ATCBI Replacement (ATCBI–6)	20,000,000	15,100,000	15,100,000
ATC En Route Radar Facilities Improvements	2,700,000	3,000,000	3,000,000
En Route Communications and Control Facilities Improvements	1,203,390	1,020,800	1,020,800
Integrated Terminal Weather System (ITWS)	....	14,100,000	14,100,000
Aviation Weather Services Improvements (CIWS)	22,200,000	4,000,000	4,000,000
FAA Telecommunications Infrastructure (FTI)	51,200,000	71,150,000	71,150,000
Guam Center Radar Approach Control (CERAP)—Relocate	2,600,000	2,300,000	2,300,000
Oceanic Automation System	67,000,000	50,850,000	42,000,000
ARTS/DBRITE Sustainment	25,000,000	....	....
New York Integrated Control Complex	5,000,000	....	....
ARSR–4 Automated Technical Documentation	3,000,000	....	3,000,000

FACILITIES AND EQUIPMENT—Continued

	Fiscal Year		Committee recommendation
	2004 enacted	2005 estimate	
Subtotal—En Route Programs	644,403,390	664,220,800	608,370,800
Airport Surface Detection Equipment—Model X (ASDE–X)	....	51,300,000	51,300,000
Terminal Doppler Weather Radar (TDWR)	....	8,000,000	8,000,000
Terminal Automation Program	122,100,000	21,700,000	21,700,000
Terminal ATC Facilties Replacement	158,245,000	95,100,000	126,100,000
ATC/TRACON Facilities Improvement	42,000,000	55,175,800	55,175,800
Terminal Voice Switch Replacement/Enhanced TVS	16,000,000	10,200,000	16,000,000
NAS Facilities OSHA and Environmental Standards Compliance	28,300,000	25,500,000	25,500,000
Houston Area Air Traffic System	25,000,000	12,000,000	12,000,000
NAS Infrastructure Management System (NIMS)	20,000,000	16,000,000	10,000,000
ASR–9 SLEP	23,000,000	20,700,000	20,700,000
Voice Recorder Replacement Program (VRRP)	3,300,000	5,100,000	5,100,000
Terminal Digital Radar (ASR–11)	75,000,000	107,100,000	100,100,000
DOD/FAA Facilities Transfer	3,250,000	1,200,000	3,200,000
Precision Runway Monitors	8,000,000	7,400,000	7,400,000
Terminal Radar Improvements	....	1,073,700	1,073,700
Terminal Communications—Improve	112,000	1,129,400	1,129,400
Standard Terminal Automation Replacement System (STARS)	119,800,000	113,900,000	113,900,000
Terminal Applied Engineering	4,000,000	....	....
Terminal Interim Remote Tower Displays	2,500,000	....	....
Tower Datalink Services (TDLS)	2,500,000	....	....
IDS—Terminal Facilities	2,000,000	....	....
Subtotal—Terminal Programs	655,107,000	552,578,900	578,378,900
Automated Surface Observing System (ASOS)	11,800,000	7,300,000	7,300,000
FSAS Operational and Supportability Implementation System (OASIS)	19,710,000	10,200,000	9,200,000
Weather Message Switching Center Replacement	1,500,000	1,000,000	1,000,000
Flight Service Facilities Improvement	476,890	....	....
Flight Service Station Switch Modernization	2,000,000	....	....
Flight Service Station (FSS) Modernization	5,800,000	1,300,000	1,300,000
Subtotal—Flight Service Programs	41,286,890	19,800,000	18,800,000
VOR/DME	8,600,000	2,000,000	2,000,000
Instrument Landing System (ILS) Establishment	48,615,000	5,800,000	25,250,000
Wide Area Augmentation System	100,000,000	100,030,000	65,090,000
Transponder Landing System (TLS)	6,300,000	....	6,300,000
Low Level Windshear Alert System (LLWAS)—Upgrade	2,700,000	....	....
Runway Visual Range	7,000,000	1,400,000	1,400,000
NDB Sustainment	1,100,000	....	....
Navigation and Landing Aids—Improve	5,929,420	4,408,700	4,408,700
Approach Lighting System Improvement Program (ALSIP)	48,975,000	5,000,000	19,700,000
VASI Replace With PAPI	5,900,000	....	....
DME Sustainment	4,000,000	1,000,000	1,000,000
Visual Navaids (PAPI/REIL)	5,000,000	3,200,000	3,200,000
Loran-C	22,500,000	....	10,000,000
Instrument Approach Procedures Automation	4,000,000	3,100,000	3,100,000
Navigation and Landing Aids Service Life Extension Pgm	....	2,000,000	2,000,000
Subtotal—Landing and Navigational Aids	270,619,420	127,938,700	143,448,700
Alaskan NAS Interfacility Communications System (ANICS)	900,000	....	....
Fuel Storage Tank Replacement and Monitoring	5,600,000	3,000,000	3,000,000
FAA Buildings and Equipment	11,200,000	11,027,600	11,027,600
Electrical Power Systems—Sustain/Support	45,000,000	45,000,000	40,000,000
Air Navigational Aids and ATC Facilities (Local Projects)	2,200,000	2,300,000	2,300,000
Aircraft Related Equipment Program	12,580,000	12,000,000	12,000,000
Computer Aided Eng and Graphics (CAEG) Modernization	1,000,000	800,000	800,000
Airport Cable Loop Systems—Sustained Support	6,500,000	4,600,000	9,600,000

FACILITIES AND EQUIPMENT—Continued

	Fiscal Year		Committee recommendation
	2004 enacted	2005 estimate	
Programs being rebaselined (ITWS, STARS, WAAS)	....	....	....
Subtotal—Other ATC Facilities	84,980,000	78,727,600	78,727,600
Total Activity 2	1,696,396,700	1,443,266,000	1,426,726,000
Non-ATC Facilities and Equipment:			
NAS Management Automation Program (NASMAP)	1,200,000	1,000,000	1,000,000
Hazardous Materials Management	19,000,000	17,000,000	17,000,000
Aviation Safety Analysis System (ASAS)	6,900,000	12,900,000	6,900,000
Logistics Support Systems and Facilities (LSSF)	5,000,000	6,000,000	6,000,000
Test Equipment—Maintenance Support for Replacement	4,000,000	3,000,000	3,000,000
National Aviation Safety Data Analysis Center (NASDAC)	1,900,000	1,600,000	1,600,000
NAS Recovery Communications (RCOM)	9,400,000	10,000,000	10,000,000
Facility Security Risk Management	30,000,000	40,000,000	40,000,000
Information Security	8,000,000	8,000,000	8,000,000
Subtotal—Support Equipment	85,400,000	99,500,000	93,500,000
Aeronautical Center Infrastructure Modernization	13,000,000	8,500,000	8,500,000
National Airspace System (NAS) Training Facilities	4,200,000	....	....
Distance Learning	1,400,000	1,500,000	1,500,000
Subtotal—Training Equipment & Facilities	18,600,000	10,000,000	10,000,000
Total Activity 3	104,000,000	109,500,000	103,500,000
Mission Support:			
System Engineering and Development Support	25,800,000	30,400,000	27,765,000
Safety Management System	....	1,700,000	1,700,000
Program Support Leases	41,100,000	42,600,000	42,600,000
Logistics Support Services (LSS)	7,900,000	7,900,000	7,900,000
Mike Monroney Aeronautical Center—Leases	14,600,000	14,200,000	14,200,000
Transition Engineering Support	35,000,000	35,000,000	30,000,000
Frequency and Spectrum Engineering	1,930,000	3,600,000	2,000,000
PCS Moves	200,000	1,530,000	1,530,000
Technical Support Services Contract (TSSC)	42,562,100	43,300,000	38,300,000
Resource Tracking Program (RTP)	3,600,000	1,500,000	1,000,000
Center for Advanced Aviation System Development	84,620,000	84,600,000	84,600,000
NAS Aeronautical Info Management Enterprise System	10,300,000	13,700,000	13,700,000
DCAA Audits	3,000,000	....	....
Operational Evolution Plan	1,000,000	....	....
Research Aircraft Replacement	10,000,000	....	....
Total Activity 4	281,612,100	280,030,000	265,295,000
Personnel and Related Expenses:			
Personnel and Related Expenses	420,841,200	443,700,000	428,700,000
Total Activity 5	420,841,200	443,700,000	428,700,000
Total	2,910,000,000	2,500,000,000	2,500,000,000

ENGINEERING, DEVELOPMENT, TEST AND EVALUATION

Advanced Technology Development and Prototyping.—The Advanced Technology Development and Prototyping program develops and validates technologies that support a range of timely and critical initiatives within the Engineering, Development, Test and

Evaluation activity. The Committee recommendation provides $56,575,000, to be distributed as follows:

	Committee recommendation
Runway incursion reduction program	$9,100,000
Aviation system capacity improvements	6,500,000
Separation standards	2,500,000
General aviation/vertical flight technology program	1,500,000
Operational concept validation	3,000,000
NAS mission analysis and requirements development	2,000,000
Domestic RVSM	2,200,000
Safer Skies	3,400,000
NAS safety assessment	1,000,000
Juneau airport wind system	4,900,000
Airborne automated flight alert system	3,000,000
Runway obstruction warning system	375,000
Airport technology	10,100,000
Airport cooperative research program	5,000,000
Data exchange project	2,000,000

Airborne Automated Flight Alert System.—The Committee has included $3,000,000 to continue the demonstration of a prototype rapid response capability to transmit flight data from commercial type aircraft using data management and communications equipment already installed on most modern aircraft, through software modernization. The Committee views this funding as a continuation of on-going AAFAS work.

Runway Obstruction Warning System.—The bill includes $375,000 to continue the Runway Obstruction Warning System at Gulfport-Biloxi Airport and to support interim monitoring and certification of the system.

Airport Technology.—The Committee recommends $10,100,000 for airport technology. The Committee has provided $4,000,000 for the Airfield Pavements Research Program, the same level of funding as the fiscal year 2004 enacted level. The program is designed to develop safer, more cost-effective, and durable airfield pavements by improving design, construction, rehabilitation and repair. This program examines both asphalt and concrete airfield pavements.

Airport Cooperative Research Program.—The Committee recommendation includes $5,000,000 to initiate the airport cooperative research program which will carry out applied research on problems that are shared by airports and are not being adequately addressed by existing Federal research programs. This research will help to improve aviation safety, enhance security and reduce environmental impacts at airports around the country.

Data Exchange Project.—The Committee recommends $2,000,000 for the data exchange project. The project will develop and demonstrate an innovative, low-cost, broadband, non-satellite, safety, security, and air traffic management communications system for aircraft. Project will configure hardware and equip at least three aircraft and one ground station to establish a broadband communications data link network between aircraft and ground.

Aviation Maintenance Technology.—The Committee encourages the FAA to work with the appropriate parties to develop a trial to demonstrate the safety and efficiency gains to be achieved through the automation of maintenance repair procedure information. The trial may include the identification of metrics and their measurement; configuration and installation of the automation system; and, data collection from the trial.

Safe Flight 21.—The Committee supports the Safe Flight 21 program and recommends $44,450,000, an increase of $4,000,000 above the budget estimate. Of the funds provided, $4,004,000 is for the Ohio River Valley project and $37,000,000 is for the Capstone program. The recommendation includes $7,000,000 for weather cameras and the Committee urges the FAA to improve weather information for highly traveled mountain passes, including Rainey Pass, Merrill Pass, and Ptarmigan Pass.

Next Generation Very High Frequency Air/Ground Communications System [NEXCOM].—The Committee recommends $29,950,000 for Next Generation VHF Air/Ground Communications System [NEXCOM], which is $2,000,000 less than the budget request. The Committee is aware that FAA is deferring plans for the more expensive and ambitious elements of the NEXCOM program. It is now essentially a radio replacement program. FAA has faced numerous challenges with this program, including concerns about the agency's preferred technology, how much it would cost airlines to equip with new radios, and whether or not Agency efforts would be compatible with steps taken in Europe. Notwithstanding FAA's decision to dismantle NEXCOM, the program sought to address very real problems—an aging air-to-ground communications infrastructure and pending frequency depletion. Agency budgets and justifications are silent on these important problems that will affect capacity initiatives at some time in the future. Considering decisions about NEXCOM and the abrupt deferral of Controller-Pilot Data Link Communications, FAA is directed to report to the Committee on how it will meet the communication needs of the National Airspace System in the near-and long-term.

Global Communications, Navigation, and Surveillance System [GCNSS].—The Committee provides $20,000,000 for the continuation of the FAA's effort to develop network-centric NAS operations through System Wide Information Management. The Committee directs the FAA to utilize this funding to further define and analyze initial network-centric air traffic management operations and to demonstrate these concepts at one or more FAA sites. Specifically, the demonstration may include the following: flight deviation detection and assessment for security alerting and safety and capacity enhancement; rationalization and integration of NAS surveillance assets for reducing operational and maintenance costs while the existing levels of safety and security are fully maintained; dynamic traffic rerouting and flow re-planning for minimizing NAS disruptions caused by convective weather; and, trajectory-based approach and departure operations for increased terminal area and airport capacity and reduced flight delays.

Local Area Augmentation System [LAAS].—The Committee recommendation provides $10,000,000 for the Local Area Augmentation system. The Committee notes that this program has evolved from a private vendor and airline effort to a private vendor and FAA effort, and now is an FAA procurement program for a category 1 system. Since FAA awarded the LAAS contract in fiscal year

2003, the FAA has contemplated restructuring the program to focus on category 2 and category 3 systems and the fiscal year 2005 request to OMB reflected that shift. Due to budgetary constraints and competing priorities, the budget estimate did not include funding for LAAS, and during the last several months, the FAA, the Congress, and the industry have been struggling with how to capture the benefits promised by LAAS technology in a constrained budgetary environment. After consultations with the FAA, the Committee includes funding for the LAAS procurement and believes that the most prudent means to successfully integrating this capability into the NAS is through an iterative approach starting with category 1 systems utilizing associated cockpit guidance systems and evolving as necessary to category 2 and category 3 systems. The Committee believes that this approach holds promise for delivering a cost-effective means of providing precision approaches to accommodate the shift to point-to-point air carrier service. The Committee appreciates the dialogue with the Department on this issue and anticipates a continuation of that process.

AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT

En Route Automation Modernization Program.—The En Route Automation Modernization Program [ERAM] is one of the most expensive and complex acquisitions that FAA has ever undertaken. The purpose of ERAM is to replace the Host computer and its backup at FAA's 20 facilities that manage high altitude traffic nationwide. ERAM is also expected to provide future enhancements to Host computer capabilities to enhance the flow of air traffic in the National Airspace System.

For well over 20 years, the Host computer system has been the core, or central nervous system, of the Nation's air traffic control [ATC] network. Host computers integrate flight plan and radar data to provide air traffic controllers with precise aircraft identification and position information. This system and its associated back-up are aging and have limited expansion capability.

The expense and complexity of ERAM is reflected in FAA's overall program cost estimate of $2,100,000,000 and projected completion date of 2010. The agency is currently spending more than $10,000,000 per month on ERAM. The FAA budget request for fiscal year 2005 would increase the monthly burn rate to more than $20,000,000 per month. In 2007, FAA envisions spending more than $30,000,000 per month or more than $1,000,000 per day on ERAM.

The FAA has developed a phased approach to the ERAM procurement and is 18 months into the effort. Thus far, FAA has met early program milestones, although it should be noted that work to date has focused on the Enhanced Back-up Surveillance system [EBUS], the least complex element of ERAM. Nevertheless, considerable work remains and continued oversight of this important program is critical. In fact, about 80 percent of each year's budget request will involve development efforts, referred to as "solution development" in planning documents.

Even modest cost or schedule problems with ERAM will have a cascading effect on other programs, particularly in today's tight budgetary environment. At this stage, two key risks must be aggressively managed:

1. *Managing a Cost-Plus Contract.*—By far, the largest cost risk in the program lies in FAA's ability to control the cost of the prime contract, which is a cost-reimbursable vehicle that generates the bulk of the anticipated program cost. The contract is currently valued at $971,000,000 for some of the development and deployment associated with ERAM. One pending adjustment to the ERAM contract, related to improvements to the Display System Replacement, will likely increase that cost by $200,000,000. Clearly, developmental initiatives with high degrees of undefined elements carry a greater risk of cost overruns and schedule delays—particularly when administered through a cost plus contract.

2. *Managing Complex Software Development.*—The development and deployment of ERAM involves creating and integrating approximately 1.3 million lines of new and re-used computer code. The first software version of ERAM (release 1) will provide essentially the same capabilities that the Host possesses today with its current complement of over 3 million lines of code. Clearly, this is a challenging software engineering task, particularly because the contractor will have to integrate different programming languages and will rely on three different entities to develop and integrate the software.

Later software versions of ERAM (releases 2.0 and 3.0) will be challenging to develop, test, and implement because they are expected to provide capabilities that do not exist today. Requirements for the later elements of ERAM are not well understood and serious questions exist about what it will take in terms of time and money to deliver these additional capabilities.

Last year, the Committee admonished FAA for providing insufficient justification for ERAM given the size and magnitude of the program. This is still the case today. The Committee continues to be concerned about the lack of clarity in the goals and elements of this program. The Committee believes that an initiative of this size and importance to the agency warrants a much more comprehensive justification and repeated attempts by the Committee to find greater definition of the procurement elements have been less than illuminating. The more attention and scrutiny the Committee devotes to the ERAM program, the more troubling this initiative appears. FAA has not clearly articulated the level of development and risks associated with the later stages of this procurement and the agency's plans to mitigate those risks. As a result, it remains unclear whether or not FAA is correctly positioned to manage the program with respect to complex software development and integration issues and what metrics can be used to gauge progress.

The Committee Recommendation provides $333,200,000 for ERAM for fiscal year 2005, a decrease of $28,000,000 from the budget request and an increase of $26,000,000 over the fiscal year 2004 appropriated level. The Committee believes this reduction can be easily accommodated with appropriate management of the procurement—particularly when considering that the FAA assures the Committee that program growth of $200,000,000 to $300,000,000 can be accommodated as discussed above. In addition, the Committee directs the FAA to divide the current ERAM effort into separate and distinct programs with individual budget line items and encourages the FAA to take advantage of fixed priced contracting vehicles for the individual program elements. At a minimum, the program could be divided into programs and budget line items that specifically address Host replacement from those that introduce new capabilities to the current infrastructure.

ARTCC Building Improvements/Plant Improvements.—The Committee recommendation provides $28,000,000, the same level appropriated in fiscal year 2004.

Air Traffic Management [ATM].—The Committee provides $38,000,000 for ATM, which is $500,000 more than the amount appropriated in fiscal year 2004.

Volcano Monitoring.—The Committee recommendation provides $4,000,000 for this activity, the same as the fiscal year 2004 enacted level.

Aviation Weather Services Improvements.—The Committee recommendation includes $5,000,000 to improve weather information for highly traveled mountain passes, including Rainey Pass, Merrill Pass, and Ptarmigan Pass.

Oceanic Automation System.—The Committee continues to be concerned with the management of the effort to modernize the management of the oceanic airspace. While no program of this size has had the degree of congressional, Inspector General and GAO attention as the OAS procurement has over the past 15 years, the FAA seems to continue to find new and innovative ways to increase the cost of the procurement and the taxpayers' exposure to future system and contract costs. The Committee recommendation provides $42,000,000, and notes that the FAA can accommodate this level by aggressively managing time and materials contract line items for software maintenance and support of FAA testing activities and by controlling testing, engineering and program management support.

Automated Technical Support System.—The Committee includes $3,000,000 for the ongoing development and testing of an automated technical documentation pilot program utilizing complex schematic diagrams with capabilities for response and decision-support following a failure of short range radar systems.

Wide Area Augmentation System.—The Committee continues to have serious concerns about the resource drain the WAAS program presents compared to the minimum benefits to aviation users demonstrated to date. In May, the FAA rebaselined the WAAS program for the fourth time in 10 years. With such little acceptance of this program from aviation users as measured by equipage rates, the Committee is concerned that this program may never realize its projected benefits. The Committee recommendation defers the $34,940,000 in funding requested for the additional geo-stationary satellite.

Terminal Doppler Weather Radar [TDWR].—The Committee recommendation is $3,000,000, a slight increase from the fiscal year 2004 appropriated level.

Terminal Air Traffic Control Facilities Replacement.—The Committee recommendation includes $126,100,000 for new and replacement air traffic control tower [ATCT] and ATCT/TRACON consolidation projects, an increase of $31,000,000 above the budget request. Funding shall be available for the following projects in the corresponding amounts:

Location	Amount
Chicago, IL	$5,000,000
Cleveland, OH	7,025,000
Portland, OR (TRACON)	1,000,000
Dayton, OH	975,000
Orlando, FL (TRACON)	2,010,625
Toledo, OH	975,000
Abilene, TX	1,260,000
Pensacola, FL (TRACON)	1,133,900
Washington, DC	7,402,300
Huntsville, AL	11,000,000
Houston, TX	25,000,000
Memphis, TN	10,200,000
Dallas, TX (Addison)	1,349,375
Reno, NV	3,000,000
Seattle, WA (ATCT)	1,300,000
Fort Wayne, IN	2,200,000
Deer Valley, AZ	2,000,000
Pt. Columbus, OH	700,000
Billings, MT	3,000,000
Savannah, GA	700,000
Roanoke, VA	700,000
Merrimack, NH (BCT)	834,000
Phoenix, AZ	1,334,800
Manchester, NH	1,800,000
Chantilly, VA	5,500,000
Newport News, VA	2,000,000
Sacramento, CA	2,000,000
Jefferson County, CO	1,000,000
Kona, HI	2,000,000
Lihue, HI	2,000,000
Boise, ID	6,000,000
Missoula, MT	4,000,000
Las Vegas, NV (ATCT)	4,000,000
North Bend, OR	2,000,000
Spokane, WA	3,000,000
Rogers, AR	700,000
Total	126,100,000

Airport Traffic Control Tower [ATCT]/TRACON Facilities Improvement.—The Committee recommendation includes $55,175,800 for improvements to terminal facilities and equipment, which is equal to the budget request. The Committee recommendation includes funding for the projects listed below:

IMPROVE AIR TRAFFIC CONTROL FACILITIES

Facility	Description	Amount
Fairbanks, AK	Replace ceiling tiles, lighting, flooring	$92,100
King Salmon, AK	HVAC, LPGB, ceiling tiles, carpet, paint	165,000
Des Moines, IA	Upgrade ATCT siding and replace roof	224,400
Omaha, NE	HVAC Replace	665,150
Lincoln, NE	HVAC replace, Interior refurbish	449,320
Atlantic City, NJ	Rehab mobile tower	30,000
Poughkeepsie, NY	Seismic survey	260,000
Lancaster, PA	Replace air handling system	402,600
Parkersburg, WV	Install equipment building	190,290
New Haven, CT	Replace ESD carpet in cab	97,900
Boston TRACON	Replace carpet for 11 locations	79,200
Norwood, MA	Seismic survey	260,000

IMPROVE AIR TRAFFIC CONTROL FACILITIES—Continued

Facility	Description	Amount
Denver TRACON	Correct functional problems	850,000
Great Falls, MT	Seismic survey	260,000
Ogden, UT	General refurbish	6,360
Pocatello, ID	General refurbish	250,015
Daytona Beach, FL	Modernize ATCT cab	32,373
Fort Lauderdale, FL	Modernize cab	306,400
Nashville, TN	General refurbish	293,700
Raleigh-Durham, NC	Mod ATCT Phase II	872,300
Brownsville, TX	Repair ATCT shaft and Base building engineering and drafting.	1,000,000
Dallas Love, TX	Modernize admin area Phase II	994,000
Dallas-Ft Worth, TX	Mod Ops area Phase I	110,000
Kenai, AK	Upgrade/Modernize ATCT	1,140,945
Grand Island, NE	Replace foam insulation on roof	49,890
Des Moines, IA	Paint consoles, remodel restrooms	38,500
Kansas City, MO	Resurface parking lot	127,450
Cedar Rapids, IA	Replace HVAC	632,500
Clarksburg, WV	Replace roof	618,200
Caldwell, NJ	Seismic survey	260,000
Lancaster, PA	Seismic survey	260,000
Philadelphia, PA	Seismic survey	260,000
Anoka, MN	Bldg 1840 warehouse support	45,000
Lawrence, MA	General modernization	93,000
Aspen, CO	Replace carpeting humidifiers and base building roof.	383,885
Great Falls, MT	Facility modernization	146,640
Twin Falls, ID	Mod ATCT/Provide Base building Phase I	180,000
Olympia, WA	Modernize ATCT	510,772
Paducah, KY	Seismic survey	260,000
Daytona Beach, FL	Expand Base Building Phase II	2,004,200
Mobile, AL	Expand Base Building and FLS Phase II	1,466,310
Raleigh-Durham, NC	Replace HVAC	121,200
Sarasota, FL	Replace HVAC and Mod facility Phase II	828,300
Dallas-Ft Worth TRACON	Mod Ops area Phase II	902,330
Dallas-Ft Worth, TX	Mod Ops are Phase I	110,000
Dallas-Ft Worth, TX	Mod Ops area Phase I	110,000
Longview, TX	General refurbish Phase II	1,253,670
Tulsa, OK	Seismic survey	260,000
Camarillo, CA	Inservice upgrade to tower cab	603,064
Santa Ana, CA	Modernize ATCT	300,000
Southern CA TRACON	Install ETG lab	1,200,000
ACE	Various	45,000
AEA	Various	117,000
AGL	Various	144,000
ANE	Various	45,000
Midland, TX	Expand Base Building Phase II	1,117,352
Oklahoma City, OK	Seismic survey	260,000
Honolulu, HI	Breakroom for tower	358,784
Scottsdale, AZ	Modernize ATCT	200,000
AAL	Various	27,000
ANM	Various	81,000
ASO	Various	171,000
ASW	Various	108,000
AWP	Various	162,000
Total		24,893,100
Regional Projects		
Kansas City, MO	EFSTS	143,995
St. Louis, MO	Replace carpet and linoleum	40,990
Akron, OH	Procure and install data display system	146,159
Philadelphia, PA	Modernize ATCT cab	75,800
Pontiac, MI	Repair base building	80,000

IMPROVE AIR TRAFFIC CONTROL FACILITIES—Continued

Facility	Description	Amount
Youngstown, OH	General refurbish	108,000
Flint, MI	Replace elevator control unit	35,100
Minneapolis, MN	Replace carpet admin/break room	95,085
Seattle, WA	Add positions	209,107
Salem, OR	Construct modular building	104,050
Peachtree City, GA	Establish local control position	274,073
Atlanta, GA	Establish ground metering position	164,267
Southwest	Various	200,000
Los Angeles, CA	Provide covering for parking	104,150
Santa Maria, CA	Replace roof-top structure	86,950
Sacramento, CA	Tower refurbish	123,000
Kearny Mesa, CA	Replace air conditioning system	74,500
Chico, CA	Replace HVAC	93,425
Santa Barbara, CA	Repair parking lot	20,400
Kansas City, MO	Electronic drop tube	51,800
Lansing, MI	7 SAIDS-IDS–4 stations	166,359
Atlantic City, NJ	Repair mobile tower	30,000
Farmingdale, NY	ACTA Improve	54,000
Marion, IL	Re-roof corners, misc repairs	52,000
Pontiac, MI	General refurbish	250,000
Chicago, IL	Remove and replace sealant on base building and tower.	236,000
Burlington, VT	Replace base building roof	104,171
Portland, OR	Install ETVS, TEDs and associated equipment	105,450
San Diego, CA	Replace water line	70,000
Atlanta, GA	Establish new ground control position	266,494
Atlanta, GA	Add TMC position	124,799
Mesa, AZ	Provide covering for parking	45,000
Las Vegas, NV	Repaint interior, replace floor and lighting fixtures	148,700
So Lake Tahoe, CA	Repaint exterior	28,600
Deer Valley, AZ	Replace HVAC	98,488
La Verne, CA	Upgrade air conditioning system	74,500
Long Beach, CA	Replace HVAC	90,388
Total		4,175,800

Terminal Voice Switch Replacement/Enhancement Terminal Voice Switch.—The Committee recommendation provides $16,000,000 for the TVSR/ETVS switch replacement program, an increase of $5,800,000 from the budget request of $10,200,000 and the same amount as the fiscal year 2004 enacted level.

NAS Infrastructure Management System [NIMS].—The Committee recommendation provides $10,000,000 for the NIMS program without prejudice due to budget constraints.

Airport Surveillance Radar [ASR–9].—The Committee recommends the $20,700,000 for service life extension modifications to the ASR–9 airport surveillance radar. The Committee is aware that the ASR–9 is the principal airport radar used at the Nation's busiest airports which serve 90 percent of enplaned passengers.

Terminal Digital Radar (ASR–11).—The Committee recommends a reduction of $7,000,000 from the requested level of $107,100,000. The Committee recommendation fully funds the request to procure and install 12 new radar systems. In addition to funds for new production systems, the FAA is requesting funding for site surveys, site designs, and spare parts. The Committee notes that the number of site surveys and site designs that have been completed significantly exceeds the number of systems that have been procured. The Committee believes the recommendation provides a sufficient level of resources if the FAA defers site surveys for systems that will not be installed for a number of years and limits spare parts purchasing to a reasonable level that is needed to sustain the current inventory. The Committee is aware of the need to install a new ASR–11 at the Bismarck Airport in North Dakota and is dismayed over the delay in the project moving forward. The Committee directs the FAA to work with the Bismarck Airport to come up with a suitable solution so as to ensure that there is improved radar coverage in the near-term and that safety is not impeded.

DOD/FAA Facilities Transfer.—The Committee recommendation includes $3,200,000, which is essentially the same level of funding that was appropriated in fiscal year 2004. Funding provided above the budget increase is for necessary improvements and continued operations of the airport radar approach control at Lawton/Fort Sill Regional Airport in Oklahoma.

FSAS Operational and Supportability Implementation System [OASIS].—The Committee recommends a $9,200,000, a reduction of $1,000,000. The recommendation is consistent with the amount that the FAA has reprogrammed from this program to other activities in previous fiscal years.

Instrument Landing System [ILS] Establishment.—The Committee recommends $25,250,000 for establishment of instrument landing systems, which includes $2,500,000 for program management, engineering, testing, freight, and technical support. The Committee directs the funding to be distributed as follows:

Facility	Description	Amount
Alliance, NE	Acquire and Install ILS	$1,000,000
Andalusia-Opp Airport, AL	Acquire and Install ILS with MALSR	1,625,000
Carbon County, UT	Acquire and Install ILS	2,000,000
Colorado Springs, CO	Acquire and Install ILS	2,000,000
Eugene, OR	Install CAT I ILS with ALS, PAPI, REIL	1,250,000
Herbert Smart Downtown Regional, GA	Acquire and Install ILS	2,000,000
Kirksville Regional, MO	Acquire and Install ILS	975,000
New York, NY (JFK)	Installation of MALSR	1,300,000
O'Hare International, IL	CAT II/III ILS installation	2,000,000
St. Louis Lambert	CAT III ILS for new runway	2,000,000
Sheboygan County, WI	Install ILS with localizer, DME, glidescope	1,000,000
Tooele, UT	Install CAT I ILS with MALSR	2,000,000
Walterboro Municipal, SC	Acquire and Install ILS	1,600,000
Winston-Salem, NC	Installation of ALSF–2	2,000,000

Transponder Landing Systems.—The Committee recommendation provides $6,300,000 for acquisition and installation of transponder landing systems [TLS], which is the same as the fiscal year 2004 enacted level. The Committee directs the FAA to conduct surveys and cost-benefit analysis to site TLS at the following locations: Chevak; Emmonak; Hooper Bay Airport; Marshall; Scammon Bay; St. Michael; Selawik; Dillingham Airport; Unalaska Airport; McGrath Airport; Sand Point Airport; Unalalekeet; Fulton County Airport, IN; Danville, KY; Lawrence Smith Memorial Airport, MO; Dawson Community Airport, MT; Clinton County Airport, OH; Bandon State Airport, OR; Gatlinburg-Pigeon Forge Airport, TN; McGhee Tyson Airport, TN; Deer Park Airport, WA.

Approach Lighting System Improvement Program [ALSIP].—The recommendation includes $19,700,000 for procurement and installation of frangible approach lighting equipment, including ALSF–

2 and MALSR lighting systems. The Committee believes that using the latest lighting technology could improve reliability and reduce maintenance costs. The Committee encourages the FAA to complete a review of the specifications for procurements under the ALSIP program. The Committee encourages the FAA to consider the development of a certified supplier list once the updated specification is completed. Under the Committee recommendation, the funding is to be distributed as follows:

Facility	Description	Amount
Kingston, NC	Install ALSF–2	$2,500,000
Wilmington, DE	Install MALSR	2,500,000
Gulfport-Biloxi, MS	Install TDZ and CL lighting RW 14–32	1,100,000
Alaska statewide rural airfield lighting program	Acquire and Install airfield lighting	8,000,000
North Las Vegas and Henderson Executive	REIL's	500,000
Monroe Regional, LA	Airfield lighting	2,200,000
Mobile Regional, AL	Acquire and Install MIRL for Runway 18/36	1,000,000
Adak, AK	Upgrade instrument approach lighting	1,900,000

The Committee has provided funding to continue the ongoing program to install runway and airfield lights at rural airports throughout Alaska. The Committee directs that priority consideration should be given to airports at Adak, Seldovia, and Soldotna.

Medium-Intensity Approach Lighting System Replacement [MALSR].—The Committee is aware of the large inventory of MALSRs. The Committee encourages the FAA to consider using a small business MALSR provider for 3 to 6 turn-key next generation approach lighting systems which may reduce acquisition and life cycle costs.

Loran C.—The Committee recommends $10,000,000 to continue the program to modernize the Loran-C navigation system. The Committee is aware that recapitalization of the loran radionavigational system in the contiguous United States has largely been completed, but notes that substantial work remains in Alaska. The Committee urges the Administrator to advance modernization of the Loran infrastructure in Alaska and directs that funds be requested in the fiscal year 2006 budget submission if additional resources are necessary to complete this modernization program.

Electrical Power Systems—Sustain/Support.—The Committee provides $40,000,000 without prejudice due to budget constraints, a reduction of $5,000,000 from the budget request.

Airport Cable Loop Systems—Sustained Support.—Of the funds provided, the Committee directs $1,000,000 for acquisition and installation of a fiber optic loop at Las Vegas-McCarran International Airport and $4,000,000 to replace the cable loop at Hartsfield International Airport.

Programs Being Rebaselined.—The budget estimate did not allocate funding for ITWS, STARS, and WAAS and instead reserved a lump sum amount until completion of a revised baseline for each program. The Committee received revised requests for these programs and has recommended funding for these programs in the appropriate budget lines.

NON-AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT

Aviation Safety Analysis System [ASAS].—The Committee recommendation provides $6,900,000, sufficient resources to maintain the present level of effort in the current constrained budget environment.

MISSION SUPPORT

System Engineering and Development Support.—The Committee recommends $27,765,000 for this area of technical and management support. The Committee recommendation reduces the increase above the fiscal year 2004 enacted level to $1,950,000 due to budget constraints.

Transition Engineering Support.—The Committee recommendation provides $30,000,000 for transition engineering support, a reduction of $5,000,000 from the budget request and requests an analysis of which programs receive support from this line and an explanation of why such activities would not be more accurately budgeted within the programs receiving the support.

Frequency and Spectrum Engineering.—The Committee recommends $2,000,000 for this program, the same level appropriated in fiscal year 2004.

Technical Support Services Contract [TSSC].—The Committee recommendation provides $38,300,000, a reduction of $5,000,000 from the requested amount due to budget constraints.

Resource Tracking Program [RTP].—The Committee provide $1,000,000 for the resource tracking program due to higher budgetary priorities.

PERSONNEL AND RELATED EXPENSES

Personnel and Related Expenses.—The Committee recommendation provides $428,700,000.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriations, 2004[1]	$118,734,000
Budget estimate, 2005	117,000,000
Committee recommendation	129,427,000

[1] Reflects reduction of $705,000 pursuant to Division H, section 168 of Public Law 108–199.

The Research, Engineering and Development [RE&D] appropriation provides funding for long-term research, engineering and development programs to improve the air traffic control system by increasing its safety and capacity, as well as reducing the environmental impacts of air traffic, as authorized by the Airport and Airway Improvement Act and the Federal Aviation Act, as amended. The programs are designed to meet the expected air traffic demands of the future and to promote flight safety through improvements in facilities, equipment, techniques, and procedures in order to ensure that the system will safely and efficiently handle future volumes of aircraft traffic.

The Committee recommendation includes $129,427,000 for the FAA's research, engineering, and development activities. The recommended level of funding is $12,427,000 more than budget request and $10,692,690 more than the fiscal year 2004 enacted level.

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

RESEARCH, ENGINEERING AND DEVELOPMENT

	Fiscal Year—		Committee recommendation
	2004 enacted [1]	2005 estimate	
Improve Aviation Safety:			
Fire Research and Safety	$9,667,622	$5,578,000	$6,578,000
Propulsion and Fuel Systems	6,606,789	3,672,000	7,672,000
Advanced Materials/Structural Safety	7,223,131	2,197,000	6,697,000
Atmospheric Hazards/Digital Systems Safety	4,567,890	4,119,000	4,119,000
Aging Aircraft	20,498,342	18,351,000	19,151,000
Aircraft Catastrophic Failure Prevention Research	757,504	1,116,000	1,116,000
Flightdeck/Maint./System Integration Human Factors	8,344,475	8,294,000	12,794,000
Aviation Safety Risk Analysis	7,851,402	8,640,000	8,640,000
Air Traffic Control/Airway Facilities Human Factors	8,846,496	9,467,000	9,467,000
Aeromedical Research	8,829,596	6,660,000	6,660,000
Weather Research Safety	20,728,974	20,838,000	20,838,000
Improve Efficiency of Air Traffic Control System:			
National Plan for Transformation of Air Service	....	5,100,000	5,100,000
Wake Turbulence	....	2,296,000	4,796,000
Weather Research Efficiency	2,982,300	....	....
Reduce Environmental Impact of Aviation: Environment and Energy	7,927,947	16,008,000	11,890,000
Improve Efficiency of Mission Support:			
System Planning and Resource Management	497,050	1,275,000	520,000
Technical Laboratory Facility	3,404,792	3,389,000	3,389,000
Total R,E&D	118,734,310	117,000,000	129,427,000

[1] Reflects reduction of $705,000 pursuant to Division H, section 168(b) of Public Law 108–199.

IMPROVE AVIATION SAFETY

Fire Research and Safety.—The Committee recommends $6,578,000 for fire research and safety and includes $1,000,000 for continued comprehensive evaluation of advanced reticulated polyurethane safety foam in commercial aircraft.

Propulsion and Fuel Systems.—The Committee recommendation provides a total of $7,672,000 for propulsion and fuel systems research to reduce commercial fatalities. The Committee provides $3,000,000 to continue the study of the effects of molecular markers designed for the purpose of detecting adulteration or dilution of jet fuel for use in aviation engines. This funding will support appropriate engine testing by the FAA as well as a closed field trial. The Committee directs the Department of Transportation [DOT] to report their findings to the Congress not later than 18 months after the date of enactment.

The recommended level of funding includes $1,000,000 for further research into the performance and combustion characteristics of aviation grade ethanol fuels at South Dakota State University.

Advanced Materials/Structural Safety.—The Committee recommends $6,697,000 for advanced materials/structural safety research. With the additional funds provided, $4,000,000 is to support and improve ongoing metallic and composite structures research at the National Institute for Aviation Research and $500,000 for advanced materials research at the University of Washington.

Center of Excellence for General Aviation Research [CGAR].—The Committee notes that the FAA has supported the research efforts of the Center of Excellence for General Aviation Research [CGAR] which is a consortium of the aviation industry and five universities—Embry Riddle Aeronautical University; the University of North Dakota; Wichita State University; University of Alaska; and, Florida Agricultural and Mechanical University. The Committee supports the continued funding of the research of CGAR and directs that the FAA provide no less than $1,500,000 to CGAR for its general aviation research efforts.

Aging Aircraft.—The Committee recommendation includes a total of $19,151,000 for the aging aircraft program to reduce commercial aviation fatalities. The Committee has provided resources to continue the collaborative efforts between the FAA and several public and private organizations including the Center for Aviation Systems Reliability [CASR], the Airworthiness Assurance Center of Excellence [AACE] and the Engine Titanium Consortium [ETC]. Within the appropriation, the recommendation includes $2,000,000 for the Center for Aviation Systems Reliability [CASR]; $1,000,000 for the Engine Titanium Consortium [ETC]; $2,500,000 for the Aging Aircraft Nondestructive Inspection Validation Center [AANC]; and, $1,500,000 for the Center for Aviation Research and Aerospace Technology [CARAT].

Flightdeck/Maintenance/System Integration Human Factors.—The Committee recommends $10,794,000 for flightdeck, maintenance, and systems integration human factors, an increase of $2,500,000 above the budget estimate. The Committee recommendation includes $2,000,000 to continue development of inflight simulator training for commercial pilots and $500,000 to provide training and education in aircraft inspection, maintenance and repair at NH Community Technical College-Nashua.

Cabin Air Quality.—Within the funds provided for aeromedical research, the Committee provides $3,000,000 to continue studies related to cabin air quality as authorized in Section 815 of the Vision 100—Century of Aviation Authorization Act. The Committee directs that this research be conducted through the recently established "Center of Excellence for Cabin Air Quality" and shall, to the extent that sufficient funds are available, include the following areas: identification of chemical exposures during sporadic air quality incidents; an animal study to assess the toxicity of inhaling a neurotoxic component of aircraft engine oils and hydraulic fluids; mechanical means of keeping flying insects out of the passenger cabin of commercial aircraft; aircraft catastrophic failure prevention research; in-flight decontamination procedures; and advanced cleansing and biological sensors.

Mobile Object Technology.—The Committee recommendation for flightdeck, maintenance, and systems integration human factors includes $3,000,000 to further develop and implement a mobile object technology program to demonstrate the deployment of software quickly and efficiently into the complex National Airspace System and the System Wide Information Network [SWIM]. This demonstration should explore the mobile object technology's ability to analyze remote monitoring and maintenance capabilities and its potential integration into the Surveillance Data Network [SDN].

IMPROVE EFFICIENCY OF AIR TRAFFIC CONTROL SYSTEM

National Plan for Air Transportation.—The Committee recommends $5,100,000, as requested, for FAA's contribution to the multi-agency Joint Planning and Development Office [JPDO]. This office represents the Departments of Defense, Commerce, Transportation, and Homeland Security, in addition to the National Aeronautics and Space Administration and the FAA, in developing the next generation air transportation system. The JPDO, and its charter, was established and charged in Public Law 108–176.

Wake Turbulence.—The Committee recommendation includes $5,296,000 for the wake turbulence program, which is $3,000,000 above the budget request. Funding provided above the budget estimate is to enhance the capability of pulsed laser Doppler radar [Lidar] to detect and track aircraft wakes.

REDUCE ENVIRONMENTAL IMPACT OF AVIATION

Environment and Energy.—The Committee recommends $11,890,000 and provides an increase of 50 percent above the level enacted for fiscal year 2004 instead of the proposed increase of 64 percent.

IMPROVE EFFICIENCY OF MISSION SUPPORT

System Planning & Resource Management.—The Committee provides $520,000, which is slightly more than the fiscal year 2004 enacted level.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

Appropriations, 2004[1]	$3,379,940,000
Budget estimate, 2005	2,800,000,000
Committee recommendation	2,800,000,000

[1] Reflects reduction of $20,060,000 pursuant to Division H, section 168 of Public Law 108–199.

The Airport and Airway Improvement Act of 1982, as amended, authorizes a program of grants to fund airport planning and development, noise compatibility planning and projects, the military airport program, reliever airports, airport program administration, and other authorized activities for public use airports in all States and territories. The liquidation cash appropriation provides for liquidation of obligations incurred pursuant to contract authority and annual limitations on obligations for grants-in-aid for airport.

The Committee recommends $2,800,000,000 in liquidating cash for grants-in-aid for airports, which is the same as the budget request. This is consistent with the Committee's obligation limitation on airport grants for fiscal year 2005 and for the payment of obligations from previous fiscal years.

GRANTS-IN-AID FOR AIRPORTS

(LIMITATION ON OBLIGATIONS)

(AIRPORT AND AIRWAY TRUST FUND)

Obligation limitation, 2004	$3,379,940,000
Budget estimate, 2005	3,500,000,000
Committee recommendation [1]	3,500,000,000

[1] Reflects reduction of $20,060,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect $1,988,000 direct appropriation pursuant to Division H, section 167 of Public Law 108–199.

The total program level recommended for fiscal year 2005 for grants-in-aid to airports is $3,500,000,000, which is the same as the budget request and $120,060,000 more than the fiscal year 2004 enacted level. The Committee recommendation is intended to be sufficient to continue the important tasks of enhancing airport and airway safety, ensuring that airport standards continue to be met, maintaining existing airport capacity, and developing additional capacity.

A table showing the distribution of these funds according to current law compared to the fiscal year 2004 level and the President's budget request follows:

GRANTS-IN-AID FOR AIRPORTS

	Fiscal Year 2004 Enacted [1]	Fiscal Year 2005 Request	Committee Recommendation
Obligation Limitation	$3,379,940,000	$3,500,000,000	$3,500,000,000
Personnel and Related Expenses	65,863,101	69,302,000	68,802,000
Small Community Air Service	19,882,000		20,000,000
Available for AIP Grants	3,294,194,899	3,430,698,000	3,411,198,000
Primary Airports	903,768,585	903,768,585	903,768,585
Cargo Service Airports	115,296,821	120,074,430	120,074,430
Alaska Supplemental (Sec. 4714(e))	21,345,114	21,345,114	21,345,114
States (General Aviation):			
Non-Primary Entitlement	341,047,527	341,147,527	341,147,527
State Apportionment by Formula	317,791,453	344,992,073	344,992,073
Subtotal	658,838,980	686,139,600	686,139,600
Carryover Entitlement	335,700,203	336,000,000	336,000,000
Subtotal Entitlements	2,034,949,703	2,067,327,729	2,067,327,729
Small Airport Fund:			
Non Hub Airports	217,288,910	217,288,910	217,288,910
Non Commercial Service	108,644,455	108,644,455	108,644,455
Small Hub	54,322,227	54,322,227	54,322,227
Subtotal Small Airport Fund	380,255,592	380,255,592	380,255,592
Subtotal Non Discretionary	2,415,205,295	2,447,583,321	2,447,583,321
Discretionary Set-Aside: Noise	307,646,361	344,090,138	344,090,138
Discretionary Set-Aside: Reliever	5,801,331	6,488,557	6,488,557
Discretionary Set-Aside: Military Airport Program	35,159,584	39,324,587	39,324,587
Subtotal Discretionary Set-asides	348,607,276	389,903,282	389,903,282
C/S/S/N	397,786,746	444,908,548	444,908,548

GRANTS-IN-AID FOR AIRPORTS—Continued

	Fiscal Year 2004 Enacted [1]	Fiscal Year 2005 Request	Committee Recommendation
Pure Discretionary	132,595,582	148,302,849	128,802,849
Subtotal Other Discretionary	530,382,328	593,211,397	573,711,397
Subtotal Discretionary	878,989,604	983,114,679	963,614,679
GRAND TOTAL	3,294,194,899	3,430,698,000	3,411,198,000

[1] Reflects reduction of $20,060,000 pursuant to Division H, section 168(b) of Public Law 108–199. Does not include direct appropriation of $1,988,200 pursuant to Division H, section 167 of Public Law 108–199.

Airport Discretionary Grants.—Within the budgetary resources provided in the accompanying bill, $963,614,679 is available for discretionary grants to airports. The Committee has carefully considered a broad array of discretionary grant requests that can be expected in fiscal year 2005. Specifically, the Committee expects the FAA to give priority consideration to applications for the projects listed below in the categories of AIP for which they are eligible. If funds in the remaining discretionary category are used for any projects in fiscal year 2005 that are not listed below, the Committee expects that they will be for projects for which FAA has issued letters of intent (including letters of intent the Committee recommends below that the FAA subsequently issues), or for projects that will produce significant aviation safety improvements or significant improvements in systemwide capacity or otherwise have a very high benefit/cost ratio.

Within the program levels recommended, the Committee directs that priority be given to applications involving the further development of the following airports:

State	Airport Name	Project Description
AK	Adak	Various improvements.
AK	Akutan SPB	Various improvements.
AK	Cold Bay	Air terminal improvements.
AK	False Pass	Various improvements.
AK	Juneau International	Snow removal equipment building and site development for GA aircraft, terminal enhancement.
AK	Kenai	Various improvements.
AK	Ketchikan International	Various improvements.
AK	Soldotna	Various improvements.
AK	Ted Stevens Anchorage International	Laser lines of tug roads.
AK	Unalaska	Air terminal expansion.
AK	Portage Creek	Runway extension and improvements.
AL	Atmore Municipal	Land acquisition and apron expansion.
AL	Madison County Executive	Various improvements.
AL	Mobile Downtown	Install Perimeter Security Fence.
AL	Montgomery Regional (Dannelly Field)	Terminal Renovation—Phase III.
AL	Mobile Downtown	Cargo Apron Rehabilitation/Drainage Repairs.
AL	Huntsville International—Jones Field	Taxiway E5 Extension.
AL	Bessemer Municipal	Runway extension and security upgrade.
AL	Mobile Regional	Rehabilitate Access Road to East Ramp.
AL	Mobile Downtown	Land Acquisition in Runway Protection Zone (RPZ).
AL	Mobile Regional	Asphalt Overlay of Runway 18/36 and Taxiway "R".
AL	Huntsville International—Jones Field	Expand Intermodal Air Cargo Access Taxiway to 12,600 ft. Runway (Taxiway L).
AL	Huntsville International—Jones Field	Small Community Air Service Development Program for Competitive Fares/AIP Special Fund.
AL	Gragg-Wade Field	Land Acquisition for Approach Zone.

State	Airport Name	Project Description
AL	Montgomery Regional (Dannelly Field)	Montgomery Regional Airport Terminal Expansion Phase III.
AL	Auburn-Opelika/Robert G Pitts	Ramp and taxiway improvements and property acquisition.
AL	Andalusia-Opp	Apron and Connector Taxiway Construction, Runway/Taxiway Extension Design, Land Acquisition, Runway Overlay, Road Relocation, and Runway/Taxiway Extension.
AL	Moton Field Municipal	Land acquisition, taxiway extension, RSA improvements, other improvements.
AL	Franklin Field	Land acquisition, runway extension and parallel taxiway.
AR	Northwest Arkansas Regional	Taxiway construction.
AR	Texarkana Regional—Webb Field	Terminal renovation.
AR	Baxter County Regional	Runway construction.
AZ	Chandler Municipal	Heliport relocation.
AZ	Phoenix Sky Harbor International	Taxiways Delta and Echo Reconstruction.
CA	Gnoss Field	Runway extension.
CA	Sonoma County	Various improvements.
CA	San Francisco International	SFO Access Control of Airport Ground Service Equipment (GSE) System.
CT	Tweed-New Haven	Various improvements.
DE	New Castle County	Reconstruct/construct Taxiway M, Taxiway K–4.
FL	Orlando International	Elimination of Wildlife Attractants.
FL	Immokalee	Runway 9/27 Resurfacing and Repair Project.
FL	Miami International	Runway Strengthening.
GA	Southwest Georgia Regional	Runway extension project and construction of a new Aircraft Rescue Firefighting Facility (ARFF).
GA	Fitzgerald Municipal	Runway extension.
GA	Jackson County	Runway Extension.
GA	Southwest Georgia Regional	Runway extension.
GA	Paulding County	Land acquisition.
GA	Augusta Regional at Bush Field	Terminal Construction.
GA	Augusta Regional at Bush Field	Various improvements.
HI	Hilo International	Runway Pavement Rehabilitation.
HI	Kahului	Taxiway Pavement Rehabilitation.
IA	Sioux Gateway	Extend and reconstruct taxiways.
IA	Mason City Municipal	Rehabilitation of primary runway 7/35.
IA	Atlantic Municipal	New runway construction.
IA	Council Bluffs Municipal	Various improvements.
IA	Fairfield Municipal	Various improvements.
IA	Council Bluffs Municipal	Paving and marking new runway 18/36 and paving new taxiway.
IA	Ankeny Regional	Land acquisition for increased runway protection zone and 500-foot long runway extension.
IL	Southern Illinois	Equipment and various airport improvements
IL	MidAmerica St. Louis	Various Improvements
IL	Waukegan Regional	Environmental work
IN	New Castle-Henry County Municipal	Land acquisition and reconstruction and widening of a runway.
IN	Indianapolis Metropolitan	Traffic/congestion mitigation study.
IN	Gary/Chicago	Improve and correct airfield safety area.
IN	Clark County	Various improvements.
IN	Indianapolis Executive	Various improvements.
KS	Forbes Field	Taxiway improvements.
KS	Salina Municipal	Apron repair.
KY	Henderson City-County	New Terminal.
KY	Madisonville Municipal	Runway extension.
KY	Louisville International-Standiford Field	Runway extension—35L.
KY	Owensboro-Daviess County	Runway extension.
KY	Bowman Field	Airfield pavement replacement.
KY	Louisville International-Standiford Field	Voluntary relocation program.
KY	Taylor County	Various improvement projects.
KY	Louisville International-Standiford Field	Voluntary Relocation Program.
LA	New Orleans International (Moisant)	Various Improvements/Rehabilitate Runway.
LA	Baton Rouge Metropolitan, Ryan Field	Various Improvements.

