[COMMITTEE PRINT]

NOTICE: This is a draft for use of the Committee and its staff only, in preparation for markup.

Calendar No. 000

115TH CONGRESS *1st Session*	SENATE	REPORT 115–000

TRANSPORTATION, AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS BILL, 2018

JULY 00, 2017.—Ordered to be printed

Ms. COLLINS, from the Committee on Appropriations, submitted the following

REPORT

[To accompany S. 0000]

The Committee on Appropriations reports the bill (S. 0000) making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2018, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amounts of new budget (obligational) authority for fiscal year 2018

Total of bill as reported to the Senate	$60,058,000,000
Amount of 2017 appropriations	61,437,017,000
Amount of 2018 budget estimate	47,928,180,000
Bill as recommended to Senate compared to—	
2017 appropriations	−1,379,017,000
2018 budget estimate	+12,129,820,000

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OVERVIEW AND SUMMARY OF THE BILL

The Transportation, Housing and Urban Development, and Related Agencies appropriations bill provides funding for a wide array of Federal programs, mostly in the Departments of Transportation [DOT] and Housing and Urban Development [HUD]. These programs include investments in road, transit, rail, maritime, pipeline, aviation and airport infrastructure; the operation of the Nation's air traffic control system; resources to support community and economic development activities; and housing assistance for those in need, including the homeless, elderly, and disabled. The bill also provides funding for the Federal Housing Administration and Government National Mortgage Association to continue their traditional roles of providing access to affordable homeownership in the United States.

The programs and activities supported by this bill include significant responsibilities entrusted to the Federal Government and its partners to protect human health and safety, support a vibrant economy, and achieve policy objectives strongly supported by the American people. The funding provided in this bill supports the investments necessary for a vibrant and economically competitive Nation.

This bill makes possible the operation of the interstate highway system, as well as the world's safest, most complex air transportation system. This bill also includes funding for competitive grants to communities to support transformative transportation infrastructure projects of national or regional importance. It ensures safe and sanitary housing for nearly 5 million low and extremely low-income families and individuals, over half of whom are elderly and/or disabled. It provides funding that is leading to the gradual elimination of homelessness among veterans, youth, victims of domestic violence, individuals and families.

The bill, as reported, provides the proper balance of transportation, housing, and community development programs and activities. It is consistent with the subcommittee's allocation for fiscal year 2018. All accounts in the bill have been closely examined to ensure that a sufficient level of funding is provided to carry out the programs of DOT, HUD, and related agencies. Details on each of the accounts, and the Committee's justifications for the funding levels are included in the report.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2018, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended, with respect to appropriations contained in the accompanying bill, the terms "program, project, and activity" [PPA] shall mean any item for which a dollar amount is contained in appropriations acts (including joint resolutions providing continuing appropriations), 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.

REPROGRAMMING GUIDELINES

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

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

The Committee retains the requirement that each agency submit an operating plan to the House and Senate Committees on Appropriations not later than 60 days after enactment of this act to establish the baseline for application of reprogramming and transfer authorities provided in this act. Specifically, each agency should provide a table for each appropriation with columns displaying the prior year enacted level; budget request; adjustments made by Congress; adjustments for rescissions, if appropriate; and the fiscal year enacted level. The table shall delineate the appropriation and prior year enacted level both by object class and by PPA, as well as identify balances available for use under section 406 of the bill. 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 the Department of Transportation's Working Capital Fund, 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 PPA above the amounts appropriated by this act.

CONGRESSIONAL BUDGET JUSTIFICATIONS

Budget justifications are the primary tool used by the House and Senate Committees on Appropriations to evaluate the resource requirements and fiscal needs of agencies. The Committee is aware that the format and presentation of budget materials is largely left to the agency within presentation objectives set forth by the Office of Management and Budget [OMB]. In fact, OMB Circular A–11, part 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 expects that all agencies funded under this act will heed this directive. The Committee expects all of the budget justifications to provide the data needed to make appropriate and meaningful funding decisions.