State	Airport Name	Project Description
LA	Houma-Terrebonne	North South Runway Upgrade.
LA	Baton Rouge Metropolitan, Ryan Field	Air Carrier Apron Phase I (South).
LA	Lafayette Regional	Runway 4R/22L Safety Zone Improvements.
LA	Baton Rouge Metropolitan, Ryan Field	Noise Mitigation.
LA	Baton Rouge Metropolitan, Ryan Field	Runway 4L–22R Extension.
LA	Houma-Terrebonne	Runway Upgrade.
LA	Lafayette Regional	Taxiway Bravo rehabilitation/widening and strengthening.
LA	Monroe Regional	New Terminal.
LA	Baton Rouge Metropolitan, Ryan Field	Airfield Drainage Phase II.
LA	Lafayette Regional	Runway extension and other improvements.
LA	Monroe Regional	Various improvements.
LA	Morehouse Memorial	Runway Expansion.
LA	Baton Rouge Metropolitan, Ryan Field	Runway 4L Drainage/Safety Area improvement.
LA	Alexandria International	Taxiway B Reconstruction.
MD	Martin State	Runway, safety, and taxiway improvements.
MD	Baltimore-Washington International	Various improvements.
MD	Cumberland Regional	Various Improvements
ME	Machias Valley	Airport relocation.
MI	Detroit City	Gateway Development Program.
MI	Oakland-Pontiac	Relocation of T–Hangars, runway, associated apron, taxiways, and fencing.
MI	Detroit Metropolitan-Wayne County	Runway and Airfield Safety Improvements.
MI	W K Kellogg Regional	Runway and taxiway construction.
MI	Capital City	Runway extension.
MI	Manistee County Blacker	New terminal building.
MI	Manistee County Blacker	Snow removal equipment procurement.
MN	Minneapolis-St Paul International/Wold-Chamberlain	Pavement Rehabilitation—Aprons.
MN	Willmar	Paving and electrical and security components.
MO	Joplin Regional	Terminal Replacement.
MO	Kansas City International	Various Improvements.
MO	Springfield—Brenson Regional	Runway construction.
MO	Rosencrans Memorial	Expansion/improvements
MS	Bruce Campbell Field	Relocate terminal.
MS	Philadelphia Municipal	Airport expansion.
MS	Jackson International	Carrier Apron Replacement.
MS	Gulfport-Biloxi Regional	Taxiway Improvements.
MS	Trent Lott International	Runway expansion.
MS	Olive Branch	Various Improvements.
MS	Winona-Montgomery County	Various Improvements.
MS	Hawkins Field	Runway extension.
MT	Helena Regional	Terminal Remodeling and Expansion Project.
MT	Missoula International	Land Acquisition.
MT	Havre City-County	Terminal Remodeling and Expansion Project.
MT	Great Falls International	Northside Interstate Access Road.
MT	Great Falls International	Runway Improvements.
NC	Statesville Municipal	Runway expansion.
NC	Rowan County	Land acquisition.
NC	Sampson County	Runway expansion.
NC	Morganton-Lenoir	Various improvements.
NC	Concord Regional	Concord Airport Runway Extension.
NC	Andrews-Murphy	Various improvements.
NC	Hickory Municipal	Runway Improvements.
NC	Franklin County	Runway extension.
NC	Burlington Municipal	Runway extension.
NC	Ashe County	Expand terminal apron and construct taxiway.
NC	Wilmington International	Rehabilitation and Overlay of Runway 6–24.
NC	Monroe	Runway extension and taxiway improvements.
ND	Jamestown Municipal	Runway improvements.
ND	Hector International	Runway improvements.
NE	Central Nebraska Regional	North Ramp Rehabilitation.
NJ	Lakewood	Airport Improvement Projects.
NJ	Newark International	Access Control of Airport Ground Service Equipment (GSE) System.
NM	Dona Ana County at Santa Teresa	Runway extension.
NM	Double Eagle II	Rehabilitation of runway and taxiway.

State	Airport Name	Project Description
NV	Reno/Tahoe International	Terminal Apron reconstruction.
NV	Reno/Stead	Ramp Road reconstruction.
NV	Reno/Stead	Airport Access Road Construction.
NV	Reno/Tahoe International	Cargo ramp construction.
NV	Reno/Tahoe International	Northeast Ramp (Cargo) Reconstruction.
NV	Reno/Stead	Runway reconstruction.
NV	Reno/Stead	Overlay of Taxiway ''E''.
NV	Reno/Stead	Existing T–Hangar Taxilane Reconstruction.
NV	Reno/Tahoe International	Checked Baggage In Line Security Screening System Installation.
NV	Beatty	Airport Improvement.
NV	Reno/Tahoe International	FAR Part 150 Noise Insulation Program.
NV	Carson	Property Acquisition for the Reconstruction/Realignment of Runway 9–27.
NY	Niagara Falls International	New passenger terminal.
NY	Niagara Falls International	East Apron Expansion.
NY	Buffalo Niagara International	Internal Perimeter Road.
NY	Greater Rochester International	Runway Extension.
NY	Niagara Falls International	Permeter Access Road.
NY	Buffalo Niagara International	Runway 5/23 extension and various improvements.
NY	Niagara Falls International	East Apron Expansion.
NY	Niagara Falls International	Circulatory Road and Airport Parking.
NY	Plattsburgh International	Various improvements.
OH	Cleveland-Hopkins International	Runway Safety Area Improvements—Partial Runway 10/28.
OH	Toledo Express	Terminal Reconfiguration.
OH	Ohio University	Airport Safety, Security, and Economic Development Initiative.
OH	Cleveland-Hopkins International	Residential Sound Insulation, Noise Exposure Map Update, and Noise Monitor Upgrade.
OH	Dayton Wright Brothers	Land Acquisition.
OH	Cleveland-Hopkins International	Residential soundproofing.
OK	Richard Lloyd Jones, Jr	Access and Perimeter Road Reconstruction.
OK	Richard Lloyd Jones, Jr	Drainage Project.
OK	Tulsa International	Taxiway Rehabilitation.
OK	Tulsa International	Charlie Taxiway Extension.
OK	Altus Municipal	Airport Improvements.
OK	Sallisaw Municipal	Runway Extension.
OK	West Woodward	Various improvements.
OK	Richard Lloyd Jones, Jr and Tulsa International	TUL and RVS Pavement and Seal Coating.
OK	Ponca City Municipal	Runway 17–35 and Taxiway Rehabilitation.
OK	Tulsa International	Taxilanes Project.
OK	Eaker Field	Various improvements.
OK	Tulsa International	Noise Mitigation.
OR	Roberts Field	Taxiway reconstruction.
OR	Rogue Valley International—Medford	Terminal Construction.
OR	North Bend Municipal	Terminal Construction.
OR	Madras/Jefferson County	Construction of new flight services building
PA	Clarion County	Runway extension.
PA	Pittsburgh International	Runway/terminal maintenance complex
PA	Philadelphia International	Environmental Impact Statements.
PA	Indiana County/Jimmy Stewart	Runway extension.
SC	Newberry Municipal	Security fence installation.
SC	Rock Hill Municipal/Bryant Field	Runway Extension Feasibility Study.
SC	Columbia Owens Downtown	Terminal Project.
SC	Pickens County	Runway Rehabilitation.
SC	Chester Municipal	Runway improvements.
SC	Georgetown County	Terminal and ancillary improvements.
SC	Dillon County	Land Acquisition and runway construction
TN	John C Tune	Runway Safety Improvements.
TN	Nashville International	Rescue and Firefighting Facility Expansion.
TN	Upper Cumberland Regional	Runway extension.
TN	Nashville International	Rehabilitation of Runway 13/31.
TX	Nacogdoches-A L Mangham, Jr Regional	Runway expansion.
TX	Valley International	Expansion of concrete parking area.
TX	Denton Municipal	Runway expansion and other improvements.

State	Airport Name	Project Description
TX	Fort Worth Alliance	Runway extension.
TX	Brownsville/S Padre Island International	Runway extension.
TX	Edinburg International	Runway extension.
UT	Logan-Cache	Various improvements.
VT	Edward F Knapp State	Emergency Response Center Hangar.
VT	Newport State	Taxiway and Apron Improvements.
VT	Caledonia County	Runway Lighting
WA	Spokane International	Taxiway "C" Extension Project.
WI	La Crosse Municipal	Construct parallel taxiway to enhance safety.
WI	Eagle River Union	Land reimbursement and improvements.
WI	Dane County Regional	Various improvements.
WI	John F Kennedy Memorial	Install security fencing.
WI	General Mitchell International	Alternative Fuel Vehicles.
WI	L O Simenstad Municipal	Various improvements.
WI	Rice Lake Regional-Carl's Field	Various improvements.
WI	Waukesha County	Various improvements.
WI	Outagamie County Regional	Various improvements.
WI	Kenosha Regional	Develop hangar area and construct perimeter road.
WI	Manitowoc County	Various Improvements
WV	Raleigh County Memorial	Various Improvements
WV	Yeager	Various Improvements
WV	Benedum	Various Improvements
WV	Tri-State/Walker-Long Field	Various Improvements
WV	Greenbrier Valley	Various Improvements
WV	Morgantown Municipal-Walter L Bill Hart Field	Various Improvements
WV	Wood County/Gill Robb Wilson Field	Various Improvements
WV	Mercer County	Various Improvements
WV	Upshur County Regional	Various Improvements
WV	Elkins-Randolph County-Jennings Randolph Field	Various Improvements
WV	Fairmont Municipal	Various Improvements
WV	Logan County	Various Improvements
WV	Eastern WV Regional/Shephard Field	Various Improvements
WV	Marshall County	Various Improvements
WV	Grant County	Various Improvements
WV	Philippi-Barbour County Regional	Various Improvements
WV	Kee Field	Various Improvements
WV	Mason County	Various Improvements
WV	Jackson County	Various Improvements
WV	Summersville	Various Improvements
WV	Braxton County	Various Improvements
WV	Welch Municipal	Various Improvements
WV	Wheeling-Ohio County	Various Improvements
WV	Mingo County	Various Improvements

Letters of Intent.—Congress authorized FAA to use letters of intent [LOI's] to fund multiyear airport improvement projects that will significantly enhance systemwide airport capacity. FAA is also to consider a project's benefits and costs in determining whether to approve it for AIP funding. FAA adopted a policy of committing to LOI's no more than roughly 50 percent of forecasted discretionary funds allocated for capacity, safety, security, and noise projects. The Committee viewed this policy as reasonable because it gave FAA the flexibility to fund other worthy projects that do not fall under a LOI. Both FAA and airport authorities have found letters of intent helpful in planning and funding airport development.

In addition, applications are pending for capacity enhancement projects which would, if constructed, significantly reduce congestion and delay. These projects require multiyear funding commitments. The Committee recommends that the FAA enter into letters of intent for multiyear funding of such capacity enhancement projects.

Current letters of intent assume the following grant allocations for fiscal year 2005:

	Amount
Alaska: Ted Stevens Anchorage International	$12,362,000
California: Norman Y. Mineta San Jose International	3,843,000
Colorado: Denver International	3,250,000
Florida:	
Southwest Florida International	4,000,000
Miami International	8,000,000
Orlando International	7,360,000
Georgia: The William B. Hartsfield Atlanta International	20,368,000
Illinois:	
Central Illinois Regional Airport	4,872,000
Chicago Midway International	12,000,000
Indiana: Indianapolis International	15,000,000
Kentucky: Cincinnati/Northern Kentucky International	19,153,000
Maryland:	
Baltimore-Washington International	7,748,000
Hagerstown Regional-Richard A. Henson Field	8,000,000
Michigan: Detroit Metropolitan Wayne County	18,790,000
Minnesota: Minneapolis-St Paul International/World-Chamberlain	8,000,000
Missouri:	
Springfield-Branson Regional	5,400,000
Lambert-St Louis International	17,789,000
North Carolina: Piedmont Triad International	12,900,000
Nebraska: Eppley Airfield	1,300,000
New Hampshire: Manchester	5,144,000
Ohio:	
Cleveland Hopkins International	10,211,000
Port Columbus International	4,000,000
Pennsylvania: Harrisburg International	6,660,000
Rhode Island: Theodore Francis Green State	1,100,000
Tennessee: Memphis International	6,149,000
Texas:	
Dallas/Fort Worth International	5,692,000
George Bush Intercontinental	17,500,000
Utah: Salt Lake City International	7,000,000
Washington: Seattle-Tacoma International	25,504,000
Total	279,095,000

Passenger Facility Charges.—The Committee notes that a sizable alternative source of funding is available to airports in the form of passenger facility charges [PFC's]. The first PFC charge began for airline tickets issued on June 1, 1992. DOT data shows that as of December 31, 2002, 341 airports were approved to collect PFC's in the amount of $43,000,000,000. During calendar year 2003, airports collected $2,014,991,244 in PFC charges, and $2,045,000,000 is estimated to be collected in calendar year 2004. Of the airports collecting PFC's, approximately one-fifth collected about 90 percent of the total, and all of these are either large or medium hub airports. The first collections at the new $4.50 PFC level began on April 1, 2001, at 31 airports. As of December 31, 2003, 200 airports have been approved to collect at the PFC level of $4.50. Eventually, the funding to airports from the 50 percent nominal increase in authorized passenger facility charges will result in dramatically increased resources for airport improvements, expansions, and enhancements.

Runway Incursion Prevention Systems and Devices.—The bill includes a provision that allows funds for grants-in-aid to airports to be used by airports to procure and install runway incursion prevention systems and devises.

Explosive Detection System [EDS] Installation.—The accompanying bill retains language to prohibit funding under this limitation to be used for modifications to airports that are necessary to install bulk explosive detection systems. Funding for such modifications is now provided by the Department of Homeland Security.

Administration.—The accompanying bill provides $68,802,000 for administration of the airport program from within the overall limitation on obligations. The Committee recommendation fully funds the request for global aviation safety and strategic management pilot programs and limits funding for e-grant data transfer systems to $500,000.

Small Community Air Service Development Program.—The Committee includes $20,000,000, within the overall limitation on obligations for grants-in-aid to airports, for the small community air service development program. This is the same amount as the level provided in fiscal year 2004. The program is designed to improve air service to underutilized airports in small and rural communities. The total number of communities or groups of communities that can participate in the program is limited to no more than 4 from any one State and no more than 40 in any fiscal year. The program gives priority to communities that have high air fares, will contribute a local share of the cost, will establish a public-private partnership to facilitate airline service, where assistance will provide benefits to a broad segment of the traveling public, and where the assistance will be used in a timely fashion.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Rescission, 2004	....
Budget estimate, 2005	....
Committee recommendation	−$265,000,000

The Committee recommends a rescission of contract authorization of $265,000,000. Section 48112 of title 49, United States Code, stipulates that additional contract authorization for the grants-in-aid program is automatically made available in an amount equal to the difference between the appropriated level for the facilities and equipment program and the authorized amount for the same fiscal year. In fiscal year 2004, $265,000,000 was made available pursuant to section 48112. However, such funds exceed the obligation limitation for that fiscal year and are therefore available for rescission. This recommendation will have no programmatic impact on the grants-in-aid program.

GENERAL PROVISIONS—FEDERAL AVIATION ADMINISTRATION

Section 101 provides airports the authority to transfer certain instrument landing systems to the Federal Aviation Administration.

Section 102 limits the number of technical staff years at the Center for Advanced Aviation Systems Development to no more than 350 in fiscal year 2005.

Section 103 prohibits funds in this Act to be used to adopt guidelines or regulations requiring airport sponsors to provide the Federal Aviation Administration "without cost" buildings, maintenance, or space for FAA services. The prohibition does not apply to negotiations between FAA and airport sponsors concerning "below market" rates for such services or to grant assurances that require airport sponsors to provide land without cost to the FAA for air traffic control facilities.

Section 104 authorizes the Federal Aviation Administration to use funds from airport sponsors, including the airport's "Grants-in-Aid for Airports" entitlement funds, for the hiring of additional staff or for obtaining services of consultants for the purpose of facilitating environmental activities related to airport projects that add critical airport capacity to the national air transportation system.

Section 105 extends the terms and conditions of the aviation insurance program, commonly known as "war risk insurance," and air carrier liability for third party claims arising out of acts of terrorism from December 31, 2004 to December 31, 2005.

FEDERAL HIGHWAY ADMINISTRATION

The principal mission of the Federal Highway Administration is to, in partnership with State and local governments, foster the development of a safe, efficient, and effective highway and intermodal system nationwide including access to and within National Forests, National Parks, Indian Lands and other public lands.

Under the Committee recommendations, a total program level of $35,834,632 would be provided for the activities of the Federal Highway Administration in fiscal year 2005. The following table summarizes the fiscal year 2004 program levels, the fiscal year 2005 program request and the Committee's recommendations:

[In thousands of dollars]

Program	Fiscal year—		Committee recommendation
	2004 program level	2005 budget estimate	
Federal-aid highways limitation	[1] 33,643,326	33,643,326	34,900,000
Limitation on administrative expenses	[2] (335,612)	(349,594)	(349,594)
Exempt Federal-aid obligations	1,195,139	834,632	834,632
Appalachian Development Highway System	[3] 124,263	....	100,000
Miscellaneous Highway Trust Fund	[4] 49,705	....	....
Miscellaneous Appropriations	[5] 3,479	....	....
Total	(35,351,524)	(34,827,552)	35,834,632

[1] Reflects $199,640,000 rescission pursuant to Division H, section 168 of Public Law 108–199. Does not reflect $2,578,204 reduction per Division F, section 517 of Public Law 108–199.
[2] Reflects $1,992,000 rescission pursuant to Division H, section 168 of Public Law 108–199. Does not reflect $1,997,000 reduction per Division F, section 517 of public law 108–199.
[3] Reflects $738,000 rescission pursuant to Division H, section 168 of Public Law 108–199.
[4] Reflects $295,000 rescission pursuant to Division H, section 168 of Public Law 108–199.
[5] Reflects $21,000 rescission pursuant to Division H, section 168 of Public Law 108–199.

LIMITATION ON ADMINISTRATIVE EXPENSES

Appropriations, 2004 [1]	$335,612,000
Budget estimate, 2005	349,594,000
Committee recommendation	349,594,000

[1] Reflects $1,992,000 rescission pursuant to Division H, section 168 of Public Law 108–199. Does not reflect $1,997,000 reduction per Division F, section 517 of public law 108–199.

The limitation on administrative expenses controls spending for virtually all the salaries and expenses of the Federal Highway Administration. The Transportation Equity Act for the 21st Century changed the funding source for the highway research accounts from the administrative takedown of the Federal-Aid Highway Program to individual contract authority provisions. The Committee recommends a limitation of $349,594,000.

The following table reflects the fiscal year 2004 level, the 2005 level requested by the administration, and the Committee's recommendation:

LIMITATION ON ADMINISTRATIVE EXPENSES

[In thousands of dollars]

Program	Fiscal year—		Committee recommendation
	2004 level	2005 budget estimate	
Administrative Expenses:			
Salaries and benefits	237,450	246,235	246,235
Travel	9,577	12,757	12,757
Transportation	470	470	470
GSA rent	25,598	25,708	25,708
Communications, rent, and utilities	9,712	10,894	10,894
Printing	1,428	2,454	2,454
Supplies	1,988	2,500	2,500
Equipment	5,702	5,026	5,026
Other	43,687	43,550	43,550
Total	335,612	349,594	349,594

[1] Reflects reduction of $1,992,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect reduction of $1,997,000 pursuant to Division F, section 517 of Public Law 108–199.

Rail-Highway Crossing.—Title 23 United States Code, Section 130(d) requires each State to conduct and systematically maintain a survey of all highways to identify those railroad crossings which may require separation, relocation, or protective devices, and establish and maintain a schedule of projects for this purpose.

In an effort to assist Congress in allocating scarce Federal funds, the Committee directs the Federal Highway Administration [FHWA] to submit a report to the House and Senate Committees on Appropriations no later than March 31, 2005. The report shall contain the schedule of State projects required by 23 U.S.C. 130(d) related to the installation of protective devices including cost, location, priority status and project description.

LIMITATIONS ON ADDITIONAL ACTIVITIES

Grants for the National Amber Alert Network.—On April 30, 2003, the president signed into law the PROTECT Act (Public Law 108–21), formally establishing the Federal Government's role in the Amber Alert system. Amber Alerts use technology to disseminate information about child abductions in a timely manner in an effort to quickly recover kidnapped children through utilization of an integrated response network. Amber Alert plans are voluntary partnerships including law enforcement agencies, highway departments, and media companies that provide emergency alert broadcasts and utilize the Emergency Alert System [EAS], highway messages boards, telephone alert systems, the internet, and e-mail.

The Committee is supportive of the National Amber Alert Network and agrees that national coordination of the many State Amber Alert systems is essential if the network is to become a vital law enforcement tool in child abduction cases. The Committee has included $15,000,000 to support grants for the National Amber Alert Network.

Delta Region Transportation Development Program.—The Committee recommendation for additional LAE activities includes $50,000,000 for grants pursuant to the Delta Region Transportation Development Program. The Committee is encouraged by this innovative approach to facilitate multistate transportation planning and corridor development, transportation decision-making, and expedited project delivery for severely economically challenged areas, and directs the agency to proceed quickly on this program. Priority consideration is to be given to highway upgrades and improvements on U.S. 60 from Carter County to Howell County, Missouri; U.S. 67 Improvements from Madison County to Butler County, Missouri; East/West corridor realignment and reconstruction between Montgomery, Alabama and Cuba, Alabama; widening of LA Highway 671, Jeanerette, Iberia Parish, Louisiana; repair of the Georgie Ridge Bridge, Richland and Morehouse Parishes, Louisiana; improvements to US 412 between Mountain Home and Highway 101 and between Paragould and Big Slough Ditch, Baxter, Clay, and Greene Counties, Arkansas; the Mississippi Regional Corridors Project; and Desha County, Arkansas.

Environmental Streamlining.—The Committee recommendation includes $5,000,000 for Federal Highway Administration environmental streamlining initiatives.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, 2004 [1]	$33,643,326,000
Budget estimate, 2005	33,643,326,000
Committee recommendation	34,900,000,000

[1] Reflects reduction of $199,674,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect reduction per Division F, section 517 of Public Law 108–199 of $2,578,000.

The accompanying bill includes language limiting fiscal year 2005 Federal-aid highways obligations to $34,900,000,000, which is $1,256,674,000 more than the budget request and the fiscal year 2004 comparable level. The following table displays the State-by-State distribution of funds under the Committee recommendation, the President's request and the fiscal year 2004 level.

FEDERAL HIGHWAY ADMINISTRATION ESTIMATED FISCAL YEAR 2005 DISTRIBUTION OF OBLIGATION LIMITATION

States	Estimated Fiscal Year 2004 Distribution [1 3]	Fiscal Year 2005 President's Budget [2 3]	Fiscal Year 2005 Committee Recommendation [2 3]
Alabama	$577,467,570	$611,280,766	$628,046,051
Alaska	294,287,566	324,572,483	332,240,908
Arizona	511,224,069	547,691,113	562,349,173
Arkansas	357,394,759	392,327,433	403,114,275
California	2,681,210,252	2,938,681,544	3,020,798,084

FEDERAL HIGHWAY ADMINISTRATION ESTIMATED FISCAL YEAR 2005 DISTRIBUTION OF OBLIGATION LIMITATION—Continued

States	Estimated Fiscal Year 2004 Distribution [1 3]	Fiscal Year 2005 President's Budget [2 3]	Fiscal Year 2005 Committee Recommendation [2 3]
Colorado	375,270,871	413,011,467	424,524,694
Connecticut	406,335,972	441,483,072	453,109,615
Delaware	126,928,685	141,478,026	145,393,950
District of Columbia	121,142,744	130,696,906	134,537,235
Florida	1,391,946,967	1,488,757,772	1,527,671,225
Georgia	1,023,684,867	1,092,873,247	1,121,936,876
Hawaii	149,717,592	160,736,786	165,165,992
Idaho	208,200,453	223,122,371	229,120,290
Illinois	979,479,163	1,053,895,520	1,083,807,444
Indiana	635,773,030	697,633,246	716,398,310
Iowa	353,301,851	380,390,883	391,279,417
Kansas	344,026,297	370,459,121	381,083,890
Kentucky	513,084,626	543,304,650	558,373,773
Louisiana	430,260,918	480,845,267	494,218,508
Maine	155,287,705	166,924,389	171,601,796
Maryland	488,094,759	523,210,217	537,827,200
Massachusetts	538,671,401	589,243,652	606,007,600
Michigan	897,815,769	963,557,273	989,982,309
Minnesota	403,302,576	452,636,575	465,494,025
Mississippi	343,381,286	376,487,057	387,043,288
Missouri	652,335,564	716,292,758	736,480,475
Montana	270,253,084	295,777,150	303,523,763
Nebraska	238,480,446	256,796,727	264,159,023
Nevada	211,395,813	226,696,139	232,846,161
New Hampshire	145,641,399	156,417,932	160,749,599
New Jersey	781,704,685	840,510,889	864,148,255
New Mexico	269,649,652	296,659,634	304,782,174
New York	1,449,490,153	1,555,105,225	1,598,240,499
North Carolina	818,628,471	872,601,020	896,152,003
North Dakota	188,358,939	207,577,455	213,379,389
Ohio	963,246,831	1,052,938,403	1,082,145,537
Oklahoma	462,796,057	498,308,858	512,583,357
Oregon	332,217,342	365,303,798	375,581,667
Pennsylvania	1,396,817,738	1,480,526,093	1,522,032,494
Rhode Island	172,975,997	188,897,991	194,149,844
South Carolina	479,490,022	513,493,248	527,311,948
South Dakota	197,300,274	217,048,937	223,056,255
Tennessee	623,571,991	674,414,731	693,048,102
Texas	2,312,433,868	2,477,807,757	2,544,280,389
Utah	229,063,221	246,573,313	253,611,558
Vermont	133,369,431	146,421,641	150,565,010
Virginia	712,325,661	778,720,282	799,991,006
Washington	518,418,747	557,887,818	573,752,554
West Virginia	293,966,446	313,521,146	322,265,127
Wisconsin	563,831,680	604,145,665	620,350,017
Wyoming	190,846,450	216,434,506	222,579,866
SUBTOTAL	28,915,901,710	31,262,179,952	32,122,892,000
Allocated Programs [4]	4,724,846,387	2,386,146,348	2,777,108,000
TOTAL	33,640,748,097	33,648,326,300	34,900,000,000

[1] Fiscal year 2004 amounts are estimated pending additional action of Congress during the fiscal year. Amounts do not include additional obligation authority provided by Chapter 4, Section 14003 of the Department of Defense Appropriations Act, 2005, Public Law 108–287.
[2] Obligation limitation distributed among the States based on fiscal year 2004 distribution.
[3] Amounts for each State include special limitation for minimum guarantee and Appalachia and exclude exempt minimum guarantee and emergency relief.
[4] Includes territories. Fiscal year 2004 amount includes funding for section 115 projects.

FEDERAL-AID HIGHWAYS PROGRAMS

The roads and bridges that make up our nation's highway infrastructure are built, operated, and maintained through the joint efforts of Federal, State, and local governments. States have much flexibility to use Federal-aid highway funds to best meet their individual needs and priorities, with FHWA's assistance and oversight.

The Transportation Equity Act for the 21st Century [TEA21], the highway, highway safety, and transit authorization through fiscal year 2003 makes funds available in the following major categories:

National Highway System.—The Intermodal Surface Transportation Efficiency Act [ISTEA] of 1991 authorized the National Highway System [NHS], which was subsequently established as a 163,000-mile road system by the National Highway System Designation Act of 1995. This system serves major population centers, intermodal transportation facilities, international border crossings, and major destinations. It is comprised of all interstate routes, selected urban and principal rural arterials, defense highways, and major highway connectors carrying up to 76 percent of commercial truck traffic and 44 percent of all vehicle traffic. A State may transfer up to half of its NHS funds to the Surface Transportation program [STP] and all NHS funds with the concurrence of the Secretary of Transportation. The Federal share of the NHS is an 80 percent match and funds remain available for 4 fiscal years.

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

All remaining Federal funding to complete the initial construction of the interstate system has been provided through previous highway legislation. The TEA21 provides flexibility to States in fully utilizing remaining unobligated balances of prior Interstate Construction authorizations. States with no remaining work to complete the Interstate System may transfer any surplus Interstate Construction funds to their Interstate Maintenance program. States with remaining completion work on Interstate gaps or open-to-traffic segments may relinquish Interstate Construction fund eligibility for the work and transfer the Federal share of the cost to their Interstate Maintenance program.

Surface Transportation Program.—The surface transportation program [STP] is a 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 with STP funds are not restricted to Federal-aid highways but may be on any public road. Transit capital projects are also eligible under this program. The total funding for the STP may be augmented by the transfer of funds from other programs and by minimum guarantee funds under TEA21 which may be used as if they were STP funds. Once distributed to the States, STP funds must be used according to the following percentages: 10 percent for safety construction; 10 percent for transportation enhancement; 50 percent divided among areas of over 200,000 population and remaining areas of the State; and, 30 percent for any area of the

State. Areas of 5,000 population or less are guaranteed an amount based on previous funding, and 15 percent of the amounts reserved for these areas may be spent on rural minor collectors. The Federal share for the STP program is 80 percent with a 4-year availability period.

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

At least 15 percent, but not more than 35 percent, of a State's apportioned bridge funds must be spent on bridges not on the Federal-aid system.

Congestion Mitigation and Air Quality Improvement Program.—This program provides funds to States to improve air quality in non-attainment and maintenance areas. A wide range of transportation activities are eligible, as long as DOT, after consultation with EPA, determines they are likely to help meet national ambient air quality standards. TEA21 provides greater flexibility to engage public-private partnerships, and expands and clarifies eligibilities to include programs to reduce extreme cold starts, maintenance areas, and particulate matter [PM–10] nonattainment and maintenance areas. If a State has no non-attainment or maintenance areas, the funds may be used as if they were STP funds.

On-road and off-road demonstration projects may be appropriate candidates for funding under the CMAQ program. Both sectors are critical for satisfying the purposes of the CMAQ program, including regional emissions and verifying new mobile source control techniques.

Federal Lands Highways.—This program provides authorizations through three major categories—Indian reservation roads, parkways and park roads, and public lands highways (which incorporates the previous forest highways category)—as well as a new category for Federally-owned public roads providing access to or within the National Wildlife Refuge System. TEA21 also establishes a new program for improving deficient bridges on Indian reservation roads.

The Committee directs that the funds allocated for this program in this bill and in permanent law are to be derived from the FHWA's public lands discretionary program, and not from funds allocated to the National Park Service's regions.

Minimum Guarantee.—Under TEA21, after the computation of funds for major Federal-aid programs, additional funds are distributed to ensure that each State receives an additional amount based on equity considerations. This minimum guarantee provision under current law as extended ensures that each State will have a return of 90.5 percent on its share of contributions to the highway account of the Highway Trust Fund. To achieve the minimum guarantee each fiscal year, $2,800,000,000 nationally is available to the States as though they are STP funds (except that requirements related to set-asides for transportation enhancements, safety, and sub-State allocations do not apply), and any remaining amounts are distributed among core highway programs.

Emergency Relief.—This program provides for the repair and reconstruction of Federal-aid highways and Federally-owned roads which have suffered serious damage as the result of natural disasters or catastrophic failures. TEA21 restates the program eligibility specifying that emergency relief [ER] funds can be used only for emergency repairs to restore essential highway traffic, to minimize the extent of damage resulting from a natural disaster or catastrophic failure, or to protect the remaining facility and make permanent repairs. If ER funds are exhausted, the Secretary of Transportation may borrow funds from other highway programs.

National Corridor Planning and Border Infrastructure Programs.—TEA21 created a national corridor planning and development program that identifies funds for planning, design, and construction of highway corridors of national significance, economic growth, and international or interregional trade. Allocations may be made to corridors identified in section 1105(c) of ISTEA and to other corridors using considerations outlined in legislation. The coordinated border infrastructure program is established to improve the safe movement of people and goods at or across the U.S./Mexico and U.S/Canada borders.

Ferry Boats and Ferry Terminal Facilities.—Section 1207 of TEA21 authorized funding for the construction of ferry boats and ferry terminal facilities.

National Scenic Byways Program.—This program provides funding for roads that are designated by the Secretary of Transportation as All American Roads [AAR] or National Scenic Byways [NSB]. These roads have outstanding scenic, historic, cultural, natural, recreational, and archaeological qualities. The Committee recommendation provides $26,500,000 for this program in fiscal year 2005.

Transportation and Community and System Preservation Pilot Program.—TEA21 created a new transportation and community and system preservation program that provides grants to States and local governments for planning, developing, and implementing strategies to integrate transportation and community and system preservation plans and projects. These grants may be used to improve the efficiency of the transportation system, reduce transportation externalities and the need for future infrastructure investment, and improve transportation efficiency and access consistent with community character.

Transportation Infrastructure Finance and Innovation.—The Committee bill includes a rescission of $100,000,000 from this program. However, the Committee notes that, even with this rescission, sufficient funds will remain available to entertain additional applications. The Committee is aware of a proposal to use TIFIA financing to support the expansion of a fast ferry project in the Great Lakes region. The Committee encourages the Secretary to consider such an application should the project be creditworthy and fully eligible for TIFIA financing.

New Mexico Muscatel Avenue Bridge Project.—Amounts made available in fiscal year 2004 for the Muscatel Avenue bridge project shall be available for other bridge projects in or around the city of Carlsbad damaged by flooding.

I–15 from Utah—Salt Lake County Line to SR–92.—Amounts made available in fiscal year 2004 for I–15 from the Utah—Salt Lake County Line to SR–92 shall be available for I–15 Utah County.

Market Street Bridge Pennsylvania.—Amounts made available in fiscal year 2004 for the Market Street Bridge shall be available for the Walnut Street Bridge in Philadelphia, Pennsylvania.

University of Delaware Intermodal Transportation Facility.—Amounts made available in fiscal year 2004 for the University of Delaware Intermodal Transportation Facility shall be available for the Pedestrian-Bicycle Bridge at the University of Delaware.

Pierre Rail Bypass.—Amounts made available in fiscal year 2003 for the Pierre Rail Bypass shall be available for expenses incurred after the date of that appropriation by the city of Pierre, South Dakota associated for the proposed bypass and for a mitigation plan associated with the Dakota, Eastern and Minnesota Railroad line through Pierre, South Dakota.

Alaskan Way Viaduct, Seattle, WA.—The Committee is dismayed that the FHWA has failed to respond to the Committee's request in last year's Committee report to review the eligibility of the Alaskan Way Viaduct project for additional emergency relief funds. The viaduct and the adjacent seawall were damaged in the Nisqually earthquake in 2001. While emergency relief funds were allocated to the viaduct for immediate repairs needed to keep the facility open to traffic, significantly further damage resulting from the earthquake has become evident. The extent of this damage will require the near-term replacement of the facility since another earthquake of similar magnitude could easily result in a catastrophic failure of the roadway. The Committee directs FHWA to report to the Committee not later than December 31, 2004 on the eligibility of the viaduct for additional emergency relief funds, taking into account all engineering information that has become available subsequent to the initial allocation of funds to the facility.

FEDERAL-AID HIGHWAYS

(RESCISSION)

The bill rescinds $300,000,000 in contract authority balances from the five core programs. The Committee directs FHWA to administer the rescission by allowing each State maximum flexibility in making these adjustments among the five programs.

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

Appropriations, 2004 [1]	$124,263,000
Budget estimate, 2005 [2]	....
Committee recommendation	100,000,000

[1] Reflects reduction of $737,000 pursuant to Division H, section 168 of Public Law 108–199.
[2] The budget estimate requests funding under the Federal-Aid Highway obligation limitation.

The Committee recommendation includes $100,000,000 for the Appalachian Development Highway System [ADHS]. The recommended amount provided is $24,263,000 less than the fiscal year 2004 comparable level. Funding for this initiative is authorized under section 1069(y) of Public Law 102–240—the Intermodal Surface Transportation Efficiency Act. The ADHS program provides funds for the construction of the Appalachian corridor highways in the 13 States that comprise the Appalachian region. These highways, in many instances, are intended to replace some of the most deficient and dangerous segments of rural roadway in America.

LIMITATION ON TRANSPORTATION RESEARCH

Limitation, 2004 [1] [2]	$459,771,000
Budget estimate, 2005 [1]	428,699,000
Committee recommendation	462,500,000

[1] Resources requested in fiscal year 2005 are assumed within the Federal aid highway obligation limitation in the budget request for fiscal year 2005.
[2] Reflects $2,729,000 reduction per Division H, section 168 of Public Law 108–199. Does not reflect reduction of $581,000 pursuant to Division F, section 517 of Public Law 108–199.

The limitation controls spending for the transportation research and technology programs of the FHWA. This limitation includes the intelligent transportation systems, surface transportation research, technology deployment, training and education, and university transportation research. The Committee recommendation provides an obligation limitation for transportation research of $462,500,000. This limitation is consistent with current law as extended and is the same level appropriated in fiscal year 2004.

LIMITATION ON TRANSPORTATION RESEARCH

Surface transportation research	$103,000,000
Technology Deployment program	50,000,000
Training and education	18,000,000
Bureau of Transportation Statistics	31,000,000
ITS Standards, research, operational tests, and development	110,000,000
ITS Deployment	124,000,000
University transportation research	26,500,000
Subtotal	462,500,000

SURFACE TRANSPORTATION RESEARCH

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

Project	Amount
Environment, Planning & Right-of-way	$17,000,000
Research and Technology Program Support	10,000,000
International Research	400,000
Structures	13,000,000
Safety	11,000,000
Highway Operations	12,500,000
Asset Management	2,750,000
Pavements Research	15,750,000
Policy Research	9,200,000
Long Term Pavement Project [LTPP]	10,000,000
Advanced Research	400,000
R&T Strategic Planning/Performance Measures	1,000,000
Total	103,000,000

Environment, Planning, and Right of Ways.—The Committee recommendation includes $17,000,000 for environment, planning, and right of way research. Within the funds provided for this research activity, the Committee has provided $1,000,000 to continue dust and persistent particulate abatement research in Emmonak, Alaska and $350,000 for the North Carolina University Center for Transportation and Environment to promote environmental awareness in the civil engineering and traditional engineering curricula.

Research and Technology Program Support.—The Committee recommends $10,000,000. Within the funds available for research and technology, the Committee has provided $750,000 for the Center on Coastal Transportation Research at the University of South Alabama, $400,000 for NEPA training at the Pellissippi State Community College in Tennessee, and $1,000,000 for the University of Vermont to conduct research related to Dynamic Transportation Modeling and Advanced Ground Penetrating Radar [GPR] Systems.

International Research.—The Committee recommendation includes $400,000 for international research.

Structures.—The Committee recommends $13,000,000 for structures research. This research effort allows FHWA to reduce deficiencies on National Highway System bridges and should facilitate continued progress on high performance materials and engineering applications to design, repair, retrofit, inspect, and rehabilitate bridges. Within the funds provided for this research activity, the Committee has provided $200,000 for the University of Maine, to study the use of composite materials to extend the life of ports, $250,000 to continue to support non-destructive structural evaluation technology at the New Mexico State University's Bridge Research Center, $200,000 for the University of Dayton and the Ohio Department of Transportation to develop a portable, low cost, wireless bridge inspection system, and $500,000 for Oklahoma's Center for Structural Control and Vibration Research for implementing an intelligent vehicle bridge sensor system. The Committee recommendation also has provided $500,000 to West Virginia University Constructed Facilities Center for fire and blast resistant composite barriers research and $250,000 for the University of Delaware's innovative bridge research program. In addition, the Committee continues to be concerned about the damage that alkali-silica reactivity [ASR] causes to concrete structures and pavements since ASR is difficult to detect in its early stages. The Committee strongly encourages FHWA to continue its research and deployment of lithium technologies to prevent and mitigate ASR since advances in these lithium technologies have the potential to help increase the durability of our transportation infrastructure.

Safety.—The Committee recommendation provides $11,000,000 for safety research. This program develops engineering practices, analysis tools, equipment, roadside hardware, safety promotion and public information that will significantly contribute to the reduction of highway fatalities and injuries. Within the funds provided for safety, the Committee has provided $750,000 for Mississippi State University to develop a regional center for Transportation Safety.

Highway Operations.—The Committee recommendation provides $12,500,000 for research activities regarding highway operations. The Highway operations research program is designed to develop, deliver, and deploy advanced technologies and administrative methods to provide pavement and bridge durability, and to reduce construction and maintenance-related user delays. Within the funds provided, the Committee has included $400,000 for Utah State University Transportation Center to conduct follow-on research related I–15 and mitigation of traffic congestion, $2,000,000 for the Puget Sound In-Vehicle Traffic Map Demonstration Initiative in Washington State and $500,000 for the Pacific Northwest Freight Mobility Research Program at Washington State University, the University of Washington, and North Dakota State University.

Asset Management.—The Committee recommends $2,750,000 for asset management research activities.

Pavements Research.—The Committee recommends $15,750,000 for highway pavement research, including work on asphalt, Portland cement pavement research, polymer additives, and recycled materials for the National Center for Asphalt Technology [NCAT]. Within the funds provided, the Committee has included $1,000,000 to the Center for Portland Cements Concrete Pavement Technology at Iowa State University, $500,000 to fund pilot studies in Ohio, Montana and South Carolina to test newly developed Road Pave Map which was designed to increase road life spans.

Policy.—The Committee recommends $9,200,000 for policy research. Within the funds provided for this research activity, the Committee has $750,000 for the University of Kentucky Academy for Community Transportation Innovation planning to continue research into methods to integrate transportation facilities into communities in rural areas.

Advanced Research.—The Committee recommendation provides $400,000.

R&T Strategic Planning and Performance Measures.—The Committee has provided $1,000,000 for research and technology strategic planning and performance measures. The Committee anticipates that this level of funding will be sufficient to support planned strategic planning activities, research outreach, and development and refinement of performance measures, as required by the Government Performance and Results Act [GPRA].

ITS Standards, Research, Operational Tests, Development, and Deployment.—The Committee recommends $124,000,000 for ITS deployment projects and $110,000,000 for ITS research and associated activities in fiscal year 2005 to be allocated in the following manner:

Research and Development	$52,000,000
Operational Tests	10,000,000
Evaluation/Program Policy Assessment	7,000,000
Architecture and Standards	18,000,000
Program Support	11,500,000
Integration	11,500,000
ITS Deployment Incentive Program	124,000,000

BUREAU OF TRANSPORTATION STATISTICS

(LIMITATION ON OBLIGATIONS)

Appropriations, 2004[1]	$30,817,000
Budget estimate, 2005	32,199,000
Committee recommendation	31,000,000

[1] Reflects reduction of $183,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect a reduction of $581,000 pursuant to Division F, section 517 of Public Law 108–199.

The Bureau of Transportation Statistics [BTS], which is charged with compiling, analyzing, and disseminating statistical information on the Nation's transportation systems, commenced operation in December 1992 after being established by section 6006 of the Intermodal Surface Transportation Efficiency Act [ISTEA] (Public Law 102–240). BTS was reauthorized, and its role expanded, by section 5109 of the Transportation Equity Act for the 21st Century [TEA21] (Public Law 105–178) under which it currently operates. BTS' data collection programs for aviation and motor carrier information are authorized under separate legislation enacted when the Civil Aeronautics Board [CAB] and Interstate Commerce Commission [ICC] were terminated.

Consistent with current law, the Committee has provided $31,000,000 for BTS, which is $1,199,000 less than the budget request and $183,000 more than the fiscal year 2004 level. In doing so, the Committee denies BTS' request for $4,045,000,000 in reimbursable funding from the Airport and Airway Trust Fund to fund its air transportation activity. The Committee maintains BTS' total full time positions at 136.

FEDERAL-AID HIGHWAYS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriations, 2004	$34,000,000,000
Budget estimate, 2005	34,000,000,000
Committee recommendation	35,000,000,000

The Committee recommends a liquidating cash appropriation of $35,000,000,000. The recommended level is $1,000,000,000 more than the budget request and is necessary to pay outstanding obligations from various highway accounts pursuant to prior appropriations acts.

GENERAL PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

Section 110 distributes obligation authority among Federal aid highway programs.

Section 111 credits funds received by the Bureau of Transportation Statistics to the Federal-aid highways account.

Section 112 related to administrative take downs.

Section 113 rescinds Transportation Infrastructure Finance and Innovation Act funds under section 188(A)(1) of title 23.

Section 114 amends section 115, division F, title I of Public Law 108–199.

Section 115 clarifies eligibility of the Port of Anchorage for certain highway programs.

Section 116 clarifies RETRAC project contingency fund for payment of projects.

Section 117 relates to project funding in Utah.

Section 118 names the Hoover Dam Bypass Bridge as the Mike O'Callaghan-Pat Tillman Memorial Bridge.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

The Federal Motor Carrier Safety Administration [FMCSA] was established within the Department of Transportation through Congress' enactment of the Motor Carrier Safety Improvement Act [MCSIA] (Public Law 106–159) in December 1999. Prior to this legislation, motor carrier safety responsibilities were under the jurisdiction of the Federal Highway Administration.

FMCSA's primary mission is to improve the safety of commercial vehicle operations on our Nation's highways. To accomplish this mission, FMCSA is focused on reducing the number and severity of large truck crashes. FMCSA is responsible for ensuring that Mexican commercial vehicles entering the United States operate in accordance with the North American Free Trade Agreement [NAFTA] and comply with all U.S. hazardous material and safety regulations. In addition, FMCSA oversees compliance with the Federal Motor Carrier Commercial Regulations through increased household goods carrier enforcement, education and outreach.

Agency resources and activities contribute to safety in commercial vehicle operations through enforcement, including the use of stronger enforcement measures against safety violators; expedited safety regulation; technology innovation; improvements in information systems; training; and improvements to commercial driver's license testing, recordkeeping, and sanctions. To accomplish these activities, FMCSA works closely with Federal, State, and local enforcement agencies, the motor carrier industry, highway safety organizations, and individual citizens.

MCSIA and the Transportation Equity Act for the 21st Century [TEA21] provide funding authorizations for FMCSA, including administrative expenses, motor carrier research and technology, the national Motor Carrier Safety Assistance Program [MCSAP] and the Information Systems and Strategic Safety Initiatives [ISSSI] program. FMCSA's scope was expanded by the U.S.A. Patriot Act, which created new and enhanced security measures. In addition, the Appropriations Acts since fiscal year 2002 have included funding for border enforcement and safety related activities associated with implementation of the North American Free Trade Agreement requirement that Mexican long-haul shippers be allowed to operate within the United States subject to the same safety and environmental requirements placed on American commercial carriers.

For fiscal year 2005, it is necessary to reauthorize those FMCSA programs contained in TEA21 and MCSIA. The budget request reflects the administration's reauthorization proposal for a new account structure for FMCSA that consolidates the current programs into two distinct accounts: Motor Carrier Safety Operations and Programs and Motor Carrier Safety Grants. As in fiscal year 2004, the Committee has followed the program structure found in current law for FMCSA and assumes funding levels as if authorized through the end of fiscal year 2005.

The Surface Transportation Extension Act of 2003 eliminated the takedown and instead authorized a line item appropriation for this account.

The Committee recommends a total of $450,000,000 for FMCSA in fiscal year 2005, which is $5,450,000 less than the requested amount and $21,589,000 more than the fiscal year 2004 level. The Committee provides this funding with the expectation that Congress will soon act to provide sufficient contract authority to reflect this amount.

MOTOR CARRIER SAFETY

(LIMITATION ON ADMINISTRATIVE EXPENSES)

(HIGHWAY TRUST FUND)

Appropriations, 2004 [1]	$175,031,000
Budget estimate, 2005 (limitation) [2]	....
Committee recommendation	260,000,000

[1] Reflects reduction of $1,039,000 pursuant to Division H, section 168 of Public Law 108–199.
[2] No funding requested under this account for fiscal year 2005.

The motor carrier safety account provides salaries, expenses, research, and safety program funding for FMCSA. The Committee has provided a limitation on administrative expenses of $260,000,000 for the Motor Carrier Safety Account, which is $5,450,000 less than the requested amount and $83,930,000 more than the annual authorized level of $176,070,000.

OPERATING EXPENSES

The Committee provides $141,064,000 for FMCSA's operating expenses. Within this amount the Committee provides the following funding levels:

	Amount
General Operating Expenses	$93,494,000
Border Operating Expenses	31,735,000
Administrative Infrastructure Completion	8,000,000
Household Goods Enforcement	2,000,000
Reviews of Conditional Carriers	2,000,000
Working Capital Fund Desktop Services	135,000
Non-Entrant Initiative	1,000,000
HAZMAT Permitting	2,000,000
HAZMAT Sampling	200,000
HAZMAT Routing	500,000

Administrative Infrastructure Completion.—The Committee provides a total of $8,000,000 for FMCSA's administrative infrastructure completion initiative, which is $2,558,000 less than the budget request and $1,041,000 more than the fiscal year 2004 level. Based upon the justification for this funding, the Committee is confident that this is a sufficient amount for this effort.

Household Goods Enforcement.—The Committee provides $2,000,000 for household goods enforcement, which is $700,000 more than the budget request and $1,085,000 more than the fiscal year 2004 enacted level. The Committee provides this additional funding for five new safety specialists to audit motor carriers transporting household goods. Each year FMCSA receives approximately 5,000 complaints from consumers regarding the practices of movers of household goods. The Committee maintains that additional auditors are needed that consumers are protected and that these shipments are conducted safely.

Working Capital Fund Desktop Services.—The Committee provides $135,000 to cover the increase in FMCSA's estimated DOT working capital fund contribution. This is $842,000 less than the budget request, as the Committee believes that the amount provided for FMCSA's information management program is sufficient for this balance.

Safety Enforcement Activities.—The Committee believes that FMCSA should revisit the effectiveness of its safety enforcement activities. Beginning in the late 1990's, in response to pointed congressional criticism over lax enforcement and in response to the concerns raised by the United States Government Accountability Office [GAO] and the DOT Office of Inspector General [OIG], FMCSA indicated a willingness to increase both the amount of effort devoted to enforcement against carriers and the severity of action when safety problems are found. After having given FMCSA ample time to implement this new resolve and to demonstrate results, the Committee believes that an independent review is both warranted and timely. Therefore, the Committee requests that GAO assess the agency's safety enforcement actions as a means of increasing large commercial truck safety.

PROGRAM EXPENSES

The Committee provides $118,936,000 for FMCSA's program expenses. Within this amount the Committee provides the following funding levels:

	Amount
Federal New Entrant Program	$4,700,000
State New Entrant Grants	28,711,000
Research & Technology	10,791,000
Regulatory Development	11,143,000
Outreach & Education	4,513,000
Information Management Program	15,300,000
24-Hour Telephone Hotline	378,000
Crash Data Collection	7,400,000
Border Enforcement Grants	33,000,000
Commercial Drivers License Improvement Grants	3,000,000

Federal New Entrant Program.—The administration's budget request proposes a total of $33,411,000 for the new entrant program, which includes $16,411,000 for the Federal share of the Program and $17,000,000 for the State share. The Committee believes that a greater proportion of the total request should be provided to the States and that FMCSA's role should focus on overseeing this program and managing third party auditors as they conduct reviews of new entrants in those States that do not fully participate in this activity. Accordingly, the Committee provides $4,700,000 for the Federal new entrant program, which is $11,711,000 below the budget request and $1,200,000 more than the fiscal year 2004 enacted level. The Committee has provided a corresponding

$11,711,000 increase in State new entrant program grant funding in order to maintain the balance that was struck in fiscal year 2004 and to continue effective State participation in the program.

More than 40 States have submitted applications for fiscal year 2004 new entrant program funding and few States expect to use third party contractors to conduct these audits. The Committee therefore denies FMCSA's request for 20 additional FTEs for program management, review, and approval. The Committee instead provides 5 FTEs to conduct follow-up compliance reviews of new entrants. Sufficient funds are also provided to allow for the annualization of the 5.5 FTEs initially funded in fiscal year 2004.

State New Entrant Grants.—Because the Committee believes that State officials and MCSAP program managers need the certainty of Federal support in order to properly incentivize their permanent participation in the new entrant program, the Committee has provided $28,711,000 for State New Entrant Grants, which is $11,711,000 greater than the requested amount and $3,811,000 more than the fiscal year 2004 enacted level.

New Entrant Safety Audits.—The Committee is concerned that the new entrant safety audit program is being conducted as an education and outreach initiative rather than an enforcement program. Consequently, within 90 days of enactment of this Act, FMCSA is directed to submit to the House and Senate Committees on Appropriations a letter that explains the audit procedure improvements the agency's plans to implement in order to maximize the program's safety benefits and to enhance carrier compliance. The Committee expects that FMCSA will evaluate and consider adopting each of the following options: (1) specifying to its investigators and State personnel that criteria that would trigger an enforcement action should apply equally to new entrants as well as to other carriers; (2) collecting sufficient data, whenever possible, that could lead to the assignment of a safety rating as a result of a new entrant audit; and (3) selecting new entrants to be audited based on risk and inspection data. This letter should detail which, if any, of these options are being implemented and the reasons for any that are not.

Federally Conducted Compliance Reviews.—The Committee is concerned that the number of federally conducted compliance reviews and enforcement actions has decreased significantly since the new entrant program commenced and directs FMCSA to ensure that it reverses this trend consistent with the objectives and goals of MCSIA. The Committee also directs FMCSA to work closely with the States to promote their continued participation in a vigorous compliance review program. In order to monitor its progress, the Committee directs FMCSA to report to the House and Senate Committees on Appropriations on the number of completed compliance reviews and new extrant safety audits with the agency's fiscal year 2006 budget request.

Research and Technology.—The Committee provides $10,791,000 for FMCSA's Research and Technology [R&T] activities, consistent with the requested amount and $3,832,000 more than the fiscal year 2004 enacted level. Within this amount, funds are provided for the testing and evaluation of both stationary and mobile radiation detection devices.

A significant volume of anecdotal evidence indicates that truck driver history and past violations are reliable predictors of future accidents and safety violations. Unfortunately, there is a dearth of scientific research analyzing the potential correlation between these factors. The Committee therefore provides $200,000 within R&T for FMCSA to partner with industry to study this relationship and develop appropriate enforcement strategies that will reduce the likelihood of future safety violations and accidents.

As in previous fiscal years, R&T funds are intended to remain available for obligation for a period of 3 years.

Outreach and Education.—The Committee provides $4,513,000 for FMCSA's outreach and education Program [O&E], which is $1,000,000 more than the requested amount and $4,264,000 more than the fiscal year 2004 enacted level.

This amount reflects a decrease of $1,000,000 from the amount requested for household goods outreach and education, which is partially offset by the provided increase in funding for Household Goods Enforcement. The Committee believes that these amounts represent a better balance in FMCSA Household Goods efforts.

Approximately 79 percent of fatalities resulting from crashes involving large trucks are occupants of other vehicles. Preliminary data from the large truck crash causation study [LTCCS] indicate an important role that noncommercial drivers play in crashes involving large trucks. In order for FMCSA's safety program to be a truly performance-based effort, it is necessary that the agency take a balanced approach in addressing the key causal or contributing factors adversely affecting commercial motor vehicle safety. To accomplish this objective, the Committee provides $2,000,000 under O&E to support a public outreach and evaluation program targeted to reduce the number and severity of commercial/passenger vehicle crashes. Working closely with the Commercial Vehicle Safety Alliance [CVSA] and NHTSA, FMCSA should use these funds to ensure that effective and targeted public outreach efforts are made available as soon as possible to bolster its comprehensive enforcement efforts.

In particular, FMCSA should use these additional funds to develop and test targeted safety O&E initatives that are designed to change the behavior of both commercial and passenger vehicle drivers. FMCSA, drawing upon the expertise and experience of NHTSA, should undertake efforts to develop and distribute targeted media messages and media outreach tool kits, solicit donated multimedia ad space, and conduct market research to guide communications outreach, and enhance driver training manuals and tests. In doing so, FMCSA should pay particular attention to improved messages that would reduce the concerns noted in the LTCCS. FMCSA should ensure that the knowledge acquired as a result of the LTCCS is effectively used to develop and test improved outreach and enforcement countermeasures to reduce commercial and passenger vehicle interactions. These efforts could include programs to enhance driver awareness, improve driver decisions, increase driver control, or reduce problems encountered during turning at or crossing intersections. The Committee directs FMCSA to report to the House and Senate Committees on Appropriations on its planned use for these additional funds in this regard within 180 days after enactment of this Act.

Information Management Program.—The Committee provides $15,300,000 for FMCSA's information management program [IMP], which is $3,274,000 less than the budget request and $3,527,000 more than the fiscal year 2004 enacted level. Within this amount, the Committee provides the following funding levels:

	Amount
Program Evaluation Initiatives	$2,000,000
IT Strategic Improvement	6,300,000
IT Infrastructure	2,000,000
Field Support Systems	4,000,000
Motor Carrier Safety Status Measurement System Improvements	1,000,000

The Committee does not provide any funding for FMCSA to assume the collection and analysis of information submitted under Form M from the Bureau of Transportation Statistics [BTS]. The Committee questions whether this function is necessary for FMCSA to carry out its mission and believes that these activities should remain within the province of the BTS, which receives sufficient funding to continue these activities.

Motor Carrier Safety Status Measurement System.—The Motor Carrier Safety Status Measurement System [SafeStat] is FMCSA's data-driven system that determines the current relative safety status of individual motor carriers based upon analysis in four areas—accidents, driver violations, vehicle violations and safety management record—and by which FMCSA selects carriers for on-site compliance reviews. In a report released in February 2004, the DOT Inspector General [OIG] identified a number of SafeStat deficiencies, particularly concerning the timeliness, quality and accuracy of commercial motor vehicle crash data used, and made recommendations for improvement. The Committee therefore directs FMCSA to use no less than $1,000,000 of the provided IMP funds to establish and implement data quality control systems and procedures to prevent incorrect or duplicative data from entering the system, as well as procedures to provide timely correction of inaccurate safety data regarding a motor carrier's operations. The Committee also directs FMCSA to use these funds to correct deficiencies in the SafeStat methodology, particularly those deficiencies related to the use of motor carrier "power units" in the accident evaluation area. This system revalidation should be directed toward ensuring that FMCSA properly targets potentially non-compliant and potentially unsafe motor carriers.

The Committee understands that FMCSA has removed certain information from its SafeStat Internet site until data quality issues are resolved. The Committee expects that future funding requests from FMCSA will identify the scope and success of FMCSA's actions to improve data quality, and also identify milestones for resolving the data quality problems raised by the OIG.

Commercial Vehicle Analysis Reporting System.—The Commercial Vehicle Analysis Reporting System [CVARS] is a joint effort between FMCSA and the National Highway Traffic Safety Administration to provide grant funding to the States in order to improve the collection and reporting of all truck and bus crash-related data into the motor carrier management information system. The Committee provides $7,400,000 for FMCSA's CVARS activities, which is consistent with the requested amount and $2,429,000 more than the fiscal year 2004 enacted level.

A continuing concern in the safety community is the quality of information that FMCSA uses to make its decisions. For example, GAO pointed out in July 2000 that FMCSA had adopted a safety action plan without the underlying data to ascertain the extent to which the initiatives in the Plan were likely to contribute to improved safety. As noted above, the OIG recently reported that SafeStat, FMCSA's primary tool for targeting carriers for safety reviews, needs to be revalidated. Similarly, the Committee is concerned that many States have not yet received CVARS grant funding to improve their data reporting, and question whether all of the States that have received CVARS funds have efficiently allocated these resources in a timely manner. Therefore, the Committee requests GAO to perform an audit of the progress that FMCSA has made in fulfilling its safety information needs. This audit should include—but should not be limited to—assessing the benefits that have been obtained from the CVARS program and what might be done to improve the effectiveness of the program. The requested analysis should consider ways that NHTSA and FMCSA might maximize the results of this investment and how the CVARS program could be better targeted to address the concerns raised in the OIG's February 2004 SafeStat report.

Border Enforcement Program.—The North American Free Trade Agreement [NAFTA] set forth a schedule for implementation of its trucking provisions that would have opened the border States to cross-border trucking competition on December 17, 1995, and all of North America on January 1, 2000. However, the previous Administration halted implementation of these provisions and DOT has announced that until safety concerns regarding Mexican trucks have been resolved, the trucks would continue to be restricted to the commercial zone adjacent the border. In the fiscal year 2002 Department of Transportation Appropriations Act (Public Law 107–87) Congress addressed these concerns by setting 22 safety-related preconditions for opening the border to long-haul Mexican trucks. On November 27, 2002, the Secretary of Transportation announced that all the preconditions had been met and directed FMCSA to begin to open the border. However, on January 16, 2003 the Ninth Circuit Court of Appeals in *Public Citizen* v. *Department of Transportation* delayed opening the southern border pending completion of environmental impact statements and a Clean Air Act conformity determination on the FMCSA's implementing regulations.

The United States Supreme Court has since overruled the decision of the Ninth Circuit and thus domestic long haul operations by Mexican commercial motor carriers appear imminent. Therefore, the Committee reiterates and underscores the importance of FMCSA's adherence to the requirements of Section 350 of Public Law 107–87 in order to ensure the safety of all cross-border long haul operations and has included a general provision continuing the cross-border safety provisions included therein.

Consistent with the budget request, the Committee has provided total funding of $64,735,000 for border related programs. As requested, the Committee provides $31,735,000 for FMCSA border operating expenses, $23,000,000 for State operations grants to the southern border States, and $10,000,000 for State operations grants to the northern border States.

NATIONAL MOTOR CARRIER SAFETY PROGRAM

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

	(Liquidation of contract authorization)	(Limitation on obligations)
Appropriations, 2004 [1]	$188,879,000	$188,879,000
Budget estimate, 2005 [2]	....	....
Committee recommendation	190,000,000	190,000,000

[1] Reflects reduction of $1,121,000 pursuant to Division H, section 168 of Public Law 108–199.
[2] No funding requested under this account for fiscal year 2005.

The FMCSA's National Motor Carrier Safety Program [NMCSP] was authorized by TEA21 and amended by the Motor Carrier Safety Improvement Act of 1999. This program consists of two major areas: the motor carrier safety assistance program [MCSAP] and the information systems and strategic safety initiatives [ISSSI]. MCSAP provides grants and project funding to States to develop and implement national programs for the uniform enforcement of Federal and State rules and regulations concerning motor safety. The major objective of this program is to reduce the number and severity of accidents involving commercial motor vehicles. Grants are made to qualified States for the development of programs to enforce the Federal motor carrier safety and hazardous materials regulations and the Commercial Motor Vehicle Safety Act of 1986. The basic program is targeted at roadside vehicle safety inspections of both interstate and intrastate commercial motor vehicle traffic. ISSSI provides funds to develop and enhance data-related motor carrier programs.

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

LIMITATION ON OBLIGATIONS

The Committee recommends a limitation on obligations of $190,000,000 for motor carrier safety grants to be distributed as follows:

	Amount
Motor Carrier Safety Assistance Program:	
Core MCSAP Grants	$133,350,000
Safety Performance Incentive Grants	7,100,000
High Priority Initiatives Grants	8,450,000
Commercial Drivers License Improvement Grants	18,000,000
State Training and Administration	2,100,000
Subtotal	169,000,000
Information Systems and Strategic Safety Initiatives:	
Performance and Registration Information Systems Management	5,000,000
Motor Carrier Management Information System/Data Analysis	14,000,000
Driver Programs (CDL Grants)	1,000,000

	Amount
Subtotal	20,000,000
Large Truck Crash Causation Study	1,000,000
Total	190,000,000

Safety Performance Incentive Grants.—The Committee provides $7,100,000 for safety performance incentive grants, which is $3,939,000 less than the fiscal year 2004 enacted level. Before awarding any of these funds under the regulations specified in 49 CFR 350, FMCSA is directed to allocate $1,000,000 to leverage ongoing State and Federal efforts to improve reported data quality, as outlined in the DOT IG's February 2004 SafeStat report.

Commercial Drivers License Improvement Program.—The Committee agrees with a recent management advisory issued by the OIG that expresses concern over vulnerabilities within the current commercial driver's license [CDL] program. In contrast to applicants for CDLs with a hazardous material [hazmat] endorsement, applicants for non-hazmat CDLs do not have to demonstrate or provide proof of citizenship or legal presence. The OIG noted that because nearly 70 percent of the 11,000,000 CDLs issued since 1989 are for the non-hazmat category, this presents a significant loophole. The OIG management advisory recommends that all CDL applicants demonstrate that they are either a U.S. citizen, a permanent legal resident, or otherwise legally present in the United States.

The Committee notes that this is not the first time that the OIG has raised this issue. Two years ago, in response to an audit for improving testing and licensing of commercial drivers, FMCSA agreed with the Inspector General's recommendation and stated that it would initiate a planned rulemaking in October 2003. However, the Committee understands that this rulemaking has now been pushed back until May 2005. Because this continuing delay exposes the entire nation to an undue increased risk, the Committee expects that there will be no further delays in promulgating this rule and directs FMSCA to initiate this rulemaking by the scheduled date.

The Committee is aware of various technologies available to States to improve State CDL protection against counterfeiting. One such technology involves the use of color-shifting pigment that can deter as well as detect counterfeit licenses. This technology is currently in use on the newly designed U.S. currency and has never successfully been counterfeited. The Committee encourages FMCSA to work with State and other stakeholders to incorporate this technology as part of a layered system to improve CDL security.

Large Truck Crash Causation Study.—The Committee provides $1,000,000 for the large truck crash causation study [LTCCS] consistent with the budget request. In providing this funding, it is the Committee's expectation that FMCSA will utilize the knowledge acquired from the LTCCS to develop and implement improved outreach and enforcement measures in order to reduce accidents involving commercial vehicles.

GOVERNMENT-WIDE E-GOV INITIATIVES

Appropriations, 2004[1]	....
Budget estimate, 2005	$450,000
Committee recommendation	....

[1] No funding requested under this account for fiscal year 2004.

The Committee declines to provide the $450,000 requested for Government-Wide E-Gov Initiatives, as it feels that FMCSA's existing IMP resources are sufficient to absorb this expense.

GENERAL PROVISIONS—FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

Section 130 subjects the funds in this Act to section 350 of Public Law 107–87 in order to ensure the safety of all cross-border long haul operations conducted by Mexican-domiciled commercial carriers.

Section 131 prohibits the use of funds in this Act to implement or enforce any provision of the Final Rule issued on April 16, 2003, (Docket No. FMCSA–97–2350) as it may apply to operators of utility service vehicles and as it applies to motion picture and television production drivers working at a site within a 100 air mile radius of the reporting location.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

SUMMARY OF FISCAL YEAR 2005 PROGRAM

The National Highway Traffic Safety Administration [NHTSA] is responsible for motor vehicle safety, highway safety behavioral programs, and the motor vehicle information and automobile fuel economy programs. The Federal Government's regulatory role in motor vehicle and highway safety began in September 1966 with the enactment of the National Traffic and Motor Vehicle Safety Act of 1966 (codified as chapter 301 of title 49, U.S. Code) and the Highway Safety Act of 1966 (codified as chapter 4 of title 23, U.S. Code). The National Traffic and Motor Vehicle Safety Act of 1966 instructs the Secretary to reduce traffic crashes and deaths and injuries resulting from traffic crashes; establish motor vehicle safety standards for motor vehicles and motor vehicle equipment in interstate commerce; carry out needed safety research and development; and expand the national driver register. The Highway Safety Act of 1966 instructs the Secretary to increase highway safety by providing for a coordinated national highway safety program through financial assistance to the States.

In October 1966, these activities, originally under the jurisdiction of the Department of Commerce, were transferred to the Department of Transportation, to be carried out through the National Traffic Safety Bureau. In March 1970, the National Highway Traffic Safety Administration [NHTSA] was established as a separate organizational entity in the Department. 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.

NHTSA's mission was expanded in October 1972 with the enactment of the Motor Vehicle Information and Cost Savings Act (codified as chapters 321, 323, 325, 327, 329, and 331 of title 49, U.S.

Code). This Act instructs the Secretary to establish low-speed collision bumper standards, consumer information activities, and odometer regulations. Three major amendments to this Act have been enacted: (1) a December 1975 amendment directs the Secretary to set and administer mandatory automotive fuel economy standards; (2) an October 1984 amendment directs the Secretary to require certain passenger motor vehicles and their major replacement parts to be marked with identifying numbers or symbols; and (3) an October 1992 amendment directs the Secretary to set and administer automobile content labeling requirements.

Consistent with the general guidance provided in the report, the Committee has followed the program structure found in TEA21 and other current laws. The Committee recommendation of $458,300,000 provides sufficient funding for the National Highway Traffic Safety Administration to maintain current programs and continue the mobilization and paid media initiatives that have proven so effective in increasing safety belt use and impaired driving awareness.

The following table summarizes the Committee recommendations:

Program	Fiscal year 2004 enacted [1]	Fiscal year 2005 estimate	Committee recommendation
Operations and research	$220,420,000	$233,300,000	$228,300,000
National driver register	(3,579,000)	(4,000,000)	(4,000,000)
Highway traffic safety grants	223,673,000	456,000,000	225,000,000
Total	447,672,000	689,300,000	453,300,000

[1] Reflects reduction of $1,774,000 pursuant to Division H, section 168 of Public Law 108–199.

OPERATIONS AND RESEARCH

(HIGHWAY TRUST FUND)

Appropriations, 2004 [1]	($223,999,000)
Budget estimate, 2005	233,300,000
Committee recommendation	(228,300,000)

[1] Reflects a reduction of $446,000 pursuant to Division H, section 168 of Public Law 108–199 and a reduction of $1,701,300 pursuant to Division F, section 517 of Public Law 108–199.

These programs support research, demonstrations, technical assistance, and national leadership for highway safety programs conducted by State and local government, the private sector, universities, research units, and various safety associations and organizations. These programs emphasize alcohol and drug countermeasures, vehicle occupant protection, traffic law enforcement, emergency medical and trauma care systems, traffic records and licensing, State and community traffic safety evaluations, motorcycle riders, pedestrian and bicycle safety, pupil transportation, distracted and drowsy driving, young and older driver safety programs, and development of improved accident investigation procedures.

The Committee recommends a total of $228,300,000 in new budgetary resources which includes $72,000,000 in contract authority and $152,300,000 under the Federal-aid highway obligation to finance operations and research activities eligible under title 23 U.S.C. 403. In accordance with the budget request, the Committee has provided $4,000,000 to be derived from the highway trust fund to maintain the National Drivers Register.

The accompanying bill provides appropriations totaling $228,300,000 to be distributed as follows:

Program	Committee recommendation
Salaries and benefits	$71,250,000
Travel	1,347,000
Operating expenses	23,749,000
Contract Programs:	
Safety performance	11,552,000
Safety assurance	17,751,000
Highway safety	46,374,000
Research and analysis	68,624,000
General administration	663,000
Grant administration reimbursement	−17,010,000
National Drivers Register	4,000,000
Total	228,300,000

OPERATING EXPENSES

Computer Support.—The Committee feels that the equivalent of a 100 percent rise in an account that provides no measurable increase or benefit to continuing safety programs is excessive given the budget limitations facing the Committee and the highway trust fund. The Committee recommendation provides $2,850,000 for computer support.

Workforce Planning and Development.—NHTSA established this program in fiscal year 2001 in an effort to encourage young professionals to enter into the fields of engineering, research, science and technology, vehicle safety and injury. The Committee recognizes the agency's desire to build a base for future employment but notes that the challenges of attrition in the transportation workforce are not unique to NHTSA. The Committee continues to encourage that this type of workforce planning be done throughout the entire Department of Transportation and be coordinated by the Office of the Assistant Secretary for Administration. Accordingly, the Committee, again, has not included the requested funding to support the initiative.

SAFETY PERFORMANCE

Safety Standards Support.—The Committee recommends $2,604,000 for safety standards support, which is $500,000 more than the budget request. The Committee directs that these additional funds be used to advance efforts to address mounting safety challenges confronting NHTSA. These challenges include, but are not limited to, roof crush problems, the adverse consequences of side and frontal impacts, driver aggressivity, and vehicle compatibility as well as occupant ejections. The Committee requests the Administrator of NHTSA to submit a plan to the House and Senate Committees on Appropriations by March 31, 2005, summarizing the scope of NHTSA's plan to address the growing number of safety issues. The plan shall include the nature of issues and what actions are being taken to address each of the key safety challenges facing NHTSA.

New Car Assessment Program.—The Committee recommends $7,800,000 for the New Car Assessment Program [NCAP]. Within the funds provided the Committee recommendation includes $200,000 to be used to accelerate purchase schedules for vehicle testing.

HIGHWAY SAFETY PROGRAMS

The Committee recommends the following adjustments to the budget request:

Occupant Protection: Outreach initiatives to increase seatbelt use	$13,400,000
Impaired Driving	14,095,000
Judicial and Prosecutorial Awareness	(1,500,000)
Target Populations	(1,000,000)
Peds/Bicycle	1,250,000
Highway Safety Research	6,933,000
Emergency Medical Services	2,271,000
Motorcycle Safety	800,000
Enforcement and Justice Services	2,217,000
Records and Licensing	2,621,000
Emerging Traffic Safety Issues	1,187,000
NOPUS	1,600,000
Total, Highway Safety Programs	46,374,000

Share the Road Safely.—NHTSA is the agency with the primary responsibility for behavioral programs geared toward passenger car drivers. The Committee is disappointed that NHTSA and FMCSA have shown an inability to work together on this important initiative. The Consolidated Omnibus Appropriations Act of Fiscal Year 2004 provided clear direction that NHTSA is the Agency responsible for administering this program. The bill directs that NHTSA administer the funds and the Committee expects the full cooperation of the relevant agencies to ensure successful implementation of this program.

To ensure the smooth transition of full responsibility for the Share the Road program to FMCSA in fiscal year 2006, the Committee directs FMCSA to provide one FTE, for a 12-month detail, to NHTSA to help oversee the program. NHTSA will recruit and hire a full time communications/program manager at the full performance level, with the assistance and cooperation of FMCSA. The staffer will be housed in NHTSA's Office of Communications and Consumer Information, and will work closely with NHTSA's Program Development and Delivery Office and FMCSA in the development and management of the Share the Road demonstration effort. As an FMCSA employee, this individual will obtain the necessary experience from the pilot program to maintain the continuity and quality of the program when it is returned to FMCSA to manage.

National Occupant Protection Program.—The objectives of the occupant protection program are to increase seat belt use and decrease the number of child occupant fatalities. The Committee is encouraged by recent statistics showing that safety belt use stands at a national average of 79 percent, surpassing NHTSA's goal of 78. Statistics show that for each percentage point increase in the national safety belt use rate about 2.8 million more Americans are buckling up, saving an estimated 270 additional lives and preventing 4,000 serious injuries. In 2003, of the 31,904 passenger vehicle occupants killed in U.S. traffic crashes, 56 percent were not wearing a seat belt.

To continue this progress, the Committee believes that NHTSA must be vigilant and creative in its efforts to increase the national safety belt use rate, with particular attention to those groups that are high risk and difficult to reach. The Committee recommends $13,400,000 for NHTSA's occupant protection efforts which is $1,800,000 more than the budget request. In reviewing NHTSA's 2003 Assessment, the Committee is especially concerned that nearly two-thirds of teen passenger vehicle occupants (ages 16–20) who were killed in 2003 were not wearing a seat belt, a statistic virtually unchanged from 2002. The Committee believes that if teenagers and young adults can be convinced to wear safety belts now they will continue to wear a seatbelt throughout their adult lives. The Committee directs that these additional funds be used to continue outreach activities towards teens, minority populations and rural populations. The Committee encourages NHTSA to: (1) initiate and continue programs with public sector organizations and private sector employers and insurance companies to raise the safety belt use among the Nation's workforce; (2) develop new strategies to reach cultural and ethnic groups with lower seatbelt use rates; and (3) develop and evaluate the next generation of combined public education/communication and enforcement strategies to increase occupant protection and determine the most effective ways to encourage and increase booster seat use.

To supplement NHTSA's overall safety belt effort, the Committee has included language in the Section 157 program to continue the "Click It or Ticket" national public service message program that began in fiscal year 2002.

Impaired Driving.—In August 2004, NHTSA released its most current assessment of the 2003 data from the Fatality Analysis Reporting System [FARS]. Of the 42,643 people who died on the Nation's highways in 2003, 17,013 or 40 percent were alcohol-related. This most recent FARS assessment indicates that, while far too many people are still dying at the hands of drunk drivers, the number of alcohol-related fatalities decreased for the first time since 1999. This is a positive first step in what remains a very difficult and challenging highway safety problem. However, since alcohol-related crashes cause an estimated 275,000 injuries and roughly $50,000,000,000 in economic costs each year, the Committee believes that NHTSA should commit adequate resources toward this tragic problem and remains disappointed that the agency continues to send up budgets that cut the funding dedicated toward the impaired driving core program. In fiscal years 2004 and 2005, NHTSA recommended reductions to the impaired driving account by 28 percent and 35 percent respectively. As for the FARS data, the Committee is mystified by the large discrepancy in the overall number of alcohol-related fatalities between the early and current assessment of the data and believes that the State-by-State data warrants further scrutiny and explanation.

The Committee recommends funding of $14,095,000 to support the impaired driving program. This amount is $4,150,000 more than the budget request. These additional funds will allow NHTSA to continue to: (1) promote high visibility law enforcement; (2) educate prosecutors, judges and law enforcement regarding impaired driving and promote specialized or enhanced court systems; (3) develop effective messages and countermeasures to reach high risk groups; (4) encourage widespread adoption of medical screening and brief intervention for individuals with alcohol abuse problems; and (5) complete NHTSA's model impaired driving records information system pilot which will assist States in tracking repeat offenders and begin to promote its use in more States. The additional funding will also provide NHTSA with resources to advance the use of standard field sobriety testing [SFST], continue to train law enforcement to use SFST, fund the standardization of the SFST course and study how to significantly reduce the time required to present the course to law enforcement.

The Committee recommendation has combined NHTSA's impaired driving and drug impaired driving programs into one program line item, in recognition of the fact that countermeasures must focus on the impaired driving issue with adequate attention to both alcohol and drugs.

In addition, the Committee recommends additional funding of $20,000,000 to support national advertising in coordination with the annual "You Drink & Drive. You Lose" impaired driving law enforcement crackdown. These funds will be derived from the section 163 grant program.

To better understand what strategies and factors work best to reduce alcohol fatalities and crashes, the Committee directs the Department's Office of Inspector General to review and compare the scope and direction of programs and activities conducted by States with the highest and lowest rates of alcohol-related fatalities using a 5-year average of fatality data. The Inspector General should, at a minimum, focus on: State and Federal resources dedicated to reducing alcohol-impaired driving; an analysis of those expenditures; State law enforcement efforts, including the use of sobriety checkpoints or other high-visibility enforcement methods; law enforcement officer training standards; and the use of paid and earned media. The OIG shall report to the House and Senate Committees on Appropriations no later than April 1, 2005.

Judicial and Prosecutorial Awareness.—The Committee has provided $1,500,000 for Judicial and Prosecutorial Awareness to expedite the detection, identification and tracking of hard core drunk drivers. The Committee is aware that one of the major factors in alcohol-related crashes is the number of habitual drunk drivers involved in alcohol-related traffic crashes.

The Committee directs NHTSA to work with State and local law enforcement officials, judges, prosecutors and parole officers to assist them in developing strategies that specifically target the removal of habitual drunk drivers from the road.

The Committee directs NHTSA to provide a report to the House and Senate Committees on Appropriations by June 1, 2005, on the strategies developed to measure the effectiveness of this program and NHTSA's plan to carry it out. The report shall also include a detailed study of the effectiveness and the costs related to the implementation of a Statewide cellular drunk driving reporting program that provides free air time and allows motorists with a cell phone to dial a special number [*DUI] to report drunk drivers. The

Committee is aware that at least three States are currently providing this service to motorists. The Committee also directs NHTSA to look at the effectiveness of other innovative techniques employed by States to discourage repeat offenders from drinking while driving.

Impaired Driving and Targeted Populations.—The Committee is concerned that there continues to be certain segments of the population that are over represented in alcohol-related motor vehicle crashes. For example in 2002, 24 percent of drivers 15–20 years old killed in crashes had levels of alcohol at or above a blood alcohol level of 0.08. The Committee strongly encourages NHTSA to aggressively pursue strategies that reduce impaired driving among the age groups and ethnic populations that are over-represented in alcohol-related fatalities. Within the funds provided for NHTSA's impaired driving programs the Committee has included $1,000,000 to increase outreach efforts that target these populations. The Committee directs NHTSA to notify the House and Senate Committees on Appropriations, no later than 90 days after enactment of this Act, detailing the target populations, strategies, and activities that will be utilized.

Pedestrian Safety.—The Committee has provided $1,250,000 for pedestrian and bicycle safety. Within the funds provided under this account the Committee has included $50,000 for NHTSA to conduct a study to identify the characteristics of vehicle-related accidents, injuries and fatalities that involve pedestrians on the roadside or travel lane. NHTSA's Fatality Analysis Reporting System indicates that there were 4,749 pedestrians killed and approximately 70,000 pedestrians injured in motor vehicle crashes in 2003.

The Committee is particularly interested in NHTSA's countermeasure recommendations concerning the unintended pedestrian—a driver and or passenger of a broken-down vehicle or one involved in a previous accident afoot on the shoulder of the roadway working on the car, pushing it, inspecting damage to the vehicle, trading information with another driver or simply waiting/walking on the roadside seeking assistance. The Committee directs NHTSA to provide a report to the House and Senate Committees on Appropriations by March 31, 2005, which shall include countermeasures aimed at the unintended pedestrian. In addition, the Committee is interested in receiving data and recommended countermeasures on vehicle-related accidents, injuries and fatalities involving law enforcement and public safety officers who have exited their vehicles and are standing alongside the roadway.

Highway Safety Research.—The Committee includes $6,933,000 for NHTSA's highway safety research program. Within the funds provided, the Committee includes $400,000 to support the Drivers Edge Safety Program, a non-profit program that provides real life driver training to young drivers to combat teen accidents and driving fatalities.

Emergency Medical Services.—The Committee recommends $2,271,000 for emergency medical services. Within the funds provided, the Committee includes $500,000 to support pediatric trauma research, TraumaLink, at the Children's Hospital of Philadelphia. There have been a number of highly publicized cases of crash victims who were stranded for extended periods of time because their vehicles were not easily located. Advanced location technology associated with wireless E 9–1–1 can assist law enforcement and EMS personnel in reaching victims quickly. The Committee has also included $500,000 within the total amount for research at the USA Center for the study of Rural Vehicular Trauma.

The Committee is aware that national databases exist that support police and fire services; however, there has been no similar national repository for Emergency Medical Services [EMS] data and no current method to easily link disparate EMS databases to allow analysis at a local, State, and national level. It is the Committee's understanding that NHTSA, in cooperation with the Health Resources and Services Administration, has funded a cooperative agreement with the National Association of State EMS Directors to develop and implement a National EMS Information System [NEMSIS], which is necessary for post crash injury control. The Committee encourages NHSTA to continue the implementation of NEMSIS which will provide data entry and reporting capabilities at the local and State EMS levels and a national EMS database with a resource center to assist EMS systems in data collection and use.

Motorcycle Safety.—The Committee provides $800,000 for NHTSA's motorcycle safety efforts. The Committee remains concerned that for a sixth year in a row the number of motorcycle fatalities increased. In 2003, the number of motorcycle fatalities has increased 12 percent. The Committee has provided increased funding to further assist in the implementation of the urgent and essential recommendations included in the National Agenda for Motorcycle Safety. Further, the Committee urges NHTSA to focus on strategies to reduce the alarming numbers of motorcyclists killed and injured in alcohol-related crashes.

Highway Safety Oversight.—Statement of Managers accompanying the Consolidated Omnibus Appropriations Act, fiscal year 2004, directed NHTSA to examine its policies with regard to the State grant programs and to submit a report to the House and Senate Committees on Appropriations on current guidance provided to States on crafting effective highway safety plans. The conference report also directed NHTSA to examine what steps it would undertake if, in reviewing a State's plan, NHTSA disagreed with the State's planned use of Federal grant funds.

The Committee has reviewed NHTSA's report and finds its proposed response to the concerns raised by the GAO to be insufficient. The response from NHTSA proposes to perform management reviews of individual States as infrequently as every 3 years. While NHTSA has outlined other procedures to provide guidance to States in its report, the Committee is concerned about the lack of oversight NHTSA exercises with respect to State use of Federal highway safety funds.

Alcohol-related fatalities have increased over the past several years, however, attachment "A" of NHTSA's report shows that section 402 grant expenditures for alcohol programs decreased by more than 19 percent (from $25,300,000 to $20,400,000) between 2000 and 2003. While NHTSA claims that increasing seat belt use is its highest priority, section 402 expenditures for occupant protection programs declined almost 7 percent (from $21,800,000 to

$20,300,000) over the same time period. These spending patterns suggest that the priorities of the States are markedly different from those of NHTSA.

The Committee directs NHTSA to develop uniform criteria that hold the States accountable for the Federal dollars provided from the grant program. The Committee expects that this spending should be result-oriented and NHTSA should require the States to demonstrate the nexus between the safety goals and the plan to attain those goals.

The Committee directs NHTSA to provide an updated report on implementation of policies to oversee State highway safety programs by category, including expenditures of section 402 funds. The Committee also is concerned that NHTSA's policy lacks sufficient clarity as to when a performance enhancement plan would be required. The Committee urges NHTSA to work with its regional offices to develop specific criteria that would require a State to develop a performance enhancement plan. As part of the report, the Committee directs NHTSA to provide the number of completed management and special management reviews along with a detailed description of any required performance enhancement plans. The report shall be submitted to the House and Senate Committees on Appropriations by March 1, 2005. In addition, the Committee directs NHTSA to solicit public comments on the subject of management and oversight of federally funded State highway safety programs. The Committee expects NHTSA to incorporate a summary of the comments in the updated report. The Committee has provided $50,000 in operating expenses to complete this updated report.

RESEARCH AND ANALYSIS

Safety Systems Research.—The Committee recommends $9,818,000 for safety systems research which is $500,000 more than the budget request. The Committee directs that $500,000 be used to accelerate research related to the increased safety challenges including but not limited to, rollovers, roof crush problems, the adverse consequences of side and frontal impacts, vehicle aggressivity and compatibility, as well as, occupant ejections. These funds are to be used in tandem with the increased funding provided under safety system support.

Biomechanical Research.—The Committee provides a total of $14,475,000 for biomechanics research. The Committee's recommendation includes necessary resources for the continued research of the Crash Injury Research and Engineering Network program. Within the funds provided, the Committee includes $2,000,000 to continue research related to traumatic brain and spinal cord injuries caused by motor vehicle, motorcycle, and bicycle accidents at the Southern Consortium for Injury Biomechanics, and $1,000,000 to support a joint research initiative between the University of Vermont's College of Medicine [UVM] and Fletcher Allen Health Care that will assist victims of automobile accidents in rural areas to determine the capabilities and outcomes of advanced mobile telecommunications links.

Driver/Vehicle Performance.—The Committee recommends $3,795,000 for driver/vehicle performance research, which is

$300,000 more than the budget request. With in the funds provided, the Committee recommendation includes $300,000 for research and development of eye-tracking and monitoring devices to detect driver drowsiness and fatigue. The Committee directs that NHTSA to explore existing patented technologies for this research in an effort to reduce accidents and injuries related to driver drowsiness.

Driver Behavior/Simulation Research.—The Committee recommends $3,650,000 for NHTSA's driver behavior/simulation research efforts, which is $95,000 more than the budget request. Within the funds provided, the Committee recommendation includes $100,000 for the National Advanced Driving Simulator in order to conduct research on the driving capabilities of individuals that suffer from moderate visual loss and whether bioptic telescopes improve their driving performance.

Crash Avoidance Initiative.—This program will assist NHTSA in evaluating technologies such as electronic stability control systems, alternate braking, vision enhancement and lane departure warnings. The Committee believes that this technology holds potential to assist drivers in avoiding accidents. While the Committee supports this initiative it is unable to provide funding for the request due to budgetary limitations. The Committee would encourage NHTSA to seek funding for this initiative through other funding sources such as the Intelligent Vehicle Initiative.

Fatality Analysis Reporting System.—The Committee recommends $6,763,000 for the Fatality Analysis Reporting System [FARS]. This represents an $850,000 increase over the budget request. The Committee is aware that the proposed budget for the FARS data collection for fiscal year 2005 is insufficient to pay State FARS analysts for the entire data collection year. As a result, NHTSA will have to lay off well trained staff. The Committee is providing an increase of $850,000 to the base FARS program to ensure that sufficient funding is available.

FAST FARS.—The Committee recommends $1,000,000 for this new initiative. With the FAST FARS data collection program, NHTSA will implement a data collection system that will provide more timely fatality data.

Examples of the need for effective instant feedback program evaluations are (1) impaired driving (drunk & drugged driver campaign), (2) safety belt usage ("Click It or Ticket"), and (3) holiday period fatality statistics (Memorial Day weekend summary fatality counts). An effective FAST FARS data collection program will permit the agency to analyze effectiveness more quickly, thereby improving decision making to better utilize limited safety funding resources.

Human Occupant Computer Models.—The Committee encourages NHTSA to work with members of the Global Human Body Models Partnership and Consortium in developing a set of computer models of human occupants that can be used in automotive safety design. These models have the potential of reducing the cost of testing and may also enable the designer to study directly the injury potential of safety systems on the human occupant instead of its effect on dummies. The Committee understands that there are a number of technical challenges that need to be addressed before virtual testing can become a functional reality. The Committee looks forward to learning about the results and progress of this partnership.

National Automotive Sampling System.—The Committee provides $12,100,000 for the National Automotive Sampling System [NASS]. The NASS General Estimates System data assists in assessing the trend and magnitude of the crash situation in this country, and the NASS Crashworthiness Data System provides more in-depth and descriptive data allowing NHTSA to quantify the relationships between the occupants and vehicles in the real-world crash environment.

National Tire Fuel Efficiency Study.—The Committee continues to be interested in the progress of the study that the National Academy of Sciences has underway commissioned by NHTSA on a national tire fuel efficiency study to consider the relationship that low rolling resistance replacement tires have on fuel consumption and tire wear life. The Committee would appreciate a progress report to the Committee on Appropriations by December 31, 2004 on the initial findings of that effort and an anticipated schedule for completion of the study.

Tread Act Compliance.—The primary purpose of the TREAD Act is to improve the safety of the motoring public. The Committee is concerned that some producers of tires exported to the United States may not comply with the early warning reporting and future tire testing requirements of the TREAD Act. Therefore the Committee urges NHTSA to aggressively monitor compliance with the TREAD Act to ensure that all tire manufacturers comply with the letter and the spirit of those requirements that are being implemented to improve safety.

NATIONAL DRIVER REGISTER

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Appropriations, 2004[1]	($3,579,000)
Budget estimate, 2005	(4,000,000)
Committee recommendation	(4,000,000)

[1] Reflects reduction of $21,240 pursuant to Division H, section 168 of Public Law 108–199.

The National Driver Register [NDR] is a central repository of information on individuals whose licenses to operate a motor vehicle have been revoked, suspended, canceled, or denied. The NDR also contains information on persons who have been convicted of serious traffic-related violations such as driving while impaired by alcohol or other drugs. State driver licensing officials query the NDR when individuals apply for a license to determine whether driving privileges have been withdrawn by other States. Other organizations such as the Federal Aviation Administration and the Federal Railroad Administration also use NDR license data in hiring and certification decisions in overall U.S. transportation operations.

The bill includes $4,000,000 for the NDR which is an increase of $421,000 over the fiscal year 2004 authorized level and equal to the budget request.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriations, 2004 [1]	$223,673,000
Budget estimate, 2005	456,000,000
Committee recommendation	225,000,000

[1] Reflects reduction of $1,328,000 pursuant to Division H, section 168 of Public Law 108–199.

For fiscal year 2005, the Transportation Equity Act for the 21st Century must be reauthorized. Consistent with the general guidance provided in the report, the Committee has followed the structure provided in TEA21 which authorizes the following State grant programs: The section 402 State and community formula grant program, the section 410 alcohol-impaired driving countermeasures incentive grant program, and the section 405 occupant protection incentive grant program.

Under the Section 402 grant program, grant allocations are determined on the basis of a statutory formula established under 20 U.S.C. 402. Individual States use this funding in national priority areas established by Congress which have the greatest potential for achieving safety improvements and reducing traffic crashes, fatalities and injuries. The section 410 alcohol-impaired driving countermeasures incentive grant program encourages States to enact stiffer laws and implement stronger programs to detect and remove impaired drivers from the roads. The section 405 occupant protection program encourages States to promote and strengthen occupant protection initiatives.

The Committee recommends an appropriation for liquidation of contract authorization of $225,000,000 for the payment of obligations incurred in carrying out provisions of these grant programs.

The Committee has continued a provision prohibiting the use of section 402 funds for construction, rehabilitation or remodeling costs, or for office furnishings and fixtures for State, local, or private buildings or structures.

LIMITATION ON OBLIGATIONS

The bill includes language limiting the obligations to be incurred under the various highway traffic safety grants programs. Separate obligation limitations are included in the bill with the following funding allocations:

	Fiscal year 2004 enacted [1]	Fiscal year 2005 estimate	Committee recommendation
State and Community Formula Grants	$164,027,000	$396,000,000	$165,000,000
Alcohol-impaired driving countermeasures grants	39,764,000		40,000,000
Occupant protection incentive grants	19,882,000		20,000,000
Section 412 State highway safety data grants		50,000,000	
Emergency Medical Services		10,000,000	
Total	(223,673,000)	(456,000,000)	(225,000,000)

[1] Reflects reduction of $1,327,500 pursuant to section 168(b) of Public Law 108–199.

Safety Belt Usage.—While outcome data is not yet available, the May 2004 "Click It or Ticket" Mobilization built on the successful previous effort with significant law enforcement participation from across the country and increase use of the media. The Committee is pleased that the funding that has been provided for the "Click It or Ticket" campaign and the accompanying public safety messages continues to prove effective in increasing usage rates but believes that NHTSA's work in this area is not done. The Committee encourages NHTSA to build upon its successes and continue to work with State and local governments to further increase seat belt usage rates in 2005.

Public Safety Messages.—The bill contains a provision (sec. 140) extending the authority for States to use traffic safety grant funds under Section 402 to produce and place highway safety public service messages in television, radio, cinema, print media and on the Internet. The Committee continues a provision that was included in previous appropriations Acts which designated grant funds to be used for public safety messages related to safety belt use and support of the "Click It or Ticket" mobilization that is conducted each year in May and November. In fiscal year 2004, NHTSA again used this funding to support State high-visibility "Click It or Ticket" enforcement programs and bolstered these programs with almost $30,000,000 in targeted State and national advertising. The fiscal years 2003 and 2004 campaign specifically addressed young drivers who are at higher risk of being in a car crash and less likely to use seat belts than other age groups. As a result, in 2003 usage increased seven percentage points among 16–24 year olds, compared to 4 percentage points in the overall population. The Committee is encouraged by NHTSA's efforts to reach out to this and other target populations whose seat belt usage rates are below the national average.

The Committee has again included bill language providing $10,000,000 from the seat belt grant program to be used consistent with current practice and as directed by the NHTSA Administrator for broadcast advertising to support the national law enforcement mobilization aimed at increasing seat belt use.

Just as high visibility enforcement programs have proven so effective in increasing seat belt use, research has also concluded that sobriety checkpoints are highly effective in reducing alcohol-related traffic fatalities and injuries. NHTSA's own survey has indicated that 4 out of 5 Americans support increased enforcement and tougher laws to protect themselves and their families from impaired drivers.

The Committee continues to be concerned with the high number of alcohol-related fatalities. The Committee believes that NHTSA should continue to implement a more proactive role in working with States to recognize and develop new and innovative measures that target impaired drivers. For fiscal year 2005, the Committee has continued bill language providing $20,000,000 from the impaired driving grant program to be used as directed by the NHTSA Administrator for broadcast advertising to support a national law enforcement mobilization aimed at controlling impaired driving. It is the Committee's intent that these funds support a national mobilization and sustained enforcement of impaired driving laws, and that NHTSA work on this initiative with the States and non-profit safety organizations that have been active in conducting recent mobilizations. Further, the Committee has specified that no less than

$6,000,000 be provided to the States to ensure that they have adequate resources for impaired driving enforcement activities to support the mobilization and for sustained impaired driving enforcement throughout the year. The Committee believes that continued funding for evaluation is unnecessary as it appears that mobilization coupled with paid advertising is an effective deterrent.

NHTSA has set aggressive goals for achieving seat belt use and has exceeded these goals resulting in saving countless lives, reducing injuries, and economic costs. The Committee is pleased with the results of this multiyear effort and directs NHTSA to continue their successful model of high visibility enforcement and paid media to support national law enforcement mobilization aimed at increasing seat belt use. NHTSA has recently undertaken a similar course of action in impaired driving which holds promise to stimulate national action through high visibility enforcement, including sobriety checkpoints, saturation patrols, and paid media to support a national law enforcement mobilization. These two mobilizations scheduled for the peak travel times of summer, Memorial Day and Labor Day holidays, must continue to be implemented and evaluated to have an impact on the motoring public. The Committee applauds NHTSA's efforts to implement sustained impaired driving enforcement as a complement to mobilizations.

The Committee also recognizes NHTSA and the highway safety community, including the States, law enforcement, and non-profit safety organizations, achievement in successfully reducing alcohol related crashes around the winter holidays, including New Year's Eve. The impaired driving holiday messaging and enforcement has become a routine part of the winter celebrations, including paid and earned media messages and heightened law enforcement activity with limited Federal resources. The Committee awaits the pending results of last year's combined seat belt and impaired driving messages to assess its potential in future highway safety programs.

GENERAL PROVISIONS—NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Section 140 allows States to use funds provided under section 402 of title 23, U.S.C. to produce and place highway safety public service messages related to seat belt usage and impaired driving. The provision allocates $10,000,000 for the purpose of national paid media to support national safety belt mobilizations under section 157 and a total of $20,000,000 under section 163 to include: $6,000,000 to support State impaired driving mobilization enforcement efforts and $14,000,000 for paid media to support national law enforcement mobilizations on impaired driving.

Section 141 requires NHTSA to retain the lead responsibility for developing the national share the road safely program strategy and work with the FMCSA to ensure the effective implementation, monitoring and evaluation of this program.

Section 142 allows the Secretary of Transportation for fiscal year 2005, to use the funds necessary to carry out the provisions of section 157 of title 23.

FEDERAL RAILROAD ADMINISTRATION

SUMMARY OF FISCAL YEAR 2005 PROGRAM

The Federal Railroad Administration [FRA] became an operating administration within the Department of Transportation on April 1, 1967. It incorporated the Bureau of Railroad Safety from the Interstate Commerce Commission, the Office of High Speed Ground Transportation from the Department of Commerce, and the Alaska Railroad from the Department of the Interior. The Federal Railroad Administration is responsible for planning, developing, and administering programs to achieve safe operating and mechanical practices in the railroad industry. Grants to the National Railroad Passenger Corporation [Amtrak] and other financial assistance programs to rehabilitate and improve the railroad industry's physical infrastructure are also administered by the Federal Railroad Administration.

The Committee recommends $1,437,074,000 for the activities of the Federal Railroad Administration for fiscal year 2005, which is $348,653,000 more than the budget request and $6,608,000 less than the fiscal year 2004 enacted level.

The following table summarizes the Committee recommendations:

Program	Fiscal year—		Committee recommendation
	2004 enacted [1]	2005 budget estimate	
Safety and Operations	$130,053,000	$142,396,000	$139,849,000
Railroad Research and Development	33,824,000	36,025,000	35,225,000
Next Generation High-Speed Rail	37,179,000	10,000,000	20,000,000
Alaska Railroad Rehabilitation	24,853,000	....	25,000,000
Grants to National Railroad Passenger Corporation	1,217,773,000	900,000,000	1,217,000,000
Total budgetary resources	1,443,682,000	1,088,421,000	1,437,074,000

[1] Reflects reduction of $8,568,000 pursuant to Division H, section 168 of Public Law 108–199.

SAFETY AND OPERATIONS

Appropriations, 2004 [1]	$130,053,000
Budget estimate, 2005	142,396,000
Committee recommendation	139,849,000

[1] Reflects reduction of $772,000 pursuant to Division H, section 168 of Public Law 108–199.

The Safety and Operations account provides support for FRA rail safety activities and all other administrative and operating activities related to staff and programs.

The Committee recommends $139,849,000 for Safety and Operations for fiscal year 2005, which is $2,547,000 less than the budget request and $10,313,000 more than the fiscal year 2004 enacted level. Of this amount the bill specifies that, $15,350,000 remains available until expended. The Committee denies the requests of $91,000 for a financial analyst for the Railroad Rehabilitation and Improvement Financing program, $300,000 for workforce planning, and $193,000 for citizen centered government because it believes that FRA's existing operational resources are sufficient to undertake these tasks.

Student Inspector Trainees.—In support of FRA's efforts to gain both diversity and experience by training new railroad inspectors, the Committee provides funding for 8 of the 16 requested positions for this new initiative.

Track Geometry Vehicle.—Recognizing the safety advantages gained by doing so, the Committee provides funding for the requested additional Track Geometry Vehicle. However, because manufacturing constraints preclude this equipment from being delivered in fiscal year 2005, the Committee provides only $1,500,000 of the funding necessary for the vehicle's purchase. It is the Committee's intention to provide the remaining $1,500,000 in fiscal year 2006.

Highway-Rail Grade Crossing Safety.—The Committee notes that FRA has agreed with OIG recommendations to develop a means for including Federal Transit Administration statistics in its grade crossing accident tabulations and to identify those States with the highest number of grade crossing accidents. In order to ensure FRA's timely progress in implementing these recommendations, the Committee directs FRA to report on the status of its efforts in this regard, including expected milestones, no later than 90 days following the enactment of this Act.

Washington Union Station Air Rights Development Project.—The Committee is concerned that the congressionally-directed sale of air development rights over the rail yard at Union Station in Washington, DC, which was to have been completed by the end of fiscal year 2002, remains pending because of a potential leasehold encroachment into the air rights parcel subject to the sale. While negotiations among the affected parties are ongoing, the Committee is troubled by the slow progress in completing this transaction. The Committee therefore directs FRA to work with all parties involved in order to resolve the outstanding issues and reach a timely and equitable solution.

RAILROAD RESEARCH AND DEVELOPMENT

Appropriations, 2004 [1]	$33,824,000
Budget estimate, 2005	36,025,000
Committee recommendation	35,225,000

[1] Reflects reduction of $201,000 pursuant to Division H, section 168 of Public Law 108–199.

Railroad Research and Development provides for research in the development of safety and performance standards for railroads and the evaluation of their role in the Nation's transportation infrastructure.

The Committee recommends an appropriation of $35,225,000 for railroad research and development, which is $800,000 less than the budget request and $1,401,000 more than the fiscal year 2004 enacted level. Within the funds provided, $2,000,000 is for Marshall University and the University of Nebraska for safety research programs in rail equipment, human factors, track, and rail safety related issues.

The Committee recommends the following funding levels within the Railroad research and development programs:

	Amount
Railroad System Issues	$3,225,000
Human Factors	4,178,000
Rolling Stock and Components	2,587,000

	Amount
Track and Structures	4,125,000
Track and Train Interaction	3,350,000
Train Control	950,000
Grade Crossings	1,935,000
Hazardous Materials Transportation	1,000,000
Train Occupant Protection	6,450,000
R&D Facilities and Test Equipment	1,425,000
NDGPS	6,000,000

Track and Structures.—The Committee provides $4,125,000 for FRA's track and structures research efforts. Track and structures provides for research in inspection techniques, material and component reliability, track and structure design and performance, and track stability data processing and feedback. Within the funds provided, the Committee includes $250,000 for structural integrity research utilizing fiber reinforced recyclable thermoplastic composite shell and discarded tire core on railroad ties at West Virginia University's Constructed Facility Center.

Nationwide Differential Global Positioning System.—The Committee has provided $6,000,000 for continued deployment of the Nationwide Differential Global Positioning System network, which is $800,000 less than the requested amount and $234,220 more than the fiscal year 2004 enacted level. This amount includes $5,000,000 for maintaining existing sites and $1,000,000 for new site installations, which the Committee believes is sufficient for FRA's role in the continuation of this project.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING PROGRAM

The Rail Rehabilitation and Improvement Financing Program [RRIF], as established in section 7203 of the Transportation Equity Act for the 21st Century [TEA21], does not authorize any direct appropriations, but it enables the Secretary of Transportation to provide loans and loan guarantees to State and local governments, Government-sponsored authorities and corporations, railroads and joint ventures to acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, bridges, yards, and shops. No appropriations, new loan guarantee commitments, nor loan repayment extensions are proposed for fiscal year 2005.

NEXT GENERATION HIGH-SPEED RAIL

Appropriations, 2004 [1]	$37,179,000
Budget estimate, 2005	10,000,000
Committee recommendation	20,000,000

[1] Reflects reduction of $221,000 pursuant to Division H, section 168 of Public Law 108–199.

The Next Generation High-Speed Rail Technology Demonstration Program [NGHSR] seeks to demonstrate technology that will facilitate the incremental development of high-speed rail passenger service that has air or road competitive door-to-door trip times between major city pairs and reliable, high quality, cost-effective service.

The Committee provides $20,000,000 for NGHSR, which is $10,000,000 more than the budget request and $17,179,000 less than the fiscal year 2004 enacted level. The Committee recommends the following funding levels within this amount:

	Amount
High-speed train control systems	$10,000,000
High-speed non-electric locomotives	1,000,000
Grade crossing hazard mitigation/Low-cost innovative technologies	2,000,000
Track and structures technology	1,000,000
Corridor planning	4,000,000
Magnetic levitation	2,000,000

Train Control Systems.—The Committee notes that progress has been made on several pilot projects that are important to demonstrating the operational and safety benefits of wider deployment of train control system technologies on freight railroads. The Committee encourages FRA to utilize a portion of its train control systems funding to further the development and testing of safety overlay train control technologies that work in conjunction with existing methods of operation and signal and control systems and enforce movement authorities and track restrictions generated by those systems to protect against the consequences of human and technology failures.

High-Speed Non-Electric Locomotive.—The Committee provides $1,000,000 for the high-speed non-electric locomotive program and directs FRA to submit a plan, detailing the location and timetable for demonstrating the non-electric locomotive, within 90 days of the enactment of this Act.

Grade Crossing Hazard Mitigation/Low-cost Innovative Technologies.—The Committee recommends $2,000,000 for grade crossing hazard mitigation and low-cost innovative technology initiatives. Within the funds provided, the Committee includes the following allocation:

	Amount
Alaska Railroad Luminescent Grade Crossings	$1,000,000
Vicksburg, MS Fairgrounds Street Grade Crossing Mitigation	1,000,000

Corridor Planning.—The Committee includes $4,000,000 for passenger rail corridor planning. Within the funds provided, the Committee includes the following allocations:

	Amount
Central Utah High Speed Rail Corridor Study	$400,000
Florida High Speed Rail Corridor Study	1,200,000
Gulf Coast High Speed Rail Corridor Study	1,000,000
Memphis Region High Speed Rail Study	400,000
Spokane Region High Speed Rail Corridor Study	1,000,000

Magnetic Levitation Transportation.—The Committee provides $2,000,000 for magnetic levitation activities, $1,000,000 of which is provided for the California-Nevada Interstate Maglev Project and $1,000,000 of which is provided for the Pennsylvania Maglev Deployment Project.

RAIL-HIGHWAY CROSSING HAZARD ELIMINATIONS

Section 1103 of the Transportation Equity Act for the 21st Century [TEA21] provides $5,250,000 for the elimination of rail-highway crossing hazards on high speed rail corridors. Of these set-aside funds, the following allocations are made:

	Amount
Grade Separation of CSX/US 90 at Hamilton Boulevard, Mobile, AL	$1,000,000
Grade Separation at McCord Road, Lucas County, OH	1,000,000
Illinois Statewide Highway-Rail Crossing Safety Program	500,000
Vermont Statewide Highway-Rail Crossing Safety Program	1,000,000
Wisconsin Railway-Highway Crossing Hazard Elimination Project	500,000

ALASKA RAILROAD REHABILITATION

Appropriations, 2004 [1]	$24,853,000
Budget estimate, 2005	....
Committee recommendation	25,000,000

[1] Reflects reduction of $147,000 pursuant to Division H, section 168 of Public Law 108–199.

The Alaska Railroad was established by Congress on March 12, 1914, in order to facilitate economic development and access to mineral deposits in the Territory of Alaska. Completed in 1923, the railroad was part of the Department of the Interior until the creation of the Department of Transportation at which time the railroad became part of FRA. On January 5, 1985, pursuant to authority delegated by the Alaska Railroad Transfer Act of 1982, (45 U.S.C. 1201 et seq.), FRA sold the Federal Government's interest in the Alaska Railroad to the Alaska Railroad Corporation [ARRC], a public corporation of the State of Alaska. Today, the ARRC provides freight and passenger service from the ice-free ports of Whittier, Seward and Anchorage to Fairbanks as well as Denali National Park and military installations. Vessel and rail barge connections are provided from Seattle, Washington and Prince Rupert, British Columbia.

The Committee provides $25,000,000 for rail safety and infrastructure improvements benefiting passenger and freight operations of the Alaska Railroad.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

Appropriations, 2004 [1]	$1,217,773,000
Budget estimate, 2005	900,000,000
Committee recommendation	1,217,000,000

[1] Reflects reduction of $7,227,000 pursuant to Division H, section 168 of Public Law 108–199.

The National Railroad Passenger Corporation [Amtrak] is a for-profit corporation that operates intercity passenger rail services in 46 States and the District of Columbia, in addition to serving as a contractor in various capacities for several commuter rail agencies. Congress created Amtrak in the Rail Passenger Service Act of 1970 (Public Law 91–518) in response to private carriers' inability to profitably operate intercity passenger rail service due a steady decline in ridership that began in the 1920s. Thereafter, Amtrak assumed the common carrier obligations of the private railroads in exchange for the right to priority access of their tracks for incremental cost.

Amtrak has operated at a deficit every single year since its inception in 1971. This is despite generating more than $35,000,000,000 in revenue and receiving approximately

$28,000,000,000 in Federal subsidy assistance during this time. During this time, Amtrak has accumulated a significant backlog of both deferred maintenance costs and capital investment while also failing to make any substantial progress toward financial self-sufficiency or even operational solvency.

Recently, Amtrak's annual deficits have grown from approximately $900,000,000 during the 1990s to well over $1,000,000,000 each year since 2001. Even with the efforts of Amtrak's current management team to control core expenses and institute disciplined financial controls, its most recent strategic plan forecasts a budget deficit of over $1,200,000,000 in fiscal year 2004, increasing to over $1,500,000,000 by fiscal year 2009. Meanwhile, Federal grants to Amtrak have increased from $571,000,000 in fiscal year 2000 to over $1,200,000,000 in fiscal year 2004 with projections that this amount must increase to approximately $1,800,000,000 in fiscal year 2005 and each year through fiscal year 2009 in order to maintain Amtrak as an ongoing viable entity.

Today, Amtrak serves less than 1 percent of America's intercity passengers, even while its operating losses continue to increase, its on-time performance continues to decrease and its Federal subsidy requests spiral upward. The Committee remains convinced that Amtrak's current operating structure is not a sustainable business model and that Amtrak is in need of comprehensive reform.

COMMITTEE RECOMMENDATION

Federal Resources Available to Amtrak in Fiscal Year 2005	Amount
Federal Subsidy	$1,217,000,000
JOBS Act Tax Credits	330,000,000
Total	1,547,000,000

The Committee provides $1,217,000,000 for Amtrak, which is $317,000,000 more than the budget request. The Committee notes that section 636 (Railroad Revitalization and Security Investment Credit) of the "Jumpstart Our Business Strength Act [JOBS]" (S. 1637), which passed the Senate on May 11, 2004 and is currently awaiting consideration by House and Senate conferees, will provide an estimated $330,000,000 for Amtrak's ongoing operations and capital investment during fiscal year 2005. The Committee believes that these combined resources, totaling $1,547,000,000, will be sufficient to meet Amtrak's Federal funding requirements during fiscal year 2005.