While the Committee values the inclusion of performance data and presentations, it is important to ensure vital budget information that the Committee needs is not lost. Therefore, the Committee directs that justifications submitted with the fiscal year 2019 budget request by agencies funded under this act contain the customary level of detailed data and explanatory statements to support the appropriations requests at the level of detail contained in the funding table included at the end of 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 on all programs and comprehensive information on any office or agency restructurings. At a minimum, each agency must also provide adequate justification for funding and staffing changes for each individual office and materials that compare programs, projects, and activities that are proposed for fiscal year 2019 to the fiscal year 2018 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 each agency will coordinate with the House and Senate Committees on Appropriations in advance on its planned presentation for its budget justification materials in support of the fiscal year 2019 budget request.

The Committee directs each agency to include within its budget justification a report on all efforts made to address the duplication identified by the annual GAO reports along with legal barriers preventing the agency's ability to further reduce duplication and legislative recommendations, if applicable.

GUIDANCE DOCUMENTS

The Committee remains concerned about the use of guidance documents, or interpretive rules, to impose new requirements on regulated entities even though such documents are not legally binding. The Supreme Court has recognized there can be a fine line between what should be issued as a regulation for purposes of notice and comment rulemaking under the Administrative Procedure Act and what can be issued as guidance. The Supreme Court has also recognized that Federal agencies may sometimes issue guidance to circumvent the notice and comment rulemaking process. Legal scholars and multiple members of Congress have also expressed concern about the use of guidance to avoid rulemaking. Finally, the GAO found that if an agency periodically reviews its guidance it can significantly reduce unnecessary guidance. For example, after a sub-agency in the Department of Labor reviewed its guidance to determine if it was relevant and current, the sub-agency was able to reduce its guidance by 85 percent. GAO also found that the dissemination of guidance to the public can be improved.

The Committee recommends the Departments of Transportation and Housing and Urban Development clearly label in a plain, prominent, and permanent manner that the agency's guidance documents are not legally binding and may not be relied upon by the agency as grounds for agency action. The Committee also recommends this include a thorough explanation on an agency's guidance document about why the agency believes it is appropriate to issue guidance about a matter instead of proposing a regulation and what specific statutory provisions or regulation(s) the guidance is interpreting. The Committee further recommends this guidance be updated every 2 years, with input solicited from the public, to determine if any of its guidance is duplicative, outdated, ineffective, insufficient, or excessively burdensome and needs to be modified, streamlined, or repealed and place all guidance documents in one place on its Web site as well as on the relevant sub-agency Web page. This information should be easily accessible for the public to comment on guidance and should be sent to the Office of Management and Budget to determine if the guidance is significant.

TRANSPARENCY REQUIREMENT

The Committee is aware that agencies funded in this act use resources for advertising purposes. The Committee directs the agencies in this act to state within the text, audio, or video used for new advertising purposes, including advertising/posting on the Internet, that the advertisements are printed, published, or produced and disseminated at U.S. taxpayer expense. The agencies may exempt any such advertisements from this requirement if it creates an adverse impact on safety or impedes the ability of these agencies to carry out their statutory authority.

The Committee is also concerned about the number of advisory and rulemaking Committees and the resources that are being redirected to accomplish tasks. In an effort to ensure proper oversight, within 30 days of enactment of this act, the Departments are directed to provide to the House and Senate Committees on Appropriations: (1) a complete list of rulemaking and advisory committees and their underlying authorization; (2) costs to the Departments associated with each advisory committee, including travel reimbursements; and (3) a complete list and copy of all reports and recommendations produced since January 1, 2016.

FEDERALLY FUNDED RESEARCH

The Committee urges the Department of Transportation and the Department of Housing and Urban Development to affirmatively determine, justified in writing made available on a publically accessible website, that research grants or agreements promote the progress of science in the United States or will advance a national security or economic interest.

TITLE I

DEPARTMENT OF TRANSPORTATION

The Committee routinely conducts oversight of annual spending, the implementation of appropriation's directives, and the execution of authorization acts to ensure the Department is meeting the mandates of Congress and the effective and efficient use of limited taxpayer resources. The Committee also regularly receives technical assistance from the Department in order to ensure that Appropriations bills are implemented as intended by Congress. Any attempt to limit the Committee's oversight role of the Chairman or Ranking Member is unacceptable. The Secretary, any appointee or staff shall respond to any Committee inquiry in a timely manner. While the vast majority of technical assistance from the Department is accurate and timely, the Committee is disappointed in certain instances of poor technical assistance in recent years. Specifically, the Department has withheld information from the Committee regarding idle funding that could have been more appropriately spent and has made inaccurate statements regarding the availability of resources the Committee intended to provide. Therefore, the Committee directs the Department to report to the House and Senate Committees on Appropriations within 30 days of any Transportation, Housing and Urban Development, and Related Agencies appropriations bill passing the House or Senate Committees on Appropriations regarding any concerns or challenges with implementation of funding levels or policy directives contained in each bill or report.