The Committee also includes bill language maintaining the accountability measures put in place by the fiscal year 2004 Act (Public Law 108–199).

Diesel-multiple Units.—The Committee is encouraged by Amtrak's advancement of the procurement of FRA compliant DMU railcars for delivery early in fiscal year 2006 that will be used for commuter rail service operated by Amtrak in Vermont, Wisconsin, Illinois, Oklahoma, New York, Oregon, Connecticut, Washington, and California. The Committee understands the numerous efficiency, environmental, operational, and cost-saving benefits that will be achieved by this procurement. This is a positive example of a sound business decision that will well serve Amtrak, its riders, and is the type of economically grounded decision that the Committee encourages.

GENERAL PROVISIONS—FEDERAL RAIL ADMINISTRATION

Section 150 requires the Secretary of Transportation to continue development and implementation of a fair competitive bid procedure to assist states in introducing carefully managed competition to demonstrate whether competition will provide higher quality rail services at reasonable prices.

Section 151 clarifies that Federal funds provided to the Alaska Railroad may only be used for railroad and related purposes and that the right of way may be fully utilized.

Section 152 clarifies fiscal year 2004 funding for KBS railroad improvements.

FEDERAL TRANSIT ADMINISTRATION

The Federal Transit Administration was established as a component of the Department of Transportation by Reorganization Plan No. 2 of 1968, effective July 1, 1968, which transferred most of the functions and programs under the Federal Transit Act of 1964, as amended (78 Stat. 302; 49 U.S.C. 1601 et seq.), from the Department of Housing and Urban Development. The missions of the Federal Transit Administration are: to assist in the development of improved mass transportation facilities, equipment, techniques, and methods; to encourage the planning and establishment of urban and rural transportation services needed for economical and desirable development; to provide mobility for transit dependents in both metropolitan and rural areas; to maximize the productivity and efficiency of transportation systems; and to provide assistance to State and local governments and their instrumentalities in financing such services and systems.

The programs funded by the Federal Transit Administration, as contained in TEA21 and a series of short-term extensions for fiscal year 2004, need to be reauthorized for fiscal year 2005, and the budget request for the Federal Transit Administration reflects the administration's reauthorization proposal. The budget request retains a separate account for administration and restructures the Federal transit programs into two accounts: Formula Grants and Research and Major Capital Investment Grants. In addition, the budget request proposes to consolidate funding from the general fund for the administration account and from the Highway Trust Fund for the proposed Formula Grants and Research account.

The Committee recommendation provides sufficient funding and stability for the Federal Transit Administration pending completion of the reauthorization of the surface transportation programs. Consistent with the general guidance provided in the report, the Committee has followed the program structure found in current law and has resisted the temptation to prejudge programmatic priorities and modifications that may emerge from the reauthorization process. Nevertheless, the Committee is concerned that the single-minded focus to increase local flexibility and funding stability as presented in the budget request may cause neglect to other important Federal interests in a national transit program. The Federal interest in transit should be—and is—greater than establishing rote entitlements that merely redistribute trust fund revenue by formula.

Under the Committee recommendation, a total program level of $7,758,000,000 is provided for the administrative expenses and programs of the Federal Transit Administration for fiscal year 2005. This funding is comprised of $993,024,000 in appropriations from the general fund and $6,764,976,000 in limitations on contract authority from the mass transit account of the Highway Trust Fund.

The following table summarizes the Committee's recommendations compared to fiscal year 2004 and the administration's request:

Program	2004 enacted [1]	2005 estimate	Committee recommendation
Administrative expenses	$75,055,000	$79,931,000	$78,000,000
Formula grants [2]	3,766,645,000		4,007,175,000
Formula grants and research		5,622,871,000	
University transportation research	5,965,000		6,000,000
Transit planning and research	125,257,000		128,000,000
Capital investment grants [3 4]	3,188,576,000		3,413,825,000
Major capital investment grants		1,563,198,000	
Job access and reverse commute grants [3]	104,380,500		125,000,000
Total	7,265,878,000	7,266,000,000	7,758,000,000

[1] Reflects reduction of $43,123,000 in fiscal year 2003 pursuant to Division H, section 168 of Public Law 108–199.
[2] Fiscal year 2004 reflects transfer of $49,705,000 from Formula grants to Capital investment grants.
[3] Fiscal year 2004 reflects transfer of $19,882,000 from Job Access and Reverse Commute grants to Capital investment grants.
[4] Excludes transfers of unobligated balances of $4,514,482 from Job Access and Reverse Commute grants to Capital investment grants.

ADMINISTRATIVE EXPENSES

	General fund	Trust fund
Appropriations, 2004 [1]	$15,010,910	$60,043,640
Budget estimate, 2005	79,931,000	
Committee recommendation	9,984,000	68,016,000

[1] Reflects total reduction of $445,000 pursuant to Division, H, section 168 of Public Law 108–199. Does not reflect reduction of $654,519 pursuant to Division F, section 517 of Public Law 108–199.

Administrative Expenses funds personnel, contract resources, information technology, space management, travel, training, and other administrative expenses necessary to carry out its mission to promote public transportation systems.

The accompanying bill provides a total of $78,000,000 in new budget resources for the agency's salaries and administrative expenses, which is comprised of an appropriation of $9,984,000 from the general fund and a limitation on obligations of $68,016,000 from the mass transit account of the highway trust fund. The recommended level of funding is $2,945,000 more than the fiscal year 2004 enacted level.

The specific levels of funding recommended by the Committee are as follows:

	Committee recommendation
Office of the Administrator	$900,000
Office of Chief Counsel	4,050,000
Office of Civil Rights	2,750,000
Office of Communications and Congressional Affairs	1,210,000
Office of Budget and Planning	6,700,000

	Committee recommendation
Office of Planning	4,000,000
Office of Program Management	7,120,000
Office of Research, Demonstration, and Innovation	4,830,000
Office of Administration	6,725,000
Central Account	18,015,000
Regional Offices	19,200,000
National Transit Database	2,500,000

Budget Justifications.—The FTA is directed to submit its fiscal year 2005 congressional justification for administrative expenses by office, with material detailing salaries and expenses, staffing increases, and programmatic initiatives of each office.

National Transit Database.—The Committee recommendation continues funding for the operation of the National Transit Database in the administrative expenses account. The budget request assumed funding for the National Transit Database to be set aside under the proposed Formula Grants and Research account. The Committee believes that the activities of the database are administrative in nature and therefore provides $2,500,000 for continued operation and maintenance of the National Transit Database.

FORMULA GRANTS

	General fund	Trust fund
Appropriations, 2004 [1]	$713,565,000	$3,053,079,920
Budget estimate, 2005 [2]	....	....
Committee recommendation	512,918,000	3,494,257,000

[1] Reflects reduction of $22,650,000 pursuant to Division, H, section 168 of Public Law 108–199. Does not reflect FHWA flex funding transferred to FTA.

[2] For comparative purposes $5,622,871,000 in Trust Funds is included in the fiscal year 2005 estimate for the proposed Formula Grants and Research account.

Formula grants to States and local agencies funded under this heading fall into four categories: urbanized area formula grants; clean fuels formula grants; formula grants and loans for special needs of elderly individuals and individuals with disabilities; and formula grants for non-urbanized areas. In addition, setasides of formula funds are directed to: a grant program for intercity bus operators to finance Americans with Disabilities Act [ADA] accessibility costs; and the Alaska Railroad for improvements to its passenger operations.

The Committee recommends $4,007,175,000 for transit formula grants. The recommended level of funding is comprised of an appropriation of $512,918,000 from the general fund and $3,494,257,000 from a limitation on obligations from the mass transit account of the highway trust fund. The recommendation is $190,825,000 more than the fiscal year 2004 enacted level and provides approximately 5 percent growth in funding for formula grants.

The Committee recommendation maintains the set-aside for project oversight in current law instead of providing an increase for program management of formula funds, as requested. The Committee distributes, consistent with statutory set asides, the total level of funding among the formula categories as follows:

Urbanized areas (sec, 5307)	$3,604,215,608

Clean fuels (sec. 5308)	50,000,000
Elderly and disabled (sec. 5310)	94,689,001
Nonurbanized areas (sec. 5311)	251,320,391
Over-the-Road Bus Program	6,950,000
Alaska railroad	4,825,700

Section 3007 of TEA21 amends U.S.C. 5307, urbanized formula grants, by striking the authorization to utilize these funds for operating costs, but includes a specific provision allowing the Secretary to make operating grants to urbanized areas with a population of less than 200,000. Generally, urbanized formula grants may be used to fund capital projects and to finance planning and improvement costs of equipment, facilities, and associated capital maintenance used in mass transportation. All urbanized areas greater than 200,000 in population are statutorily required to use 1 percent of their annual formula grants on enhancements, which include landscaping, public art, bicycle storage, and connections to parks.

Clean Fuels Program.—The Transportation Equity Act for the 21st Century, as extended, requires that $50,000,000 be set-aside from funds made available under the formula grants program to fund the clean fuels program. The clean fuels program is supplemented by an additional set-aside from the major capital investment's bus program and provides grants for the purchase or lease of clean fuel buses for eligible recipients in areas that are not in compliance with air quality attainment standards. The Committee assumes continuation of the program for fiscal year 2005.

Over-the-Road Buses.—The Committee has included $6,950,000 in fiscal year 2005 for the over-the-road accessibility program. These funds are intended to assist over-the-road bus operators in complying with the Americans with Disabilities Act accessibility requirements.

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

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

State	Section 5307 Urbanized Area	Section 5311 Non-urbanized Area	Section 5310 Elderly & Persons with Disabilities	State Total Formula Grants
Alabama	$15,898,702	$6,990,843	$1,653,143	$24,542,688
Alaska	[1] 8,670,039	974,358	245,856	9,890,253
America Samoa		159,828	60,574	220,402
Arizona	46,617,920	3,410,398	1,726,433	51,754,751
Arkansas	8,253,732	5,056,871	1,073,452	14,384,055
California	614,884,086	10,746,168	9,939,916	635,570,170
Colorado	49,350,475	3,036,059	1,209,859	53,596,393
Connecticut	47,131,364	1,554,087	1,176,983	49,862,434
Delaware	6,451,578	704,605	363,974	7,520,157
District of Columbia	72,418,262		317,906	72,736,168
Florida	173,636,437	7,008,648	6,350,964	186,996,049
Georgia	70,536,840	8,861,223	2,400,181	81,798,244
Guam		431,869	158,779	590,648
Hawaii	27,700,370	1,047,905	493,060	29,241,335
Idaho	5,955,172	1,925,341	471,699	8,352,212
Illinois	229,844,756	7,481,641	3,690,071	241,016,468
Indiana	36,721,488	7,447,419	1,955,634	46,124,541
Iowa	13,354,885	5,053,750	1,022,083	19,430,718
Kansas	10,358,179	4,130,483	919,144	15,407,806
Kentucky	19,459,263	6,904,687	1,526,225	27,890,175

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

State	Section 5307 Urbanized Area	Section 5311 Non-urbanized Area	Section 5310 Elderly & Persons with Disabilities	State Total Formula Grants
Louisiana	30,806,655	5,393,621	1,519,637	37,719,913
Maine	3,198,322	2,680,881	552,739	6,431,942
Maryland	72,508,637	2,787,045	1,613,893	76,909,575
Massachusetts	131,297,338	1,991,801	2,133,714	135,422,853
Michigan	70,204,631	9,373,231	3,074,372	82,652,234
Minnesota	44,718,372	6,159,040	1,425,777	52,303,189
Mississippi	5,296,756	6,039,083	1,076,439	12,412,278
Missouri	39,486,640	6,987,147	1,868,942	48,342,729
Montana	2,696,343	1,863,561	396,982	4,956,886
N. Mariana Islands	706,082	20,996	61,527	788,605
Nebraska	8,684,724	2,527,949	619,219	11,831,892
Nevada	25,109,731	898,158	750,690	26,758,579
New Hampshire	4,849,649	1,908,080	473,884	7,231,613
New Jersey	225,370,638	1,842,800	2,706,387	229,919,825
New Mexico	9,480,259	2,668,971	680,743	12,829,973
New York	571,605,629	9,685,603	6,378,466	587,669,698
North Carolina	38,879,660	11,963,735	2,681,178	53,524,573
North Dakota	3,191,712	1,147,717	319,670	4,659,099
Ohio	90,857,300	11,275,793	3,590,431	105,723,524
Oklahoma	15,082,367	5,487,507	1,260,578	21,830,452
Oregon	38,047,194	4,031,974	1,170,555	43,249,723
Pennsylvania	157,200,959	11,354,481	4,233,205	172,788,645
Puerto Rico	44,960,403	925,975	1,461,102	47,347,480
Rhode Island	9,566,380	335,329	479,283	10,380,992
South Carolina	14,685,410	5,965,045	1,443,863	22,094,318
South Dakota	2,452,427	1,562,992	349,627	4,365,046
Tennessee	29,619,787	7,600,878	2,001,033	39,221,698
Texas	205,012,213	16,894,688	5,910,386	227,817,287
Utah	30,020,839	1,353,283	614,828	31,988,950
Vermont	1,090,348	1,404,539	302,586	2,797,473
Virgin Islands	....	303,002	152,013	455,015
Virginia	55,946,239	6,598,382	2,108,857	64,653,478
Washington	98,819,934	4,436,609	1,797,795	105,054,338
West Virginia	5,170,282	3,607,969	816,085	9,594,336
Wisconsin	40,883,944	7,033,496	1,644,213	49,561,653
Wyoming	1,443,178	1,026,245	262,366	2,731,789
Subtotal	3,586,194,530	250,063,789	94,689,001	3,930,947,320
Oversight	18,021,078	1,256,602	....	19,277,680
Total	3,604,215,608	251,320,391	94,689,001	3,950,225,000
Over-the-Road Bus Program	....	....	....	6,950,000
Clean Fuels	....	....	....	50,000,000
Grand Total	....	....	....	4,007,175,000

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

UNIVERSITY TRANSPORTATION RESEARCH

	General fund	Trust fund
Appropriations, 2004 [1]	$1,193,000	$4,771,680
Budget estimate, 2005 [2]	....	....
Committee recommendation	768,000	5,232,000

[1] Reflects reduction of $35,000 pursuant to Division H, section 168 of Public Law 108–199.
[2] For comparison purposes, $6,000,000 included in proposed "Formula Grants and Research" account.

Section 5505 of TEA21 provides authorization for the university transportation research program. The purpose of the university transportation research program is to foster a national resource and focal point for the support and conduct of research and training concerning the transportation of passengers and property. Funds provided under the FTA university transportation research program are transferred to and managed by the Research and Special Programs Administration and combined with a transfer of funds from the Federal Highway Administration. The transit university transportation research program funds are statutorily available only to the following universities: University of Minnesota and Northwestern University. Funding is also statutorily available for awards based on competitive applications of approved universities.

The Committee action provides $6,000,000 to continue the university transportation research program. The recommended funding level is comprised of an appropriation of $768,000 from the general fund and $5,232,000 from a limitation on obligations from the mass transit account of the highway trust fund. The Committee recommendation is the same as the fiscal year 2004 enacted level and is consistent with the level of funding during the authorization period covered by TEA21.

TRANSIT PLANNING AND RESEARCH

	General fund	Trust fund
Appropriations, 2004 [1] [2]	$25,051,000	$100,205,280
Budget estimate, 2005 [3]	....	....
Committee recommendation	16,384,000	111,616,000

[1] Reflects reduction of $743,000 pursuant to Division H, section 168 of Public Law 108–199.
[2] Does not reflect FHWA flex funding transferred to FTA.
[3] For comparative purposes, total program level of $190,437,000 is request as included in proposed "Formula Grants and Research" account and appropriations in the "Major Capital Investment Grants."

This appropriation provides financial assistance to States for statewide planning and other technical assistance activities; local and regional planning support for metropolitan areas and nonurban areas; research, development, and demonstration projects; and the national transit institute. National research and planning funds are used to partner with the transportation industry and academic institutions to further transit technology and increase the quality and level of transit services.

The Committee action provides $128,000,000 for transit planning and research. The recommended level of funding is comprised of an appropriation of $16,384,000 from the general fund and a limitation on obligations from the mass transit of the highway trust fund of $111,616,000.

The accompanying bill specifies that $5,250,000 is available for rural transportation assistance; $4,000,000 for the National Transit Institute at Rutgers University; $8,250,000 for transit cooperative research; $60,385,600 for metropolitan planning; $12,614,400 for State planning; and, $37,500,000 for the national planning and research program.

National Planning and Research.—Within the total funding level for the national planning and research program, the Committee recommendation includes the following activities in the corresponding amounts:

Project	Amount
Advanced vehicle technology concepts, University of Kansas	$500,000
Center for composite manufacturing, AL	1,000,000
Chester County transit security training facility, PA	150,000

Project	Amount
Fischer-Tropsch clean diesel technology demonstration, OK	900,000
hOurCar, MN	100,000
Lehigh Carbon Community College transit first responder training facility	100,000
Low cost carbon fiber production technology, University of Tennessee	500,000
Nanostructured catalysts for hydrogen fuel cells (CATV UA)	1,000,000
National Bio-Terrorism Civilian Medical Response Center, PA	750,000
NDSU Transit Center for Small Urban Areas, ND	400,000
Pawtucket train depot rehabilitation initiative, RI	235,000
Phillipsburg to Northeastern NJ/NYC commuter rail study, NJ	400,000
Project Action	3,000,000
Sitting Bull College bus facility planning, SD	65,000
Southern Fuel Cell Coalition	500,000
Statewide multimodal trip planner Initiative, WA	1,000,000
Transit access CUMTD initiative, IL	500,000
Transit technology career ladder partnership training program	500,000
WVU exhaust emissions testing initiative, WV	1,400,000

FORMULA GRANTS AND RESEARCH

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Obligation limitation, 2004	....
Budget estimate, 2005	$5,622,871,000
Committee recommendation	....

As proposed in the budget, the Formula Grants and Research would include formula grants to States and local agencies and transit planning and research activities. Formula grants to States and local agencies under the administration's proposal would include the following categories: urbanized areas (49 U.S.C. sec. 5307), fixed guideway modernization, special needs of elderly individuals and individuals with disabilities (49 U.S.C. sec. 5310), non-urbanized areas (49 U.S.C. sec. 5311), and the New Freedom Initiative. The administration's budget also proposes to distribute funding for Job Access and Reverse Commute by formula instead of as a competitive program. Finally, set-asides of formula funds are directed to: the bus testing program, authorized under 49 U.S.C. section 5318; the National Transit Database; a grant program for intercity bus operations to finance Americans with Disabilities Act [ADA] accessibility costs; and the Alaska Railroad for improvements to its passenger operations.

The Committee does not recommend funding for formula grants and research and has funded these activities consistent with current law in the absence of completion of the surface transportation reauthorization bill. On February 12, the U.S. Senate passed the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003 to reauthorize the surface transportation programs. The Committee notes the reauthorization Act passed by the U.S. Senate does not consolidate current transit programs and does not change the distribution of current discretionary and competitive programs to formula apportionments.

TRUST FUND SHARE OF EXPENSES

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

The liquidation cash appropriation provides for liquidation of obligations incurred pursuant to contract authorization and annual limitations on obligations for the highway trust fund share of the administrative expenses, formula grants, university transportation research, transit planning and research, job access and reverse commute grants, and capital investment grants.

The Committee recommends $6,764,976,000 in liquidating cash for the administrative expenses and programs of the Federal Transit Administration, which is $6,435,970,000 more than the budget estimate and $952,274,000 more than the fiscal year 2004 enacted level. The recommended level is equal to limitations on obligations included for fiscal year 2005 and is necessary to meet the accounting principles of the highway trust fund.

CAPITAL INVESTMENT GRANTS

	General funds	Trust funds
Appropriations, 2004 [1] [2]	$693,385,000	$2,495,191,000
Budget estimate, 2005 [3]	1,234,192,000	329,006,000
Committee recommendation	436,970,000	2,976,855,000

[1] Reflects reduction of $18,511,000 pursuant to Division H, section 168 of Public Law 108–199.
[2] Includes $49,705,000 transferred from Formula Grants and $19,882,000 transferred from Job Access and Reverse Commute Grants pursuant to Public Law 108–199.
[3] For comparative purposes, $1,563,198,000 is listed for the proposed new Major Capital Investment Grant Account, of which $1,234,192,000 are General Funds, $329,006,000 are Trust Funds.

Section 5309 of 49 U.S.C. authorizes discretionary grants or loans to States and local public bodies and agencies thereof to be used in financing mass transportation investments. Investments may include construction of new fixed guideway systems and extensions to existing guideway systems; major bus fleet expansions and bus facility construction; and fixed guideway expenditures for existing systems.

The Committee action provides a level of $3,413,825,000. Within this total, $2,976,855,000 is derived from the mass transit account of the highway trust fund and $436,970,000 is appropriated from the general fund.

The Committee provides that funding for capital investment grants shall be distributed as follows:

	Amount
Bus and bus facilities	$725,000,000
Fixed guideway modernization	1,214,400,000
New starts	1,474,425,000

BUS AND BUS FACILITIES

The Committee recommendation for bus and bus facilities funding is $725,000,000. These funds may be used to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities.

Limited Extensions of Discretionary Funds.—There have been occasions when the Committee has extended the availability of capital investment funds. These extensions are granted on a case by case basis and, in nearly all instances, are due to circumstances that were unforeseen by the project's sponsor. The availability of these particular funds is intended for one additional year, absent further congressional direction. The Committee directs the FTA not to reallocate funds provided in fiscal year 2002 or previous Acts for the following bus and bus facilities projects:

Norwich bus terminal and pedestrian access, CT;
East Haddam transportation vehicles and transit facilities, CT;
Indianapolis Downtown transit facility, IN;
Lake Charles bus and bus-related facilities, LA;
Springfield Union Station intermodal facility, MA;
Blue Water Area Transportation Commission bus facilities, MI;
Las Cruces intermodal transit facility, NM;
Oglala Sioux Tribe buses and bus facilities, SD;
Montgomery Rosa Parks bus project, AL;
State dock intermodal passenger and freight terminal bus and bus related facilities, AL;
Statewide buses and bus facilities, KS;
Cab Care paratransit facility, MO;
Missouri Pacific Depot, MO;
Brookhaven multi-modal facility, MS;
Hattiesburg intermodal facility, MS;
Granite CNG buses and facilities, NH;
Wilkes-Barre Intermodal Transportation Center, PA;
Butler County multi-modal transfer center, PA;
Callowhill bus garage replacement, PA;
County of Lackawanna bus facility, PA;
Hershey intermodal transportation center, PA;
Monroe County park and ride, PA;
Cherry Street multi-modal facility, IN;
Memphis intermodal facility, TN; and
Southern Teton Area, WY—bus facility.

Pooled Purchase Pilot Projects.—The Committee directs the Administrator to continue the pilot program that was authorized by section 166 of the Transportation, Treasury, and Independent Agencies Appropriations Act, 2004, for cooperative procurement of major capital equipment under sections 5307, 5309, and 5311. The Committee intends that the program be administered as required under subsections (b) through (g) of section 166. However, given the level of interest in this program, the Committee believes there should be a total of five pilot projects.

The Committee expects the Administrator to evaluate the proposals based on the selection criteria set forth in the announcement of the program and request for proposals (Federal Register Notice—Vol. 69, No. 120 Page 35127, June 23, 2004). The Committee also expects the Administrator to review proposals expeditiously, so that the proposing party receives notification of acceptance or denial by no later than 15 days after the FTA receives the request for review.

Finally, the Committee directs the Secretary to submit a report to the House and Senate Committees on Appropriations on the results of each of the five pilot projects. Each report should be submitted no later than 30 days after delivery of the base order for the pilot project in question. Each report should evaluate any savings realized through the cooperative procurement and the benefits of incorporating cooperative procurement, as shown by that project, into the mass transit program as a whole.

Bus Procurement Process.—Federal, State, and local governments spend hundreds of thousands of dollars every year to procure transit buses and bus equipment. The Committee is interested in ensuring that grants for bus and bus facilities are made in a judicious manner, particularly since these investments are funded with a Federal share of 80 percent.

There has been a rapid increase in new technology in buses between 1980 and 1990, and an even greater increase between 1990 and 2000. The enormous number of technological options available has led to extremely complex procurements. It has also resulted in dramatic increases in the initial capital cost of bus procurement.

Besides raising the cost of the procurement, exceedingly customized bus specifications cause production problems for bus manufacturers. Bus manufacturing is a low-margin business, so financial difficulties due to customization are hard to absorb. In addition to the problems for manufacturers, maintenance on highly individualized buses can create operational issues for transit agencies, in terms of training required as well as the ability to find and retain maintenance staff.

Standard bus procurement guidelines—painstakingly negotiated—do exist. However, there are numerous forces in play, other than the sheer volume of options, that lead to deviations from those guidelines. For example, transit agencies often suggest that they have unique operating situations that require deviations.

Brand loyalty is also a factor in the procurement of buses, and can adversely affect the cost-effectiveness of procurements. Some transit agencies specify makes and models for components such as engines and braking systems. When a brand name is specified, there is little or no incentive for suppliers to negotiate on price. The resultant increased component costs are passed through to the transit agency and ultimately absorbed by the Federal Government.

Many transit agencies seem to have significant portions of their fleet originating from one manufacturer. The Committee is especially concerned that some recipients of Federal transit assistance have steered procurements to specific manufacturers. The Committee questions how much weight fleet stability should receive in awarding bus contracts that are paid for predominately from Federal transit funding.

Finally, transit agencies come under political pressure to procure buses from a local manufacturer, regardless of whether that manufacturer is the best choice or the lowest cost provider.

With this in mind, the Committee directs the Office of Inspector General of the Department of Transportation to conduct a study of the processes used by recipients of assistance under chapter 53, title 49, United States Code, to procure buses. Because of the potential for irregularities compromising the integrity of the procurement process, the Committee believes it important to have the study carried out by an agency with criminal investigatory powers.

The study should include, but not be limited to, the six most recent bus procurements completed by recipients of assistance under chapter 53, title 49, as of the date of enactment of this Act.

The Inspector General is also directed to consider the following cost-related issues:

—To what extent terms and conditions, including but not limited to those regarding performance surety bonds and liquidated damages, are themselves cost factors in vehicle pricing;
—To what extent specifying makes and models of components adds to vehicle costs;
—To what extent departing from the standard bus procurement guidelines adds to vehicle costs; and
—Any other factors that the Inspector General finds may adversely affect competition, thereby unduly driving down the cost-effectiveness of the Federal investment.

The Committee is particularly concerned that many recipients require performance surety bonds and liquidated damages at levels out of proportion to likely risks to the buyer. Therefore, in examining terms and conditions, the Inspector General should take care to evaluate the appropriateness of the amounts commonly required for performance surety bonds and liquidated damages and determine whether they unduly raise the cost of buses to be procured.

The Inspector General is also directed to examine the extent to which recipients of assistance under chapter 53, title 49, utilize the same manufacturer for 20 percent or more of their fleets or steer procurements to specific manufacturers; the reasons for doing so; and the effect this usage has on the competitive process.

Finally, the Committee expects to receive a report of the results of this study within 1 year of enactment of this Act. The report should include, but not be limited to: (1) a description of the problems in the procurement process identified by the study and (2) recommendations to Congress concerning actions needed to address such problems.

Hoover and Vestavia Hills, Alabama.—Funds provided in fiscal year 2003 to the cities of Hoover and Vestavia Hills for diesel hybrid buses shall instead be available to procure alternative fuel buses.

Reno Bus Rapid Transit High-Capacity Articulated Buses.—Amounts made available in fiscal year 2002 for the Reno bus rapid transit high-capacity articulated buses shall be available for the Reno/Sparks intermodal transportation terminals and related joint development.

Santa Barbara Metropolitan Transit District Electric Bus Investment.—Amounts made available in fiscal year 2004 for the Santa Barbara Metropolitan Transit District electric bus investment in California shall be made available to the Ventura County Transportation Commission to fulfill the intent of this project.

South Bend Intermodal Facility.—Amounts previously obligated in fiscal year 1996 and fiscal year 1997 shall be made available for the South Street Station project in South Bend, Indiana.

Greater New Haven Transit District CNG Vehicle Project.—Amounts made available in fiscal year 2002 for CNG vehicles for the Greater New Haven Transit District shall be available for alternative fuel vehicles for the GNHTD.

Jackson, Wyoming.—Funds designated for the Southern Teton Area Rapid Transit bus facility in fiscal year 2002, shall instead be made available to the Town of Jackson, Wyoming, for the replacement, rehabilitation, and purchase of buses and related equipment and the construction of bus-related facilities.

FIXED GUIDEWAY MODERNIZATION

The Committee recommends a total of $1,214,400,000 for the modernization of existing rail transit systems. The Committee action continues the practice under TEA21, as extended, to distribute the funds by formula. The following table itemizes the fiscal year 2005 rail modernization allocations by State:

FEDERAL TRANSIT ADMINISTRATION SECTION 5309 FIXED GUIDEWAY MODERNIZATION APPORTIONMENTS

State	Amount
Alaska	$2,115,870
Arizona	2,361,176
California	147,724,101
Los Angeles-Long Beach-Santa Ana, CA	34,583,358
San Francisco-Oakland, CA	66,777,607
San Diego, CA	13,574,750
San Jose, CA	13,306,474
Riverside-San Bernardino, CA	3,636,184
Sacramento, CA	3,196,161
Concord, CA	7,778,640
Mission Viejo, CA	1,291,472
Oxnard, CA	1,093,925
Lancaster-Palmdale, CA	1,885,035
Thousand Oaks, CA	600,495
Colorado	3,126,150
Connecticut	40,942,085
Southwestern Connecticut	39,334,715
Hartford, CT	1,607,370
District of Columbia	50,261,990
Florida	18,197,629
Miami, FL	17,967,020
Tampa-St. Petersburg, FL	121,469
Jacksonville, FL	109,140
Georgia	27,429,753
Hawaii	1,150,273
Illinois	134,603,901
Chicago, IL-IN	132,435,068
Round Lake Beach-McHenry-Grayslake, IL-WI	2,168,833
Indiana	8,713,586
Chicago, IL-IN	7,983,380
South Bend, IN-MI	730,206
Louisiana	2,855,997
Maryland	28,254,850
Baltimore Commuter Rail	18,840,867
Baltimore, MD	9,413,983
Massachusetts	74,715,321
Boston, MA-NH-RI	71,063,849
Providence, RI-MA	2,696,848
Worcester, MA-CT	954,624
Michigan	608,258
Minnesota	6,144,908
Missouri	4,328,750
St. Louis, MO-IL	4,297,789
Kansas City, MO-KS	30,961
New Jersey	103,893,255
Northeastern New Jersey	86,354,458

FEDERAL TRANSIT ADMINISTRATION SECTION 5309 FIXED GUIDEWAY MODERNIZATION APPORTIONMENTS—Continued

State	Amount
Philadelphia, PA-NJ-DE-MD	14,566,124
Trenton, NJ	1,406,716
Atlantic City, NJ	1,565,957
New York	368,538,253
New York	367,213,399
Buffalo, NY	1,324,857
Ohio	17,826,760
Cleveland, OH	12,822,271
Dayton, OH	5,004,489
Oregon	4,293,510
Pennsylvania	101,222,045
Philadelphia, PA-NJ-DE-MD	79,975,985
Pittsburgh, PA	20,496,349
Harrisburg, PA	749,711
Puerto Rico	2,310,745
Rhode Island	82,724
Tennessee	294,402
Memphis, TN-MS-AR	208,532
Chattanooga, TN-GA	85,870
Texas	10,253,005
Dallas-Fort Worth-Arlington, TX	3,240,837
Houston, TX	7,012,168
Virginia	16,559,531
Washington, DC-VA-MD	15,294,768
Virginia Beach, VA	1,264,763
Washington	22,684,306
Wisconsin	762,866
Total Apportioned	1,202,256,000
Oversight (1 percent)	12,144,000
Grand Total	1,214,400,000

NEW STARTS

The bill provides $1,474,425,000 for the new starts program. These funds are available for major investment studies, preliminary engineering, right-of-way acquisition, project management, oversight, and construction for new systems and extensions. Under section 3009(g) of TEA21, there is an 8-percent statutory cap on the amount made available for activities other than final design and construction—that is, alternatives analysis, environmental impact statements, preliminary engineering, major investment studies, and other predesign and preconstruction activities.

FTA Restrictions on Funding for Non-FFGA Projects.—The Committee is troubled by the actions taken last year by FTA to withhold the release of appropriated funds for new start projects that have received more than $25,000,000 in Federal funding prior to receiving a full funding grant agreement. This significant shift in policy is based on a reinterpretation of the requirements of Sections 5309(e)(6), (7), and (8) of title 49 U.S.C. The Committee continues to question the timing of a significant policy change The Committee also questions the conclusions considering that subsection (8) was designed more as a relief from Federal regulatory scrutiny than as a cap on pre-project planning.

The accompanying bill continues a general provision that rejects the FTA interpretation that once a project exceeds $25,000,000 it is subject to FTA review and evaluation and therefore FTA must approve it for advancement. Further, there is no limit of $25,000,000 on alternatives analysis, preliminary engineering, or final design, and a project seeking more than that amount for such activities does not need an early systems work agreement, as FTA has interpreted to be required under subsection (g)(1). The Committee is aware that numerous projects seeking a FFGA have significant unobligated balances because FTA has delayed awarding these grants without articulating any rationale. The Committee therefore directs FTA to expeditiously release previously appropriated funds for all new start projects identified in this and prior appropriations acts that remain unobligated and have not been reallocated by the Congress, upon the request of the grantee and the satisfaction of statutory requirements.

Limited Extensions of Discretionary Funds.—There have been occasions when the Committee has extended the availability of capital investment funds. These extensions are granted on a case by case basis and, in nearly all instances, are due to circumstances that were unforeseen by the project's sponsor. The availability of these particular funds is intended for one additional year, absent further congressional direction. The Committee directs the FTA not to reallocate funds provided in fiscal year 2002 or previous Acts for the following new starts projects:

Philadelphia, Pennsylvania-Schuylkill Valley Metro Project;

Johnson County, Kansas-Kansas City, Missouri I–35 Commuter Rail Project;

Kensoha-Racine-Milwaukee Rail Extension Project;

Sioux City, Iowa Light Rail Project;

Honolulu, Hawaii Bus Rapid Transit Project;

Puget Sound, Washington RTA Sounder Commuter Rail Project;

Greater Albuquerque Mass Rail Transit Project;

Roaring Fork Valley Project;

Birmingham, Al, Transit Corridor;

Northeast Indianapolis, Indiana Downtown Corridor Project; and

Dulles Corridor Project.

MAJOR CAPITAL INVESTMENT GRANTS

	General fund	Trust fund
Appropriations, 2004	....	....
Budget estimate, 2005	$1,234,192,000	$329,000,000
Committee recommendation	....	....

The account funds planning, engineering, and construction of new fixed guideway systems and extensions to existing systems. Funds are also available for metropolitan and statewide planning activities.

The Committee does not recommend funding for major capital investment grants and instead has provided funding for the new starts program and planning activities consistent with current law in the absence of completion of the surface transportation reauthorization bill. The Committee notes that the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003, as passed by the Senate, does not follow the programmatic or budgetary account changes envisioned by the fiscal year 2005 budget request.

JOB ACCESS AND REVERSE COMMUTE GRANTS

	General fund	Trust fund
Appropriations, 2004 [1]	$4,971,000	$99,410,000
Budget estimate, 2005	....	....
Committee recommendation	21,112,000	103,888,000

[1] Reflects total reduction of $737,000 pursuant to Division H, section 168 of Public Law 108–199 and reflects transfer of $19,882,000 to Capital investment grants.

The program makes competitive grants to qualifying metropolitan planning organizations, local governmental authorities, agencies, and nonprofit organizations. Grants may not be used for planning or coordination activities.

The budget requests funding for job access grants within the formula grants and research account.

The Committee recommends $125,000,000 for the Job Access and Reverse Commute Grants program. Of the total recommended amount of funding, $21,112,000 is appropriated from the general fund and $103,888,000 is a limitation on obligations from the mass transit account of the highway trust fund.

GENERAL PROVISIONS—FEDERAL TRANSIT ADMINISTRATION

Section 160 exempts limitations previously made available on obligations for programs of the FTA under 49 U.S.C. 5338.

Section 161 allows funds under this Act, Federal Transit Administration, Capital investment grants not obligated by September 30, 2007 to be made available for other projects under 40 U.S.C. 5309.

Section 162 allows funds appropriated before October 1, 2004, that remain available for expenditure may be transferred.

Section 163 allows funds made available for Alaska or Hawaii ferry boats or ferry terminal facilities to be used to construct new vessels and facilities, or to improve existing vessels and facilities.

Section 164 allows unobligated funds for new projects under Federal Transit Authority to be used during this fiscal year to satisfy expenses incurred for such projects.

Section 165 expands authorization allowing cooperative procurement of major capital equipment to five pilot projects.

Section 166 allows amounts previously made available the Port Authority of Allegheny County for the Airport Busway/Wabash HOV Facility project that remain unexpended to be used to purchase buses and bus-related equipment in accordance with 49 U.S.C. 5309.

Section 167 relates to the Greater New Haven Transit District and transfers bus project funding to the transit research account.

Section 168 allows amounts previously made available to Matanuska Susitna Borough for a ferry boat and ferry facilities project to be used for the Port MacKenzie Intermodal Facility project.

Section 169 allows Honolulu bus funds to be made available for transit and highway projects.

Section 170 relates to funding for passenger ferry boats for the State of Hawaii.

Section 171 directs the FTA to comply with the coordinated development and governmental funding requirements of Section 3042 of the Federal Transit Act of 1988.

Section 172 extends the calculation of local contributions toward the San Francisco Muni 3rd Street project.

Section 173 relates to Vermont Commuter Rail project and transfers funding to upgrade an existing rail project.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation [SLSDC] is a wholly owned Government corporation established by the Saint Lawrence Seaway Act of May 13, 1954. The SLSDC is a vital transportation corridor for the international movement of bulk commodities such as steel, iron, grain, and coal, serving the North American region that makes up one-quarter of the United States population and nearly half of the Canadian population. The SLSDC is responsible for the operation, maintenance, and development of the United States portion of the Saint Lawrence Seaway between Montreal and Lake Erie. The SLSDC's major priorities include: safety, reliability, trade development, and management accountability.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

Appropriations, 2004 [1]	$14,315,000
Budget estimate, 2005	15,900,000
Committee recommendation	15,900,000

[1] Reflects reduction of $85,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect reduction of $42,006 pursuant to Division F, section 517 of Public Law 108–199.

Appropriations from the Harbor Maintenance Trust Fund and revenues from non-federal sources finance the operation and maintenance of the Seaway for which the SLSDC is responsible.

The Committee recommendation includes $15,900,000 to fund the operations and maintenance of the SLSDC. This amount is the same as the President's request and is $1,585,000 above the fiscal year 2004 enacted level. The Committee recommendation provides sufficient funding for the SLSDC's highest capital priorities. This amount will allow the start of a 4-year, concrete replacement project that is critical to the future operation of the two U.S. locks. The Committee recommendation provides sufficient resources for the SLSDC to continue to implement additional security measures for the Saint Lawrence Seaway.

MARITIME ADMINISTRATION

The Maritime Administration [MARAD] is responsible for programs authorized by the Merchant Marine Act, 1936, as amended. MARAD is also responsible for programs that strengthen the U.S. maritime industry in support of the Nation's security and economic needs. MARAD prioritizes DOD's use of ports and intermodal facilities during DOD mobilizations to guarantee the smooth flow of military cargo through commercial ports. MARAD manages the Maritime Security Program, the Voluntary Intermodal Sealift Agreement Program and the Ready Reserve Force, which assure

DOD access to commercial and strategic sealift and associated intermodal capacity. MARAD also continues to address the disposal of over 123 obsolete ships in the National Defense Reserve Fleet which are deemed a potential environmental risk. Further, MARAD administers education and training programs through the U.S. Merchant Marine Academy and six State maritime schools help provide skilled merchant marine officers who are capable of serving defense and commercial transportation needs.

The Committee continues to fund MARAD in its support of the United States as a maritime nation, and to help MARAD meet its management challenge to dispose of obsolete merchant-type vessels in the National Defense Reserve Fleet by the end of 2006.

MARITIME SECURITY PROGRAM

Appropriations, 2004 [1]	$98,118,000
Budget estimate, 2005	98,700,000
Committee recommendation	98,700,000

[1] Reflects reduction of $582,000 pursuant to Division H, section 168 of Public Law 108–199.

The Maritime Security Program provides resources to maintain a U.S. flag merchant fleet crewed by U.S. citizens to serve both the commercial and national security needs of the United States. The program provides direct payments to U.S. flag ship operators engaged in U.S. foreign trade. Participating operators are required to keep the vessels in active commercial service and are required to provide intermodal sealift support to the Department of Defense in times of war or national emergency.

The Committee recommends $98,700,000 for the Maritime Security Program, consistent with the budget request.

OPERATIONS AND TRAINING

Appropriations, 2004 [1]	$106,366,000
Budget estimate, 2005	109,300,000
Committee recommendation	110,910,000

[1] Reflects reduction of $631,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect reduction of $691,876 pursuant to Division F, section 517 of Public Law 108–199.

The Operations and Training appropriation primarily funds the salaries and expenses for MARAD headquarters and regional staff in the administration and direction for all MARAD programs. The account includes funding for the U.S. Merchant Marine Academy, six State maritime schools, port and intermodal development, cargo preference, international trade relations, deep-water port licensing, and administrative support costs.

The Committee recommends $110,910,000 for Operations and Training for fiscal year 2005. The recommendation is $1,610,000 above the President's budget request and $4,544,000 above the fiscal year 2004 enacted level. The Committee has included $13,138,000 for the U.S. Merchant Marine Academy to continue with the major design and construction projects as identified in the 10-year capital improvement plan.

Funds appropriated for Operations and Training is sufficient to maintain the operating costs incurred by headquarters and region staffs in administering and directing the Maritime Administration programs. The Committee recommendation provides sufficient resources to cover the total cost of officer training at the U.S. Merchant Marine Academy; provide Federal financial support to the six State maritime academies; support coordination efforts for U.S. maritime industry activities under emergency conditions; to promote port and intermodal development activities; support MARAD responsibilities under the American Fisheries Act; and facilitate Federal technology assessment projects designed to achieve advancements in ship design, construction and operations.

Funds provided for this account are to be distributed as follows:

[In thousands of dollars]

Activity	Fiscal Year 2005 Request	Committee Recommendation
U.S. Merchant Marine Academy:		
Salary and benefits	23,753	23,753
Midshipmen program	6,303	6,303
Instructional program	3,448	3,448
Program direction and administration	2,945	2,945
Maintenance, repair, and operating requirements	6,327	6,327
Capital improvements	13,138	13,138
Subtotal, USMMA	55,914	55,914
State Maritime Schools:		
Student incentive payments	1,200	1,200
Direct schoolship payments	1,200	1,200
Schoolship maintenance and repair	8,090	8,090
Subtotal, State Maritime Academies	10,490	10,490
MARAD Operations:		
Salaries and benefits	26,112	26,112
Non-salary base budget	10,448	10,448
GSA Space increase	94	94
Infrastructure Enhancements	150	150
DOT Working Capital Fund (IT Consolidation)	5,926	5,926
Information Management System	....	1,000
Set-aside for DOT E-Gov costs	166	166
Security Training Center	....	610
Subtotal, MARAD Operations	42,896	44,506
Total, Operations and Training	109,300	110,910

Maritime Information Management System.—The DOT estimated that the volume of domestic and international maritime trade will more than double over the next 20 years. This increase in traffic volume will contribute to unmanaged congestion on the inter-coastal waterways and poses a potential security risk. To better understand and prepare to address this very critical issue, the Committee directs the Maritime Administration to prepare a conditions and performance report and needs assessment on the inland waterway system. Furthermore, the Maritime Administration is directed to initiate the development of an integrated marine transportation system information management system. The Committee has provided $1,000,000 to immediately begin this effort.

Maritime Security Professional Training Center.—In support of Section 109 of the Maritime Transportation Security Act, the Committee has included $610,000 as a one-time appropriation for the relocation and reconfiguration of the CAPE CHALMERS from the

National Defense Reserve Fleet to the Federal Law Enforcement Training Center in Charleston, South Carolina to establish a maritime security professional training center. The Committee is encouraged that MARAD is working with the Department of Homeland Security to expand their maritime security professional training curriculum to include any Federal, State, local, and private law enforcement or security personnel.

SHIP DISPOSAL

Appropriations, 2004[1]	$16,115,000
Budget estimate, 2005	21,616,000
Committee recommendation	21,616,000

[1] Reflects reduction of $96,000 pursuant to Division H, section 168 of Public Law 108–199.

The Ship Disposal account provides resources to dispose of obsolete merchant-type vessels of 150,000 gross tons or more in the National Defense Reserve Fleet [NDRF] which the Maritime Administration is required by law to dispose of by the end of 2006. Currently there is a backlog of more than 130 ships awaiting disposal. These vessels, many of which are 50 years in age, pose a significant environmental threat due to the presence of hazardous substances such as asbestos and solid and liquid polychlorinated biphenyls [PCBs].

The Committee recommends an appropriation of $21,616,000 for ship disposal. This amount is the same as the budget request and $5,501,000 above the fiscal year 2004 enacted level.

MARITIME GUARANTEED LOAN PROGRAM

Appropriations, 2004[1]	$4,471,000
Budget estimate, 2005	4,764,000
Committee recommendation	4,764,000

[1] Reflects reduction of $27,000 pursuant to Division H, section 168 of Public Law 108–199.

The Maritime Guaranteed Loan Program, commonly referred to as, "Title XI," provides for a Federal Government guarantee of private-sector debt for ship construction and shipyard modernization. This program fosters and sustains a U.S. shipbuilding and repair industry which helps ensure that the United States remains a maritime nation.

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

Funds for administrative expenses for the Title XI program are appropriated to this account, and then transferred by reimbursement to Operations and Training to be obligated and outlayed.

The Committee recommends an appropriation of $4,764,000 for the Title XI, Maritime Guaranteed Loan Program. This amount is the same as the administration's 2005 budget request and $293,000 above the fiscal year 2004 enacted level.

NATIONAL DEFENSE TANK VESSEL CONSTRUCTION PROGRAM

Appropriations, 2004	....
Budget estimate, 2005	....
Committee recommendation	$150,000,000

The fiscal year 2004 Defense Authorization Act (Public Law 108–136) authorized the National Defense Tank Vessel Construction Program to provide financial assistance for the construction of five privately owned product tank vessels to be available for national defense purposes in time of war or national emergency.

The Committee recommends an appropriation of $150,000,000 for the National Defense Tank Vessel Construction Program. The budget estimate proposed no funding for this program.

The Committee supports the goal of this program to revitalize commercial tank ship construction in the United States. The program provides the last dollar in for U.S.-flag, U.S.-crewed, and U.S.-built double-hulled, commercially-viable, and militarily-useful product tankers. Vessels constructed under this program will operate as part of the Maritime Security Fleet.

In addition, this program addresses a critical deficiency, as identified by the Department of Defense, for U.S.-flag tankers capable of carrying multiple petroleum cargoes. The Committee notes that the U.S. military was forced to rely on foreign-flag, foreign-crewed tankers during recent military operations in Afghanistan because of the shortage of U.S. flag tankers. In at least one instance, an Iraqi-crewed support ship provided support to the U.S. military operations in Afghanistan.

Tankers constructed under this program will operate only in the international shipping trades but the experience and skills acquired through the program will also facilitate construction in the United States of new vessels for the domestic or Jones Act shipping trades.

SHIP CONSTRUCTION

(RESCISSION)

The Committee rescinds $1,900,000 of unobligated balances from the Ship Construction Account which is currently inactive.

GENERAL PROVISIONS—MARITIME ADMINISTRATION

Section 180 authorizes the Maritime Administration to furnish utilities and services and make repairs to any lease, contract, or occupancy involving Government property under the control of MARAD. Rental payments received pursuant to this provision shall be credited to the Treasury as miscellaneous receipts.

Section 181 prohibits obligations incurred during the current year from construction funds in excess of the appropriations and limitations contained in this Act or in any prior appropriation Act.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

The Research and Special Programs Administration [RSPA] was established by the Secretary of Transportation's organizational changes dated July 20, 1977, and serves as a research, analytic, and technical development arm of the Department for multimodal research and development, as well as special programs. Particular emphasis is given to pipeline transportation and the transportation of hazardous cargo by all modes. RSPA's two reimbursable programs—Transportation Safety Institute and the Volpe National Transportation Systems Center—support research safety and security programs for all modes of transportation.

RESEARCH AND SPECIAL PROGRAMS

Appropriations, 2004 [1]	$46,167,000
Budget estimate, 2005	52,936,000
Committee recommendation	49,000,000

[1] Reflects reduction of $274,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect reduction of $438,000 pursuant to Division F, section 517 of Public Law 108–199.

The Research and Special Programs Account provides funding for the Office of Hazardous Materials Safety, the Office of Emergency Transportation, the Office of Research and Technology, and RSPA's Program and Administrative Support function.

The Committee provides a total of $49,000,000 for the Research and Special Programs account, of which, consistent with the budget request, $645,000 shall be derived from the Pipeline Safety Fund. This amount is $3,936,000 less than the budget request and $2,833,000 more than the fiscal year 2004 enacted level. Within this amount the Committee provides the following level of funding and FTEs:

	Fiscal year—		Committee recommendation
	2004 enacted	2005 estimate	
Hazardous materials safety	$23,535,000	$25,486,000	$24,496,000
(FTE)	140.5	149.5	148
Emergency transportation	$2,705,000	$4,323,000	$3,800,000
(FTE)	13.5	22.0	18
Research and technology	$2,492,000	$2,597,000	$2,383,000
(FTE)	8.5	9.5	9
Program and administrative support	$17,435,000	$20,530,000	$18,321,000
(FTE)	56.5	63.0	59.0
Total, research and special programs [1]	$46,167,000	$52,936,000	$49,000,000

[1] Reflects reduction of $274,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect reduction of $438,000 pursuant to Division F, section 517 of Public Law 108–199.

HAZARDOUS MATERIALS SAFETY

The Office of Hazardous Materials Safety [OHMS] administers a nationwide program of safety regulations to fulfill the Secretary's duty to protect the Nation from the risks to life, health, and property that are inherent in the transportation of hazardous materials by water, air, highway, and railroad. OHMS plans, implements, and manages the hazardous materials transportation program consisting of information systems, research and analysis, inspection and enforcement, rulemaking support, training and information dissemination, and emergency procedures.

The Committee provides $24,496,000 for hazardous materials safety, of which $1,732,000 will remain available until September 30, 2007. Within this amount the Committee provides the following funding levels:

	Amount
Personnel Compensation & Benefits [PC&B]	$15,500,000
Administrative Expenses	1,350,000
Hazmat Information System [HMIS]	1,800,000
Contract Research and Analysis	600,000
Inspection and Enforcement	220,000
Rulemaking Support	450,000
Training and Outreach	1,300,000
Emergency Preparedness	375,000
Hazmat Registration Program	1,200,000
Information Systems	500,000
Research and Analysis	651,000
Regulation Compliance	550,000

The Committee has provided funding for eight new positions within OHMS: four hazardous materials regulation compliance personnel; and two engineers, one policy personnel and one enforcement personnel related to the transport of Spent Nuclear Fuel [SNF] and High Level Radioactive Waste [HLW]. The Committee has provided less than the requested amount for OHMS because it believes that the resources provided are sufficient for the tasks to be performed.

OFFICE OF EMERGENCY TRANSPORTATION

The Office of Emergency Transportation [OET] provides support to the Secretary of Transportation for his statutory and administrative responsibilities in the area of transportation civil emergency preparedness and response. OET develops and coordinates the Department's policies, plans, and programs, in headquarters and the field to provide for emergency preparedness.

OET is responsible for implementing the Department of Transportation's National Security Program initiatives, including an assessment of the transportation implications of the changing global threat. OET also coordinates civil emergency preparedness and response for transportation services during national and regional emergencies, across the entire continuum of crises, including natural catastrophes such as earthquakes, hurricanes and tornados, and international and domestic terrorism. OET develops crisis management plans to mitigate disasters and implements these plans nationally and regionally in an emergency.

The Committee provides $3,800,000 for OET. Within this amount the Committee provides the following funding levels:

Function	Amount	FTEs
Crisis Management Center	$1,200,000	8
U.S. Disaster Response	1,500,000	5.5
Training and Exercises	500,000	1
Continuity of Operations	500,000	2.5
International Disaster Response	100,000	1
Total	3,800,000	18

The Committee has provided funding for two new positions within OET: one Regional Emergency Transportation Coordinator [RETCO]; and one Continuation of Operations [COOP] personnel. Because the Committee believes that the current rotational staffing of the OET's Crisis Management Center [CMC] is sufficient, the

Committee denies the funding requested for these eight new positions.

OFFICE OF RESEARCH AND TECHNOLOGY

The Office of Research and Technology [ORT] is responsible for managing department-wide strategic transportation research, technology, education and training programs; performing strategic planning; conducting system-level assessments and policy research; facilitating government, university and industry partnerships; fostering innovative inter/multi-modal research, education and safety training; and disseminating information on departmental, national and international transportation research, technology and education activities.

The Committee provides $2,383,000 for ORT, of which $1,152,000 will remain available until September 30, 2007. Within this amount the Committee provides the following funding levels:

	Amount
Personnel Compensation & Benefits [PC&B]	$1,131,000
Administrative Expenses	100,000
Hazardous Materials Research and Development	85,000
Hydrogen Fuels R&D	500,000
Research and Development Planning and Management	567,000

The Committee denies the funding requested for an additional hydrogen fuel engineer, as well as the requested increase in funding for hydrogen fuel research. In light of the extensive level of resources already devoted to hydrogen fuel research by the Department of Energy, the Committee believes that the as-yet-unfilled hydrogen fuel engineer position authorized in fiscal year 2004 and the $500,000 already budgeted for hydrogen fuel research provides a sufficient commitment of DOT resources for this initiative in fiscal year 2005.

PROGRAM AND ADMINISTRATIVE SUPPORT

RSPA's program support function provides legal, financial, management and administrative support to the operating offices within RSPA. These support activities include executive direction, program and policy support, civil rights and special programs, legal services and support, and management and administration.

The Committee provides $18,321,000 for program and administrative support. Within this amount the Committee provides the following funding levels:

	Amount
Personnel Compensation and Benefits	$7,350,000
GSA Rent	2,925,000
Working Capital Fund	2,490,000
Admin costs for all new RSP employees	200,000
Communications, Utilities, Misc.	700,000
Accounting	120,000
Training	100,000
Travel	50,000
Equipment	50,000
Printing	20,000
Training	20,000
Supplies	20,000

	Amount
Budget and Financial Management	200,000
Civil Rights: Drug Program	5,000
Civil Rights: Intern Program	51,000
Human Resources Support Systems	20,000
Information Resources Management	1,000,000
Information Technology Infrastructure	3,000,000

The Committee provides the funding requested for three additional information technology [IT] positions as well as the funding requested for additional IT contractual support. The Committee notes RSPA's assurance that these additional resources will be sufficient to fulfill its IT needs for the foreseeable future and accordingly looks forward to receiving subsequent budget requests that reflect this assurance.

The Committee believes that the funding provided, which reflects an $886,000 increase over the fiscal year 2004 enacted level, is sufficient to allow RSPA to carry out its administrative functions. Accordingly, the Committee denies the funding requested for eight new administrative personnel.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

	Pipeline safety fund	Trust fund	Total
Appropriations, 2004 [1]	$52,991,000	$12,923,000	$65,914,000
Budget estimate, 2005	51,073,000	19,000,000	70,073,000
Committee recommendation	52,073,000	19,000,000	71,073,000

[1] Reflects reduction of $391,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect reduction of $314,000 pursuant to Division F, section 517 of Public Law 108–199.

The Research and Special Programs Administration is responsible for overseeing the Department of Transportation's pipeline safety program. In doing so, RSPA supervises the safety, security, and environmental protection of gas and hazardous liquids pipeline systems, as well as liquefied natural gas facilities, through analysis of data, damage prevention, education and training, enforcement of regulations and standards, research and development, grants for State pipeline safety programs, and emergency planning and response to accidents. Also included is research and development to support the pipeline safety program and grants-in-aid to State agencies that conduct a qualified pipeline safety program and to others who operate one-call programs.

Funding for the Office of Pipeline Safety [OPS] is made available from two primary sources: the Pipeline Safety Fund, comprised of user fees assessed on interstate pipeline operators; and the Oil Spill Liability Trust Fund, a revolving fund comprised of an environmental tax on petroleum and oil spill damage recovery payments. The pipeline safety program promotes the safe, reliable, and environmentally sound transportation of natural gas and hazardous liquids by pipeline.

The Committee provides $71,073,000 for the Office of Pipeline Safety. The bill specifies that, of the total appropriation,

$52,073,000 shall be from the Pipeline Safety Fund and $19,000,000 shall be from the Oil Spill Liability Trust Fund.

	Amount
Personnel Compensation and Benefits [PC&B]	$17,677,000
Travel	2,265,000
WCF	847,000
GSA Rent	1,460,000
Communications	973,000
Equipment	539,000
Training	953,000
Accounting	88,000
Printing	75,000
Other Services	5,000
Supplies	52,000
Information and Analysis	1,635,000
Pipeline Integrity Management	7,862,000
Compliance	300,000
Training and Information Dissemination	1,400,000
Emergency Notification	100,000
Community Assistance and Technical Services	3,096,000
Implementing the Oil Pollution Act	2,416,000
Mapping and Information Systems	1,200,000
Enhanced Operations, Control and Monitoring	1,874,000
Damage Prevention, and Leak Detection	3,913,000
Improved Material Performance	2,071,000
State Pipeline Safety Grants	18,272,000
State One-Call Grants	1,000,000
Public Safety and Education Programs	1,000,000

The Committee's recommendation provides funding to support: two new system-focused inspectors based in Houston, Texas; two new natural gas transmission integrity management inspectors; and two new State program managers.

Pipeline Safety Research.—Consistent with the budget request, the Committee provides $9,058,000 for pipeline safety research, which will remain available until September 30, 2007.

State One-Call Grants.—The Committee continues to believe that State One-Call Grants have a proven track record in effective damage prevention and thus has again provided $1,000,000 for this purpose.

Natural Gas Distribution Pipeline Safety.—The Committee notes that OIG recently reported to Congress that operators of natural gas distribution pipelines, which constitute over 85 percent of the 2.1 million miles of natural gas pipelines, are not required to have Integrity Management Plans [IMP]. Over the last 10 years, natural gas distribution pipelines have experienced over 4 times the number of fatalities and more than 3 times the number of injuries than the combined totals for hazardous liquid and natural gas transmission pipelines, which are covered by IMP requirements.

The Committee understands that "smart pig" technologies are not currently available for natural gas distribution pipelines, but concurs with OIG that certain IMP elements can be readily applied to this segment of the industry, such as developing timeframes on how often inspections should take place and when repairs should be made. The Committee encourages this approach and directs the Administrator to report to Congress no later than 180 days following the enactment of this Act, on its approach for requiring operators of natural gas distribution pipelines to have IMPs. The report should detail specific milestones and activities, including the completion of a notice of proposed rulemaking.

Oil Spill Liability Trust Fund Allocation.—The Committee notes the significant increase in funding derived from the Oil Spill Liability Trust Fund since fiscal year 2003. The Oil Pollution Act of 1990 requires that these trust funds be used only for oil spill prevention and response activities. As in fiscal year 2004, the requested increase has been provided. However, the Committee again directs the Office of Pipeline Safety to factor the Oil Spill Liability Trust Fund into the allocation formula that determines the hazardous liquid pipeline user fee assessment in order to accurately reflect the actual oversight activities conducted by the Office of Pipeline Safety.

Public Safety and Education Programs.—The Pipeline Safety Improvement Act of 2002 requires pipeline operators to undertake public safety and education program activities to educate and promote pipeline safety with the public. The law further requires a review of the quality of these public safety and education programs, which will number more than 2,200. The Committee includes $1,000,000 for initial efforts to create a clearinghouse so that Federal and State experts can review and evaluate these public education programs.

Proposed Reorganization.—The Committee supports the DOT's effort to better organize and increase the efficiency and effectiveness of its Research activities. However, the Committee is very concerned the Department's pending reorganization plan may have the unintended consequence of reducing the Department's mission to ensure the safe and reliable operation of the Nation's pipeline system. The Committee believes the pending reorganization plan that calls for regulation of the safety of pipelines to become the responsibility of the Federal Railroad Administration, will greatly diminish the Department's effectiveness and ability to adequately carry out its pipeline safety function.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

Appropriations, 2004 [1]	$199,000
Budget estimate, 2005	200,000
Committee recommendation	200,000

[1] Reflects reduction of $1,000 pursuant to Division H, section 168 of Public Law 108–199.

The Hazardous Materials Transportation Act [HMTA] (title 49 U.S.C. 5101 et seq.) requires RSPA to: (1) develop and implement a reimbursable emergency preparedness grants program; (2) monitor public sector emergency response training and planning and provide technical assistance to States, territories, and Indian tribes; and (3) develop and update periodically a national training curriculum for emergency responders. These activities are financed by receipts received from the hazardous materials shipper and carrier registration fees, which are placed in the emergency preparedness fund. The hazardous materials transportation law provides permanent authorization for the emergency preparedness fund for planning and training grants, monitoring and technical assistance, and for administrative expenses. An appropriation of $200,000, also from the emergency preparedness fund, provides for the training curriculum for emergency responders.

LIMITATION ON OBLIGATIONS

Bill language is included that limits the obligation of emergency preparedness training grants to $14,300,000 in fiscal year 2005.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2004[1]	$55,670,000
Budget estimate, 2005[2]	59,000,000
Committee recommendation	59,000,000

[1] Reflects reduction of $330,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect reduction of $426,582 pursuant to Division F, section 517 of of Public Law 108–199. Does not include reimbursements of $3,524,000 from FHWA, $2,250,000 from FAA, $2,000,000 from FTA, and $100,000 from NTSB.

[2] Does not include reimbursements of $3,524,000 from FHWA, $1,200,000 from FAA, $2,000,000 from FTA, and $250,000 from NTSB.

The Inspector General Act of 1978 established the Office of Inspector General [OIG] as an independent and objective organization, with a mission to: (1) conduct and supervise audits and investigations relating to the programs and operations of the Department; (2) provide leadership and recommend policies designed to promote economy, efficiency, and effectiveness in the administration of programs and operations; (3) prevent and detect fraud, waste, and abuse; and (4) keep the Secretary and Congress currently informed regarding problems and deficiencies.

OIG is divided into two major functional units: the Office of Principal Assistant Inspector General for Auditing and Evaluations [PAIGAE] and the Office of Assistant Inspector General for Investigations [AIGI]. The PAIGAE and AIGI are supported by headquarters and regional staff.

The Committee recommendation provides $59,000,000 for activities of the Office of Inspector General, which is $3,330,000 more than the fiscal year 2004 enacted level and the same as the budget request. In 2003, DOT awarded about 1,100 fixed-price or cost-reimbursable contracts valued at approximately $3,000,000,000. Also, in fiscal year 2003, DOT planned to spend $2,700,000,000 on information technology with over half of this amount funding contractor services. With this increase, the OIG is expected to provide greater oversight of the DCAA audits requested by the Department (in fiscal year 2003 DOT requested 221 audit reports), increase its ability to apply forensic auditing techniques to better detect contract fraud, and carry out more timely audits and investigations of contracting and procurement issues.

Unfair Business Practices.—The bill maintains language which authorizes the OIG to investigate allegations of fraud and unfair or deceptive practices and unfair methods of competition by air carriers and ticket agents.

Surface Transportation Board

SALARIES AND EXPENSES

	Appropriation	Crediting offsetting collections
Appropriations, 2004 [1]	$19,406,000	$1,050,000
Budget estimate, 2005	20,521,000	1,050,000
Committee recommendation	21,250,000	1,050,000

[1] Reflects reduction of $115,000 pursuant to Division H, section 168 of Public Law 108–199. Does not reflect reduction of $16,422 pursuant to Division F, section 517 of Public Law 108–199.

The Surface Transportation Board [STB] was created on January 1, 1996, by the Interstate Commerce Commission Termination Act of 1995 [ICCTA] (Public Law 104–88). The Board is a three-member, bipartisan, decisionally independent adjudicatory body organizationally housed within DOT and is responsible for the regulation of the rail and pipeline industries and certain non-licensing regulation of motor carriers and water carriers.

STB's rail oversight activities encompass rate reasonableness, car service and interchange, mergers, line acquisitions, line constructions, and abandonments. STB's jurisdiction also includes certain oversight of the intercity bus industry and pipeline carriers, rate regulation involving noncontiguous domestic water transportation, household goods carriers, and collectively determined motor carrier rates.

The Committee recommends an appropriation of $21,250,000 for activities of the Board, which is $729,000 more than the requested amount and $1,844,000 more than the fiscal year 2004 enacted level. Included in the recommended amount is an estimated $1,050,000 in fees to be collected, which will offset the appropriated funding. The Board is authorized to credit the fees collected to the appropriated amount as offsetting collections reducing the general funds appropriation on a dollar-for-dollar basis as the fees are received and collected.

Within this amount the Committee provides the following funding levels:

	Amount	FTEs
Rail Oversight Activities	$20,000,000	140.8
Motor Oversight Activities	880,000	6.4
Water Oversight Activities	360,000	2.7
Pipeline Oversight Activities	10,000	0.1

The Committee's recommendation provides a one-time increase to STB's base budget solely in order to allow it to fill the following five new positions: one administrative law judge, one economist and three transportation industry analysts, one of which specializes in passenger rail issues. The Committee expects that these additional positions will allow STB to fully execute its mission into the foreseeable future and that subsequent funding requests will reflect this understanding.

GENERAL PROVISIONS—DEPARTMENT OF TRANSPORTATION

Section 185 allows funds for maintenance and operation of aircraft; motor vehicles; liability insurance; uniforms; or allowances, as authorized by law.

Section 186 limits appropriations for services authorized by 5 U.S.C. 3109 not to exceed the rate for an Executive Level IV.

Section 187 prohibits funds in this Act for salaries and expenses of more than 106 political and Presidential appointees in the Department of Transportation, and prohibits political and Presidential personnel to be assigned on temporary detail outside the Department of Transportation or an independent agency funded in this Act.

Section 188 prohibits funds for the implementation of section 404 of title 23, U.S.C.

Section 189 prohibits recipients of funds made available in this Act to release personal information, including a social security number, medical or disability information, and photographs from a driver's license or motor vehicle record without express consent of the person to whom such information pertains; and prohibits the Secretary of Transportation from withholding funds provided in this Act for any grantee if a State is in noncompliance with this provision.

Section 190 allows funds received by the Federal Highway Administration, Federal Transit Administration, and the Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited to each agency's respective accounts.

Section 191 authorizes the Secretary of Transportation to allow issuers of any preferred stock to redeem or repurchase preferred stock sold to the Department of Transportation.

Section 192 prohibits funds in this Act to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriation at least 3 full business days before any discretionary grant award, letter of intent, or full funding grant agreement totaling $1,000,000 or more is announced by the Department or its modal administration.

Section 193 allows rebates, refunds, incentive payments, minor fees and other funds received by the Department of Transportation from travel management center, charge card programs, subleasing of building space and miscellaneous sources are to be credit to appropriations of the Department of Transportation.

Section 194 allows that amounts from improper payments to a third party contractor that are lawfully recovered by the Department of Transportation shall be available to cover expenses incurred in recovery of such payments.

Section 195 authorizes the transfer of unexpended sums from "Minority Business Outreach" to "Office of the Secretary, Salaries and expenses".

Section 196 prohibits funds for the Office of the Secretary of Transportation to approve assessments or reimbursable agreements pertaining to funds appropriated to the modal administrations in this Act, unless such assessments or agreements have completed the normal reprogramming process for congressional notification.

Section 197 limits funds for the fiscal year 2005 working capital fund of the Department of Transportation.

Section 198 continues the provision designating the city of Norman, Oklahoma, to be considered part of the Oklahoma City Transportation urbanized area for fiscal year 2005.

Section 199 extends a prohibition on the implementation of a mandatory cost-sharing pilot program for essential air service communities.

TITLE II—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004[1]	$175,070,000
Budget estimate, 2005	185,041,000
Committee recommendation	161,313,000

[1] Reflects reduction of $1,039,000 pursuant to Division H, section 168 of Public Law 108–199.

The Departmental Offices in the Department of the Treasury provide basic support to the Secretary of the Treasury, who is the chief operating executive of the Department. The Secretary of the Treasury has the primary role in formulating and managing the domestic and international tax and financial policies of the Federal Government. The Secretary's responsibilities funded by the Salaries and Expenses appropriation include: recommending and implementing United States domestic and international economic and tax policy; fiscal policy; governing the fiscal operations of the Government; maintaining foreign assets control; managing the public debt; managing development financial policy; representing the United States on international monetary, trade and investment issues; overseeing Department of the Treasury overseas operations; and directing the administrative operations of the Department of the Treasury. In support of the Secretary, the Salaries and Expenses appropriation provides resources for policy formulation and implementation in the areas of domestic and international finance, tax, economic, trade, financial operations and general fiscal policy. This appropriation also provides resources for administrative support to the Secretary and policy components, and coordination of Departmental administrative policies in financial and personnel management, procurement operations, and automated information systems and telecommunications.

The Committee recommends $161,313,000 for the Salaries and Expenses appropriation of the Departmental Offices of the Department of the Treasury, $23,728,000 below the administration's request and $13,757,000 less than the fiscal year 2004 enacted level. The Committee recommendation includes the requested funding level for the Office of Foreign Assets Control, but provides funds in a new appropriations account. Within the funds provided the accompanying bill specifies $3,000,000 for information technology modernization; $150,000 for official reception and representation expenses; $258,000 for unforeseen emergencies; $2,900,000 for grants to States to fight money laundering; and $3,393,000 for the Treasury-wide financial statement audits.

The Committee commends the Department of the Treasury for its participation through the Internal Revenue Service in the

Washington Semester American Indian Program [WINS]. The Committee believes that the Washington Semester American Indian Program is an excellent way to advance the goals of Executive Order 13270, which directs all Federal agencies to take steps to enhance access to Federal opportunities and resources for American Indian and Alaska Native students. The Committee urges the Department to expand the number of internship slots it makes available for the program and to accommodate participants in a second-year internship program.

Office of Terrorism and Financial Intelligence.—Although no funds were requested for the Office of Terrorism and Financial Intelligence, the Committee recommends $12,726,710 for the office for fiscal year 2005. The Secretary has identified establishment of this office and reorganization of financial intelligence activities as one of his highest priorities, and adjustments made to the budget request to accommodate funding for this office have been made with the concurrence of the Department.

The Committee has established the Office of Terrorism and Financial Intelligence within the Department of the Treasury. This office will be responsible for providing the policy and the strategic and operational direction to the Department of the Treasury on issues relating to terrorist financing and financial crimes; including money laundering, counterfeiting and other offenses threatening the integrity of the financial system. In addition, the office will be responsible for carrying out the United States economic sanctions programs; implementation of Titles I and II of Public Law 91–508, as amended (the Bank Secrecy Act); asset forfeiture; and the receipt, analysis, collation, and dissemination of intelligence, including foreign intelligence and foreign counterintelligence (within the meaning of section 3 of the National Security Act of 1947) (50 U.S.C. 401a) related to the operation and responsibilities of the Department of the Treasury.

Emergency Preparedness.—The recommended level includes $1,900,000, and not more than 5 FTE, for the permanent creation of the Office of Emergency Preparedness. This office will allow Treasury to establish and maintain viable and executable plans which ensure continuity of the Department's critical functions during an emergency.

Treasury Protection.—The Committee recommendation denies the budget request to reimburse the United States Secret Service [USSS] $2,400,000 for protection of the Secretary of the Treasury. The Committee is concerned about the lack of sufficient documentation to support this new budget request. The Committee believes that protective services are a core responsibility of the USSS which should be funded in the Department of Homeland Security's budget.

Contributions to Federal Accounting Standards Advisory Board [FASAB] and the Joint Financial Management Improvement Program [JFMIP].—The Committee recommendation provides $12,000 for Treasury activities that support FASAB and JFMIP. The Committee recommendation denies new funding of $639,000 to support the cost of the Office of Management and Budget [OMB] payments to FASAB and JFMIP. The Committee believes that it is more appropriate to provide this funding under the OMB heading.

Financial Literacy.—Title V of the Fair and Accurate Transactions Act (Public Law 108–159) established the Financial Literacy and Education Commission [FLEC]. The Committee provides $1,000,000 to be used for the development and implementation of the national strategy to promote basic financial literacy and education among all American consumers that is required by 20 U.S.C. 9703. With these funds, the Commission shall develop methods to increase the general financial education level and understanding of current and future consumers of financial services and products. It is important that the Commission consult with State and local governments and private, nonprofit, and public institutions during the formulation and implementation of the national strategy and continue with the development of a plan to improve coordination and reduce duplication of financial literacy activities. The Committee directs the Secretary of the Treasury to submit a plan for the use of funds to the Appropriations Committee prior to the expenditure of any funds for FLEC within the Act. The Committee further directs that these funds not be used for travel expenses.

Critical Infrastructure Protection.—The Office of Critical Infrastructure Protection and Compliance Policy coordinates the Department's development and implementation of policies regarding the protection of the critical infrastructure of the financial services sector. The office also staffs the Financial and Banking Infrastructure Committee. The Committee understands that the Department has developed a research and development plan that identifies the key infrastructure that must be protected in the event of a terrorist attack or natural disruption. Both the President's national strategy to secure cyberspace and the Department's own research and development agenda identify the need for advanced data replication technology and practices to protect the central functions of the Nation's financial systems. The Committee provides $1,000,000 to the Department for critical infrastructure protection research and development through the "e-Cavern partnership". These funds are to be utilized to begin the process of using a hardened storage facility that has research capabilities and provides a geographic location that has added physical security and protection.

General Counsel.—The Committee recommendation provides $7,415,212 for the general counsel. This amount reflects a downward adjustment requested by the Department of $415,389, as well as an additional reduction of $100,000. The Committee is disappointed by the general counsel's continual and aggressive efforts to circumvent appropriations law and undermine the long standing accommodation between the Department and the Committee.

Audit of Mint-BEP Merger.—The Committee directs the Government Accountability Office [GAO] to conduct an in-depth analysis of the conclusions drawn by the United States Mint-Bureau of Engraving and Printing merger study. The GAO analysis should identify: (1) how the study was paid for, what accounts were used to fund the study, and whether or not the funds expended from these accounts were consistent with accepted guidelines; (2) what criteria were used to hire the contractor, and what contract specifications were used to ensure an objective result. The GAO shall also look at the conclusions in the study and all supporting materials including, "Improving Service Delivery in BEP and Mint Operations" dated June 30, 2004, to determine if: (1) the conclusions of the study were consistent with the documentation and findings; (2) all cost savings projected in the study have accurate supporting documentation; and (3) whether alternatives were considered in the study process.

Congressional Budget Justification Materials.—The Committee directs the Department to submit all of its fiscal year 2006 budget justifications on the first Monday in February, concurrent with official submission of the President's budget to Congress. These justifications should have the customary level of detailed data and explanatory statements to support the appropriations requests, including tables that detail each agency's programs, projects, and activities for fiscal years 2005 and 2006. The Committee directs the CFO to ensure that adequate justification is given to each increase, decrease, and staffing change proposed across the Department for the fiscal year 2006 budget. With respect to requests for Departmental Offices, particular attention should be paid to information within the Departmental operations and management accounts. The Committee expects that the Department will coordinate with the Appropriations Committee in advance on its planned presentation products for the budget justifications to the Congress in support of the fiscal year 2006 budget request. In addition, the Committee directs the Department to submit, as part of the fiscal year 2006 budget justification, a table identifying the last year that authorizing legislation was provided by Congress for each program, project, or activity; the specific authorization legislation supporting the bureau, organization, and program; the amount of the authorization; and the appropriation in the last year of the authorization in those instances where the authorization has lapsed.

Treasury Forfeiture Fund.—The Committee remains concerned about the management of the Forfeiture Fund. As a result, the Committee directs the Department to include in its fiscal year 2006 budget submission a detailed operating budget, including but not limited to, the following: salaries and expenses, FTE's, detailees, travel, rent, furniture, utilities, supplies, communications, storage costs, and postage for fiscal years 2004, 2005 and 2006. The budget materials shall also include the total amount in the fund, the number of funding applications received and the number of funding requests awarded. The material shall also include all evaluation criteria used for granting requested expenditures from the fund.

Currency Manipulation Report.—The Committee has included a new general provision, (Sec. 221) providing for the Secretary of the Treasury to submit a report by December 1, 2004, to the House and Senate Committees on Appropriations. The report shall describe how existing statutory provisions addressing currency manipulation by America's trading partners can be better clarified administratively, to provide for improved and more predictable evaluation of the subject and to enable the problem of currency manipulation to be better understood by both the American people and the U.S. Congress. The Secretary shall include in the report definitions of terms relevant to Title 22 U.S.C. 5304 and 5305, such as "material global current account surpluses", "significant bilateral trade surpluses", and how it is or can be determined "whether [other] countries manipulate the rate of exchange between their currency and the United States dollar". Such definitions shall address currencies that are pegged to the dollar (with and without bands) and identify what constitutes currency manipulation, including what is meant by sustained intervention in the currency markets, the effect of currency controls, etc. The report shall also examine what the United States is doing to ensure that both the Department and the IMF's review of individual country trade data permit the examination of competing data where significant differences in global current account surpluses are identified (e.g., by comparing such current account surpluses to actual trade figures provided by U.S. trading partners). Further, the report shall identify steps the Department is taking to obtain definitions from and within the IMF of such terms as "manipulating exchange rates", "protracted large-scale intervention in one direction in the exchange market", and other terms relevant to acceptable exchange rate practices provided in the IMF's Decision No. 5392 (77/63), as amended, on "Exchange Arrangements and Surveillance, Principles of Fund Surveillance over Exchange Rate Policies." Finally, the Secretary shall provide an update regarding additional steps that the United States can take, pursuant to 22 U.S.C. 286y, to strengthen article IV consultation procedures of the Fund to address undervalued rates of exchange that flow from currency controls or significant market interventions. During the period these issues are being clarified and pending resolution of whether certain major trading nations are engaged in currency manipulation, the Secretary of the Treasury is urged to vote against multilateral lending or investment guarantees to any nation with which the United States had a trade deficit (in goods) in 2003 in excess of $100,000,000,000.

Program and Office Funding.—For fiscal year 2005, the Committee recommends funding for the salaries and expenses appropriation according to the program activities that comprise the Departmental Offices. These program activities include: Executive Direction; General Counsel; Economic Policies and Programs; Financial Policies and Programs; Financial Crimes; Treasury-Wide Management; and Administration.

The Committee has established specific limitations for each individual program and policy within the Departmental Offices. The accompanying bill includes a provision authorizing a cumulative total of transfers of up to 5 percent between each activity (Executive Direction; General Counsel; Economic Policies and Programs; Financial Policies and Programs; Financial Crimes; Treasury-Wide Management; and Administration) and after 5 percent, the Department must seek prior approval from the House and Senate Committees on Appropriations.

The Committee recommends this budgetary change due to its concern regarding the Department's application of its internal reprogramming guidelines counter to congressional intent established in the Fiscal Year 2004 Appropriation Act.

The following table compares the fiscal year 2004 enacted level to the fiscal year 2005 budget estimate and the Committee's recommendation for each office:

	Fiscal year 2004 enacted [1]	2005 budget estimate	Committee recommendation
Secretary/Deputy Secretary	$765,005	$808,526	$808,200
Secretarial Protection	....	2,400,000	....
Secretarial Delegation	1,050,000	1,050,000	1,050,000
Chief of Staff	1,393,279	1,480,321	1,479,700
Executive Secretary	600,562	665,843	665,000
Public Affairs	1,725,620	1,841,676	1,800,716
Legislative Affairs & Public Liaison	1,459,292	1,553,587	1,436,090
Treasurer	263,103	277,610	115,537
Subtotal, Executive Direction	7,256,861	10,077,563	7,355,243
General Counsel	7,530,660	7,929,601	7,415,212
Economic Policy	4,272,449	4,469,560	4,180,117
International Affairs	26,549,390	28,716,550	27,727,336
Subtotal, Economic Policies and Programs	30,821,839	33,186,110	31,907,453
Under Secretary for Domestic Finance	833,275	869,542	868,800
Financial Markets	3,044,957	3,240,801	3,144,341
Critical Infrastructure	....	....	1,000,000
Financial Literacy	....	....	1,000,000
Fiscal Policy	2,992,537	3,079,606	3,002,783
Financial Institutions	2,728,221	2,895,051	2,731,283
Tax Policy (New Activity)	14,214,071	14,828,913	14,324,487
Subtotal, Financial Policies and Programs	23,813,061	24,913,913	26,071,694
U/S for Enforcement	....	....	1,632,382
Exec Office of Terrorist Finance and Fin Crimes	5,186,000	5,911,816	....
Intelligence Support	2,204,711	2,342,527	....
Terrorist Financing and Intelligence Support	....	....	10,594,328
Office of Foreign Assets Control [2]	21,855,000	22,291,000	....
Subtotal, Terrorism & Financial Intel	29,245,711	30,545,343	12,226,710
Assistant Secretary for Management & CFO	507,120	543,387	424,446
Office of Emergency Preparedness	....	1,935,267	1,900,000
DAS Human Resources	1,934,797	2,397,670	2,298,013
DAS Information Systems/Security Operations	2,455,068	2,917,941	2,385,752
Deputy Chief Financial Officer	3,339,654	3,405,713	3,222,125
Treasury-wide Financial Statement Audits	3,393,000	3,393,000	3,393,000
DAS Management and Budget	2,433,361	2,976,022	2,896,344
Subtotal, Treasury Wide Management	14,063,000	17,569,000	16,519,680
DAS DO Headquarters Operations	1,873,013	1,981,815	1,981,815
Office of Information Technology	20,859,167	20,982,476	20,826,400
Office of Financial Management	3,366,280	3,569,377	3,432,383
Office of Human Resources	1,649,517	1,772,826	1,702,434
Office of Facilities and Support Services	11,248,554	11,915,874	11,915,874
Executive Office JFMIP/FASAB Contribution	....	651,000	12,000
Centralized Services, Space, and Utilities	23,342,337	19,946,102	19,946,102
Subtotal, Administration	62,338,868	60,819,470	59,817,008
Grand Total Salaries and Expenses	175,070,000	185,041,000	161,313,000

[1] Reflects reduction of $1,059,000 pursuant to Division H, section 168 of Public Law 108–199.
[2] Committee recommendation provides funding for the Office of Foreign Assets Control in a separate location.

OFFICE OF FOREIGN ASSETS CONTROL

Appropriations, 2004[1 2]	....
Budget estimate, 2005[3]	....
Committee recommendation	$22,291,000

[1] Enacted level of $21,855,000 appropriated under Departmental Offices.
[2] Reflects reduction of $130,000 pursuant to Division H, section 168 of Public Law 108–199.
[3] Budget request assumes funding within departmental offices.

The Office of Foreign Assets Control [OFAC] administers and enforces economic sanctions against targeted foreign countries, terrorists, terrorist organizations and narcotic traffickers in furtherance of U.S. foreign policy and national security objectives. OFAC currently administers and enforces 27 economic sanctions programs—initiatives usually undertaken in conjunction with diplomatic and occasionally military action. OFAC acts under general Presidential wartime and national emergency powers, as well as specific legislation, to prohibit transactions and freeze assets subject to U.S. jurisdiction.

OFAC's primary statutory authority is the Trading with the Enemy Act of 1917 and its successor statute, the International Emergency Economic Powers Act, enacted in 1977. The Antiterrorism and Effective Death Penalty Act of 1996 and the Foreign Narcotics Kingpin Designation Act of 1999 provide OFAC with the responsibility to administer sanctions against terrorists and narcotics traffickers. OFAC also administers restrictions on the import and export of rough diamonds under the Clean Diamonds Trade Act of 2003.

Since September 11, 2001 the United States has designated 368 individuals and entities as Specially Designated Global Terrorists [SDGTs] pursuant to Executive Order ("EO") 13224 administered by the OFAC. OFAC has developed a close collaborative working relationship with elements of the Department of Defense [DoD] to develop a more systemic and systematic approach to identifying, isolating, and attacking terrorists, terrorist groups and their support structures. This is aided by tapping unique information available throughout the Combatant Commands regions of responsibility to understand how terrorist networks operate. The DoD has backed this approach by funding 6 positions for OFAC officers, one OFAC officer at each of the Combatant Commands. OFAC also has offices in the embassies in Mexico and Colombia and will soon open an office in Bahrain to support this effort.

The Committee recommends an appropriation of $22,291,000 for the salaries and expenses of the Office of Foreign Assets Control.

The Committee's recommendation supports a full funding level of no less than 138 FTE for fiscal year 2005. In addition, OFAC is reimbursed by the Department of Defense for an additional 6 positions detailed to the U.S. Combatant Commands [USCC] to total 144 FTE. Detailees are to serve in each of the USCC's Joint Interagency Coordination Groups [JIACG] to fight the continuing Global War on Terror.

The Committee believes that the Office of Foreign Assets Control serves a vital mission on the front line of the war on terrorism, and therefore the Committee is providing a direct appropriation to the Office due to this increasingly vital mission. The Committee recommendation denies the administration's request allowing the funds of OFAC to be intermingled in the Departmental Offices Account. The Committee is concerned that vital resources will be diverted from counter-terrorism efforts to fund less critical missions within the Department if the funding floor is removed. The Committee has repeatedly included a statutory floor for this office and without a clear justification for its removal the Committee believes the floor is more justified now than ever. The transfer authorities provided for the Department do not apply to this account.

The Committee supports OFAC's technology modernization efforts and encourages OFAC to continue developing its electronic data mining abilities. The Committee directs OFAC to submit a letter, 90 days after enactment, outlining the status of its modernization efforts.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004[1]	$36,185,000
Budget estimate, 2005	36,072,000
Committee recommendation	30,260,000

[1] Reflects reduction of $215,000 pursuant to Division H, section 168 of Public Law 108–199.

The 1997 Treasury and General Government Appropriations Act established this account, which is authorized to be used by or on behalf of Treasury bureaus, at the Secretary's discretion, to modernize business processes and increase efficiency through technology investments, as well as other activities that involve more than one Treasury bureau or Treasury's interface with other Government agencies.

The Committee has provided a total of $30,260,000 to remain available until September 30, 2007, which is $5,812,000 less than the budget request and $5,925,000 less than the fiscal year 2004 enacted level.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAM

	Fiscal year 2004 enacted[1]	Fiscal year 2005 budget estimate	Committee recommendation
HR Connect	$25,310,000	$17,491,000	$15,491,000
Treasury Enterprise Architecture	199,000	1,000,000	400,000
Critical Infrastructure	8,940,000	5,800,000	5,800,000
Integrated [Wireless] Treasury Network		1,500,000	1,500,000
Treasury Asset Management System		175,000	
Treasury back-up/Disaster recovery	1,736,000	1,746,000	1,746,000
Information Assurance		1,000,000	1,000,000
E-Authentication		561,000	561,000
IT Governance		275,000	
Operational Security		1,000,000	1,000,000
E-Government		5,524,000	2,762,000
Total	36,185,000	36,072,000	30,260,000

[1] Reflects reduction of $215,000 pursuant to Division H, section 168 of Public Law 108–199.

HR Connect.—The Committee recommendation provides $15,491,000 in continued funding for this project, this is $2,000,000 below the amount requested in the budget. The Committee is concerned that after committing $165,000,000, few of the savings promised by the system have been realized. The Committee directs the Secretary to report to the House and Senate Committees on

Appropriations, within 90 days of enactment, the report shall include the initial savings estimate of the system, a list of the types and amounts of savings realized to date, and how those savings were used to support other department programs. The report should also provide complete cost acquisition and maintenance schedules, and the estimated cost of maintenance by bureau through fiscal year 2008.

E-Gov Initiatives.—The Committee recommendation provides $2,762,000 in new funding in support of the Department's e-Gov initiatives. The Committee is supportive of these initiatives and the role they can play in better operations and effectiveness across the Department's information systems program. The amount provided is a result of financial limitations on the Committee.

IT Governance.—The Committee recommendation does not provide $275,000 requested for this program effort, viewing this primarily as on-going management efforts previously supported by the Department's base funding.

Treasury Enterprise Architecture.—The Committee recommendation provides $400,000. This amount is $200,000 above the current funding level for this project. The Committee is supportive of efforts in this area and has doubled the current level of effort dedicated by the Department. Although new funding was provided, the justification materials do not elaborate on the full purposes of the request.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2004[1]	$12,923,000
Budget estimate, 2005	14,158,000
Committee recommendation	16,158,000

[1] Reflects reduction of $77,000 pursuant to Division H, section 168 of Public Law 108–199.

As a result of the 1988 amendments to the Inspector General [IG] Act, the Secretary of the Treasury established the Office of Inspector General [OIG] in 1989.

The OIG conducts and supervises audits, evaluations, and investigations designed to: (1) promote economy, efficiency, and effectiveness and prevent fraud, waste and abuse in departmental programs and operations; and (2) keep the Secretary and Congress fully and currently informed of problems and deficiencies in the administration of departmental programs and operations. The audit function provides program audit, contract audit and financial statement audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Program audits review and audit all facets of agency operations. Financial statement audits assess whether financial statements fairly present the agency's financial condition and results of operations, the adequacy of accounting controls, and compliance with laws and regulations. These audits contribute significantly to improved financial management by helping Treasury managers identify improvements needed in their accounting and internal control systems. The evaluations function reviews program performance and issues critical to the mission of the Department, including assessing the Department's implementation of the Government Performance and Results Act [GPRA]. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

The Committee believes that it is important to have an independent Inspector General office to maintain oversight over departmental programs. The duties and responsibilities of the Treasury Inspector General and the Treasury Inspector General for Tax Administration are vastly different in substance. The Committee believes that a merger would dilute the vigorous oversight that Congress and the taxpayers expect and the two are not conducive to being integrated.

The Committee recommends an appropriation of $16,158,000 for salaries and expenses of the Office of Inspector General. The Committee has provided $2,000,000 over the budget request to the Treasury Inspector General and $3,235,000 above the fiscal year 2004 enacted level. The Committee directs that the funds be divided evenly between the Office of Audit and the Office of Investigations. The Committee believes that increasing the number of audit positions is necessary to provide more aggressive analysis of the regulatory and compliance operations performed by the Department. This includes coordination between enforcement and regulatory functions and the reliability and usefulness of Bank Secrecy Act data. The Committee believes that increasing the number of investigative positions is necessary to detect and prevent fraud, related financial crimes, as well as criminal employee misconduct. The Committee notes that although the number of investigators has declined more than 80 percent since fiscal year 2003, the Treasury Office of Inspector General's investigative caseload has more than doubled. The office is currently engaged in a number of high-profile cases of bank fraud and examiner obstructions by regulated institutions, inappropriate release of national security and other sensitive information, and misuse of the Treasury seal. The Committee is also aware that some bureaus and offices within the Department have not had a financial audit performed in the last 5 years. The Committee expects that these funds will ensure that the Inspector General has sufficient funds to complete the audit of the Treasury Building and Annex Repair and Restoration account.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

Appropriations, 2004[1]	$127,277,000
Budget estimate, 2005	129,126,000
Committee recommendation	129,126,000

[1] Reflects reduction of $755,000 pursuant to Division H, section 168 of Public Law 108–199.

The Treasury Inspector General for Tax Administration [TIGTA] was established by the IRS Restructuring and Reform Act of 1998 (Public Law 105–206). Funding was first appropriated for this account in the fiscal year 2000 Treasury and General Government Appropriations Act (Public Law 106–58).

TIGTA conducts audits, investigations, and evaluations to assess the operations and programs of the Internal Revenue Service [IRS] and Related Entities, the IRS Oversight Board and the Office of Chief Counsel to (1) promote the economic, efficient and effective administration of the nation's tax laws and to detect and deter fraud and abuse in IRS programs and operations; and (2) recommend actions to resolve fraud and other serious problems, abuses, and deficiencies in these programs and operations, and keep the Secretary and Congress fully and currently informed of these issues and the progress made in resolving them. TIGTA reviews existing and proposed legislation and regulations relating to the programs and operations of the IRS and Related Entities and makes recommendations concerning the impact of such legislation and regulations on the economy and efficiency in the administration of programs and operations of the IRS and Related Entities. The audit function provides program audit, contract audit and financial statement audit services. Program audits review and audit all facets of IRS and Related Entities. Contract audits provide professional advice to IRS contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. The evaluations function reviews program performance and issues critical to the mission of the IRS. The investigative function provides for the detection and investigation of improper and illegal activities involving IRS programs and operations and protects the IRS and Related Entities against external attempts to corrupt or threaten their employees.

The Committee believes that a merger of TIGTA and the Treasury Inspector General would diminish the oversight that Congress and the taxpayers expect and the two entities are not good candidates for integration.

The Committee recommends an appropriation of $129,126,000 for the Treasury Inspector General for Tax Administration. This amount is the same as the President's request and $1,849,000 over the fiscal year 2004 enacted level. Of this amount, the accompanying bill provides $1,500 for official reception and representation account.

AIR TRANSPORTATION STABILIZATION PROGRAM

Appropriations, 2004 [1]	$2,523,000
Budget estimate, 2005	2,800,000
Committee recommendation	2,000,000

[1] Reflects reduction of $15,000 pursuant to Division H, section 168 of Public Law 108–199.

The Air Transportation Safety and System Stabilization Act, Public Law 107–42, established the Air Transportation Stabilization Board. The Board may issue up to $10,000,000,000 in loan guarantees.

The Committee recommends an appropriation of $2,000,000 for the Air Transportation Stabilization Program. This amount is $800,000 less than the budget request.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

Appropriations, 2004 [1]	$24,853,000
Budget estimate, 2005	20,316,000
Committee recommendation	12,316,000

[1] Reflects reduction of $148,000 pursuant to Division H, section 168 of Public Law 108–199.

The Treasury Building and Annex Repair and Restoration appropriation funds the repairs, selected improvements and construction necessary to renovate and maintain the main Treasury Building and the Treasury annex.

The Committee recommends an appropriation of $12,316,000 for the repair and restoration of the Treasury Building and Annex, $8,000,000 less than the budget request and $12,537,000 less than the fiscal year 2004 enacted level.

The Department's budget justification has identified this as the final year of funding for the Treasury Building and Annex Repair and Restoration. The Department's responses to questions related to the budget justification indicated that "some critical repairs to the Treasury Building have been deferred or cancelled in order to meet the 2005 deadline" for completion. In light of this response and preliminary information received from the Inspector General, the Committee is highly skeptical of the actual status of this program. The Committee is disappointed that after appropriating $234,000,000, not only is the renovation of the historic Treasury building not complete, but the Annex has received virtually no repair. The Committee is concerned about the long term continuing character of this renovation and even though no funds will be requested in this account in future years, it is clear that this project is not complete.

The Committee recommends a decrease of $8,000,000 from the budget request due to the budget constraints of the Committee and ongoing concerns about the cost escalation and delayed completion. The Committee expects the Department to manage the completion within the funds available. The Committee directs the Department to provide a report to the House and Senate Committees on Appropriations no later than March 1, 2005. The report shall contain the following: (1) the original plan and scope for the Treasury Department and Annex; (2) the final plan and scope of the project scheduled for completion in 2005; (3) a full assessment and explanation of cost variances by project compared to the original plan; (4) an assessment of all future requirements for new and deferred maintenance and repairs for the main Treasury building and the Annex; and (5) all restoration work done to the Annex.

EXPANDED ACCESS TO FINANCIAL SERVICES

(RESCISSION)

Rescission, 2004	....
Budget estimate, 2005	−$4,000,000
Committee recommendation	−4,000,000

The Expanded Access to Financial Services account is intended to help low and moderate income Americans benefit from access to basic financial services.

The Committee recommends a rescission of $4,000,000 in unobligated balances from fiscal years 2002 and 2003 appropriations. This is the same as the President's request.

VIOLENT CRIME REDUCTION PROGRAM

(VIOLENT CRIME REDUCTION TRUST FUND)

(RESCISSION)

Rescission, 2004	....
Budget estimate, 2005	−$1,000,000
Committee recommendation	−1,200,000

Amounts for the Department of the Treasury's portion of Crime Control Programs are derived from transfers from the Violent Crime Reduction Trust Fund, as authorized by the Crime Control and Law Enforcement Act of 1994.

The Committee recommends a rescission of $1,200,000. The budget recommendation is $200,000 more than the budget request.

TERRORISM INSURANCE PROGRAM

On November 26, 2002, President Bush signed into law the Terrorism Risk Insurance Act of 2002 (Public Law 107–297). The Act establishes and provides mandatory funding for a temporary Terrorism Insurance Program to be administered by the Department of the Treasury. Under the program, the Federal Government is responsible for paying 90 percent of the insured losses arising from acts of terrorism above the applicable insurer deductible and below the $100,000,000,000 annual cap.

The budget includes estimates of the general administrative costs of the program. Given the uncertainty surrounding the risk of future terrorist attacks, the budget does not include estimates of the timing or magnitude of potential insurance claims under the program, which is scheduled to sunset on December 31, 2005. Any such claims would be paid from permanent, indefinite authority and would not require subsequent appropriations.

FINANCIAL CRIMES ENFORCEMENT NETWORK

Appropriations, 2004 [1]	$57,231,000
Budget estimate, 2005	64,502,000
Committee recommendation	72,502,000

[1] Reflects reduction of $340,000 pursuant to Division H, section 168 of Public Law 108–199.

The Financial Crimes Enforcement Network [FinCEN] was established in 1990 as a government-wide, service-oriented, financial information-sharing agency. FinCEN's mission is to help safeguard the U.S. financial system from the abuses of money laundering and illicit finance, including the financing of terrorism. FinCEN achieves this mission through the administration of the Bank Secrecy Act [BSA], as amended; through tactical and strategic analysis of financial information; through education and outreach with the goal of achieving greater financial transparency; and, through the timely sharing of financial intelligence to aid law enforcement and, where appropriate, the intelligence community in the detection and investigation of money laundering and illicit financial activity, including the financing of terrorism. FinCEN is responsible for collecting, maintaining, analyzing and disseminating financial information reported by financial institutions as required by the Bank Secrecy Act, as amended. The Bank Secrecy Act, as amended, is the Nation's regulatory regime to address the problems of money laundering and other illicit finance, including the financing of terrorism. FinCEN adds value to the Bank Secrecy Act data it collects to support law enforcement by providing investigatory leads, trends and pattern information, and other tactical and strategic analytical products and, by networking its information to agencies with similar investigatory interests. FinCEN works closely with the financial services community to ensure that the regulations it crafts strike the appropriate balance between meeting the needs of the government, the regulatory burden placed upon the financial industry, and the privacy interests of U.S. citizens. FinCEN's approach to assuring industry compliance with the Bank Secrecy Act is predicated on education and outreach. However, its regulatory enforcement authorities provide for application of significant civil monetary penalties against financial institutions that fail to address serious compliance deficiencies.

Title III of the USA PATRIOT Act (The International Money Laundering Abatement and Anti-Terrorism Financing Act of 2001) recognized FinCEN's unique position as a focal point for information relating to money laundering, the financing of terrorism, and other financial crimes. To carry out these responsibilities, the USA PATRIOT Act elevated FinCEN to a bureau within the U.S. Department of the Treasury. The Act directed FinCEN to carry out, in whole or in part, 23 of the 44 provisions in the Title, including accelerating the timetable for expanding certain Bank Secrecy Act requirements to a broad range of financial entities beyond depository institutions, such as mutual fund operators, futures commission merchants, the insurance industry, dealers in precious stones and metals and others. Moreover, FinCEN serves as our Nation's financial intelligence unit or FIU. FinCEN's network includes an international community of other FIUs that, in 2004, grew to over 90 countries.

The Committee recommends an appropriation of $72,502,000 for the Financial Crimes Enforcement Network. This amount is $8,000,000 above the administration's request and $15,271,000 over the fiscal year 2004 enacted level.

FinCEN's BSA Direct Initiative.—The Committee understands that the "BSA Direct" initiative will be the cornerstone of FinCEN's technology architecture. BSA Direct will provide FinCEN and its customers the ability to access and analyze information collected under the Bank Secrecy Act in a user-friendly, secure web-based platform. FinCEN receives over 13 million reports annually from financial institutions. This data is currently housed in 12 separate databases at the IRS's Detroit Computing Center and is accessed through an antiquated dial-up system. The budget request provides $2,500,000 to support this new Presidential initiative. The Department of the Treasury has supplemented the budget request by an additional $2,000,000 with monies from the Treasury Asset Forfeiture Fund. The Committee understands the importance of this system to FinCEN's mission and, therefore, has provided the additional $5,000,000 needed to complete this mission-critical project that is expected to be operational by October 2005.

The Committee, while providing this necessary funding, is concerned about duplication that may exist with systems being developed at the IRS's Detroit Computing Center, which currently houses the data collected under the Bank Secrecy Act in an outdated legacy system. Therefore, the Committee directs the Secretary to certify within 30 days of enactment to the House and Senate Committees on Appropriations that the system and data warehouse being developed by the Financial Crimes Enforcement Network relating to data collected under the Bank Secrecy Act is the sole system being developed by Treasury or any of its bureaus to house and provide general access to such data. The Committee directs that none of the funds provided for this system be expended prior to receipt of such certification.

The Director of FinCEN shall report to the House and Senate Committees on Appropriations any significant delay, deviation or change in costs associated with the contract to develop this project. Further, the Committee is disappointed to learn that the IRS has expended approximately $4,000,000 to build a platform similar to BSA Direct with no prior consultation with OMB, Treasury or the Congress. Given the IRS's troubled history with developing computer systems, the Committee at a minimum, expects the IRS to focus resources and attention on getting its own BSM project to meet performance and delivery goals prior to addressing the rest of the Government's information technology needs.

FinCEN's Enhanced Administration of the Bank Secrecy Act.—The Committee recommendation provides an additional $3,000,000 to hire no less than 18 FTEs to assist FinCEN in ensuring compliance by all financial industries subject to the BSA. This increase will provide FinCEN with the resources to acquire the expertise necessary to ensure the protection of our Nation's financial system from abuse by criminals and those seeking to carry out acts of terror. The Bank Secrecy Act, as amended by Title III of the USA PATRIOT Act, imposes a series of reporting and recordkeeping requirements on a wide array of financial institutions in order to detect and prevent money laundering and the financing of terrorism. The Department of Treasury, through FinCEN, administers the Bank Secrecy Act. FinCEN has delegated the responsibility to examine financial institutions for Bank Secrecy Act compliance to various Federal regulatory agencies. The agencies examining for BSA compliance include the Federal functional banking regulators, the Securities and Exchange Commission, the Commodities Futures Trading Commission, and the Internal Revenue Service. As the administrator FinCEN has retained the sole authority to seek civil enforcement remedies for violations of the Bank Secrecy Act.

Recent events have exposed fundamental weaknesses in the system for Bank Secrecy Act compliance examination. The revelations of obvious, egregious, and possibly criminal violations of the BSA within the Riggs National Bank were nearly eclipsed by the fact that Riggs' regulator, the Office of the Comptroller of the Currency [OCC], knew of such problems for years before taking any serious action to require Riggs to address them. Most significantly, the OCC failed to advise FinCEN, the administrator of the Bank Secrecy Act, of any of the problems within Riggs until shortly before OCC made the BSA deficiencies public. FinCEN, because it did not have access to examination information from the OCC, had no way of knowing about Riggs' compliance deficiencies. In response, FinCEN has created a new "Office of Compliance" in its Division of Regulatory Policy, Compliance and Enforcement, which will be dedicated to fulfilling FinCEN's role in more aggressively administering and implementing the Bank Secrecy Act and overseeing the examination activities of the agencies examining for Bank Secrecy Act compliance. The Office of Compliance will identify compliance problems within financial institutions at an early stage and ensure that appropriate corrective action is taken. The Committee understands that FinCEN has developed a plan where agencies are now required to notify FinCEN's Office of Compliance when they discover significant Bank Secrecy Act violations within financial institutions and to provide to FinCEN a copy of the relevant portion of the reports of examination and other supporting material. The agencies will also have to produce aggregate information on their Bank Secrecy Act examinations and the deficiencies found.

Moreover, for the first time, FinCEN will devote significant analytical resources to its regulatory programs. FinCEN has created an Office of Regulatory Support in its Division of Analytics to support FinCEN's regulatory programs, including the Office of Compliance. FinCEN will analyze examination information from all agencies, and combine that data with the information from Bank Secrecy Act reports that FinCEN already collects and maintains. Through this analysis, FinCEN will be able to support the examination functions of the regulators by helping to identify both strategic and tactical examination targets, emerging compliance deficiencies, and identify and target problem financial institutions for examination. Identification of deficiencies and compliance issues also allows FinCEN to provide guidance to the industry on a more timely basis and aid the industry in focusing its compliance resources.

The Committee directs that the new resources provided above may only be used to supplement the Office of Compliance or to add analysts in the Office of Regulatory Support, if those analysts provide direct support to the Office of Compliance. The Committee directs that these new resources shall not be used for any purpose or expense without the express written approval of the House and Senate Committees on Appropriations.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$227,210,000
Budget estimate, 2005	230,930,000
Committee recommendation	230,930,000

[1] Reflects reduction of $1,348,000 pursuant to Division H, section 168 of Public Law 108–199.

In 1940, the United States Department of the Treasury established the Fiscal Service, which consisted of the Bureau of Accounts, the Bureau of the Public Debt, and the Office of the Treasurer. A 1974 reorganization of the Fiscal Service created the Bureau of Government Financial Operations, which was formed from a merger of the Bureau of Accounts and most functions of the Office of the Treasurer. In 1984, the Bureau of Government Financial Operations was renamed the Financial Management Service [FMS]; the new name reflected Treasury's renewed emphasis on achieving greater efficiency and economy in government financial management.

Payments.—FMS implements payment policy and procedures for the Federal Government, issues and distributes payments, promotes the use of electronics in the payment process, and assists agencies in converting payments from paper checks to electronic funds transfer [EFT]. The control and financial integrity of the Federal payments and collections process includes reconciliation, accounting, and claims activities. The claims activity settles claims against the United States resulting from Government checks which have been forged, lost, stolen, or destroyed, and collects monies from those parties liable for fraudulent or otherwise improper negotiation of Government checks.

Collections.—FMS implements collections policy, regulations, standards, and procedures for the Federal Government, facilitates collections, promotes the use of electronics in the collections process, and assists agencies in converting collections from paper to electronic media.

Debt Collection.—FMS provides debt collection operational services to client agencies which includes collection of delinquent accounts, offset of Federal payments against debts owed the Government, post-judgment enforcement, consolidation of information reported to credit bureaus, reporting for discharged debts or vendor payments, and disposition of foreclosed property.

Government-wide Accounting and Reporting.—FMS also provides financial accounting, reporting, and financing services to the Federal Government and the Government's agents who participate in the payments and collections process by generating a series of daily, monthly, quarterly and annual Government-wide reports. FMS also works directly with agencies to help reconcile reporting differences.

The Committee recommends $230,930,000 for salaries and expenses for FMS. This amount is the same as the budget request and $3,720,000 above the fiscal year 2004 enacted level.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Appropriations, 2004 [1]	$79,528,000
Budget estimate, 2005	81,942,000
Committee recommendation	83,000,000

[1] Reflects reduction of $472,000 pursuant to Division H, section 168 of Public Law 108–199.

The Homeland Security Act created the Alcohol and Tobacco Tax and Trade Bureau [TTB] within the Department of the Treasury and charged TTB with collecting revenue and protecting the public.

TTB enforces the Federal laws and regulations relating to alcohol and tobacco. Its responsibilities include maintaining a sound revenue management and regulatory system that continues to reduce the taxpayer burden, improve service, collect the revenue due, prevent tax evasion and other criminal conduct, and protecting the public and preventing consumer deception in regulated commodities.

The Committee recommends $83,000,000 for TTB. This amount is an increase of $3,472,000 above the fiscal year 2004 enacted level and $1,058,000 above the President's budget request. The Committee has included additional funds to initiate TTB's transition to Treasury supported systems and standards from the Bureau of Alcohol Tobacco and Firearms. The Committee directs the Department of the Treasury and the Alcohol and Tobacco Tax and Trade Bureau to submit by March 1, 2005, to the Committees on Appropriations a detailed spending plan for the money provided over the budget request. The report shall identify all costs paid by TTB to the Bureau of Alcohol Tobacco and Firearms for shared services, including but not limited to space, rent, telephones, furniture, computer services and maintenance. The report shall include the estimated cost of those same services if provided by the Department of the Treasury, and a plan, cost and time schedule for migration to the Department's shared services.

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

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

Appropriations, 2004 [1]	$172,627,000
Budget estimate, 2005	175,166,000
Committee recommendation	175,166,000

[1] Reflects reduction of $1,025,000 pursuant to Division H, section 168 of Public Law 108–199.

The Public Debt Service was formed in 1919 with the appointment of the first Commissioner of the Public Debt. The Public Debt Service took general charge debt operations including debt accounting and securities issue and retirement, which had been conducted by several independent divisions within the Treasury. Acting under the authorization of the Reorganization Act of 1939, the President created the Bureau of the Public Debt, which was established as part of the Fiscal Service in the Department of the Treasury effective June 30, 1940, (31 U.S.C. 306). In 1993, the Savings Bonds Division, a separate organization, was made part of the Bureau.

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

Wholesale Securities Services.—This program ensures that all primary and secondary markets for Treasury securities and critical financing needs are maintained and met. It includes all activities related to the regulation, auction, issue, servicing and redemption of Treasury marketable securities that are owned by institutional investors and their customers.

Government Agency Investment Services.—Within this program, there are over 200 Federal trust and investment funds. This program supports State, local and Federal Government agencies' investments in non-marketable Treasury securities as well as borrowings from the Treasury.

Retail Securities Services.—Marketable and non-marketable securities held with Treasury are managed through this program. In addition to issuance and redemption of securities, processing customer service requests are also rendered through this program.

Summary Debt Accounting.—This program involves the timely and accurate accounting and reporting of the outstanding public debt and related interest expense incurred to finance the Federal Government.

The Committee recommends an appropriation of $175,166,000 for the Bureau of the Public Debt in fiscal year 2005. This amount is the same as the President's budget request and $2,539,000 over the fiscal year 2004 enacted level.

UNITED STATES MINT

UNITED STATES MINT PUBLIC ENTERPRISE FUND

The United States Mint manufactures coins, sells numismatic and investment products, and provides for security and asset protection. Public Law 104–52 established the U.S. Mint Public Enterprise Fund (the Fund). The Fund encompasses the previous Salaries and Expenses, Coinage Profit Fund, Coinage Metal Fund, and the Numismatic Public Enterprise Fund. The Mint submits annual audited business-type financial statements to the Secretary of the Treasury and to Congress in support of the operations of the revolving fund.

The operations of the Mint are divided into three major activities: Circulating Coinage; Numismatic and Investment Products; and Protection. The Mint is credited with receipts from its circulating coinage operations, equal to the full cost of producing and distributing coins that are put into circulation, including depreciation of the Mint's plant and equipment on the basis of current replacement value. Those receipts pay for the cost of the Mint's operations, which includes the costs of production and distribution. The difference between the face value of the coins and these costs are profit, which is deposited as seigniorage to the general fund. In fiscal year 2003, the Mint transferred $600,000,000 to the general fund. Any seigniorage used to finance the Mint's capital acquisitions is recorded as budget authority in the year that funds are obligated for this purpose and as receipts over the life of the asset.

Budget Justification.—In fiscal year 1996, the Committees on Appropriations created the Public Enterprise Fund to assist the Mint in responding to the variability of coinage demands and to meet its ongoing capital equipment requirements. The Committee reminds the Mint that the fund was created for its benefit. The Committee is disappointed with the lack of budget justification materials provided annually by the Mint. To remedy this situation, the Committee directs that the Mint's fiscal year 2006 budget justification materials, using fiscal year 2005 as the baseline, include: (1) a current organizational chart for the Mint headquarters; (2) a complete FTE count by headquarters organizational business units; (3) a complete cost accounting for all headquarters expenses, including but not limited to, domestic travel, international travel, rent, repairs, supplies, equipment, all advertising costs, and the projected FTE's for the headquarters building requested for fiscal year 2006; (4) a detailed cost breakout of the construction costs, including sunk costs and new security costs for the museum; (5) the annual operating costs to maintain the museum after its construction; (6) an organizational chart and FTE breakout, by job function, for the Philadelphia Mint, the Denver Mint, the San Francisco Mint, the West Point Mint and any other Mint facility; and (7) a detailed breakout of all capital acquisitions and accompanying obligation timetable. The Committee defines organizational business units as the office of the director, deputy director, executive secretary, legislative affairs, public affairs, management, office of the general counsel, administration, chief financial officer, chief information officer, sales and marketing, production, and Mint police. Finally, the Committee directs that the cost accounting include all functions and FTEs (those on temporary duty, detailed, and those permanently assigned) regardless of the funding source.

Mint-BEP Merger.—The Committee recognizes that efforts are already underway in the Department for the study of a potential merger of some or all activities of the United States Mint and the Bureau of Engraving and Printing. Given the multiple jurisdictional issues of the two bureaus and the uniqueness of many of their respective activities, the Committee has included a general provision governing the implementation of any recommendations resulting from the ongoing review by the Department. Particularly unique are the financing arrangements of the two bureaus, as well as the relationship of Public Enterprise Fund balances to the financing of the Federal Government public debt. For these and other reasons, the Committee believes it is important that a full congressional review take place on any recommendations by the committees with oversight responsibility, and therefore, has included a general provision to this effect.

BUREAU OF ENGRAVING AND PRINTING

The Bureau of Engraving and Printing [BEP] has been the sole manufacturer of U.S. paper currency for almost 150 years. The origin of the BEP is traced to an Act of Congress passed on February 25, 1862, 12 Stat. 345, authorizing the Secretary of the Treasury to issue a new currency—United States notes. While this law was the cornerstone authority for the operations of the engraving and printing division of the Treasury for many years, it was not until an Act of June 20, 1874, 18 Stat. 100, that the Congress first referred to this division as the "Bureau of Engraving and Printing." The Bureau's status as a distinct bureau within the Department of the Treasury was solidified by section 1 of the Act of June 4, 1897, 30 Stat. 18, which placed all of the business of the BEP under the immediate control of a director, subject to the direction of the Secretary of the Treasury. The 1897 law is now codified in 31 U.S.C. 303.

The BEP designs, manufactures, and supplies Federal Reserve notes, various public debt instruments, as well as financial characters issued by the United States, such as postage and internal revenue stamps. The BEP executes certain printings for various territories administered by the United States, particularly postage and revenue stamps.

The operations of the BEP are currently financed by means of a revolving fund established in accordance with the provisions of Public Law 656, August 4, 1950 (31 U.S.C. 181), which requires the BEP to be reimbursed by customer agencies for all costs of manufacturing products and services performed. The BEP is also authorized to assess amounts to acquire capital equipment and provide for working capital needs.

No direct appropriation is required to cover the activities of the BEP.

Mint-BEP Merger.—As noted previously, the Committee recognizes that efforts are already underway in the Department for the study of a potential merger of some or all activities of the United States Mint and the Bureau of Engraving and Printing. Given the multiple jurisdictional issues of the two bureaus and the uniqueness of many of their respective activities, the Committee has included a general provision governing the implementation of any recommendations resulting from the ongoing review by the Department. Particularly unique are the financing arrangements of the two bureaus, as well as the relationship of Public Enterprise Fund balances to the financing of the Federal Government's public debt. For these and other reasons, the Committee believes it is important that a full Congressional review take place on any recommendations by the Committees with oversight responsibility, and therefore, has included a general provision to this effect.

INTERNAL REVENUE SERVICE

The Internal Revenue Service history dates back to 1862. In 1953 following a reorganization of its function, its name became the Internal Revenue Service [IRS]. The IRS mission is to provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. The IRS deals directly with more Americans than any other institution, public or private. In 2003, the IRS collected nearly $2,000,000,000,000 in revenue and processed more than 222 million tax returns at a cost of 48 cents for each $100 collected by the IRS. Also, in 2003, the agency provided assistance more than 97 million times through toll-free telephone lines, correspondence or visits to its more than 400 offices nationwide. An important focus of recent years for the IRS has been to undertake a major modernization of its systems and business operations to better serve taxpayers and enforce the law. A companion objective in fiscal year 2005 is to strengthen overall compliance and enforcement designed to address noncompliance with the tax code, thus making the total tax administration fairer for all. The Committee has attempted to balance those objectives with budget constraints.

The Committee recommends appropriations that provide a total of $10,392,462,000 for the IRS in fiscal year 2005. This amount is $281,078,000 less than the administration's request and $208,720,000 above the fiscal year 2004 enacted level.

The resources for this bill in fiscal year 2005 are very constrained, requiring the Committee to make difficult decisions on the appropriate allocations between accounts. However, even with these limitations, the Committee's recommendations maintain strong support for the operations of the Internal Revenue Service, providing almost 98 percent of the IRS's fiscal year 2005 budget request. For all areas other than Business Systems Modernization, the increases provided are more than 99 percent of the original request. The reductions for Business System Modernization are discussed in more depth under that account heading and support the important re-focusing that the Committee views is necessary at this stage of the development and implementation processes. In the Tax Law Enforcement account, where an 8.3 percent increase is supported for fiscal year 2005, the Committee supports the renewed focus on compliance and enforcement activities, given the declines in investments and performance in recent years. The Committee views this area, along with the business modernization program, as the highest priority investments for the Internal Revenue Service for the coming year. The Processing, Administration and Management appropriation is funded at 2.5 percent above the fiscal year 2004 level and selected reductions have been applied to the Information Systems appropriation to ensure that new program increases are targeted to the high priority compliance and enforcement activities.

IRS Reorganization Plans.—The Committee is disappointed with the agency's performance with regard to the reorganization. These plans have been announced piece-meal, without an apparent overall structure or goal. The resulting reductions in force [RIF], affecting nearly 5,000 employees and subsequent new hires, are occurring despite the lack of communication of a clear understanding of all the costs and benefits. For this reason, the Committee directs the IRS to submit a detailed report to the Committee, 30 days after enactment of this Act, which shall include: (1) a detailed cost analysis of the savings expected from the RIFs, the anticipated increase in productivity resulting from the consolidations, the administrative costs necessary to conduct the RIFs, and the costs to modify the work and accommodate the new hires; (2) the cost of hiring and training the new employees to do the same work that is currently being performed by the current employees, and a detailed qualitative description of the type of training that will be given to the new hires; (3) an analysis that demonstrates and explains how the IRS intends to do the same amount of work with fewer employees and how this will affect the taxpayers served by these employees both directly and indirectly; (4) a description of any gap in work productivity due to transition, hiring and training and the effect this will have on delays to case processing and insolvency cases; (5) an analysis that shows how greater efficiency is achieved by moving employees out of the field, away from the staff they support; this analysis should pay particular attention to and include a description of how the work of the revenue agents and officers will be affected by not having support staff in the same proximity.

With regard to any RIF, the Committee directs the IRS to use all available resources to minimize involuntary separations, including: providing preference to those employees targeted by the RIF to fill other vacancies for which they are qualified within the IRS, Treasury Department or other Federal agencies in the RIF location; implementing a hiring freeze for IRS vacancies in locations undergoing a RIF for 90 days after the RIF announcement to allow targeted employees to apply for an appropriate vacancy; providing bump and retreat rights as set out in 5 CFR 351, with competitive areas being defined broadly; providing training or retraining for employees so they can move into other positions within the IRS; actively seeking authorization for voluntary early retirement authority and voluntary separation incentive payments, which should be offered as widely as possible in the geographic locations affected so that employees who cannot afford to leave voluntarily can move into positions vacated by those who can; and making available the maximum 6 months of career transition assistance program benefits to all IRS employees described in the above paragraph affected by a RIF.

PROCESSING, ASSISTANCE, AND MANAGEMENT

Appropriations, 2004[1]	$4,009,205,000
Budget estimate, 2005	4,148,403,000
Committee recommendation	4,107,325,000

[1] Reflects reduction of $23,795,000 pursuant to Division H, section 168 of Public Law 108–199.

This appropriation provides for: processing tax returns and related documents; assisting taxpayers in the filing of their returns, paying taxes that are due, and complying with tax laws; issuing technical rulings; revenue accounting; conducting background investigations; and managing financial resources, rent and utilities.

The Committee recommends an appropriation of $4,107,325,000 for Processing, Assistance, and Management. This is a reduction of $41,078,000 below the budget request and $98,120,000 above the fiscal year 2004 enacted level. The Committee recommendation provides the full level of funding necessary to support current services as identified in the IRS budget request. Although not all program increases requested were funded (reduction of $41,000,000) the amount provided in this appropriation represents a 2.5 percent increase over the fiscal year 2004 enacted level.

The recommendation does include sufficient resources to ensure that the IRS is able to fully reinvest into this appropriation the projected savings identified through base mining. The Committee is skeptical of the IRS's ability to fully realize all the savings identified in this account and wants to ensure that tax processing has the resources necessary to meet tax responsibilities. The Committee looks forward to a full report from the Service on the proposed resource realignments, as well as results from the Plan Optimization Study, for which an additional $19,000,000 in savings is estimated.

IRS Staffing Plans.—The Committee continues to support adequate staffing levels for effective tax administration and supports the staffing plans for the Internal Revenue Service facilities in the communities of Martinsburg and Beckley, WV. Therefore, the Committee urges the IRS, within the constraints of the fiscal year 2005 funding levels, to make no staffing reductions at the Martinsburg National Computing Center and the programmed level at the Administrative Services Center in Beckley, WV. Further, the Committee directs the IRS to provide an annual report to the Committee on its efforts to protect and increase staffing levels at the Martinsburg and Beckley IRS facilities.

Tax Counseling for the Elderly.—The Committee once again believes that the Tax Counseling Program for the Elderly has proven to be most successful. To meet the goals of this program, $4,100,000 is included within the aggregate amount recommended by the Committee for processing tax returns and assistance in fiscal year 2005. To ensure that the full effect of the program is accomplished, the IRS is directed to cover administrative expenses within existing funds.

Taxpayer Services in Alaska and Hawaii.—Given the remote distance of Alaska and Hawaii from the U.S. mainland and the difficulty experienced by Alaska and Hawaii taxpayers in receiving needed tax assistance by the national toll-free line, it is imperative that the Taxpayer Advocate Service Center in each of these States is fully staffed and capable of resolving taxpayer problems of the most complex nature. The Committee directs the Internal Revenue Service to continue to staff each Taxpayer Advocate Service Center in each of these States with a Collection Technical Advisor and an Examination Technical Advisor in addition to the current complement of office staff. Staffing shall be increased if, as the result of the IRS Restructuring and Reform Act of 1998, subsequent legislation, or other factors, the number of cases or their complexity increases.

Chicago, IL Tax Assistance Program.—The Committee is aware of an innovative financial literacy and tax assistance project in Chicago, Illinois—Tax Assistance Program—designed to assist low income workers and their families with tax education and filing, in cooperation with the State of Illinois and the City of Chicago's Earned Income Tax Credit [EITC] outreach efforts. The Committee encourages the IRS to continue to provide appropriate technical and financial assistance for this worthwhile initiative.

Low-Income Taxpayer Clinic.—The Committee once again commends the IRS for the Low-Income Taxpayer Clinic [LITC] program. With the growing complexity of tax laws, this program has provided invaluable help for taxpayers who are seeking to resolve disputes with the IRS. To ensure that the goals of the LITC program are maintained, the Committee has provided a total of $7,000,000 to be distributed and to assist low-income taxpayer clinics across the Nation.

Need-based tax preparation assistance through LITC and other programs such as VITA are imperative for many of our Nation's taxpayers who cannot afford commercial preparers. Without this assistance, many individuals may either not file a return or will make errors and prepare their returns improperly, ultimately leading to a dispute with the IRS. The Committee believes that successfully helping taxpayers with problems with the IRS begins with the accurate preparation and filing of the return. Without this assistance, the limited resources available to the LITC program will be insufficient to meet the demand of taxpayers with controversies with the IRS.

Volunteer Income Tax Assistance.—The Committee notes that the existing Volunteer Income Tax Assistance [VITA] program provides an invaluable service by helping low income taxpayers prepare and file their Federal income tax returns. However, the Committee is troubled by a recent Tax Inspector General for Tax Administration

[TIGTA] audit report for the 2004 tax filing season, stating that taxpayers were provided with inaccurate answers to basic tax law questions and the accuracy of tax returns prepared at the VITA sites. In light of TIGTA's recent findings, the Committee directs the IRS to take immediate steps to implement an improved taxpayer assistance training program for its employees to ensure that taxpayers are given accurate and complete answers to their tax questions and that tax returns prepared on the taxpayer's behalf are done correctly. The Committee also directs IRS to submit to both the House and Senate Committees on Appropriations its proposed method of education and training to properly train the employees for this task no later than 90 days after the enactment of this Act.

The Committee urges the IRS to continue to provide such additional sums as may become available to the VITA program outside of its in-kind contribution program. These additional funds are intended to assist the IRS in expanding the VITA program to hard-to-serve areas, such as Indian reservations. Additionally, these funds are intended to increase the capacity of VITA sites to file returns electronically and to cover some operational expenses. The Committee expects that IRS will continue its current level of in-kind contributions to the VITA programs.

TAX LAW ENFORCEMENT

Appropriations, 2004 [1]	$4,171,244,000
Budget estimate, 2005	4,564,350,000
Committee recommendation	4,519,350,000

[1] Reflects reduction of $24,756,000 pursuant to Division H, section 168 of Public Law 108–199.

Tax Law Enforcement [TLE] provides equitable application and enforcement of the laws, identifies possible non-filers, investigates violations of criminal statutes, supports the Statistics of Income program and conducts research to identify compliance issues.

EITC.—The Committee is extremely troubled that the IRS has not rendered a solution to the beleaguered earned income tax compliance [EITC] program. It is apparent that the EITC initiative continues to be plagued with deficiencies. A pilot program for the EITC initiative was administered in 2004, randomly selecting 25,000 taxpayers to certify their eligibility. Only 65 percent of the taxpayers selected filed with a qualifying child. The Committee directs the IRS to continue to review this program and evaluate the information received from the pilot project and determine the best method to prevent fraud within this program and submit a report to the Committees by March 1, 2005.

Compliance Services.—This activity funds services provided to a taxpayer after a return is filed to identify and correct possible errors or underpayment. Included in this activity are staffing, training and support for: (1) compliance services operational management; (2) centralized automated collection system [ACS] and collection by correspondence in service centers; (3) field investigations and collection efforts associated with delinquent taxpayer and business entity liabilities; (4) documents matching; (5) examination of taxpayer returns at service centers; (6) field exams to determine corresponding tax liabilities; (7) enforcement of criminal statutes related to violations of internal revenue laws and other financial crimes; (8) processing of reports for currency transactions over

$10,000,000; (9) case settlement through the appeals process; (10) litigation; and (11) taxpayer advocate case processing.

Research and Statistics of Income.—This activity funds research and statistical analysis support for the IRS. It provides annual income, financial, and tax data from tax returns filed by individuals, corporations, and tax-exempt organizations. Likewise it provides resources for market-based research to identify compliance issues, for conducting tests of treatments to address non-compliance, and for the implementation of successful treatments of taxpayer non-compliant behavior.

The Committee recommends an appropriation of $4,519,350,000 for Tax Law Enforcement activities in fiscal year 2005. This is a reduction of $45,000,000 from the administration's request and a $348,106,000 increase from the fiscal year 2004 enacted level.

New Compliance Funding for Fiscal Year 2005.—The Committee supports plans by the Internal Revenue Service to expand its focus in the Tax Law Enforcement area. This is an area where results have declined in recent years along with the IRS's ability to apply appropriate staff toward improvement. The administration's fiscal year 2005 budget request for the IRS recognized these deficiencies and has proposed significant new resources to shore up the IRS's compliance and enforcement programs. The budget for Treasury highlights key themes for the Department, one of which is to deter tax evasion and fraud by increasing criminal investigations and audits, ensure that the Tax System is fair for all, and maintain world class service. The Committee endorses the priority of improving compliance and has provided $153,010,000 in new initiative funding in the Tax Law Enforcement Appropriation to be dedicated exclusively to the efforts set out in the IRS justification proposals. With this initiative, the Committee has funded 99 percent of the total amount requested by the IRS for Tax Law Enforcement. In recent years, the IRS has consistently used the majority of its new compliance funding for purposes other than those that Congress intended. Specifically, funds have been used to cover budget shortfalls in base operations. Maintaining funding for targeted compliance efforts is critically important to addressing the concerns and priorities identified by the IRS in its fiscal year 2005 justifications to the Congress. The Committee is concerned and disappointed about the IRS's continued diversion of funds from enforcement activities to other accounts. The Committee is hopeful that the IRS is as committed as the Congress to ensuring proper resources are dedicated to enforcement.

Therefore, to ensure that the IRS uses fiscal year 2005 funding for compliance programs, the Committee has restricted the IRS's ability to use those funds and has limited the IRS transfer authority for the Tax Law Enforcement appropriation account to 3 percent. Beyond this amount, the IRS must receive prior approval from both the House and Senate Committees on Appropriations.

Further, the Committee directs the Commissioner to submit quarterly reports to the House and Senate Committees on Appropriations that identify the IRS's progress, status, and results in implementing its proposed compliance initiatives. The report shall include: (1) baseline staffing levels and resources for each of the programs proposed for new staffing in fiscal year 2005, with the performance measures used by the IRS as indicators for evaluating success of the program; (2) initiative level staffing and resources for each program along with related performance results compared to targets set out in the IRS justification materials. The Committee expects that the performance indicators reported and the performance results and targets will be from the list provided in pages "IRS, TLE–8 & 9" of the IRS fiscal year 2005 budget justifications submitted to the Congress in February 2004.

National Research Program.—The National Research Program [NRP] is a comprehensive effort by the IRS to measure reporting, filing and payment compliance for different types of taxes and various sets of taxpayers. Data and compliance measures resulting from NRP will help the IRS detect noncompliance, reduce taxpayer burden, and support the IRS strategic planning and budget process. The NRP is unlike other earlier research programs. The current reporting compliance study of individual income tax consists of approximately 46,000 randomly selected filed 1040 forms. These random returns will represent most 1040 filers, and the sample will focus on several high-income strata, including those with annual incomes over $1,000,000. The NRP office, which is a small organizational unit within the Research, Analysis and Statistics Division, consists of about 13 full time equivalent [FTE] positions with a base fiscal year 2005 operating budget around $1,500,000. NRP operations include a wide range of IRS activities which encompass the tax examiner and revenue agent staff needed for the audits. In fiscal year 2004, the IRS expects to devote about $89,500,000 (which includes 982 FTEs) to the NRP effort. Most of this $89,500,000 reflects the salaries and benefits of the examiners completing the bulk of the face-to-face audits for the NRP (and related) tax returns for the individual Form 1040 reporting compliance study.

The IRS estimated costs for NRP will drop noticeably for fiscal year 2005, to $5,500,000 (including 39 FTEs). Fiscal year 2005 is a transition year for NRP, with only a few remaining individual returns left to examine for the individual reporting compliance study 1040 study, and with a new reporting compliance study just getting underway and involving examinations for a very limited number of flow-through entity returns. However, a comprehensive study of flow through entity returns beginning in fiscal year 2006 would ramp up total NRP costs significantly. The Committee understands the NRP office expects to have an initial review of the "final" raw data set by December 31, 2004. The Committee understands it will take a fair amount of analysis to draw real conclusions from the data and the best approaches to address them. The Committee is interested in the IRS's ability to electronically verify and audit capital gains information on schedule D filings. Therefore, the Committee encourages the IRS, if the NRP data shows the need for increased audit coverage, to explore all existing software possibilities for electronically verifying this data and developing the ability to incorporate the correct cost basis of Schedule D transactions into the examination process.

Bank Secrecy Act.—The Committee continues to be discouraged by the IRS's repeated failure to incorporate the recommendations of the Tax Inspector General for Tax Administration as they relate to the IRS failures to improve the Bank Secrecy Act [BSA] Compliance Program. This is the second report in 3 years that documents the serious failure of the IRS to administer and enforce its responsibilities under the BSA. As a result, the Committee directs the Government Accountability Office [GAO] to conduct a thorough review and analysis of the IRS' management of the BSA compliance effort.

The Committee is concerned about the ambiguous missions and responsibilities of the IRS and the Financial Crimes Enforcement Network [FinCEN] with respect to the provisions of the BSA. The dual administration of the Act by the IRS and FinCEN undermines accountability and ultimate responsibility over effective enforcement of the provisions of the BSA. As part of the GAO review of IRS's specific management of the compliance provisions of the BSA, the GAO should also review and report on the effectiveness of the dual role played by IRS and FinCEN in meeting the responsibilities of the BSA legislation.

Motor Fuel Tax Evasion.—The Committee is concerned about substantial revenue losses due to motor fuel tax evasion [MFTE]. It is estimated that approximately $1,000,000,000 annually may be lost in receipts to the Highway Trust Fund as a result of MFTE. These illegal activities are reducing the Highway Trust Fund at a time when Federal, State, and local transportation officials are increasingly concerned about the number of highway and transit infrastructure projects that the Trust Fund can sustain. It is clear that current Federal efforts to prevent and reduce MFTE abuses must be strengthened given the extent and complexity of the problem.

The surface transportation reauthorization legislation proposes to substantially increase funding for IRS's MFTE database programs and enforcement activities from $31,000,000 to $163,000,000. However, it is imperative to ensure that taxpayers will be getting an appropriate return on their investments given: (1) some of the problems IRS has experienced upgrading and maintaining its computer and automated systems; and (2) the continued existence of MFTE problems despite prior Highway Trust Fund investments in IRS enforcement activities. The Department of Transportation [DOT] has the responsibility for the administration of the Highway Trust Fund, and for improving the stewardship of trust fund resources as required by both this and the transportation oversight committees. The Committee believes the most effective governmental strategy for reducing MFTE losses will require a sustained, expanded, and robust effort supported by the resources and operational capabilities of both DOT and Treasury, working in conjunction with appropriate State and local authorities.

The Committee requests that the Secretary of Treasury develop a strengthened MFTE compliance and enforcement strategy in cooperation with the Secretary of Transportation to include coordinating and conducting joint operational initiatives with DOT to prevent, detect, and shut down MFTE schemes across the country. The Committee is interested in knowing whether the Secretaries of Treasury and Transportation have any joint recommendations on legislative changes Congress may consider in order to enhance the enforcement program. The Committee requests the Secretary of

Treasury to submit this strategy no later than 6 months following enactment, with the concurrence of the Secretary of Transportation. As part of such joint initiatives, and to the extent permitted by law, the Secretary of Treasury shall also, within 6 months after enactment, enter into a memorandum of understanding with the Secretary of Transportation, to provide DOT criminal investigators access to petroleum products tax compliance information received by Treasury. This information shall be limited to only business, non-personal tax records, unless otherwise appropriate.

Given the concerns outlined above, the Committee requests that Inspector General for Tax Administration conduct an audit to evaluate prior and planned use of monies provided by DOT to the IRS, in consultation with the DOT Inspector General. Specifically, the Committee requests an audit of the IRS management of Motor Fuel Tax Evasion Project funds provided during fiscal years 1998 through 2004, and anticipated during fiscal year 2005 through 2009 to determine whether: (1) Excise Fuel Information Reporting System [ExFIRS] system requirements were properly defined to meet stakeholder needs, the system development was effectively managed to control costs, and the system schedule development was implemented appropriately; (2) Sufficient support is available for IRS' life-cycle cost estimates for ExFIRS, and (3) IRS used the HTF funding in accordance with TEA21 and other governing criteria.

INFORMATION SYSTEMS

Appropriations, 2004[1]	$1,581,575,000
Budget estimate, 2005	1,641,768,000
Committee recommendation	1,606,768,000

[1] Reflects reduction of $9,387,000 pursuant to Division H, section 168 of Public Law 108–199.

This appropriation provides for Servicewide information systems operations and maintenance, and investments to enhance or develop business applications for the IRS Business Units. The appropriation includes staffing, telecommunications, hardware and software (including commercial-off-the-shelf), and contractual services.

The Committee recommends an appropriation of $1,606,768,000 for information systems activities in fiscal year 2005. This is a reduction of $35,000,000 from the administration's request and a $25,193,000 increase over the fiscal year 2004 enacted level. The accompanying bill specifies that $200,000,000 of the recommended funding level is available until September 30, 2006.

The Committee's recommendation also assesses selected reductions to this account due to budget constraints. The Committee recommendation does not approve the program enhancement requested in order to devote resources toward what we view as one of the highest priorities for fiscal year 2005, improvement of compliance and enforcement activities. The IRS has estimated over $33,000,000 in expected internal savings from base mining, which will be available for realignment to other areas within the appropriation during fiscal year 2005. The Committee is skeptical of the IRS's ability to fully realize all the savings identified in this appropriation account and looks forward to a full report from the Service on the proposed resource realignments, as well as results from efficiency savings estimated at $2,000,000.

The Committee believes that funds provided under the Information Systems account, particularly for development-related activities, should be managed with the same diligence and financial controls as those activities funded through the Business Systems Modernization account. In addition, the Committee expects that as the Business Systems Modernization moves an increasing number of major projects into deployment, the Service will realign development activities funded under the Information Systems account so that they are managed and integrated formally into Business Systems Modernization activity.

BUSINESS SYSTEMS MODERNIZATION

Appropriations, 2004 [1]	$387,699,000
Budget estimate, 2005	285,000,000
Committee recommendation	125,000,000

[1] Reflects reduction of $2,301,000 pursuant to Division H, section 168 of Public Law 108–199.

This account provides for revamping business practices and acquiring new technology. The agency is using a formal methodology to prioritize, approve, fund, and evaluate its portfolio of business systems modernization investments. This methodology is designed to enforce a documented, repeatable, and measurable process for managing investments throughout their life cycle. The process is reviewed by the Government Accountability Office on a regular basis as part of the submission requirements for expenditure plans to the House and Senate Committees on Appropriations. The expenditure plan approval process prior to the use of appropriated funds continues for fiscal year 2005.

The Committee continues to believe that there is no more imperative requirement for the IRS than to modernize its antiquated information system and agrees with the IRS that the program is one of the largest, most visible, and most sensitive modernization programs ever undertaken. However, the program has experienced major problems with bringing to fruition the program envisioned by the Congress to better manage comprehensive tax filing, account management, and enforcement information to better support the full range of tax responsibilities for the American taxpayer. From the almost $1,700,000,000 appropriated to date, the deliverables have not been in the core tax system modernizations and database requirements considered the highest priority and the most critical to the ultimate success of the program. Significant cost overruns and repeated schedule delays have plagued critical projects, such as the Customer Account Data Engine [CADE], the Integrated Financial System [IFS], and the Custodial Accounting Project [CAP]. In testimony before the Committee in support of the fiscal year 2005 budget, the Committee learned the true status of deliverables for the Business Systems Modernization effort. The IRS reported that, "The IRS and PRIME have not delivered any BSM projects on time and within the original budget estimates."

The IRS has delayed the CADE program four times. It originally planned to deliver the first release of CADE in December 2001. The IRS then rescheduled it for August 2003, and later rescheduled it for April 2004. The IRS recently finalized the re-planning effort for CADE and set the latest delivery date for September 2004. While CADE is farther along than the earlier tax system modernization program in replacing a component of the master file, there are still major hurdles to overcome. These continued delays of critical systems central to the success of BSM are of major concern to the Committee. The Committee believes stronger focus needs to be directed to completing these core systems and meeting original expectations for the Business Systems Modernization effort.

In reviewing the current progress on key projects driving the Business Systems Modernization, the Committee has noted the cost and time milestone results for the major projects in the BSM account. That information identifies key schedule slippages and underscores the importance of re-focusing and dedicating targeted efforts toward the most critical projects, with the CADE project being first and foremost in that targeting. The following chart sets out the results of the Committee's review for major projects of the BSM program.

IRS/BSM COST INCREASES AND SCHEDULE OVERRUNS

[Dollars in thousands]

Project	Initial Est. Cost	Actual/Revised Est. Cost	Cost Increase	Initial Est. Completion Date	Actual/Revised Est. Completion Date	Schedule Delay
Customer Communications [CC] 2001	$41,110	$46,420	+$5,310	5/31/01	2/26/02 (Full Deployment)	+9 mo
Customer Relationship Management Exam [CRM Exam]	9,313	7,375	....	6/30/02	9/30/02 (Full Deployment)	+3 mo
Security and Technology Infrastructure Release [STIR] Release	33,734	41,287	+7,553	8/31/01	1/31/02 (Initial Operation)	+5 mo
Internet Refund/Fact of Filing [IR/FoF]	13,509	26,432	+12,923	7/31/02	9/26/03 (Full Deployment)	+14 mo
Human Resources [HR] Connect Release	10,000	10,200	+200	12/31/02	12/31/02 (Initial Operation)	N/A
E-Services	44,045	130,281	+86,236	10/31/03	4/30/05 (Full Deployment)	+18 mo
Modernized e-File [MeF] Release	29,246	46,303	+17,057	11/15/03	3/31/04 (Initial Operation)	+4.5 mo
Customer Account Data Engine [CADE]—Individual Master File [IMF] Release	61,145	97,905	+36,760	12/31/02	6/30/05 (Full Deployment)	+30 mo
Custodial Accounting Project [CAP] Release	47,161	119,219	+72,058	1/31/03	TBD (Full Deployment)	TBD
Integrated Financial System [IFS] Release	99,870	153,786	+53,916	3/31/04	TBD (Full Deployment)	TBD
Custom Account Mgmt [CAM] Release	57,578	TBD	TBD	10/31/04	TBD (Initial Operation)	TBD

A modernized IRS is the only way to substantially improve service to the taxpayers and facilitate the collection of taxes in an efficient manner. To this end, the Committee is pleased with the tighter focus being brought to this program effort as presented in the fiscal year 2005 budget request. However, the continued delays for the high priority core projects suggests that such focus needs to go even further to ensure delivery of the most essential components that lead to success of the IRS modernization program. The most critical of the delayed projects is the CADE project. In testimony before the Committee on the fiscal year 2005 budget request, the IRS stated:

"The delivery of the CADE project is particularly important because—like the new online technical infrastructure that the IRS deployed—CADE is a core fundamental component of the modernized systems. As such, CADE is the IRS's highest priority technology project."

It is unfortunate that the IRS is not significantly further along with the strategy to modernize its information systems, particularly with the centralized database CADE project which has been delayed several times beyond its original scheduled delivery date. The Committee believes that the continued delay in the implementation of the main CADE system has the potential to further delay the eventual completion and expected benefits in operations and service of the IRS total modernization program. It is imperative that resources be focused on full development of the CADE effort as a first priority and, therefore, the Committee is recommending a resource level consistent with that view.

The Committee recommends an appropriation of $125,000,000 for business systems modernization. This is a reduction of $160,000,000 from the administration's request and a $262,669,000 decrease from the fiscal year 2004 enacted level.

With the goal of focusing on the IRS BSM efforts even more directly, the Committee recommendation provides fewer funds overall than the initial request, and directs that the funding provided be allocated to highest priorities. The Committee has included the full $65,000,000 requested by the IRS for the continued development of the CADE project in fiscal year 2005. This is the IRS's highest priority technology project and needs to be the first focus of new funding in 2005. To provide continued support for other related BSM projects underway, the Committee recommends an additional $60,000,000 above the CADE requirements to fund on-going activities of other BSM developmental projects. The top priority for the IRS in the coming year should be for the continued development and implementation of the CADE design, allocating further funding to the CADE effort from other BSM available funds, if necessary, in order to keep the centerpiece of BSM on schedule.

BUSINESS SYSTEMS MODERNIZATION

(RESCISSION)

Rescissions, 2004 [1]	....
Budget estimate, 2005	....
Committee recommendation	−$140,000,000

[1] Reflects reduction of $2,301,000 pursuant to Division H, section 168 of Public Law 108–199.

The Committee recommends a rescission of unobligated balances from Business Systems Modernization of $140,000,000 out of funds appropriated in fiscal year 2004. The Committee notes that these funds are available and a spending plan for the release of these funds has not been provided to the Congress.

HEALTH INSURANCE TAX CREDIT ADMINISTRATION

Appropriations, 2004[1]	$34,794,000
Budget estimate, 2005	34,841,000
Committee recommendation	34,841,000

[1] Reflects reduction of $207,000 pursuant to Division H, section 168 of Public Law 108–199.

This appropriation provides operating funds to administer the advance payment feature of a new Trade Adjustment Assistance health insurance tax credit program to assist dislocated workers with their health insurance premiums. The tax credit program was enacted by the Trade Act of 2002 (Public Law 107–210) and became effective in August 2003.

The Committee recommends an appropriation of $34,841,000 for the Health Insurance Tax Credit Administration. This amount is the same as the administration's request and a $47,000 increase from the fiscal year 2004 enacted level.

GENERAL PROVISIONS—INTERNAL REVENUE SERVICE

Section 201 authorizes the IRS to transfer up to 5 percent of any appropriation made available to the agency in fiscal year 2005 to any other IRS account, with the exception of the Tax Enforcement account, which is limited to 3 percent. The IRS is directed to follow the Committee's reprogramming procedures outlined earlier in this report.

Section 202 maintains a training program in taxpayers' rights and cross-cultural relations.

Section 203 requires the IRS to institute and enforce policies and procedures which will safeguard the confidentiality of taxpayer information.

Section 204 directs that funds shall be available for improved facilities and increased manpower to provide sufficient and effective 1–800 help line service for taxpayers. The Commissioner shall continue to make this a priority.

DEPARTMENT OF THE TREASURY

General Provisions

Section 210 authorizes certain basic services within the Treasury Department in fiscal year 2005, including purchase of uniforms; maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; and contracts with the Department of State for health and medical services to employees and their dependents serving in foreign countries.

Section 211 authorizes transfers, up to 2 percent, between Departmental Offices, Office of Inspector General, Treasury Inspector General for Tax Administration, Financial Management Service, Alcohol and Tobacco Tax and Trade Bureau, Financial Crimes Enforcement Network, and the Bureau of the Public Debt appropriations under certain circumstances.

Section 212 authorizes transfer, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 213 requires the purchase of law enforcement vehicles is consistent with Departmental vehicle management principles.

Section 214 prohibits the Department of the Treasury and the Bureau of Engraving and Printing from redesigning the $1 Federal Reserve Note.

Section 215 authorizes the Secretary of the Treasury to transfer funds from Salaries and Expenses, Financial Management Service, to the Debt Services Account as necessary to cover the costs of debt collection. Such amounts shall be reimbursed to the Salaries and Expenses account from debt collections received in the Debt Services Account.

Section 216 amends Section 122 of Public Law 105–119 (5 U.S.C. 3104 note), by striking "6 years" and inserting "7 years".

Section 217 requires prior approval for the construction and operation of a museum by the United States Mint.

Section 218 prohibits the merger of the United States Mint and the Bureau of Engraving and Printing without prior approval of the committees of jurisdiction.

Section 219 amends and makes permanent the Treasury Franchise Fund.

Section 220 amends the Check Forgery Insurance Fund (31 U.S.C. 3343) to designate the fund as a funding source which may be charged for losses Treasury incurs, including (1) payments on counterfeit or altered Treasury checks and (2) administrative errors in the check or electronic payment processes. The provision also permits the Check Forgery Insurance Fund to fund pre-existing uncollectible losses that result from payments which Treasury made in the past in due course and without negligence.

Section 221 requires a report from the Secretary of the Treasury related to currency manipulation.

Section 222 provides for a prohibition on the use of funds related to enforcement of the travel ban to Cuba.

Section 223 allows the Secretary to reprogram up to $2,000,000 in unobligated balances under the heading "Departmental Offices, Salaries and Expenses" for the Office of Terrorism and Financial Intelligence and establishes the office.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT

Appropriations, 2004	$450,000
Budget estimate, 2005	450,000
Committee recommendation	450,000

This appropriation provides for the compensation of the President, including an expense allowance as authorized by 3 U.S.C. 102.

The Committee recommends an appropriation of $450,000 for Compensation of the President, including an expense allowance of $50,000. This is the same as the fiscal year 2004 enacted level and the same as the budget estimate. The expense account is for official use as authorized by Title 3 of U.S. Code and is not considered taxable to the President. The bill specifies that any unused amount shall revert to the Treasury consistent with 31 U.S.C. 1552.

WHITE HOUSE OFFICE

SALARIES AND EXPENSES

Appropriations, 2004[1]	$68,760,000
Budget estimate, 2005	63,698,000
Committee recommendation	63,698,000

[1] Reflects reduction of $408,000 pursuant to Division H, section 168 of Public Law 108–199.

The Salaries and Expenses account of the White House Office provides staff assistance and administrative services for the direct support of the President. The office also serves as the President's representative before the media. In accordance with 3 U.S.C. 105, the office also supports and assists the activities of the First Lady.

The Committee recommends an appropriation of $63,698,000 for White House Office Salaries and Expenses. The recommendation is the same as the budget request and is $5,062,000 less than the fiscal year 2004 enacted level.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

Appropriations, 2004[1]	$12,427,000
Budget estimate, 2005	12,760,000
Committee recommendation	12,760,000

[1] Reflects reduction of $74,000 pursuant to Division H, section 168 of Public Law 108–199.

These funds provide for the care, maintenance, refurnishing, improvement, heating, and lighting, including electrical power and fixtures, of the Executive Residence.

The Committee recommends an appropriation of $12,760,000 for the Executive Residence at the White House. The Committee recommendation is $330,000 more than the fiscal year 2004 enacted level and the equal to the budget estimate. The accompanying bill continues certain restrictions on reimbursable expenses for use of the Executive Residence that were enacted for fiscal year 2004.

WHITE HOUSE REPAIR AND RESTORATION

Appropriations, 2004 [1]	$4,200,000
Budget estimate, 2005	1,900,000
Committee recommendation	1,900,000

[1] Reflects reduction of $25,000 pursuant to Division H, section 168 of Public Law 108–199.

To provide for the repair, alteration, and improvement of the Executive Residence at the White House, a separate account was established in fiscal year 1996 to program and track expenditures for the capital improvement projects at the Executive Residence at the White House.

The Committee recommends an appropriation of $1,900,000 for White House Repair and Restoration, the same amount as the budget request and a reduction of $2,300,000 from the fiscal year 2004 enacted level. The recommendation assumes funding of $1,700,000 for replacement of the existing cooling towers and associated electrical, mechanical, and control equipment; $100,000 for moving and related expenses associated with the possible change of administration; and $100,000 for the First Family to redecorate the living quarters in the White House.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$4,475,000
Budget estimate, 2005	4,040,000
Committee recommendation	4,040,000

[1] Reflects reduction of $27,000 pursuant to Division H, section 168 of Public Law 108–199.

The Council of Economic Advisors analyzes the national economy and its various segments, advises the President on economic developments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal government, and assists in the preparation of the annual Economic Report of the President to Congress.

The Committee recommends an appropriation of $4,040,000 for salaries and expenses of the Council of Economic Advisers. This amount is the same as the budget request and is $435,000 less than the fiscal year 2004 enacted level.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$4,085,000
Budget estimate, 2005	3,592,000
Committee recommendation	2,392,000

[1] Reflects reduction of $24,000 pursuant to Division H, section 168 of Public Law 108–199.

The Office of Policy Development supports the National Economic Council and the Domestic Policy Council, in carrying out their responsibilities to advise and assist the President in the formulation, coordination, and implementation of economic and domestic policy. The Office of Policy Development also provides support for other domestic policy development and implementation activities as directed by the President.

The Committee recommends $2,392,000 for the Office of Policy Development, which is $1,693,000 less than the fiscal year 2004 enacted level and $1,200,000 less than budget request. The Committee recommendation makes this adjustment based on the amount of funding that has lapsed in this account in recent years.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$10,489,000
Budget estimate, 2005	8,932,000
Committee recommendation	8,932,000

[1] Reflects reduction of $62,000 pursuant to Division H, section 168 of Public Law 108–199.

The National Security Council advises the President in integrating domestic, foreign, and military policies relating to the national security.

The Committee recommends an appropriation of $8,932,000 for the salaries and expenses of the National Security Council [NSC]. This amount is the same as the budget request and $1,557,000 less than the fiscal year 2004 enacted level.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$82,337,000
Budget estimate, 2005	85,676,000
Committee recommendation	92,869,000

[1] Reflects reduction of $489,000 pursuant to Division H, section 168 of Public Law 108–199.

The Office of Administration's mission is to provide high-quality, cost-effective administrative services to the Executive Office of the President. These services, defined by Executive Order 12028 of 1977, include financial, personnel, library and records services, information management systems support, and general office services.

The Committee has provided $92,869,000 to the Office of Administration for fiscal year 2005. In addition to the recommended level of funding, the Office of Administration receives reimbursements for information management support and general office services.

Core Enterprise Services Program.—The Committee has provided $18,530,000 for the core enterprise services program, an increase of $7,193,000 above the budget request. The budget request proposes to transfer non-discretionary GSA rent and rent-related costs from White House Offices, Office of Policy Development, Council of Economic Advisors, and National Security Council to the Office of Administration to provide for central management. To achieve greater administrative and cost efficiencies, the Committee has included the Office of Management and Budget in the core enterprise services program and funding above the budget estimate represents OMB's costs for rent, after-hours utilities, and prorated costs of heath unit operations.

THE WHITE HOUSE

SALARIES AND EXPENSES

Appropriations, 2004	....
Budget estimate, 2005	$181,048,000
Committee recommendation	....

The budget request proposes a consolidation and financial realignment of the Executive Office of the President [EOP] accounts that directly support the President. The initiative would consolidate annual appropriations for the Compensation of the President and White House Office, Executive Residence, White House Repair and Restoration, the Office of Policy Development, the Council of Economic Advisers, the National Security Council, and the Office of Administration, into a single appropriation called "The White House."

The budget request also includes a related general provision in the government-wide general provisions that would provide for a 10 percent transfer authority among all appropriations that comprise the EOP, except for certain counterdrug accounts.

The Committee recommends funding for the offices that directly support the President according to the existing structure of accounts. This arrangement has served the Committee's and the public's need for transparancy in the funding and operation of these important functions while also providing the executive branch with the flexibility it needs to reprogram funds within accounts to address unforeseen budget needs. As noted in discussions with administration officials in past years, at no time has the Committee rejected an administration's request to reprogram existing funds within these accounts.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$66,763,000
Budget estimate, 2005	76,565,000
Committee recommendation	68,411,000

[1] Reflects reduction of $396,000 pursuant to Division H, section 168 of Public Law 108–199.

The Office of Management and Budget [OMB] assists the President in the discharge of his budgetary, management, and other executive responsibilities.

The Committee recommends an appropriation of $68,411,000 for the Office of Management and Budget which is $1,648,000 more than the fiscal year 2004 enacted level.

FASAB and JFMIP Contributions.—The Committee denies the request to transfer funding to the Department of the Treasury that supports the Federal Accounting Standards Advisory Board [FASAB] and the Joint Financial Management Improvement Program [JFMIP]. The justification for consolidating OMB's annual payments to FASAB and JFMIP in the Treasury Department is exceptionally weak and rests on the desire to include the expense in the organization where the services are contracted rather than in the organization that initiates the expense. This proposal is inconsistent with the manner in which similar payments are treated in other agencies' budgets and leaves the impression that the transfer of these payments is being requested to mask the actual amount of resources for fiscal year 2005. The recommendation assumes an adjustment of $639,000.

Core Enterprise Services.—The Committee recommendation transfers $7,193,000 back to the Office of Administration to consolidate OMB's rent, after-hour utilities, and health unit costs in the core enterprise services program. The Committee believes it is important to include these funds in the core enterprise services program to maximize the gains in cost savings, administrative efficiencies, and improved fiscal management. Keeping as many entities in the Core Enterprise Services program reduces the number of individual bills that have to be processed and reconciled, reduces the administrative burden on preparing additional interagency agreements, and also reduces the duplicate administrative structures inherent in a decentralized environment. The Committee continues to believe that this activity is best suited for the Office of Administration, not the Office of Management and Budget. Therefore, funds have been transferred out of the Office of Administration, as proposed in the budget request.

Personnel Funding Increases.—The Committee defers $1,600,000 of the requested increase to hire additional personnel to reach the currently authorized level of full-time equivalent positions. The recommendation is due to budget constraints.

OMB Review of Water Resource Projects.—The Secretary of the Army and the Chief of Engineers are responsible for evaluating and determining if a water resources project or study is in compliance with applicable laws, regulations, and requirements relevant to water resource planning. The Committee believes, however, that it is appropriate for the Office of Management and Budget [OMB] to examine each water resource report, proposal, or plan for consistency with the budgetary policy of the President.

Unfortunately, the Committee is aware that numerous water resource projects that have been fully vetted through the lengthy water resource planning process established by the executive branch are being held up by the Office of Management and Budget for technical reviews or other policy questions that are unrelated to budgetary matters. The Committee has found that OMB does not have the proper staffing or expertise to make these types of decisions. In addition, the Committee is deeply concerned that water resource matters are being unnecessarily delayed for extended periods of time, sometimes without further action ever being taken because of such obstinacy.

The Committee has included a provision to prohibit the use of any funds by OMB for any review of a water resource project other than for conformance with budgetary policies of the executive branch. The Committee has also included language that specifies that OMB shall have no more than 60 days to review water resource reports for compliance with budgetary policies. The bill directs OMB to notify Congress when the reports are received for review, and the Committee will assume OMB concurrence if the reports have not been transmitted to the relevant committees 15 days after the end of the OMB review period.

Harry S. Truman Memorial Scholarships.—The Committee strongly supports the Truman Scholarship program and its original intentions. The Committee is concerned, however, that the regulations regarding awarding a scholarship to at least one qualified applicant from each State has been violated numerous times in recent years. The Committee directs the Board of the Truman Scholarship program to strictly adhere to its statutory mandate to "assure that at least one Truman scholar shall be selected each year from each State in which there is at least one resident applicant who meets the minimum criteria established by the Foundation."

OFFICE OF NATIONAL DRUG CONTROL POLICY

The Office of National Drug Control Policy [ONDCP], established by the Anti-Drug Abuse Act of 1988, and reauthorized by Public Law 105–277, is charged with developing policies, objectives and priorities for the National Drug Control Program. In addition, ONDCP administers the Counterdrug Technology Assessment Center, the High Intensity Drug Trafficking Areas program, the National Youth Anti-Drug Media Campaign, the Drug Free Communities Program and several other related initiatives.

SALARIES AND EXPENSES

Appropriations, 2004[1]	$27,831,000
Budget estimate, 2005	27,609,000
Committee recommendation	27,000,000

[1] Reflects reduction of $165,000 pursuant to Division H, section 168 of Public Law 108–199.

This account provides funding for personnel compensation, travel, and other basic operations of the Office, and for general policy research to support the formulation of the National Drug Control Strategy.

The Committee recommends an appropriation of $27,000,000 for ONDCP's salaries and expenses. Within this amount the Committee provides the following funding levels:

	Amount	FTEs
Office of the Director	$3,315,500	12
Office of the Deputy Director	1,125,500	6
Office of Management and Administration	5,840,000	16
Office of General Counsel	1,065,000	6
Office of Public Affairs	2,130,000	7
Office of Legislative Affairs	700,000	6
Counterdrug Technology Assessment Center	760,000	4
Office of Planning and Budget	2,700,000	16
Office of Demand Reduction	1,550,000	9
Office of National Youth Anti-Drug Media Campaign	935,000	6
Office of State and Local Affairs	2,554,000	15
Office of Supply Reduction	2,310,000	13
Office of Intelligence	665,000	4
Policy Research	1,350,000	....

Rising Inhalant Abuse Among Young Adolescents.—The Committee is concerned by the reported rise in inhalant abuse by middle school-age youth, even as overall teenage drug use has steadily declined. The partnership attitude tracking study [PATS] recently conducted by the Partnership for a Drug Free America [PDFA] indicates that low risk perception levels among young adolescents has led to an 18 percent increase in the abuse of inhalants by eighth graders and a 44 percent increase among sixth graders.

PATS attributes this decreased risk perception to the shifting of educational efforts from inhalants to emerging drug threats such as Ecstasy and methamphetamine. The Committee directs ONDCP to utilize a portion of its policy research funding to explore ways in which to increase inhalant outreach activities without compromising other ongoing educational efforts and to report its findings to the House and Senate Committees on Appropriations within 180 days of the enactment of this Act.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

Appropriations, 2004[1]	$41,752,000
Budget estimate, 2005	40,000,000
Committee recommendation	42,000,000

[1] Reflects reduction of $248,000 pursuant to Division H, section 168 of Public Law 108–199.

The Counterdrug Technology Assessment Center [CTAC] serves as the central counterdrug research and development organization for the Federal Government pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (Title VII of Division C of Public Law 105–277). CTAC encompasses two separate functions: (1) the Research and Development program [R&D], which supports improvements to counterdrug capabilities that transcend the need of any single Federal agency; and (2) the Technology Transfer Program [TTP], which provides state-of-the-art, affordable, easily integrated and maintainable tools to enhance the capabilities of State and local law enforcement agencies for counterdrug missions.

The Committee recommends an appropriation of $42,000,000 for CTAC, which is $2,000,000 more than the requested amount and $247,800 more than the fiscal year 2004 enacted level. This funding includes $18,000,000 for R&D and $24,000,000 for the TTP.

Prior to the obligation of any of these funds, the Committee directs CTAC's chief scientist to submit to the House and Senate Committees on Appropriations a detailed itemization of anticipated expenditures. The Committee also directs the chief scientist to continue to provide biannual reports on the priority counterdrug enforcement research and development requirements identified by CTAC and on the status of resulting projects funded thereby. These reports should continue to provide the same level of detail that was provided in the March 1, 2004, CTAC report to Congress.

Research and Development.—The Committee remains concerned that a large proportion of CTAC's R&D budget is devoted to technology acquisition rather than actual research. This concern is compounded by the fact that CTAC has already committed more than $13,000,000 of future years' funding to such purchases. The Committee therefore directs CTAC to complete all ongoing technology acquisition R&D projects with the funding provided in fiscal year 2005. Thereafter, CTAC is directed to adhere its R&D spending to those research efforts outlined in its demand reduction vision statement as well as its supply reduction priorities listing included in appendices E and F, respectively, of its March 1, 2004, CTAC report.

The Committee notes that CTAC's R&D efforts may be too heavily weighted in favor of demand reduction research activities and against supply reduction research activities. The Committee directs

CTAC to consider more equally funding all R&D activities in the future and to report on its progress in this regard in its next CTAC report.

The Committee notes that nearly $2,000,000 in fiscal year 2004 CTAC R&D funding remains unobligated in spite of CTAC's overcommittment of these resources and the unmet demand for CTAC funding in this and other areas. The Committee therefore directs CTAC to expeditiously obligate all of its R&D funding exclusively in pursuit of the functions for which it has been appropriated. The Committee further directs CTAC to report to the House and Senate Committees on Appropriations within 30 days of enactment of this Act on the reasons for the delay in obligating these funds.

Technology Transfer Program.—The Committee fully supports the continuation of the TTP and provides $24,000,000 for its operation in fiscal year 2005. The Committee believes that this program is vital to State and local law enforcement in their efforts to combat drug-related crimes and is encouraged by the positive reception this program has received by State and local law enforcement agencies. Current requests for technology transfers continue to outpace resources by nearly three to one. The Committee expects that CTAC will conduct further outreach to State and local agencies to educate them about the TTP. Finally, the Committee encourages CTAC to work with private industry to make their developed technology available to State and local law enforcement agencies and to report on the progress of these efforts in its next CTAC report to Congress.

In order to maintain a clear understanding of CTAC's ability to meet demand for the TTP, the Committee directs that the fiscal year 2006 budget justification include a specific accounting of the total number of grant applications received and the number awarded in the previous year.

FUNDS APPROPRIATED TO THE PRESIDENT

FEDERAL DRUG CONTROL PROGRAMS

HIGH-INTENSITY DRUG TRAFFICKING AREAS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004[1]	$225,015,000
Budget estimate, 2005	208,350,000
Committee recommendation	228,350,000

[1] Reflects reduction of $1,335,000 pursuant to Division H, section 168 of Public Law 108–199.

The High Intensity Drug Trafficking Areas [HIDTA] program was established by the Anti-Drug Abuse Act of 1988, as amended, and the Office of National Drug Control Policy's reauthorization (Public Law 105–277) to provide assistance to Federal, State and local law enforcement entities operating in those areas most adversely affected by drug trafficking.

The Committee recommends an appropriation of $228,350,000 for the HIDTA program. The Committee directs that funding shall be provided for the existing HIDTAs at no less than the fiscal year 2004 initial allocation level, unless the Director submits to the House and Senate Committees on Appropriations, and the Committees approve, a request for reprogramming of the funds based on clearly articulated priorities for the HIDTA program, as well as published ONDCP performance measures of effectiveness. Furthermore, the Committee directs the Director to take appropriate steps to ensure that the HIDTA funds are transferred to the appropriate drug control agencies expeditiously.

In allocating HIDTA funds, the Committee expects the Director of ONDCP to ensure that the entities receiving these limited resources make use of them strictly for implementing the strategy for each HIDTA, taking into consideration local conditions and resource requirements. These funds should not be used to supplant existing support for ongoing Federal, State, or local drug control operations normally funded out of the operating budgets of each agency.

Allocation of Additional Funds.—The Committee is disappointed that ONDCP continues to seek to distribute those limited HIDTA funds available beyond the initial allocation in support of pursuing drug trafficking organizations [DTOs] included on the Federal consolidated priority organizational target [CPOT] list. Such efforts, which target a small number of the largest international DTOs, already receive a substantial commitment of resources from Federal counterdrug enforcement agencies. While there may be some correlation between the methods and goals of the HIDTA program and Federal CPOT efforts, the Committee remains unconvinced that use of HIDTA resources in support of CPOT enforcement is an appropriate expenditure of these funds. HIDTAs are designated to address regional and local problems with illegal drug trafficking and use. Most HIDTAs face drug threats that are, at most, tangentially international in nature. Accordingly, the Committee has included a provision in the bill prohibiting the expenditure of HIDTA funds in support of CPOT activities.

The Committee directs ONDCP to refocus its distribution of HIDTA funding in excess of the initial allocation on enhancing the domestic interdiction of illegal drugs by launching additional investigations, by disrupting and dismantling local mid-level drug trafficking organizations through a systematic and coordinated effort and by supporting the various HIDTA Intelligence Support Centers throughout the country.

APPALACHIA HIDTA

The Committee remains concerned that the three Appalachia HIDTA States, West Virginia, Kentucky, and Tennessee, comprising approximately 4 percent of the total U.S. population, produce some of the most potent marijuana available and over 34.5 percent of the marijuana eradicated in the United States in 2003. For 2003, the West Virginia National Guard, which has mounted a vigorous counterdrug program in cooperation with the Appalachia HIDTA, estimates that the value of the eradicated marijuana crop in the 12 West Virginia HIDTA counties is over $155,000,000. Therefore, the Committee directs ONDCP to maintain funding at no less than fiscal year 2004 initial allocation to continue to combat this threat.

NEW YORK/NEW JERSEY HIDTA

The Committee is concerned about the increased level of drug trafficking and distribution in upstate New York. The geography of the New York region has bred a drug trafficking problem that is international, national and regional in scope. Drug investigations have revealed a number of links between CPOT/RPOTs and the upstate New York region. The success of the downstate New York/New Jersey HIDTA has led to a significant increase in trafficking of cocaine and heroin from the New York City area north and west to Albany, Syracuse, Rochester and Buffalo, fueling a growth in gang related crime. There is a significant rise in shipments of potent Canadian produced hydroponic marijuana into the United States through Buffalo and other northern ports of entry. There is also an increase in domestic marijuana production and trafficking in upstate New York, as well as the growth of local methamphetamine laboratories. Additional funding would allow New York to combat these threats and would enable ONDCP to designate additional counties, including counties in upstate New York, as part of the New York/New Jersey HIDTA where appropriate. The Committee directs ONDCP to work with the affected counties to determine whether they meet the statutory criteria required for designation as a HIDTA. The Committee directs ONDCP to ensure that funding for the New York/New Jersey HIDTA is provided at a level no less than the fiscal year 2004 initial allocation and to work with the Executive Board of the New York/New Jersey HIDTA to assess the needs of the HIDTA and to provide additional resources if necessary.

NORTHWEST HIDTA

Methampetamine is the primary illicit drug threat to the State of Washington. Its widespread use and resulting addiction, combined with the overwhelming availability of high purity, low cost methamphetamine, is cause for serious concern. Moreover, the spread of ICE methamphetamine with increased purity levels has increased throughout Washington State and the seizures of Ephedrine—a meth precursor—continue to increase at the Canadian border.

Marijuana is the most readily available and widely abused illicit drug in Washington State. Canada-produced marijuana, commonly known as “BC Bud” is more readily available than Mexico-produced marijuana. Cocaine and heroin also represent significant threats.

Northwest HIDTA is having an impact in these areas. The Committee directs ONDCP to provide adequate resources to combat these threats. In addition, the Committee notes the value of State and local task forces in addressing these issues and encourages the continued incorporation of such entities in this and other HIDTAs.

OTHER FEDERAL DRUG CONTROL PROGRAMS

Appropriations, 2004[1]	$227,649,000
Budget estimate, 2005	235,000,000
Committee recommendation	195,500,000

[1] Reflects reduction of $1,351,000 pursuant to Division H, section 168 of Public Law 108–199.

The Anti-Drug Abuse Act of 1988 (Public Law 100–690), as amended, and the Office of National Drug Control Policy's reauthorization (Public Law 105–277) established the Special Forfeiture Fund to be administered by the Director of the Office of National Drug Control Policy in support of high priority drug control programs. The account's name was changed to Other Federal Drug Control Programs in fiscal year 2004 to reflect the fact that it is now wholly funded by direct appropriations.

The Committee recommends an appropriation of $185,500,000 for Other Federal Drug Control Programs, which is $39,500,000 less than the requested amount and $32,149,000 less than the fiscal year 2004 enacted level. Within this amount, the Committee provides the following funding levels:

	Amount
National Youth Anti-Drug Media Campaign	$100,000,000
Drug-Free Communities Support Program	80,000,000
Counterdrug Executive Secretariat	3,050,000
National Drug Court Institute	1,000,000
National Alliance for Model State Drug Laws	1,500,000
United States Anti-Doping Agency Grant	7,500,000
World Anti-Doping Agency Dues	1,450,000
Performance Measures Development	1,000,000

National Youth Anti-Drug Media Campaign.—The Committee has provided consistent monetary support for the National Youth Anti-Drug Media Campaign since it was initially funded by Congress in fiscal year 1998. While overall youth illicit drug use has trended downward since 1997, the Committee is concerned with the most recent results of the media campaign evaluation study commissioned by the National Institute on Drug Abuse [NIDA]. The evaluation study indicates, not only that marijuana use has trended steadily upward among 14- to 16-year olds—the Media Campaign's target audience—since 2000, but also that the Media Campaign has had no measurable positive effect on youth attitudes toward marijuana nor their use thereof. The Evaluation Study's conclusions are particularly troubling in light of the fact that, since the fall of 2002, the Media Campaign has chosen to focus its efforts on a "marijuana initiative" aimed at curbing youth marijuana use on the basis that marijuana serves as a "gateway" drug to other more potent controlled substances. Because of its concern about the direction and efficacy of the Media Campaign as it is currently structured, the Committee provides $100,000,000 for its continuation.

The Committee is troubled that the evaluation study indicates the Media Campaign has been so ineffective in reaching and influencing its targeted youth audience. In order to ensure that Media Campaign resources are most effectively allocated to prevent youth from using illicit narcotics, ONDCP must evaluate the effectiveness of its efforts on the basis of quantifiable scientific research. The Committee therefore directs ONDCP to utilize the individual ad and overall Campaign assessments provided by the evaluation study to measure the effectiveness of its advertisements and to focus and shape the Media Campaign for the future.

Media Campaign Non-Advertising Services.—While print and broadcast advertising is the primary focus of the Media Campaign, it also provides non-advertising services such as the production and dissemination of printed educational materials, maintaining an internet presence targeted to both parents and youth, multicultural outreach, entertainment and media outreach and strategic partnerships that assist in distributing the Media Campaign's anti-drug materials and message. Among the most successful of these non-advertising services has been the Media Campaign's now-discontinued corporate outreach program, through which the Media Campaign developed partnerships with corporations who provided in-kind contributions of access to their employees and customers through which the Media Campaign could disseminate its message and materials. This program provided the Media Campaign with tremendous opportunity to access youth and is estimated to have leveraged twelve in-kind private sector dollars for every dollar committed from the Media Campaign.

The Committee is disappointed that ONDCP has chosen to decrease its non-advertising services, and particularly its Corporate Outreach Program, in response to the provision of Public Law 108–199 requiring that no less than 78 percent of Media Campaign funding be spent on advertising time and space. This requirement was included for the purpose of reducing the administrative costs associated with the Media Campaign, which now consume approximately 15 percent of the total amount, rather than eliminating effective outreach efforts. The Committee therefore directs ONDCP to maintain funding for its non-advertising services at no less than the fiscal year 2003 level and to re-institute the corporate outreach program as it operated prior to its cancellation.

The Committee remains concerned with the large proportion of Media Campaign resources devoted to administrative costs. The accompanying bill therefore directs that no more than 10 percent of the funding provided for the Media Campaign be used for administrative costs.

Drug-Free Communities Support Program.—ONDCP has directed the Drug-Free Communities Support Program [DFCSP] in partnership with the Office of Juvenile Justice and Delinquency Prevention since it was created by the Drug-Free Communities Act of 1997 (Public Law 105–20). DFCSP provides matching grants of up to $100,000 to local coalitions that mobilize their communities to prevent youth alcohol, tobacco, illicit drug, and inhalant abuse. Such grants support coalitions of youth; parents; media; law enforcement; school officials; faith-based organizations; fraternal organizations; State, local, and tribal government agencies; healthcare professionals; and other community representatives. The DCSP enables these coalitions to strengthen their coordination and prevention efforts, encourage citizen participation in substance abuse reduction efforts, and disseminate information about effective programs. The Committee provides $80,000,000 for the continuation of the DFCSP.

The Committee has also included a provision in the bill directing ONDCP to provide $2,000,000 of the DFSCP funding as a direct grant to the Community Anti-Drug Coalitions of America in order to sustain the National Community Anti-Drug Coalition Institute.

Counterdrug Intelligence Executive Secretariat.—The Counterdrug Intelligence Executive Secretariat [CDX] provides staff support to the Counterdrug Intelligence Coordinating Group, an interagency body established to oversee and improve coordination of Federal counterdrug intelligence programs. The Committee provides $3,050,000 for CDX.

United States Anti-Doping Agency.—The United States Anti-Doping Agency [USADA] is the independent anti-doping agency for Olympic sports in the United States, and is responsible for managing the testing and adjudication process for U.S. Olympic, Pan Am and Paralympic athletes. As a non-profit corporation under the leadership of an independent Board of Directors, USADA has the authority to set forth guiding principles in anti-doping policy and to enforce any doping violations. In addition to managing collection and testing procedures, USADA is also responsible for enhancing research efforts and promoting educational programs to inform athletes of the rules governing the use of performance enhancing substances, the ethics of doping and its harmful health effects.

The Committee provides $7,500,000 for USADA, which is $6,000,000 more than the requested amount. The Committee urges USADA to maintain appropriate standards of fairness and due process in pursuing its mission of promoting and enforcing the integrity of American athletic competition.

World Anti-Doping Agency.—ONDCP is a full participant in the World Anti-Doping Agency [WADA], which promotes and coordinates international activities against doping in all forms of sports. The Committee provides $1,450,000 for membership dues to the World Anti-Doping Agency [WADA], consistent with the commitment into which the United States has entered for support of WADA. In providing these funds, the Committee directs ONDCP to use its voice and vote as the United States' representative in this world body to ensure that all countries' athletes are subject to fair and equal standards and treatment so as to establish and maintain the objectivity and integrity of this fledgling international athletic regulatory organization.

National Drug Court Institute.—The National Drug Court Institute facilitates the growth of the drug court movement by promoting and disseminating education, research, and scholarship concerning drug court programs and providing a comprehensive drug court training series for practitioners. The Committee is aware of the extraordinary growth in drug courts across the country and the important training of new drug courts that the Institute provides. Drug courts provide an effective means to fight drug-related crime through the cooperative efforts of State and local law enforcement, the judicial system, and the public health treatment network. The Committee provides $1,000,000 for the National Drug Court Institute.

National Alliance For Model State Drug Laws.—The National Alliance for Model State Drug Laws [NAMSDL] is a national organization that drafts, researches, and analyzes model drug and alcohol laws and related State statutes, provides access to a national network of drug and alcohol experts, and facilitates working relationships among State and community leaders and drug and alcohol professionals. In doing so, NAMSDL encourages States to adopt and implement laws, policies, and regulations to reduce drug trafficking, drug use, and their related consequences. The Committee provides $1,500,000 NAMSDL and directs ONDCP to provide the entire amount directly to NAMSDL within 30 days after enactment of this Act.

Performance Measures Development.—Performance Measures Development [PMD] funding is used to conduct evaluation research for assessing the effectiveness of the National Drug Control Strategy. For this function, the Committee provides $1,000,000, which is $1,000,000 less than the requested amount.

Projects undertaken with these resources are to entail efforts to encourage and work with selected programs to develop and improve needed data sources. The Committee is concerned that most of the initiatives proposed for funding under PMD would be more appropriately funded via CTAC's R&D Program or ONDCP Policy Research. The Committee believes that funding research projects under PMD crowds out legitimate performance measures initiatives and thereby reduces ONDCP's ability to properly evaluate Federal counterdrug efforts. Accordingly, the Committee directs ONDCP to submit its planned PMD activities to CTAC's chief scientist for review and then to report to the House and Senate Committees on Appropriations within 90 days of enactment of this Act providing the chief scientist's findings and explaining why these anticipated PMD functions are most properly funded within PMD.

UNANTICIPATED NEEDS

Appropriations, 2004 [1]	$994,000
Budget estimate, 2005	1,000,000
Committee recommendation	1,000,000

[1] Reflects reduction of $6,000 pursuant to Division H, section 168 of Public Law 108–199.

These funds enable the President to meet unanticipated exigencies in support of the national interest, security, or defense.

The Committee recommends $1,000,000, which is $6,000 more than appropriated in fiscal year 2004 and the same as the budget estimate.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$4,435,000
Budget estimate, 2005	4,571,000
Committee recommendation	4,571,000

[1] Reflects reduction of $26,000 pursuant to Division H, section 168 of Public Law 108–199.

This appropriation provides for staff and expenses to enable the Vice President to provide assistance to the President in connection with the performance of executive duties and responsibilities. The Vice President also has a staff funded by the Senate to assist him in the performance of his legislative duties. These funds also support the official activities of the spouse of the Vice President.

The Committee recommends an appropriation of $4,571,000 for special assistance to the President. This amount is the same as the budget request and $136,000 more than the fiscal year 2004 enacted level.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

Appropriations, 2004 [1]	$329,000
Budget estimate, 2005	333,000
Committee recommendation	333,000

[1] Reflects reduction of $2,000 pursuant to Division H, section 168 of Public Law 108–199.

This account supports the care and operation of the Vice President's residence on the grounds of the Naval Observatory. These funds specifically support equipment, furnishings, dining facilities, and services required to perform and discharge the Vice President's official duties, functions and obligations.

Funds to renovate the residence are provided through the Department of the Navy budget. The Committee has had a longstanding interest in the condition of the residence and expects to be kept fully apprised by the Vice President's office of any and all renovations and alterations made to the residence by the Navy.

The Committee recommends an appropriation of $333,000 for the official residence of the Vice President. This amount is the same as the budget request and $4,000 more than the fiscal year 2004 enacted level.

TITLE IV—INDEPENDENT AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

Appropriations, 2004[1]	$5,369,000
Budget estimate, 2005	5,686,000
Committee recommendation	5,686,000

[1] Reflects reduction of $32,000 pursuant to Division H, section 168 of Public Law 108–199.

The Architectural and Transportation Barriers Compliance Board (the Access Board) is the lead Federal Agency promoting accessibility for all handicapped persons. The Access Board was reauthorized in the Rehabilitation Act Amendments of 1992, Public Law 102–569. Under this authorization, the Access Board's functions are to ensure compliance with the Architectural Barriers Act of 1968, and to develop guidelines for and technical assistance to individuals and entities with rights or duties under titles II and III of the Americans with Disabilities Act. The Access Board establishes minimum accessibility guidelines and requirements for public accommodations and commercial facilities, transit facilities and vehicles, State and local government facilities, children's environments, and recreational facilities. The Access Board also provides technical assistance to Government agencies, public and private organizations, individuals, and businesses on the removal of accessibility barriers.

The Committee recommends $5,686,000 for the operations of the Architectural and Transportation Barriers Compliance Board, the funding level requested by the administration.

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES

Appropriations, 2004[1]	$4,697,000
Budget estimate, 2005	4,672,000
Committee recommendation	4,672,000

[1] Reflects reduction of $28,000 pursuant to Division H, section 168 of Public Law 108–199.

The CPPBSD administers the Javits-Wagner-O'Day Act [JWOD] of 1971, as amended. Its primary objective is to use the purchasing power of the Federal Government to provide people who are blind or have other severe disabilities with employment and training that will develop and improve job skills as well as prepare them for employment options outside the JWOD program. In fiscal year 2004, the Committee's goal is to employ approximately 50,000 people who are blind or have other severe disabilities in 600 producing nonprofit agencies. The Committee's duties include promoting the program; determining which products and services are suitable for Government procurement from qualified nonprofit agencies serving people who are blind or have other severe disabilities; maintaining a procurement list of such products and services; determining the fair market price for products and services on the procurement list; and making rules and regulations necessary to carry out the purposes of the Act. In fiscal year 2005, the Committee's goal is to have sales of $2,000,000,000.

The Committee recommends $4,672,000 for the Committee for Purchase From People Who Are Blind or Severely Disabled.

Election Assistance Commission

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004 [1]	$1,193,000
Budget estimate, 2005	20,000,000
Committee recommendation	10,000,000

[1] Reflects reduction of $7,000 pursuant to Division H, section 168 of Public Law 108–199.

The Election Assistance Commission [EAC] was created by the Help America Vote Act of 2002 [HAVA]. Under HAVA, the EAC's role is to promulgate voluntary State guidelines for election systems, develop a national certification program for voting equipment, and provide related guidance. The EAC is also charged with awarding grants to improve election administration and enhancing election equipment.

The Committee provides $10,000,000 for EAC's administrative expenses, which is $8,807,000 more than the fiscal year 2004 level. Included in this amount is $200,000 to award grants to the national student parent mock election as authorized under HAVA section 295. The accompanying bill provides $2,800,000 of these funds for transfer to the National Institute for Standards and Technology for technical assistance related to the development of voluntary State voting systems guidelines.

Election Reform Programs

Appropriations, 2004 [1]	$1,491,150,000
Budget estimate, 2005	30,000,000
Committee recommendation	....

[1] Reflects reduction of $8,850,000 pursuant to Division H, section 168 of Public Law 108–199.

This appropriation finances grants for requirements payments to State and local governments to meet minimum voting standards established under title III of HAVA and other grant programs authorized by the Act.

The Committee does not provide funding for election reform programs. The Committee notes that approximately $1,200,000,000 of the $2,321,150,000 previously appropriated for election reform programs, more than half of these funds, remain unobligated to date. The Committee believes that the unobligated balance will be sufficient for requirements payments obligations in fiscal year 2005 and encourages the EAC to continue working with the States in order to disburse these funds as expeditiously and efficiently as possible. The Committee further encourages the EAC to continue to work diligently to promulgate voluntary State voting system guidelines so that this grant program will be implemented as Congress intended.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

Appropriations, 2004[1]	$50,938,000
Budget estimate, 2005	52,159,000
Committee recommendation	52,159,000

[1] Reflects reduction of $302,000 pursuant to Division H, section 168 of Public Law 108–199.

The Federal Election Commission [FEC] was created through the 1974 Amendments to the Federal Election Campaign Act of 1971 [FECA]. Consistent with its duty of executing our Nation's Federal campaign finance laws, and in pursuit of its mission of maintaining public faith in the integrity of the Federal campaign finance system, FEC conducts three major regulatory programs: (1) providing public disclosure of funds raised and spent to influence Federal elections; (2) enforcing compliance with restrictions on contributions and expenditures made to influence Federal elections; and (3) administering public financing of Presidential campaigns.

The Committee recommends $52,159,000 for the Federal Election Commission, which is the same as the budget request and $1,221,000 more than the fiscal year 2004 enacted level.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

Appropriations, 2004[1]	$29,436,000
Budget estimate, 2005	29,673,000
Committee recommendation	25,673,000

[1] Reflects reduction of $175,000 pursuant to Division H, section 168 of Public Law 108–199.

The Federal Labor Relations Authority [FLRA] pursuant to Reorganization Plan Numbered 2 of 1978, and the Civil Service Reform Act of 1978, serves as a neutral party in the settlement of disputes that arise between unions, employees, and agencies on matters outlined in the Federal Service Labor Management Relations statute, decides major policy issues, prescribes regulations, and disseminates information appropriate to the needs of agencies, labor organizations, and the public. Establishment of the FLRA gives full recognition to the role of the Federal Government as an employer.

In addition, the FLRA is engaged in case-related interventions and training and facilitation of labor-management partnerships and in resolving disputes. FLRA promotes labor-management cooperation by providing training and assistance to labor organizations and agencies on resolving disputes, facilitates the creation of partnerships, and trains the parties on rights and responsibilities under the Federal Relations Labor Relations Management statute.

The Committee recommends an appropriation of $25,673,000 for the Federal Labor Relations Authority. This amount is $4,000,000 below the President's budget request and is $3,763,000 less than the fiscal year 2004 enacted level. The Committee recommendation reflects the decline in caseload and the reduction of the FTE level from 215 to 210.

(RESCISSION)

Rescission, 2004	....
Budget estimate, 2005	....
Committee recommendation	−$3,000,000

The Committee recommends a rescission of $3,000,000 of prior appropriations for the salaries and expenses of the Federal Labor Relations Authority. The Committee notes that significant amounts of annual appropriations have lapsed at the end of fiscal year 2002 and 2003 which reflect salary and benefit surpluses related to the decline in caseload and actual FTE usage over the same period.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

Appropriations 2004 [1]	$18,362,000
Budget estimate 2005	19,496,000
Committee recommendation	19,496,000

[1] Reflects reduction of $109,000 pursuant to Division H, section 168 of Public Law 108–199.

The Federal Maritime Commission [FMC] is an independent regulatory agency which administers the Shipping Act of 1984 as amended by the Ocean Shipping Reform Act of 1998; section 19 of the Merchant Marine Act, 1920; the Foreign Shipping Practices Act of 1988; and Public Law 89–777.

FMC regulates the international waterborne commerce of the United States. In addition, the FMC has responsibility for licensing and bonding ocean transportation intermediaries and assuring that vessel owners or operators establish financial responsibility to pay judgments for death or injury to passengers, or nonperformance of a cruise, on voyages from U.S. ports. Major program areas for 2005 are: carrying out investigations of foreign trade practices under the Foreign Shipping Practices Act; maintaining equitable trading conditions in U.S. ocean commerce; ensuring compliance with applicable shipping statutes; pursuing an active enforcement program designed to identify and prosecute violators of the shipping statutes; and reviewing ocean carrier operational and pricing agreements to guard against excessively anticompetitive effects.

The Committee includes $19,496,000 for the salaries and expenses of the Federal Maritime Commission for fiscal year 2005. This amount is the same as the President's request and $1,134,000 above the fiscal year 2004 enacted level.

GENERAL SERVICES ADMINISTRATION

The General Services Administration [GSA] was established by the Federal Property and Administrative Services Act of 1949 when Congress mandated the consolidation of the Federal Government's real property and administrative services. GSA is organized into the Public Buildings Service, the Federal Supply Service, the Federal Technology Service, the Office of Governmentwide Policy, and the Office of Citizen Services and Communications.

FEDERAL BUILDINGS FUND—LIMITATIONS ON AVAILABILITY OF REVENUE

(INCLUDING TRANSFER OF FUNDS)

The Federal Buildings Fund program consists of the following activities financed from rent charges:

Construction and Acquisition of Facilities.—Space is acquired through the construction or purchase of facilities and prospectus-level extensions to existing buildings. All costs directly attributable to site acquisition, construction, and the full range of design and construction services, and management and inspection of construction projects are funded under this activity.

Repairs and Alterations.—Repairs and alterations of public buildings as well as associated design and construction services are funded under this activity. Protection of the Government's investment, health and safety of building occupants, transfer of agencies from leased space, and cost effectiveness are the principal criteria used in establishing priorities. Primary consideration is given to repairs to prevent deterioration and damage to buildings, their support systems, and operating equipment. This activity also provides for conversion of existing facilities and non-prospectus extensions.

Installment Acquisition Payments.—Payments are made for liabilities incurred under purchase contract authority and lease purchase arrangements. The periodic payments cover principal, interest, and other requirements.

Rental of Space.—Space is acquired through the leasing of buildings including space occupied by Federal agencies in U.S. Postal Service facilities, 153 million rentable square feet in fiscal year 2003, and 157 million rentable square feet in fiscal year 2004.

Building Operations.—Services are provided for Government-owned and leased facilities, including cleaning, utilities and fuel, maintenance, miscellaneous services (such as moving, evaluation of new materials and equipment, and field supervision), and general management and administration of all real property related programs including salaries and benefits paid from the Federal Buildings Fund.

Other Programs.—When requested by Federal agencies, the Public Buildings Service provides building services, such as tenant alterations, cleaning and other operations, and protection services which are in excess of those services provided under the commercial rental charge. For presentation purposes, the balances of the Unconditional Gifts of Real, Personal, or Other Property trust fund have been combined with the Federal Buildings Fund.

CONSTRUCTION AND ACQUISITION

Limitation on availability, 2004 [1]	$721,648,000
Limitation on availability, 2005	650,223,000
Committee recommendation	710,823,000

[1] Reflects reduction of $289,000 pursuant to Division H, section 168 of Public Law 108–199.

Funds provided for construction and acquisition in fiscal year 2005 shall be available for the following projects in the corresponding amounts:

	Amount
Alexandria Bay, New York Border Station	$8,884,000
Calais, Maine Border Station	5,550,000
Chicago, Illinois 10 West Jackson Place (Purchase)	53,170,000
Derby Line, Vermont Border Station	3,190,000
District of Columbia Southwest Federal Center side remediation	2,650,000
Dunseith, North Dakota Border Station	2,301,000
El Paso, Texas Paso Del Norte Border Station	26,191,000
El Paso, Texas United States Courthouse	63,462,000
El Paso, Ysleta Border Station	2,491,000
Las Cruces Courthouse	60,600,000
Los Angeles, California Federal Bureau of Investigation Facility	14,054,000
Los Angeles, California United States Courthouse	314,385,000
Madawaska, Maine Border Station	1,760,000
Massena, New York, Border Station	15,000,000
Montgomery County, Maryland FDA Consolidation	88,710,000
Norton, Vermont Border Station	580,000
Portal, North Dakota Border Station	22,351,000
Richford, Vermont Border Station	589,000
San Diego, California United States Courthouse	3,068,000
Warroad, Minnesota Border Station	1,837,000
Nonprospectus Construction	10,000,000
Judgment Fund repayment	10,000,000

The Committee recommends $710,823,000 for the construction and acquisition account. The Committee recommendation is $60,600,000 above the President's request.

Risk Assessments.—The Committee is aware of the Interagency Security Committee criteria requiring the General Services Administration [GSA], prior to new construction or major renovations, to perform a project specific risk assessment that takes into account threat, vulnerability, consequences, and probability of an attack on the facility. However, the Committee is concerned that existing physical security risk methodology is not specifically designed to support structural upgrades and hazard mitigation that should be addressed in new construction or major renovations. Therefore, the Committee expects the GSA Office of the Chief Architect to work with the Applied Research Associates' Security Engineering and Applied Sciences Sector to enhance the Federal Security Risk Manager methodology to facilitate the application of the process and the software throughout the GSA regions and in consultation with the Department of Homeland Security's Federal Protective Service.

Courthouse Construction.—The Committee encourages the General Services Administration [GSA], the administration, and the judiciary to continue to work cooperatively to develop a single comprehensive plan upon which courthouse construction will be based. The Committee continues to believe that a model should incorporate utilization rates, courtroom sharing, and safety considerations. The use of cost savings measures and careful planning will result in a program that can be consistently supported. The Committee notes that it has been extremely supportive of addressing the courthouse construction backlog. Further, the Committee would again remind the Administrative Office of the U.S. Courts [AOC] and other organizations that the Committee has adhered to the jointly agreed to priority list and that the Congress is constrained by overall budget resolutions and spending caps from accommodating every request.

The Committee is concerned that in spite of the strict budgetary pressures facing the Federal Government, AOC fails to pursue a policy of fiscal restraint and approaches the Congress for increases in courthouse construction funding above the Administration's request. The Congress and the Administration have worked diligently to reign in court construction costs and the Committee will continue to pursue all avenues with respect to cost containment with or without the support of the Courts.

REPAIRS AND ALTERATIONS

Limitation on availability, 2004[1]	$990,903,000
Limitation on availability, 2005	980,222,000
Committee recommendation	980,222,000

[1] Reflects reduction of $397,000 pursuant to Division H, section 168 of Public Law 108–199.

Under this activity, the General Services Administration [GSA] executes its responsibility for repairs and alterations [R&A] of both Government-owned and leased facilities under the control of GSA. The primary goal of this activity is to provide commercially equivalent space to tenant agencies. Safety, quality, and operating efficiency of facilities are given primary consideration in carrying out this responsibility.

R&A workload requirements originate with scheduled onsite inspections of buildings by qualified regional engineers and building managers. The work identified through these inspections is programmed in order of priority into the repairs and alterations construction automated tracking system [RACATS] and incorporated into a 5-year plan for accomplishment, based upon funding availability, urgency, and the volume of R&A work that GSA has the capability to execute annually. Since fiscal year 1995, design and construction services activities associated with repair and alteration projects have been funded in this account.

The Committee recommends new obligational authority of $980,222,000 for repairs and alterations in fiscal year 2005. This amount is the same as the President's request.

Funds provided for repairs and alterations in fiscal year 2005 shall be available for the following projects in the corresponding amounts:

	Amount
Atlanta, Georgia Martin Luther King, Jr. Federal Building	$14,800,000
Atlanta, Georgia United States Court of Appeals	32,004,000
Baltimore, Maryland George H. Fallon Federal Building	46,163,000
Cincinnati, Ohio Potter Stewart Courthouse	37,975,000
Cleveland, Ohio Celebreeze Federal Building	37,375,000
District of Columbia Eisenhower Executive Office Building	5,000,000
District of Columbia Federal Office Building	8,267,000
District of Columbia Hoover FBI Building	10,242,000
District of Columbia Mary E. Switzer Building	80,335,000
District of Columbia New Executive Office Building	6,262,000
District of Columbia Theodore Roosevelt Building	9,730,000
Hilo, Hawaii Federal Building	5,133,000
Kansas City, Missouri Richard Bolling Federal Building	40,048,000
New Orleans, Louisiana Boggs Federal Building	22,581,000
New Orleans, Louisiana Wisdom Courthouse of Appeals	8,005,000
New York, New York Foley Square Courthouse	2,505,000
Queens, New York Joseph P. Addabbo Federal Building	5,455,000
Seattle, Washington William Nakamura Courthouse	50,210,000
St. Paul, Minnesota Warren E. Burger Federal Building	36,644,000

	Amount
Suitland, Maryland National Record Center	7,989,000
Woodlawn, Maryland SSA Altmeyer Building	6,300,000
Special Emphasis Programs:	
Chlorofluorocarbons Program	13,000,000
Energy Program	30,000,000
Glass Fragment Retention	20,000,000
Design Program	49,699,000
Basic Repairs and Alterations	394,500,000

INSTALLMENT ACQUISITION PAYMENTS

Limitation on availability, 2004[1]	$169,677,000
Limitation on availability, 2005	161,442,000
Committee recommendation	161,442,000

[1] Reflects reduction of $68,000 pursuant to Division H, section 168 of Public Law 108–199.

The Public Buildings Amendments of 1972 enables GSA to enter into contractual arrangements for the construction of a backlog of approved but unfunded projects. The purchase contracts require the Federal Government to make periodic payments on these facilities over varying periods until title is transferred to the Government. This activity provides for the payment of principal, interest, taxes, and other required obligations related to facilities acquired pursuant to the Public Buildings Amendments of 1972 (40 U.S.C. 602a).

The Committee recommends a limitation of $161,442,000 for installment acquisition payments. The Committee recommendation equals the budget estimate.

RENTAL OF SPACE

Limitation on availability, 2004[1]	$3,278,873,000
Limitation on availability, 2005	3,672,315,000
Committee recommendation	3,597,315,000

[1] Reflects reduction of $1,314,000 pursuant to Division H, section 168 of Public Law 108–199.

GSA is responsible for leasing general purpose space and land incident thereto for Federal agencies, except cases where GSA has delegated its leasing authority. GSA's policy is to lease privately owned buildings and land only when: (1) Federal space needs cannot be otherwise accommodated satisfactorily in existing Government-owned or leased space; (2) leasing proves to be more efficient than the construction or alteration of a Federal building; (3) construction or alteration is not warranted because requirements in the community are insufficient or are indefinite in scope or duration; or (4) completion of a new Federal building within a reasonable time cannot be assured.

The Committee recommends a limitation of $3,597,315,000 for rental of space. The Committee recommendation is $75,000,000 below the President's budget request and $318,442,000 above the fiscal year 2004 enacted level.

BUILDING OPERATIONS

Limitation on availability, 2004[1]	$1,608,064,000
Limitation on availability, 2005	1,709,522,000
Committee recommendation	1,709,522,000

[1] Reflects reduction of $644,000 pursuant to Division H, section 168 of Public Law 108–199.

This activity provides for the operation of all Government-owned facilities under the jurisdiction of GSA and building services in GSA-leased space where the terms of the lease do not require the lessor to furnish such services. Services included in building operations are cleaning, protection, maintenance, payments for utilities and fuel, grounds maintenance, and elevator operations. Other related supporting services include various real property management and staff support activities such as space acquisition and assignment; the moving of Federal agencies as a result of space alterations in order to provide better space utilization in existing buildings; onsite inspection of building services and operations accomplished by private contractors; and various highly specialized contract administration support functions.

The space, operations, and services referred to above are furnished by GSA to its tenant agencies in return for payment of rent. Due to considerations unique to their operation, GSA also provides varying levels of above-standard services in agency headquarter facilities, including those occupied by the Executive Office of the President, such as the east and west wings of the White House.

The Committee recommends a limitation of $1,709,522,000 for building operations. This amount is the same as the President's budget request and $101,458,000 above the fiscal year 2004 enacted level.

GOVERNMENT-WIDE POLICY

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$56,050,000
Budget estimate, 2005	62,100,000
Committee recommendation	62,100,000

[1] Reflects reduction of $333,000 pursuant to Division H, section 168 of Public Law 108–199.

The Office of Government-wide Policy provides for Government-wide policy development, support, and evaluation functions associated with real and personal property, supplies, vehicles, aircraft, information technology, acquisition, transportation and travel management. This office also provides for the Federal Procurement Data Center, Workplace Initiatives, Regulatory Information Service Center, the Catalog of Federal Domestic Assistance, and the Committee Management Secretariat. The Office of Governmentwide Policy, working cooperatively with other agencies, provides the leadership needed to develop and evaluate the implementation of policies designed to achieve the most cost-effective solutions for the delivery of administrative services and sound workplace practices, while reducing regulations and empowering employees.

The Office of Citizen Services provides leadership and support for electronic government initiatives and operates the official Federal portal through which citizens may access Federal information services electronically. The Federal Consumer Information Center is part of this office, though funded under a separate appropriation.

The Committee recommends an appropriation of $62,100,000 for Government-wide Policy. This amount is the same as the President's budget request and also includes funds transferred from the Federal Technology Service's portion of the Operating Expenses account to cover the Federal identity management and e–authentication management functions.

Child Care Centers.—The Committee recommends that funds provided to the Office of Policy and Operations continue to be used to issue and enforce regulations requiring any entity operating a child care center in a facility owned or leased by an executive agency to: (1) comply with applicable State and local licensing requirements related to the provision of child care and (2) comply with center-based accreditation standards specified by the Administrator, if such a regulatory program is authorized.

Computers to Schools Program.—The Committee continues to be aware that Indian tribal colleges and Alaska Native and Native Hawaiian serving institutions are being asked to undertake an increasing number of activities in Native communities related to education, employment and other training as part of the ongoing "welfare to work" transition mandated by the 1996 welfare reform law. To complement recent private sector donations of computers and related equipment to Indian tribes and Alaska Native and Native Hawaiian serving institutions, as part of its existing "Computers to Schools" program, the General Services Administration [GSA] is encouraged to continue to work with the 31 Indian tribal colleges and Alaska Native and Native Hawaiian serving institutions to provide assistance to them in developing and upgrading the colleges' electronic capabilities. As part of this effort, GSA should utilize the 31 tribal colleges and Alaska Native and Native Hawaiian serving institutions as a discrete evaluation point as it works to meet these equipment needs. GSA's technical assistance will further enable the tribal colleges and Alaska Native and Native Hawaiian serving institutions to provide a higher quality of education to their students.

Telecommuting Centers.—The Committee encourages GSA to continue to promote telecommuting centers within the Federal Government in the Washington, DC metropolitan area as an effective means to provide an alternative workplace.

OPERATING EXPENSES

SALARIES AND EXPENSES

Appropriations, 2004[1]	$87,590,000
Budget estimate, 2005	82,175,000
Committee recommendation	85,175,000

[1] Reflects reduction of $520,000 pursuant to Division H, section 168 of Public Law 108–199.

Operating Expenses provides funding for Government-wide activities associated with the utilization and donation of surplus personal property; disposal of real property; telecommunications, information technology management, and related technology activities; agency-wide policy direction and management; ancillary accounting, records management, and other support services; services as authorized by 5 U.S.C. 3109; and other related operational expenses.

The Committee recommends an appropriation of $85,175,000 for the Operating Expenses. This amount is an increase of $3,000,000 above the administration's request and $2,415,000 below the fiscal year 2004 enacted level. The Committee includes the following increases: $500,000 for the Ruffner Mountain Educational Facility in Alabama; $500,000 for the Center for the Living Arts in Alabama; $250,000 for the State of Alaska to assist in preparation for its Statehood celebration; $200,000 for the Way of a Champion Foundation in Chesapeake, Virginia; $450,000 for the City of Maryville, Missouri for airport improvements; $1,000,000 for Washington State Border Communities Prosecution Initiative; $300,000 for the UND Government Services Rural Outreach Initiative and $250,000 for the Walla Walla economic development study of potentially surplus property at the Wainwright VA Medical Center.

Washington State Border Communities Prosecution Initiative, Washington.—Enforcement activities on the border between Washington State and Canada has increased dramatically. Funding is provided to compensate those local communities along the border that have had to bear increasing costs associated with jailing, prosecuting, and defending suspected criminals for crimes at the border. Such expenses may include costs associated with an investigation or arrest initiated by Federal law enforcement or any case that involves a violation of Federal law that has been referred for prosecution by Federal authorities. Costs that would be eligible for reimbursement include the costs of prosecution, investigation, detention of suspects, court costs, and construction of holding spaces.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2004 [1]	$38,938,000
Budget estimate, 2005	42,351,000
Committee recommendation	42,351,000

[1] Reflects reduction of $231,000 pursuant to Division H, section 168 of Public Law 108–199.

This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies within the General Services Administration [GSA], creating conditions for existing or potential instances of fraud, waste and mismanagement. This audit function provides internal audit and contract audit services. Contract audits provide professional advice to GSA contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of GSA operations and programs, test internal control systems, and develop information to improve operating efficiencies and enhance customer services. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations.

The Committee recommends an appropriation of $42,351,000 for the Office of Inspector General. This amount is the same as the President's budget request and $3,413,000 above the fiscal year 2004 enacted level.

ELECTRONIC GOVERNMENT [E-GOV] FUND

Appropriations, 2004 [1]	$2,982,000
Budget estimate, 2005	5,000,000
Committee recommendation	3,000,000

[1] Reflects reduction of $18,000 pursuant to Division H, section 168 of Public Law 108–199.

This program supports interagency "electronic government" or "e-gov" initiatives, i.e., projects that use the Internet or other electronic methods to provide individuals, businesses, and other government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities.

Proposals for funding must meet capital planning guidelines and include adequate documentation to demonstrate a sound business case, attention to security and privacy, and a way to measure performance against planned results. In addition, a small portion of the money could be used for awards to those project management teams that delivered the best product to meet customer needs.

The Committee recommends an appropriation of $3,000,000 for the Electronic Government Fund. This amount is $2,000,000 below the President's request.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriations, 2004[1]	$3,373,000
Budget estimate, 2005	3,449,000
Committee recommendation	3,106,000

[1] Reflects reduction of $20,000 pursuant to Division H, section 168 of Public Law 108–199.

This appropriation provides support consisting of pensions, office staffs, and related expenses for former Presidents Gerald R. Ford, Jimmy Carter, George Bush, and Bill Clinton, a pension for the widow of former President Lyndon B. Johnson, and postal franking privileges for the widows of former Presidents Lyndon B. Johnson and Ronald Reagan. Also, this appropriation is authorized to provide funding for security and travel related expenses for each former President and the spouse of a former President pursuant to Section 531 of Public Law 103–329.

The Committee recommends $3,106,000 for allowances and office staff for former Presidents. The Committee recommendation provides for the office staff and related expenses associated with the closing of the Office of Former President Ronald Reagan through December 31, 2004.

Below is listed a detailed analysis of the Committee's recommendation for fiscal year 2005 funding:

[In thousands of dollars]

	Former Presidents					Widows	Total
	Ford	Carter	Reagan	Bush	Clinton		
Personnel Compensation	96	96	96	96	96	....	480
Personnel Benefits	22	2	33	51	78	....	186
Benefits for Former Presidents	182	182	....	182	189	20	755
Travel	44	2	10	54	44	....	154
Rental Payments to GSA	105	102	37	175	460	....	879
Communications, Utilities and Miscellaneous charges:							
Telephone	15	10	4	14	54	....	97
Postage	9	15	2	13	10	4	53
Printing	5	5	4	14	8	....	36
Other Services	38	79	11	66	146	....	340
Supplies & Materials	17	5	2	14	15	....	53
Equipment	6	7	1	34	5	....	53
Subtotal Obligations	539	505	200	713	1,105	24	3,086

[In thousands of dollars]

	Former Presidents					Widows	Total
	Ford	Carter	Reagan	Bush	Clinton		
Infrastructure Contingency	....	....	....	....	....	....	20
Total Obligations	539	505	200	713	1,105	22	3,106

EXPENSES, PRESIDENTIAL TRANSITION

Appropriations, 2004	....
Budget estimate, 2005	$7,700,000
Committee recommendation	7,700,000

The appropriation provides funds to provide for an orderly transfer of executive leadership, in accordance with the Presidential Transition Act of 1963. Funds are also authorized to finance the costs of briefings and training for personnel associated with the incoming administration. Funds are only requested during a presidential election year and are not available for obligation by the incumbent administration.

The Committee recommends $7,700,000 for presidential transition expenses, an amount equal to the budget estimate. The Committee denies the request to amend the Presidential Transition Act to allow $1,000,000 for training and briefings for incoming appointees associated with the second term of an incumbent President. The Committee has no objection to funding training and briefings for incoming appointees associated with the second term of an incumbent President, but believe that it should be properly budgeted for and requested by the appropriate agencies.

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 401 authorizes GSA to credit accounts with certain funds received from Government corporations.

Section 402 authorizes GSA to use funds for the hire of passenger motor vehicles.

Section 403 authorizes GSA to transfer funds within the Federal buildings fund for meeting program requirements.

Section 404 limits funding for courthouse construction which does not meet certain standards of a capital improvement plan.

Section 405 provides that no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the requested rate.

Section 406 authorizes GSA to pay claims up to $250,000 from construction projects and acquisition of buildings.

Section 407 authorizes GSA to sell the Middle River Depot at Middle River, Maryland and the proceeds to be credited to the Federal Building Fund to be appropriated as the GSA Administrator may deem appropriate.

Section 408 amends 40 U.S.C. 572 in subsection (a)(2)(ii) by inserting the following before the period: ", highest and best use of property studies, utilization of property studies, deed compliance inspection, and the expenses incurred in a relocation".

Section 409 makes adjustments from the Federal Building Fund for new construction and repairs and alterations projects based on cost and schedule changes.

Section 410 allows GSA to use previously appropriated funds to redesign the proposed courthouse expansion at the corner of 400 South Street and West Temple in Salt Lake City, Utah.

Section 411 amends Section 3712 of title 22, United States Code by adding a new subsection to provide for the termination of the Panama Canal Commission and authorizes GSA to administer the Revolving Fund.

Section 412 requires the Postal Service to convey property in Baton Rouge to GSA, for which GSA shall compensate the Postal Service. GSA shall then convey the property to the Recreation and Park Commission for the Parish of East Baton Rouge, Louisiana.

Section 413 prohibits the use of funds after July 1, 2005 for any telecommunications service for Federal Government owned buildings unless the building is in compliance with a regulation or Executive Order related to redundant telecommunications services.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004 [1]	$32,683,000
Budget estimate, 2005	37,303,000
Committee recommendation	34,677,000

[1] Reflects reduction of $194,000 pursuant to Division H, section 168 of Public Law 108–199.

The Merit System Protection Board [MSPB] was established by the Civil Service Reform Act of 1978. MSPB is an independent quasi-judicial agency manifested to protect Federal merits systems against partisan political and other prohibited personnel practices and to ensure adequate protection for employees against abuses by agency management.

MSPB assists Federal agencies in running a merit-based civil service system. This is accomplished on a case-by-case basis through hearing and deciding employee appeals, and on a systemic basis by reviewing significant actions and regulations of the Office of Personnel Management [OPM] and conducting studies of the civil service and other merit systems. These actions are designed to assure that personnel actions taken against employees are processed within the law, and that actions taken by OPM and other agencies support and enhance Federal merit principles.

The Committee recommends an appropriation of $34,677,000 for the Merit Systems Protection Board, this is an increase of $1,994,000 above the fiscal year 2004 enacted level and a decrease of $2,626,000 below the President's budget request. The decrease from the President's request reflects the Committee's decision to continue the practice of appropriating funds to MSPB from the Civil Service Retirement and Disability Fund rather than discontinuing this practice as requested by the President; this request has not been adequately justified. The Committee instead makes available no more than $2,626,000 for adjudicated appeals through an appropriation from the trust fund consistent with past practice.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

Appropriations, 2004[1]	$1,984,000
Budget estimate, 2005	
Committee recommendation	1,996,000

[1] Reflects reduction of $12,000 pursuant to Division H, section 168 of Public Law 108–199.

The General Fund payment to the Morris K. Udall Fund is invested in Treasury securities with maturities suitable to the needs of the Fund. Interest earnings from the investments are used to carry out the activities of the Morris K. Udall Foundation. The Foundation awards scholarships, fellowships and grants, and funds activities of the Udall Center.

Public Law 106–568 authorized the Morris K. Udall Foundation to establish training programs for professionals in health care policy and public policy, such as the Native Nations Institute [NNI]. NNI, based at the University of Arizona, will provide Native Americans with leadership and management training and analyze policies relevant to tribes.

The Committee recommends an appropriation of $1,996,000 for these activities of the Morris K. Udall Foundation. The Committee includes language to allow up to 60 percent of the appropriation to be used for the expenses of the Native Nations Institute. The Committee also includes language requiring the Foundation to report to the House and Senate Committees on Appropriations on the amount of funding, if any, transferred from the Trust Fund for the Native Nations Institute and justification for such transfers. This report should include an itemization of planned Native Nations Institute expenditures for fiscal year 2004. Future budget justifications submitted to Congress regarding this effort are to contain detailed information on the actual expenditures in past years as well as detailed information on planned expenditures for the current and future budget years.

MORRIS K. UDALL ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriations, 2004[1]	$1,301,000
Budget estimate, 2005	700,000
Committee recommendation	1,309,000

[1] Reflects reduction of $8,000 pursuant to Division H, section 168 of Public Law 108–199.

The U.S. Institute for Environmental Conflict Resolution is a Federal program established by Public Law 105–156 to assist parties in resolving environmental, natural resource, and public lands conflicts. The Institute is part of the Morris K. Udall Foundation, and serves as an impartial, non-partisan institution providing professional expertise, services, and resources to all parties involved in such disputes. The Institute helps parties determine whether collaborative problem solving is appropriate for specific environmental conflicts, how and when to bring all the parties together for discussion, and whether a third-party facilitator or mediator might be helpful in assisting the parties in their efforts to each consensus or to resolve the conflict. In addition, the Institute maintains a roster of qualified facilitators and mediators with substantial experience in environmental conflict resolution, and can help parties in selecting an appropriate neutral.

The Committee recommends an appropriation of $1,309,000 for the Morris K. Udall Environmental Dispute Resolution Fund. This amount is $8,000 above the fiscal year 2004 enacted level and $609,000 above the administration's request.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

Appropriations, 2004 [1]	$255,185,000
Budget estimate, 2005	266,945,000
Committee recommendation	266,945,000

[1] Reflects reduction of $1,515,000 pursuant to Division H, section 168 of Public Law 108–199.

The National Archives and Records Administration [NARA] is the national recordkeeper. NARA is an independent agency created by statute in 1934 to safeguard the records of all three branches of the Federal Government. NARA administers the Information Security Oversight Office [ISOO], is the publisher of the Federal Register and makes grants for historical documentation through the National Historical Publications and Records Commission [NHPRC]. NARA provides for basic operations dealing with management of the Federal Government's archives and records, operation of Presidential Libraries, and for the review for declassification of classified security information.

The Committee recommends an appropriation of $266,945,000 for Operating Expenses of the National Archives and archived Federal records and related activities.

ELECTRONIC RECORDS ARCHIVES

Appropriations, 2004 [1]	$35,702,000
Budget estimate, 2005	35,914,000
Committee recommendation	35,914,000

[1] Reflects reduction of $212,000 pursuant to Division H, section 168 of Public Law 108–199.

National Archives and Records Administration [NARA] is developing an Electronic Records Archives [ERA] that will ensure the preservation of and access to Government electronic records. With the rapid changes in technology today, the formats in which records are stored become obsolete within a few years, making records inaccessible even if they are preserved intact with the most modern technology. ERA will preserve electronic records generated in a manner that enables requesters to access them on computer systems now and in the future.

Given both the importance and obvious magnitude of ERA, the Committee intends to continue to monitor NARA's acquisition plans, staffing levels and ability to meet established deadlines. In that regard, the Committee directs GAO to continue to provide progress reports on NARA's development of ERA and to report its findings to the House and Senate Committees on Appropriations by May 25, 2005.

The Committee recommends an appropriation of $35,914,000 for the Electronic Records Archives. The funding request for fiscal year

2005 will continue to support the initial work on development of the first increment of the electronic records system.

ARCHIVES FACILITIES REPAIRS AND RESTORATION

Appropriations, 2004 [1]	$13,627,000
Budget estimate, 2005	6,182,000
Committee recommendation	12,182,000

[1] Reflects reduction of $81,000 pursuant to Division H, section 168 of Public Law 108–199.

This account provides for the repair, alteration, and improvement of Archives facilities and Presidential Libraries nationwide, and provides adequate storage for holdings. It will better enable NARA to maintain its facilities in proper condition for public visitors, researchers, and NARA employees, and also maintain the structural integrity of the buildings. These funds will determine appropriate options for preserving and providing access to 20th century military service records. These funds will allow NARA to complete preliminary design studies and analysis, including workflow and cost estimates, for housing and access options for these massive and valuable records. Technology and facility approaches will also be examined.

The Committee recommends an appropriation of $12,182,000. The Committee has included $3,000,000 for site preparation and construction management for the construction of a new Pacific Alaska Regional Archives Facility in Anchorage, Alaska. The recommendation also provides $2,000,000 for the repair and restoration of the plaza that surrounds the Lyndon Baines Johnson Presidential Library at the University of Texas. The Committee is concerned by the lack of progress on this project and directs NARA and the University of Texas to keep the Committee fully apprised of steps to commence the repair of the plaza this fiscal year. Further, the Committee encourages the parties to realign their memorandum of understanding in a timely fashion to reflect their agreement as to ongoing responsibilities for repair and maintenance of this shared facility. The Committee has also included $1,000,000 to design an addition and renovation for the John F. Kennedy Library. This appropriation is $6,000,000 above the President's budget request and $1,445,000 below the fiscal year 2004 enacted level.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

Appropriations, 2004 [1]	$9,941,000
Budget estimate, 2005	3,000,000
Committee recommendation	5,000,000

[1] Reflects reduction of $59,000 pursuant to Division H, section 168 of Public Law 108–199.

The National Historical Publications and Records Commission [NHPRC] provides grants nationwide to preserve and publish records that document American history. Administered within the National Archives, which preserves Federal records, NHPRC helps State, local, and private institutions preserve non-Federal records, helps publish the papers of major figures in American history, and helps archivists and records managers improve their techniques, training, and ability to serve a range of information users.

The Committee recommends an appropriation of $5,000,000. This amount is $2,000,000 above the President's budget request and $4,941,000 less than the fiscal year 2004 enacted level.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$73,065,000
Budget estimate, 2005	74,425,000
Committee recommendation	76,425,000

[1] Reflects reduction of $434,000 pursuant to Division H, section 168 of Public Law 108–199.

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

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

The Committee recommends $76,425,000 for the National Transportation Safety Board, which is $2,000,000 more than the budget request and is $3,360,000 more than the fiscal year 2004 enacted level. The Committee has provided this additional funding above the budget request in order to allow NTSB to maintain its critical staffing infrastructure and to add those new staff necessary to further its safety mission. Accordingly, and consistent with the staffing plan that NTSB has developed, the Committee directs NTSB to fund its Academy at no more than the requested level and to utilize these additional funds to hire accident investigation personnel.

SALARIES AND EXPENSES

(RESCISSION)

Rescission, 2004	....
Budget estimate, 2005	−$8,000,000
Committee recommendation	−8,000,000

The fiscal year 2004 Supplemental Appropriations bill (Public Law 106–246) provided $19,739,000 to NTSB for emergency expenses associated with its investigation of the Egypt Air Flight 990 and Alaska Air Flight 261 accidents. These funds were used for wreckage location and recovery facilities, technical support, testing, and wreckage mock-up. All of these activities have been completed and an unobligated balance of $8,000,000 remains. The Committee recommends the requested rescission of this amount.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

Appropriations, 2004[1]	$10,675,000
Budget estimate, 2005	11,238,000
Committee recommendation	11,238,000

[1] Reflects reduction of $63,000 pursuant to Division H, section 168 of Public Law 108–199.

The Office of Government Ethics [OGE], a small agency within the executive branch, was established by the Ethics in Government Act of 1978. Originally part of the Office of Personnel Management, OGE became a separate agency on October 1, 1989 as part of the Office of Government Ethics Reauthorization Act of 1988.

OGE is charged by law to provide overall direction of Executive Branch policies designed to prevent conflicts of interest and ensure high ethical standards. OGE carries out these responsibilities by developing rules and regulations pertaining to conflicts of interest, post employment restrictions, standards of conduct, and public and confidential financial disclosure in the Executive Branch; by monitoring compliance with the public and confidential disclosure requirements of the Ethics Reform Act of 1978 and the Ethics Reform Act of 1989 to determine possible violations of applicable laws or regulations and recommending appropriate corrective action; by consulting with and assisting various officials in evaluating the effectiveness of applicable laws and the resolution of individual problems; and by preparing formal advisory opinions, informal letter opinions, policy memoranda, and Federal Register entries on how to interpret and comply with the requirements on conflicts of interest, post employment, standards of conduct, and financial disclosure.

The Committee recommends an appropriation of $11,238,000 for salaries and expenses of the Office of Government Ethics in fiscal year 2005. This amount is the same as the President's budget request.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Appropriations, 2004[1]	$118,793,000
Budget estimate, 2005	131,291,000
Committee recommendation	130,600,000

[1] Reflects reduction of $705,000 pursuant to Division H, section 168 of Public Law 108–199.

The Office of Personnel Management [OPM] was established by Public Law 95–454, the Civil Service Reform Act of 1978, enacted on October 13, 1978. In that Act, the Office of Personnel Management was established in section 1101 of title 5, United States Code. Subsequent sections of Chapter 11 provide for the principal officials of the agency and the functions of the Director, which are really the functions of the Agency, as well as providing for the delegation of authority for personnel management from the President and, subsequently, by the Director.

OPM is the Federal Government agency responsible for management of Federal human resources policy and oversight of the merit civil service system. Although individual agencies are increasingly responsible for personnel operations, OPM provides a Government-wide policy framework for personnel matters, advises and assists agencies (often on a reimbursable basis), and ensures that agency operations are consistent with requirements of law on issues such as veterans preference. OPM oversees examining of applicants for employment, issues regulations and policies on hiring, classification and pay, training, investigations, other aspects of personnel management, and operates a reimbursable training program for the Federal Government's managers and executives. OPM is also responsible for administering the retirement, health benefits and life insurance programs affecting most Federal employees, retired Federal employees, and their survivors.

The Committee recommends an appropriation of $130,600,000 for the salaries and expenses of the Office of Personnel Management. Of the amount provided no more than $10,724,000 is to be used for e-Government projects. This amount is $691,000 less than the President's request and $11,807,000 above the fiscal year 2004 enacted level.

Child Care.—In fiscal year 2003, the Senate report directed OPM to conduct a study of child care needs for Federal employees. The resulting report provided some valuable information but further examination is necessary for a more accurate assessment of Federal employee child care needs. The Committee directs the Government Accountability Office [GAO], in consultation with OPM and the General Service Administration [GSA], to further study the child care needs of Federal employees of all Federal agencies, including the Legislative and Judicial branches. In addition to using the OPM data, the Committee expects GAO to provide guidance and recommendations of possible options to develop and evaluate additional child care facility needs and how best to serve the needs of all Federal employees.

In recent years, GSA and OPM have implemented programs that agencies can use to subsidize a substantial portion of child care expenses for lower income employees. While these supplemental programs are available, the Committee notes that only one in five agencies is offering the subsidy at this time. The Committee directs OPM to reevaluate its efforts to provide information and education to agencies on promoting this valuable program.

Retirement Systems Modernization.—The Committee is aware that the Office of Personnel Management initiated a Retirement Systems Modernization Program in 1997 to automate and streamline the manual and paper-intensive business processes used to administer the Federal employee retirement program. The Committee recommends that OPM continue to reach out to GAO for guidance and support because OPM could definitely benefit from the experiences that GAO has documented with other Federal agency modernization projects. The Committee is not confident that this multi-year effort is free of problems. The Committee therefore directs

GAO to do a comprehensive audit on the problems and any mismanagement of the modernization project.

LIMITATION

(TRANSFER OF TRUST FUNDS)

Limitation, 2004	$135,112,000
Budget estimate, 2005	128,462,000
Committee recommendation	128,462,000

[1] Reflects reduction of $801,900 pursuant to Division H, section 168 of Public Law 108–199.

These funds will be transferred from the appropriate trust funds of the Office of Personnel Management to cover administrative expenses for the retirement and insurance programs.

The Committee recommends a limitation of $128,462,000. This amount is the same as the President's request.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$1,489,000
Budget estimate, 2005	1,627,000
Committee recommendation	1,627,000

[1] Reflects reduction of $8,800 pursuant to Division H, section 168 of Public Law 108–199.

The Office of Inspector General is charged with establishing policies for conducting and coordinating efforts which promote economy, efficiency, and integrity in the Office of Personnel Management's activities which prevent and detect fraud, waste, and mismanagement in the agency's programs. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Internal agency audits review and evaluate all facets of agency operations, including financial statements. Evaluation and inspection services provide detailed technical evaluations of agency operations. Insurance audits review the operations of health and life insurance carriers, health care providers, and insurance subscribers. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. Administrative sanctions debar from participation in the health insurance program those health care providers whose conduct may pose a threat to the financial integrity of the program itself or to the well-being of insurance program enrollees.

The Committee recommends an appropriation of $1,627,000 for salaries and expenses of the Office of Inspector General in fiscal year 2005. This amount is the same as the President's request and $138,000 above the fiscal year 2004 enacted level.

(LIMITATION ON TRANSFER FROM TRUST FUNDS)

Limitation, 2004	$14,342,000
Budget estimate, 2005	16,461,000
Committee recommendation	16,461,000

The Committee recommends a limitation on transfers from the trust funds in support of the Office of Inspector General activities totaling $16,461,000 for fiscal year 2005 and $2,119,000 above the fiscal year 2004 enacted level.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriations, 2004	$7,219,000,000
Budget estimate, 2005	8,135,000,000
Committee recommendation	8,135,000,000

This appropriation covers the Government's share of the cost of health insurance for annuitants covered by the Federal Employees Health Benefits Program and the Retired Federal Employees Health Benefits Act of 1960, as well as administrative expenses incurred by OPM for these programs.

The Committee recommends an appropriation of $8,135,000,000 for Government payments for annuitants, employees health benefits.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

Appropriations, 2004	$35,000,000
Budget estimate, 2005	35,000,000
Committee recommendation	35,000,000

Public Law 96–427, the Federal Employees' Group Life Insurance Act of 1980 requires that all employees under the age of 65 who separate from the Federal Government for purposes of retirement on or after January 1, 1990, continue to make contributions toward their basic life insurance coverage after retirement until they reach the age of 65. These retirees will contribute two-thirds of the cost of the basic life insurance premium, identical to the amount contributed by active Federal employees for basic life insurance coverage. As with the active Federal employees, the Government is required to contribute one-third of the cost of the premium for basic coverage. OPM, acting as the payroll office on behalf of Federal retirees, has requested, and the Committee has provided, the funding necessary to make the required Government contribution associated with annuitants' postretirement life insurance coverage.

The Committee recommends an appropriation of $35,000,000 for the Government payment for annuitants, employee life insurance. This amount equals the budget request.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriations, 2004	$9,987,000,000
Budget estimate, 2005	9,772,000,000
Committee recommendation	9,772,000,000

The civil service retirement and disability fund was established in 1920 to administer the financing and payment of annuities to retired Federal employees and their survivors. The fund covers the operation of the Civil Service Retirement System and the Federal Employees' Retirement System.

This appropriation provides for the Government's share of retirement costs, transfers of interest on the unfunded liability and annuity disbursements attributable to military service, and survivor annuities to eligible former spouses of some annuitants who did not elect survivor coverage.

The Committee recommends an appropriation of $9,772,000,000 for payment to the civil service retirement and disability fund. The Committee recommendation equals the budget estimate.

HUMAN CAPITAL PERFORMANCE FUND

Appropriations, 2004 [1]	$994,000
Budget estimate, 2005	300,000,000
Committee recommendation	....

[1] Reflects reduction of $5,900 pursuant to Division H, section 168 of Public Law 108–199.

The Human Capital Performance Fund is designed to create performance-driven pay systems for employees and reinforce the value of employee performance management systems. The administration proposes providing additional pay over and above any annual, across-the-board pay raise to certain civilian employees based on individual or organizational performance and/or other critical agency human capital needs. Under the proposal the current GS system would remain unchanged. Individual employees would remain at their existing GS levels and on schedule for all routine pay raises such as a within-grade increase. Any pay increase received from the Fund would be treated as increases to base pay for retirement and other purposes and would stay with an employee throughout his/her career.

The Committee supports the concept of a performance-based pay system, but continues to be concerned about the creation of the Human Capital Performance Fund. The Committee believes that an initiative of this type should be budgeted and administered within the salaries and expenses of each individual agency and denies funding for fiscal year 2005.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$13,424,000
Budget estimate, 2005	15,449,000
Committee recommendation	15,449,000

[1] Reflects reduction of $80,000 pursuant to Division H, section 168 of Public Law 108–199.

The U.S. Office of Special Counsel [OSC] was first established on January 1, 1979. From 1979 until 1989, it operated as an autonomous investigative and prosecutorial arm of the Merit Systems Protection Board (the Board). In 1989, Congress enacted the Whistleblower Protection Act, which made OSC an independent agency within the Executive Branch. In 1994, the Uniformed Services Employment and Reemployment Rights Act became law. It defined employment-related rights of persons in connection with military service, prohibited discrimination against them because of that service, and gave OSC new authority to pursue remedies for violations by Federal agencies.

OSC investigates Federal employee allegations of prohibited personnel practices and, when appropriate, prosecutes cases before the Merit Systems Protection Board and enforces the Hatch Act. OSC also provides a channel for whistleblowing by Federal employees, and may transmit whistleblowing allegations to the agency head concerned and require an agency investigation and a report to Congress and the President when appropriate.

The Committee is aware that OSC has a critical need for additional personnel to address its more than 3 years of case backlog. Rather than hiring only attorneys, the Committee expects OSC to acquire an appropriate mix of new staff that will maximize its ability to reduce this backlog. The Committee therefore directs OSC to report to the Committees on Appropriations, no later than March 31, 2005, regarding the status of its staffing efforts, particularly describing those new positions hired and how the reduction of OSC's case backlog has benefited as a result of the new personnel.

The Committee recommends an appropriation of $15,449,000 for the Office of Special Counsel. This amount is the same as the President's budget request and $2,025,000 above the fiscal year 2004 enacted level.

UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

Appropriations, 2004 [1]	$59,660,000
Budget estimate, 2005	61,709,000
Committee recommendation	90,709,000

[1] Reflects reduction of $354,000 pursuant to Division H, section 168 of Public Law 108–199.

The Post Office dates back to 1775. It became the Postal Service in 1971 as an independent establishment of the executive branch of the United States Government. The Postal Service basic function and obligation is to provide postal services to bind the nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable and efficient services to patrons in all areas and shall render postal services to all communities.

The Committee recommends a total of $90,709,000 in fiscal year 2005 funding and advanced appropriations for payments to the Postal Service Fund. The increase of $29,000,000 above the President's request is to provide funds in the amount of $29,000,000 for overseas voting for prior years' liability under the Revenue Forgone Reform Act of 1993.

This amount includes: $55,631,000 requested for free mail for the blind and overseas voting; $6,078,000 as a reconciliation adjustment for 2002 actual mail volume of free mail for the blind and overseas voting; and $29,000,000 for prior years' liability under the Revenue Forgone Reform Act of 1993. In addition to these funds, $36,521,000 (an advance appropriation from 2004 for the 2004 costs and the 2001 reconciliation adjustment for free mail for the blind and overseas voting) will become available to the U.S. Postal Service in fiscal year 2005.

Revenue forgone on free and reduced-rate mail enables postage rates to be set at levels below the unsubsidized rates for certain categories of mail as authorized by subsections (c) and (d) of section 2401 of title 39, United States Code. Free mail for the blind and overseas voters will continue to be provided at the funding level recommended by the Committee.

The Committee includes provisions in the bill that would assure that mail for overseas voting and mail for the blind shall continue to be free; that 6-day delivery and rural delivery of mail shall continue at the 1983 level; and that none of the funds provided be used to consolidate or close small rural and other small post offices in fiscal year 2005. These are services that must be maintained in fiscal year 2005 and beyond.

The Committee believes that 6-day mail delivery is one of the most important services provided by the Federal Government to its citizens. Especially in rural and small town America, this critical postal service is the linchpin that serves to bind the Nation together.

Post Office Hours of Operation.—The Committee continues to be informed of the U.S. Postal Service efforts to promote efficiency by reducing the hours of operation at certain Post Offices across the Nation. The Committee is concerned that the Postal Service has reduced customer service hours without adequate consideration of peak hour public use. The Committee directs the Postal Service to continue to work with the various communities to review the hours of operation that will best serve the community.

EMERGENCY PREPAREDNESS

Appropriations, 2004	....
Budget estimate, 2005	....
Committee recommendation	$507,000,000

The Emergency Preparedness Account was implemented November 2001, to protect postal employees and postal customers from exposure to biohazardous materials.

The Committee recommends an appropriation of $507,000,000 for Postal Service fiscal year 2005 Emergency Preparedness activities. This funding level will afford the Postal Service the expenditure of: $116,000,000 to complete the biohazardous detection system [BDS] system nationwide; $7,000,000 to construct a mail irradiation facility in Washington, DC to irradiate Government mail; and to reimburse the Postal Service $384,000,000 in prior years spending on BDS system, ventilation and filtration equipment, the irradiation facility, and other related expenses. The entire amount appropriated has been designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108–287.

The Committee is concerned that the deployed Biohazardous Detection System and Ventilation Filtration System equipment's inability to detect the full array of chemical and biological agents will pose a threat to the Nation's current and future mail streams. Therefore, the Committee directs the Postal Service to provide a report to the congressional committees of jurisdiction no later than March 1, 2005, regarding the use of these funds. The report should include: (1) a description specifying the equipment that has been or is planned to be purchased; (2) the status and timetable of this equipment's deployment; (3) itemization of actual and planned expenses by fiscal year; (4) results on the effectiveness of the biodetection equipment in detecting anthrax and other hazardous chemical and biological substances, including the sensitivity and specificity of the biodetection system; and (5) an assessment of the progress being made in the development of technological and nontechnological approaches to enhancing mail security and safety.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

Appropriations, 2004 [1]	$39,950,000
Budget estimate, 2005	41,180,000
Committee recommendation	41,180,000

[1] Reflects reduction of $237,000 pursuant to Division H, section 168 of Public Law 108–199.

The U.S. Tax Court is an independent judicial body in the legislative branch under article I of the Constitution of the United States. The court is composed of a chief judge and 18 judges. Decisions by the court are reviewable by the U.S. Courts of Appeals and, if certiorari is granted, by the Supreme Court.

In their judicial duties the judges are assisted by senior judges, who participate in the adjudication of regular cases, and by special trial judges, who hear small tax cases and certain regular cases assigned to them by the chief judge.

The court conducts trial sessions throughout the United States, including Hawaii and Alaska. The matters over which the Court has jurisdiction are set forth in various sections of title 26 of the United States Code.

Tax Court Independent Counsel Fund.—This fund is established pursuant to 26 U.S.C. 7475. The fund is used by the Tax Court to employ independent counsel to pursue disciplinary matters involving practitioners admitted to practice before the Court.

Tax Court Judges Survivors Annuity Fund.—This fund established pursuant to 26 U.S.C. 7448, is used to pay survivorship benefits to eligible surviving spouses and dependent children of deceased judges of the U.S. Tax Court. Participating judges pay 3.5 percent of their salaries or retired pay into the fund to cover creditable service for which payment is required. Additional funds, as are needed, are provided through the annual appropriation to the U.S. Tax Court.

The Committee recommends an appropriation of $41,180,000 for the U.S. Tax Court.

WHITE HOUSE COMMISSION ON THE NATIONAL MOMENT OF REMEMBRANCE

Appropriations, 2004 [1]	$249,000
Budget estimate, 2005	250,000
Committee recommendation	250,000

[1] Reflects reduction of $1,000 pursuant to Division H, section 168 of Public Law 108–199.

The Commission was established and authorized by Public Law 106–579. The Commission will also accept gifts and generate product royalty revenue in order to revitalize the national understanding and commemoration of Memorial Day.

The Committee recommends an appropriation of $250,000 for the White House Commission on the National Moment of Remembrance. This is the same as the President's request.

STATEMENT CONCERNING GENERAL PROVISIONS

The Transportation, Treasury and General Government appropriation bill includes general provisions which govern both the activities of the agencies covered by the bill, and, in some cases, activities of agencies, programs, and general government activities that are not covered by the bill. General provisions that are governmentwide in scope are contained in title VI of this bill.

The bill contains a number of general provisions that have been carried in this bill for years and which are routine in nature and scope. General provisions in the bill are explained under this section of the report. Those general provisions that deal with a single agency only are shown immediately following that particular agency's or department's appropriation accounts in the bill. Those general provisions that address activities or directives affecting all of the agencies covered in this bill are contained in title V.

TITLE V—GENERAL PROVISIONS THIS ACT

Section 501 requires pay raises to be absorbed within appropriated levels in this Act or previous appropriations Acts.

Section 502 prohibits pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this Act.

Section 503 prohibits obligations beyond the current fiscal year and prohibits transfers of funds unless expressly so provided herein.

Section 504 limits expenditures for consulting service through procurement contracts where such expenditures are a matter of public record and available for public inspection.

Section 505 prohibits funds in this Act to be transferred without express authority.

Section 506 prohibits the use of funds to engage in activities that would prohibit the enforcement of section 307 of the 1930 Tariff Act.

Section 507 protects employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 508 prohibits the use of funds in compliance with the Buy American Act.

Section 509 expresses the sense of the Congress to purchase only American-made equipment and products.

Section 510 ensures that 50 percent of unobligated balances may remain available for certain purposes.

Section 511 authorizes the reprogramming of funds and specifies the reprogramming procedures for agencies funded by this Act.

Section 512 restricts the use of funds for the White House to request official background reports without the written consent of the individual who is the subject of the report.

Section 513 ensures that the cost accounting standard shall not apply with respect to a contract under the Federal Employees Health Benefits Program.

Section 514 references non-foreign area cost of living allowances.

Section 515 waives restrictions on the purchase of non-domestic articles, materials, and supplies in the case of acquisition by the Federal Government of information technology.

Section 516 extends the consultation requirement beyond the Office of Management and Budget to all other Federal agencies to the extent it applies to Indian tribes.

Section 517 prohibits the use of funds for a proposed rule relating to the determination that real estate brokerage is a financial activity.

Section 518 requires the Tennessee Valley Authority to register with the Securities and Exchange Commission.

Section 519 amends the Denali Commission Act to include docks, waterfront transportation development, and related infrastructure projects.

Section 520 directs each agency to acquire a Chief Privacy Officer to assume primary responsibility for privacy and data protection policy.

Section 521 allows donations to State and local candidates as a permissible use of Federal campaign funds.

Section 522 amends section 432 of title 2, United States Code, so that the term "support" will not include a contribution by any authorized committee in amounts of $2,000 or less (rather than the current $1,000 or less) to an authorized committee of any other candidate.

TITLE VI—GENERAL PROVISIONS, DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 601 authorizes agencies to pay travel costs of the families of Federal employees on foreign duty to return to the United States in the event of death or a life threatening illness of an employee.

Section 602 requires agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Section 603 limits the price on vehicles to be purchased by the Federal Government.

Section 604 allows funds made available to agencies for travel to also be used for quarters allowances and cost-of-living allowances.

Section 605 prohibits the Government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental United States.

Section 606 ensures that agencies will have authority to pay the General Services Administration bills for space renovation and other services.

Section 607 allows agencies to finance the costs of recycling and waste prevention programs with proceeds from the sale of materials recovered through such programs.

Section 608 provides that funds may be used to pay rent and other service costs in the District of Columbia.

Section 609 prohibits the use of appropriated funds to pay the salary of any nominee after the Senate voted not to approve the nomination.

Section 610 precludes interagency financing of groups absent prior statutory approval.

Section 611 authorizes the Postal Service to employ guards.

Section 612 prohibits the use of appropriated funds for enforcing regulations disapproved in accordance with the applicable law of the United States.

Section 613 limits the pay increases of certain prevailing rate employees.

Section 614 limits the amount that can be used for redecoration of offices under certain circumstances.

Section 615 permits interagency funding of national security and emergency preparedness telecommunications initiatives, which benefit multiple Federal departments, agencies, and entities.

Section 616 requires agencies to certify that a schedule C appointment was not created solely or primarily to detail the employee to the White House.

Section 617 requires agencies to administer a policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment.

Section 618 prohibits the use of funds to prevent Federal employees from communicating with Congress or to take disciplinary or personnel actions against employees for such communication.

Section 619 prohibits training not directly related to the performance of official duties.

Section 620 prohibits the expenditure of funds for the implementation of agreements in certain nondisclosure policies unless certain provisions are included in the policies.

Section 621 prohibits use of appropriated funds for publicity or propaganda designed to support or defeat legislation pending before Congress.

Section 622 prohibits use of appropriated funds by an agency to provide Federal employees home address to labor organizations.

Section 623 prohibits the use of appropriated funds to provide nonpublic information such as mailing or telephone lists to any person or organization outside of the Government.

Section 624 prohibits the use of appropriated funds for publicity or propaganda purposes within the United States not authorized by Congress.

Section 625 directs agencies employees to use official time in an honest effort to perform official duties.

Section 626 authorizes the use of current fiscal year funds to finance an appropriate share of the Joint Financial Management Improvement Program.

Section 627 authorizes agencies to transfer funds to or reimburse the Policy and Operations account of GSA to finance an appropriate share of the Joint Financial Management Improvement Program.

Section 628 prohibits the use of funds in this or any other Act to restrict any agency from using appropriated funds as they see fit to independently contract with private companies to provide online employment applications and processing services.

Section 629 authorizes breastfeeding at any location in a Federal building or on Federal property.

Section 630 permits interagency funding of the National Science and Technology Council.

Section 631 requires identification of the Federal agencies providing Federal funds and the amount provided for all proposals, solicitations, grant applications, forms, notifications, press releases, or other publications related to the distribution of funding to a State.

Section 632 continues a provision which extends the authorization for franchise fund pilots for 1 year with modification.

Section 633 continues a provision prohibiting the use of funds to monitor personal information relating to the use of Federal internet sites; the conferees apply this provision government-wide.

Section 634 continues a provision regarding contraceptive coverage under the Federal Employees Health Benefits Plan.

Section 635 clarifies that the United States Anti-Doping Agency is the official anti-doping agency for Olympic, Pan American, and Paralympic sport in the United States.

Section 636 prohibits the purchase of a product or service offered by the Federal Prison Industries, Inc., unless the Agency making such purchase determines that such product or service provides the best value.

Section 637 requires each Department and Agency to evaluate the creditworthiness of an individual before issuing the individual a government purchase charge card or travel card.

Section 638 allows the use of appropriated funds for official travel by Federal departments and agencies to participate in the fractional aircraft ownership pilot program.

Section 639 continues a provision requiring the head of each Federal agency to submit a report to Congress on the amount of acquisitions made by the agency from entities that manufacture the articles, materials, or supplies outside of the United States.

Section 640 adjusts the rate of basic pay for Federal employees.

Sections 641 prohibits the expenditure of funds for the acquisition of additional Federal Law Enforcement Training facilities.

Section 642 eliminates the 10-year limitations period applicable to the offset of Federal non-tax payments.

Section 643 permits the Secretary of Health and Human Services to match information, provided by the Secretary of the Treasury with respect to persons owing delinquent debt to the Federal Government, with information contained in the HHS National Directory of New Hires.

Section 644 allows for the offset of Federal tax refunds to collect delinquent State unemployment compensation overpayments.

Section 645 provides for the funding of airport operations at Midway Atoll Airfield.

Section 646 prohibits the use of funds related to the 2003 version of A–76.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill "which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

The Committee recommends the following appropriations which lack authorization:

DEPARTMENT OF TRANSPORTATION

Office of the Secretary of Transportation: Payments to air carriers

Federal Highway Administration:
- Federal-aid highways
- Appalachian development highway system

Motor Carrier Safety Administration:
- Motor carrier safety
- National motor carrier safety program
- Border enforcement program

National Highway Traffic Safety Administration:
- Operations and research
- Highway traffic safety grants
- National driver register

Federal Railroad Administration:
- Safety and operations
- Alaska railroad rehabilitation
- Grants to the National Railroad Passenger Corporation

Federal Transit Administration:
- Administrative expenses
- Formula grants
- University transportation centers
- Transit planning and research
- Capitol investment grants
- Job access and reverse commute grants

Research and Special Programs Administration:
- Research and Special Programs (Hazardous Materials Safety)
- Emergency Preparedness Grants

Bureau of Transportation Statistics (drawdown from Federal-aid highways)

Surface Transportation Board

DEPARTMENT OF THE TREASURY

Departmental Offices:
- Salaries and expenses
- Department-wide Systems and Capital Investments Program

Air Transportation Stabilization Program
Treasury Building and annex, repair and restoration

EXECUTIVE OFFICE OF THE PRESIDENT

The White House Office, salaries and expenses
Executive Residence at the White House, operating expenses
Special Assistance to the President, salaries and expenses
Council of Economic Advisers
National Security Council
Office of Administration
Office of Management and Budget
Office of National Drug Control Policy:
Salaries and expenses
Counterdrug Technology Assessment Center
High-intensity drug trafficking areas
Other Federal Drug Control (except Drug-Free Communities)

INDEPENDENT AGENCIES

Federal Election Commission, salaries and expenses
General Services Administration:
Federal buildings fund
Repairs and Alterations Construction and Acquisition of Facilities
National Transportation Safety Board
Office of Government Ethics, salaries and expenses
Office of Personnel Management, Human Capital Performance Fund

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI, OF THE STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on September 14, 2004, the Committee ordered reported en bloc S. 2803, an original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2005, S. 2804, an original bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2005; and S. 2806, an original bill making appropriations for the Departments of Transportation and Treasury, and independent agencies for the fiscal year ending September 30, 2005, each subject to amendment and each subject to the budget allocations, by a recorded vote of 29–0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Stevens	
Mr. Cochran	
Mr. Specter	
Mr. Domenici	
Mr. Bond	
Mr. McConnell	
Mr. Burns	
Mr. Shelby	
Mr. Gregg	

Mr. Bennett
Mr. Campbell
Mr. Craig
Mrs. Hutchison
Mr. DeWine
Mr. Brownback
Mr. Byrd
Mr. Inouye
Mr. Hollings
Mr. Leahy
Mr. Harkin
Ms. Mikulski
Mr. Reid
Mr. Kohl
Mrs. Murray
Mr. Dorgan
Mrs. Feinstein
Mr. Durbin
Mr. Johnson
Ms. Landrieu

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include "(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee."

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

With respect to this bill, it is the opinion of the Committee that it is necessary to dispense with these requirements in order to expedite the business of the Senate.

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93–344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the Budget Resolution for 2005: Subcommittee on Transportation and Treasury:				
Discretionary	25,439	25,439	69,605	[1] 69,601
Mandatory	18,261	18,261	18,262	18,262
Projection of outlays associated with the recommendation:				
2005	....	....	....	[2] 49,823
2006	....	....	....	23,488
2007	....	....	....	9,191
2008	....	....	....	3,978
2009 and future years	....	....	....	3,312
Financial assistance to State and local governments for 2005	NA	697	NA	11,775

[1] Includes outlays from prior-year budget authority.
[2] Excludes outlays from prior-year budget authority.
NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2005

[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2004 appropriation	Budget estimate
TITLE I—DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses	80,426	102,689	86,000	+5,574	−16,689
Immediate Office of the Secretary	(2,179)	(2,738)	(2,400)	(+221)	(−338)
Immediate Office of the Deputy Secretary	(690)	(1,070)	(725)	(+35)	(−345)
Immediate Office of the Secretary and Deputy Secretary					
Office of the General Counsel	(14,985)	(16,920)	(15,700)	(+715)	(−1,220)
Office of the Under Secretary for Transportation Policy	(12,141)	(12,918)	(12,627)	(+486)	(−291)
Office of the Assistant Secretary for Budget and Programs	(8,418)	(8,889)	(8,600)	(+182)	(−289)
Office of the Assistant Secretary for Governmental Affairs	(2,268)	(2,587)	(2,500)	(+232)	(−87)
Office of the Assistant Secretary for Administration	(22,984)	(32,935)	(24,364)	(+1,380)	(−8,571)
Office of Public Affairs	(1,889)	(2,034)	(1,968)	(+79)	(−66)
Executive Secretariat	(1,426)	(1,500)	(1,484)	(+58)	(−16)
Board of Contract Appeals	(690)	(801)	(750)	(+60)	(−51)
Office of Small and Disadvantaged Business Utilization	(1,261)	(1,295)	(1,290)	(+29)	(−5)
Office of Intelligence and Security	(1,972)	(2,260)	(2,200)	(+228)	(−60)
Office of the Chief Information Officer	(7,396)	(16,742)	(11,392)	(+3,996)	(−5,350)
Subtotal	(78,299)	(102,689)	(86,000)	(+7,701)	(−16,689)
Office of Civil Rights	8,518	8,700	8,700	+182	
Rescission of excess compensation for air carriers			−235,000	−235,000	−235,000
Transportation planning, research, and development	20,741	10,800	15,000	−5,741	+4,200
Working capital fund	(116,026)		(151,054)	(+35,028)	(+151,054)
Minority business resource center program	895	900	900	+5	
(Limitation on guaranteed loans)	(18,367)	(18,367)	(18,367)		
Minority business outreach	2,982	3,000	3,000	+18	
New headquarters building		160,000			−160,000
Payments to air carriers (Airport & Airway Trust Fund)	51,693	50,000	52,000	+307	+2,000

Total, Office of the Secretary	165,255	336,089	165,600	+345	−170,489
Federal Aviation Administration					
Operations	7,486,493	7,849,000	7,784,000	+297,507	−65,000
Facilities & equipment (Airport & Airway Trust Fund)	2,892,831	2,500,000	2,500,000	−392,831	....
Rescission (Airport and Airway Trust Fund)	−30,000	....	−50,000	−20,000	−50,000
Subtotal, F&E	2,862,831	2,500,000	2,450,000	−412,831	−50,000
Research, engineering, and development (Airport and Airway Trust Fund)	118,734	117,000	129,427	+10,693	+12,427
Grants-in-aid for airports (Airport and Airway Trust Fund):					
(Liquidation of contract authorization)	(3,379,940)	(2,800,000)	(2,800,000)	(−579,940)	....
(Limitation on obligations)	(3,379,940)	(3,500,000)	(3,500,000)	(+120,060)	....
(Small community air service pilot program)	(20,000)	....	(20,000)	....	(+20,000)
Alliance Airport, TX (Sec. 167)	1,988	....	....	−1,988	....
Rescission of contract authorization	....	....	−265,000	−265,000	−265,000
Subtotal, Grants-in-aid	(3,381,928)	(3,500,000)	(3,235,000)	(−146,928)	(−265,000)
War risk insurance (Sec. 105)	....	....	−50,000	−50,000	−50,000
Total, Federal Aviation Administration	10,500,046	10,466,000	10,363,427	−136,619	−102,573
(Limitations on obligations)	(3,379,940)	(3,500,000)	(3,500,000)	(+120,060)	....
Rescissions	−30,000	....	−50,000	−20,000	−50,000
Rescissions of contract authority	....	....	−265,000	−265,000	−265,000
Subtotal	(13,849,986)	(13,966,000)	(13,548,427)	(−301,559)	(−417,573)
Federal Highway Administration					
Limitation on administrative expenses	(335,612)	(349,594)	(349,594)	(+13,982)	....
Federal-aid highways (Highway Trust Fund):					
(Limitation on obligations)	(33,643,326)	(33,643,326)	(34,900,000)	(+1,256,674)	(+1,256,674)
Subtotal (limitations on obligations) (HTF)	(33,643,326)	(33,643,326)	(34,900,000)	(+1,256,674)	(+1,256,674)
(Exempt obligations)	(931,297)	(834,632)	(834,632)	(−96,665)	....
(Liquidation of contract authorization)	(34,000,000)	(34,000,000)	(35,000,000)	(+1,000,000)	(+1,000,000)
Miscellaneous rescission of contract authority	−207,000	−300,000	−300,000	−93,000	....
Appalachian development highway system	124,263	....	100,000	−24,263	+100,000
TFIA (rescission)	....	....	−100,000	−100,000	−100,000
Miscellaneous projects (Highway trust fund) (Sec. 162)	49,705	....	....	−49,705	....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2005—Continued

[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2004 appropriation	Budget estimate
Rock County road, Jamesville, WI (Sec. 167)	994			−994	
I-75 improvements, Lee County, FL (Sec. 167)	2,485			−2,485	
Total, Federal Highway Administration	177,447		100,000	−77,447	+100,000
(Limitations on obligations)	(33,643,326)	(33,643,326)	(34,900,000)	(+1,256,674)	(+1,256,674)
(Exempt obligations)	(931,297)	(834,632)	(834,632)	(−96,665)	
Rescissions			−100,000	−100,000	−100,000
Rescissions of contract authority	−207,000	−300,000	−300,000	−93,000	
Net total, FHWA	(34,545,070)	(34,177,958)	(35,434,632)	(+889,562)	(+1,256,674)
Federal Motor Carrier Safety Administration					
Motor carrier safety (limitation on administrative expenses) (limitation on obligations)	(175,031)	(228,000)	(260,000)	(+84,969)	(+32,000)
National motor carrier safety program (Highway Trust Fund):					
(Liquidation of contract authorization)	(190,000)	(227,000)	(190,000)		(−37,000)
(Limitation on obligations)	(188,879)	(227,000)	(190,000)	(+1,121)	(−37,000)
RABA transfer from FHWA					
E-Gov (Highway trust fund)		450			−450
Total, Federal Motor Carrier Safety Admin		450			−450
(Limitations on obligations)	(363,910)	(455,000)	(450,000)	(+86,090)	(−5,000)
National Highway Traffic Safety Administration					
Operations and research		139,300			−139,300
Operations and research (HTF)	(149,657)		(152,300)	(+2,643)	(+152,300)
Operations and research (Highway trust fund):					
(Liquidation of contract authorization)	(72,000)	(90,000)	(72,000)		(−18,000)
(Limitation on obligations)	(71,575)	(90,000)	(72,000)	(+425)	(−18,000)
National Driver Register (Highway trust fund)	(3,558)	(4,000)	(4,000)	(+442)	
Subtotal, Operations and research	(224,790)	(233,300)	(228,300)	(+3,510)	(−5,000)

Highway traffic safety grants (Highway Trust Fund):					
(Liquidation of contract authorization)	(223,673)	(456,000)	(225,000)	(+1,327)	(−231,000)
(Limitation on obligations):					
Highway safety programs (Sec. 402)	(164,027)	(296,000)	(165,000)	(+973)	(−131,000)
Occupant protection incentive grants (Sec. 405)	(19,882)	....	(20,000)	(+118)	(+20,000)
Alcohol-impaired driving countermeasures grants (Sec. 410)	(39,764)	....	(40,000)	(+236)	(+40,000)
Emergency medical services grants (Sec. 407)	....	(10,000)	....	....	(−10,000)
State traffic safety info system improvement grants (Sec. 412)	....	(50,000)	....	....	(−50,000)
Safety Incentive Grants for primary seat belt laws	....	(100,000)	....	....	(−100,000)
Subtotal, limitation on obligations	(223,673)	(456,000)	(225,000)	(+1,327)	(−231,000)
Total, National Highway Traffic Safety Admin	....	139,300	....	....	−139,300
(Limitations on obligations)	(448,463)	(550,000)	(453,300)	(+4,837)	(−96,700)
Total budgetary resources	(448,463)	(689,300)	(453,300)	(+4,837)	(−236,000)
Federal Railroad Administration					
Safety and operations	130,053	142,396	139,849	+9,796	−2,547
Railroad research and development	33,824	36,025	35,225	+1,401	−800
Amtrak RRIF repayment deferment	2,982	....	....	−2,982	....
Pennsylvania Station Redevelopment project (advance appropriation)	....	....	....	....	....
Next generation high-speed rail	37,179	10,000	20,000	−17,179	+10,000
Alaska Railroad rehabilitation	24,853	....	25,000	+147	+25,000
Grants to the National Railroad Passenger Corporation	1,217,773	900,000	1,217,000	−773	+317,000
Total, Federal Railroad Administration	1,446,664	1,088,421	1,437,074	−9,590	+348,653
Federal Transit Administration					
Administrative expenses	15,011	....	9,984	−5,027	+9,984
Administrative expenses (Highway Trust Fund, Mass Transit Account) (limitation on obligations)	(60,044)	....	(68,016)	(+7,972)	(+68,016)
Office of the Administrator	(965)	....	(900)	(−65)	(+900)
Office of Cheif Counsel	(3,870)	....	(4,050)	(+180)	(+4,050)
Office of Civil Rights	(2,701)	....	(2,750)	(+49)	(+2,750)
Office of Communications and Congressional Affairs	(1,162)	....	(1,210)	(+48)	(+1,210)
Office of Budget and Policy	(6,195)	....	(6,700)	(+505)	(+6,700)
Office of of Planning	(3,646)	....	(4,000)	(+354)	(+4,000)
Office of of Program Management	(7,115)	....	(7,120)	(+5)	(+7,120)
Office of Research, Demonstration and Innovation	(4,826)	....	(4,830)	(+4)	(+4,830)
Office of Administration	(6,716)	....	(6,725)	(+9)	(+6,725)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2005—Continued

[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −) 2004 appropriation	Senate Committee recommendation compared with (+ or −) Budget estimate
Central Account	(16,734)		(18,015)	(+1,281)	(+18,015)
Regional offices	(18,938)		(19,200)	(+262)	(+19,200)
National Transit database	(2,187)		(2,500)	(+313)	(+2,500)
Subtotal	(75,055)		(78,000)	(+2,945)	(+78,000)
Subtotal, Administrative expenses	(75,055)		(78,000)	(+2,945)	(+78,000)
Administrative expenses per President's request		79,931			−79,931
Formula grants	763,270		512,918	−250,352	+512,918
Formula grants (Highway Trust Fund) (limitation on obligations)	(3,053,080)	(5,622,871)	(3,494,257)	(+441,177)	(−2,128,614)
Formula grants (rescission)					
Subtotal, Formula grants	(3,816,350)	(5,622,871)	(4,007,175)	(+190,825)	(−1,615,696)
University transportation research	1,193		768	−425	+768
University transportation research (Highway Trust Fund, Mass Transit Acct) (limitation on obligations)	(4,772)		(5,232)	(+460)	(+5,232)
Subtotal, University transportation research	(5,965)		(6,000)	(+35)	(+6,000)
Transit planning and research	25,051		16,384	−8,667	+16,384
Transit planning and research (Highway Trust Fund, Mass Transit Account) (limitation on obligations)	(100,205)		(111,616)	(+11,411)	(+111,616)
Subtotal, Transit planning and research	(125,256)		(128,000)	(+2,744)	(+128,000)
Rural transportation assistance	(5,219)		(5,250)	(+31)	(+5,250)
National Transit Institute	(3,976)		(4,000)	(+24)	(+4,000)
Transit cooperative research	(8,201)		(8,250)	(+49)	(+8,250)
Metropolitan planning	(60,030)		(60,386)	(+356)	(+60,386)
State planning	(12,540)		(12,614)	(+74)	(+12,614)
National planning and research	(35,291)		(37,500)	(+2,209)	(+37,500)
Subtotal, Transit planning and research	(125,257)		(128,000)	(+2,743)	(+128,000)

Trust fund share of expenses (Highway Trust Fund) (liquidation of contract authorization)	(5,812,702)	(329,006)	(6,764,976)	(+952,274)	(+6,435,970)
Capital investment grants	623,798		436,970	−186,828	+436,970
Capital investment grants (Highway Trust Fund, Mass Transit Account) (limitation on obligations)	(2,495,191)		(2,976,855)	(+481,664)	(+2,976,855)
Subtotal, Capital investment grants	(3,118,989)		(3,413,825)	(+294,836)	(+3,413,825)
Major capital investment grants		1,234,192			−1,234,192
Major capital investment grants (Highway Trust Fund, Mass Transit Account) (Limitation on obligations)		(329,006)			(−329,006)
Fixed guideway modernization	(1,199,388)		(1,214,400)	(+15,012)	(+1,214,400)
Buses and bus-related facilities	(603,618)		(725,000)	(+121,382)	(+725,000)
New starts	(1,315,984)		(1,474,425)	(+158,441)	(+1,474,425)
Subtotal	(3,118,990)		(3,413,825)	(+294,835)	(+3,413,825)
Job access and reverse commute grants	24,853		16,000	−8,853	+16,000
(Highway Trust Fund, Mass Transit Account) (limitation on obligations)	(99,410)		(109,000)	(+9,590)	(+109,000)
Subtotal, Job access and reverse commute grants	(124,263)		(125,000)	(+737)	(+125,000)
Total, Federal Transit Administration	1,453,176		993,024	−460,152	+993,024
FTA per President's request		1,314,123			−1,314,123
(Limitations on obligations)	(5,812,702)	(5,951,877)	(6,764,976)	(+952,274)	(+813,099)
Total budgetary resources, FTA	(7,265,878)	(7,266,000)	(7,758,000)	(+492,122)	(+492,000)
Saint Lawrence Seaway Development Corporation					
Operations and maintenance (Harbor Maintenance Trust Fund)	14,315	15,900	15,900	+1,585	
Maritime Administration					
Maritime security program	98,118	98,700	98,700	+582	
Operations and training	106,366	109,300	110,910	+4,544	+1,610
Ship disposal	16,115	21,616	21,616	+5,501	
Maritime Guaranteed Loan (Title XI) Program Account:					
Administrative expenses	4,471	4,764	4,764	+293	
National defense tank vessel construction program			150,000	+150,000	+150,000
Total, Maritime Administration	225,070	234,380	385,990	+160,920	+151,610
Rescissions	−4,107		−1,900	+2,207	−1,900
Net total, Maritime Administration	220,963	234,380	384,090	+163,127	+149,710

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2005—Continued

[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2004 appropriation	Budget estimate
Research and Special Programs Administration					
Research and special programs	46,167	52,936	49,000	+2,833	−3,936
Pipeline safety:					
Pipeline Safety Fund	52,991	51,073	52,073	−918	+1,000
Oil Spill Liability Trust Fund	12,923	19,000	19,000	+6,077	
Subtotal, Pipeline safety program (incl reserve)	65,914	70,073	71,073	+5,159	+1,000
Emergency preparedness grants:					
Emergency preparedness fund	199	200	200	+1	
Limitation on emergency preparedness fund	(14,300)	(14,300)	(14,300)		
Total, Research and Special Programs Admin	112,280	123,209	120,273	+7,993	−2,936
Office of Inspector General					
Salaries and expenses	55,670	59,000	59,000	+3,330	
Surface Transportation Board					
Salaries and expenses	19,406	20,521	21,250	+1,844	+729
Offsetting collections	−1,050	−1,050	−1,050		
Total, Surface Transportation Board	18,356	19,471	20,200	+1,844	+729
Net total, title I, Department of Transportation	13,927,172	13,496,343	12,708,588	−1,218,584	−787,755
Appropriations	(14,168,279)	(13,796,343)	(13,660,488)	(−507,791)	(−135,855)
Rescissions	(−34,107)		(−386,900)	(−352,793)	(−386,900)
Rescission of contract authority	(−207,000)	(−300,000)	(−565,000)	(−358,000)	(−265,000)
(Limitations on obligations)	(43,648,341)	(44,100,203)	(46,068,276)	(+2,419,935)	(+1,968,073)
(Exempt obligations)	(931,297)	(834,632)	(834,632)	(−96,665)	

Net total budgetary resources	(58,506,810)	(58,431,178)	(59,611,496)	(+1,104,686)	(+1,180,318)
Transportation discretionary total	13,927,172	13,496,343	12,708,588	−1,218,584	−787,755
TITLE II—DEPARTMENT OF THE TREASURY					
Departmental Offices	175,070	185,041	161,313	−13,757	−23,728
Executive direction			(10,020)	(+10,020)	(+10,020)
General Counsel			(7,532)	(+7,532)	(+7,532)
Economic policies and and programs			(33,186)	(+33,186)	(+33,186)
Financial policies and programs			(26,914)	(+26,914)	(+26,914)
Financial crimes			(5,912)	(+5,912)	(+5,912)
Treasury wide management			(17,569)	(+17,569)	(+17,569)
Administration			(60,180)	(+60,180)	(+60,180)
Subtotal			(161,313)	(+161,313)	(+161,313)
Office of Foreign Asset Control			22,291	+22,291	+22,291
Department-wide systems and capital investments programs	36,185	36,072	30,260	−5,925	−5,812
Office of Inspector General	12,923	14,158	16,158	+3,235	+2,000
Treasury Inspector General for Tax Administration	127,279	129,126	129,126	+1,847	
Treasury Inspector General					
Air Transportation Stabilization Program Account	2,523	2,800	2,000	−523	−800
Treasury Building and Annex Repair and Restoration	24,853	20,316	12,316	−12,537	−8,000
Expanded Access to Financial Services (rescission)		−4,000	−4,000	−4,000	
Violent crime reduction program (rescission)		−1,000	−1,200	−1,200	−200
Financial Crimes Enforcement Network	57,231	64,502	72,502	+15,271	+8,000
Financial Management Service	227,210	230,930	230,930	+3,720	
Alcohol and Tobacco Tax and Trade Bureau	79,528	81,942	83,000	+3,472	+1,058
Bureau of the Public Debt	172,627	175,166	175,166	+2,539	
Payment of government losses in shipment	500	1,000	1,000	+500	
Internal Revenue Service:					
Processing, Assistance, and Management	4,009,205	4,148,403	4,107,325	+98,120	−41,078
Tax Law Enforcement	4,171,244	4,564,350	4,519,350	+348,106	−45,000
Information Systems	1,581,575	1,641,768	1,606,768	+25,193	−35,000
Business systems modernization	387,699	285,000	125,000	−262,699	−160,000
BSM (rescission of unapproved funds)			−140,000	−140,000	−140,000
Health Insurance Tax Credit Administration	34,794	34,841	34,841	+47	
Subtotal	10,184,517	10,674,362	10,253,284	+68,767	−421,078

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2005—Continued

[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2004 appropriation	Budget estimate
Total, title II, Department of the Treasury	11,100,446	11,610,415	11,184,146	+83,700	−426,269
Appropriations	11,100,446	11,615,415	11,329,346	+228,900	−286,069
Rescissions	....	−5,000	−145,200	−145,200	−140,200
TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT					
Compensation of the President and the White House Office:					
Compensation of the President	450	....	450	....	+450
Salaries and Expenses	68,760	....	63,698	−5,062	+63,698
Homeland Security Council	....	....	....	....	....
Executive Residence at the White House:					
Operating Expenses	12,427	....	12,760	+333	+12,760
White House Repair and Restoration	4,200	....	1,900	−2,300	+1,900
Council of Economic Advisers	4,475	....	4,040	−435	+4,040
Office of Policy Development	4,085	....	2,392	−1,693	+2,392
National Security Council	10,489	....	8,932	−1,557	+8,932
Office of Administration	82,337	....	92,869	+10,532	+92,869
The White House salaries and expenses	....	181,048	....	....	−181,048
Office of Management and Budget	66,763	76,565	68,411	+1,648	−8,154
Office of National Drug Control Policy:					
Salaries and expenses	27,832	27,609	27,000	−832	−609
Counterdrug Technology Assessment Center	41,752	40,000	42,000	+248	+2,000
Subtotal	69,584	67,609	69,000	−584	+1,391
Federal Drug Control Programs:					
High Intensity Drug Trafficking Areas Program	225,015	208,350	228,350	+3,335	+20,000
Other Federal Drug Control Programs	227,649	235,000	195,500	−32,149	−39,500
Unanticipated Needs	994	1,000	1,000	+6	....
Special Assistance to the President and the Official Residence of the Vice President:					
Salaries and expenses	4,435	4,571	4,571	+136	....

Operating expenses	329	333	333	+4	....
Total, title III, Executive Office of the President and Funds Appropriated to the President	781,992	774,476	754,206	−27,786	−20,270
TITLE IV—INDEPENDENT AGENCIES					
Architectural and Transportation Barriers Compliance Board:					
Salaries and expenses	5,369	5,686	5,686	+317	....
National Transportation Safety Board:					
Salaries and expenses	73,065	74,425	76,425	+3,360	+2,000
Rescission of prior year funds	....	−8,000	−8,000	−8,000	....
Emergency fund	596	....	....	−596	....
Committee for Purchase From People Who Are Blind or Severely Disabled	4,697	4,672	4,672	−25	....
Federal Election Commission	50,938	52,159	52,159	+1,221	....
Election Assistance Commission:					
Salaries and expenses	1,193	20,000	10,000	+8,807	−10,000
Election reform programs	1,491,150	30,000	....	−1,491,150	−30,000
Federal Labor Relations Authority	29,436	29,673	25,673	−3,763	−4,000
FLRA (rescission)	....	....	−3,000	−3,000	−3,000
Federal Maritime Commission	18,362	19,496	19,496	+1,134	....
General Services Administration:					
Federal Buildings Fund:					
Appropriations	443,369	....	....	−443,369	....
Limitations on availability of revenue:					
Construction and acquisition of facilities	(708,268)	(650,223)	(710,823)	(+2,555)	(+60,600)
Repairs and alterations	(991,300)	(980,222)	(980,222)	(−11,078)	....
Installment acquisition payments	(169,745)	(161,442)	(161,442)	(−8,303)	....
Rental of space	(3,280,187)	(3,672,315)	(3,597,315)	(+317,128)	(−75,000)
Building Operations	(1,608,708)	(1,709,522)	(1,709,522)	(+100,814)	....
Subtotal, limitations	(6,758,208)	(7,173,724)	(7,159,324)	(+401,116)	(−14,400)
Repayment of Debt	(54,256)	(41,000)	(41,000)	(−13,256)	....
Total, Federal Buildings Fund	443,369	....	....	−443,369	....
(Limitations)	(6,812,464)	(7,214,724)	(7,200,324)	(+387,860)	(−14,400)
Governmentwide policy	56,050	62,100	62,100	+6,050	....
Operating Expenses	87,590	82,175	85,175	−2,415	+3,000
Office of Inspector General	38,938	42,351	42,351	+3,413	....
Electronic Government (E-Gov) Fund	2,982	5,000	3,000	+18	−2,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2005—Continued

[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2004 appropriation	Budget estimate
General supply fund for E-Gov (fiscal year 2005 Sec. 409)		40,000			−40,000
Allowances and Office Staff for Former Presidents	3,373	3,449	3,106	−267	−343
Expenses, Presidential transition		7,700	7,700	+7,700	
Federal building project (fiscal year 2004 Sec. 408)	13,917			−13,917	
San Joaquin conveyance (fiscal year 2004 Sec. 412)	−1,000			+1,000	
Middle River Depot sale (fiscal year 2005 Sec. 407)					
Federal building construction schedule adjustments (Sec. 409)			−106,000	−106,000	−106,000
Total, General Services Administration	645,219	242,775	97,432	−547,787	−145,343
Merit Systems Protection Board:					
Salaries and Expenses	32,683	37,303	34,677	+1,994	−2,626
Limitation on administrative expenses	2,611			−2,611	
Morris K. Udall Foundation:					
Morris K. Udall Trust Fund	1,984		1,996	+12	+1,996
Environmental Dispute Resolution Fund	1,301	700	1,309	+8	+609
National Archives and Records Administration:					
Operating expenses	255,185	266,945	266,945	+11,760	
Electronic records archive	35,702	35,914	35,914	+212	
Reduction of debt	−7,810	−8,000	−8,000	−190	
Repairs and Restoration	13,627	6,182	12,182	−1,445	+6,000
National Historical Publications and Records Commission: Grants program	9,941	3,000	5,000	−4,941	+2,000
Total, National Archives and Records Admin	306,645	304,041	312,041	+5,396	+8,000
Office of Government Ethics	10,675	11,238	11,238	+563	
Office of Personnel Management:					
Salaries and Expenses	118,793	131,291	130,600	+11,807	−691
Limitation on administrative expenses	135,112	128,462	128,462	−6,650	

Office of Inspector General	1,489	1,627	1,627	+138	....
Limitation on administrative expenses	14,342	16,461	16,461	+2,119	....
Government Payment for Annuitants, Employees Health Benefits	7,219,000	8,135,000	8,135,000	+916,000	....
Government Payment for Annuitants, Employee Life Insurance	35,000	35,000	35,000	....	....
Payment to Civil Service Retirement and Disability Fund	9,987,000	9,772,000	9,772,000	−215,000	....
Human Capital Performance Fund	994	300,000	....	−994	−300,000
Total, Office of Personnel Management	17,511,730	18,519,841	18,219,150	+707,420	−300,691
Office of Special Counsel	13,424	15,449	15,449	+2,025	....
Postal Service:					
Payment to the Postal Service Fund	28,829	....	29,000	+171	+29,000
Advance appropriation provided in previous act for fiscal year 2005	30,831	36,521	36,521	+5,690	....
Total available for fiscal year 2005	59,660	36,521	65,521	+5,861	+29,000
Advance appropriation for fiscal year 2006	36,306	61,709	61,709	+25,403	....
Emergency preparedness plan (emergency appropriations)	....	....	507,000	+507,000	+507,000
United States Tax Court	39,950	41,180	41,180	+1,230	....
White House Commission on the National Moment of Remembrance	249	250	250	+1	....
Total, title IV, Independent Agencies	20,337,243	19,499,118	19,552,063	−785,180	+52,945
Title V—General Provisions, This Act					
Continued dumping/subsidy offset (fiscal year 2005 Sec. 635)	....	−1,450,000	....	....	+1,450,000
Eliminate 10 year limit on debt collection (fiscal year 2005 Sec. 636)	....	−2,000	−2,000	−2,000	....
HHS info match—new hires (fiscal year 2005 Sec. 637)	....	−125,000	−125,000	−125,000	....
Collect unemployment overpayment (fiscal year 2005 Sec. 638)	....	−20,000	−20,000	−20,000	....
Total, General provisions	....	−1,597,000	−147,000	−147,000	+1,450,000
Grand total	46,146,853	43,783,352	44,052,003	−2,094,850	+268,651
Appropriations	(46,320,823)	(43,998,122)	(44,554,873)	(−1,765,950)	(+556,751)
(Emergency appropriations)	....	....	(507,000)	(+507,000)	(+507,000)
Rescissions	(−34,107)	(−13,000)	(−543,100)	(−508,993)	(−530,100)
Rescission of contract authority	(−207,000)	(−300,000)	(−565,000)	(−358,000)	(−265,000)
Advance appropriation provided in previous act for fiscal year 2005	(30,831)	(36,521)	(36,521)	(+5,690)	....
Advance appropriation	(36,306)	(61,709)	(61,709)	(+25,403)	....
(Limitation on obligations)	(43,648,341)	(44,100,203)	(46,068,276)	(+2,419,935)	(+1,968,073)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2005—Continued

[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2004 appropriation	Budget estimate
(Rescissions of limitations on obligations)	....	....	....	....	....
(Exempt obligations)	(931,297)	(834,632)	(834,632)	(−96,665)	....
Net total budgetary resources	(90,726,491)	(88,718,187)	(90,954,911)	(+228,420)	(+2,236,724)