Infrastructure Initiative.—The President's request includes $200,000,000,000 to leverage $1,000,000,000,000 in new investment in the Nation's physical infrastructure. This proposal is expected to include policy, regulatory, and legislative proposals, ranging from changes to existing programs, to the creation of new programs and initiatives to reshape how the Federal government invests, permits, and collaborates on infrastructure. To date, no such proposal has been submitted to the Committee. While the Committee fully supports additional spending for our Nation's infrastructure, it strongly disagrees with the Administration's assertion that providing Federal dollars for infrastructure has created, "an unhealthy dynamic in which State and local governments delay projects in the hope of receiving Federal funds." Without Federal investment in infrastructure, particularly in our Nation's highway network and transit systems, the ability to move freight across the country and the free movement of people between States with vastly differing abilities to fund infrastructure would be compromised. The Committee is also concerned that the Administration does not realize that State and local governments, through the statewide transportation improvement program planning process, already determine the "right level—and type—of infrastructure investment needed for their communities." More troubling is the fact that the budget request assumes that after fiscal year 2020, highway trust fund outlays will be at levels that are supported with existing tax receipts, resulting in an outlay reduction of $95,000,000,000 over fiscal years

2021–2027. The Administration's approach is dangerously close to support for devolution of Federal funding provided by the Highway Trust Fund, an idea the Committee strongly opposes.

OFFICE OF THE SECRETARY

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

SALARIES AND EXPENSES

Appropriations, 2017	$114,000,000
Budget estimate, 2018	111,898,000
Committee recommendation	112,813,000

PROGRAM DESCRIPTION

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 as well as those of the assistant secretaries, and the general counsel.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $112,813,000 for salaries and expenses of OST, including $60,000 for reception and representation expenses. The recommendation is $915,000 more than the budget request and $1,187,000 less than the fiscal year 2017 enacted level. The accompanying bill stipulates that none of the funding provided may be used for the position of Assistant Secretary for Public Affairs.

The accompanying bill authorizes the Secretary to transfer up to 5 percent of the funds from any office within the Office of the Secretary to another. The Committee recommendation also 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 fiscal year 2017 enacted level and the budget request:

	Fiscal year— 2017 enacted	Fiscal year— 2018 estimate	Committee recommendation
Office of the Secretary	$2,758,000		$3,001,000
Office of the Deputy Secretary	1,040,000		1,040,000
Office of the General Counsel	20,772,000		20,555,0000

	Fiscal year— 2017 enacted	Fiscal year— 2018 estimate	Committee recommendation
Office of the Under Secretary for Policy	10,033,000	....	10,331,000
Office of the Assistant Secretary for Budget and Programs	14,019,000	....	14,019,000
Office of the Assistant Secretary for Governmental Affairs	2,546,000	....	2,546,000
Office of the Assistant Secretary for Administration	29,356,000	....	29,356,000
Office of Public Affairs	2,142,000	....	2,142,000
Office of the Executive Secretariat	1,760,000	....	1,760,000
Office of Intelligence, Security, and Emergency Response	11,089,000	....	11,318,000
Office of the Chief Information Officer	18,485,000	....	16,745,000
Total	114,000,000	[1] 111,898,000	112,813,000

[1] The fiscal year 2018 budget request did not include amounts for each office within the Office of the Secretary.

IMMEDIATE OFFICE OF THE SECRETARY

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends $3,001,000 for fiscal year 2018 for the Immediate Office of the Secretary. The recommendation is $243,000 more than the fiscal year 2017 enacted level.

Preclearance.—Improving the flow of passengers and traffic between the United States and Canada is essential to the economy of both our nations. The Committee expects the FAA, FRA and Amtrak to comply with the U.S.-Canada Agreement on Land, Rail, Marine, and Air Transport Preclearance to facilitate air travel and passenger rail service between United States and Canadian cities. The Committee directs DOT agencies that have a role in implementing preclearance operations on the four specific sites announced by the United States and Canada on March 10, 2016, to facilitate their preclearance facilities development as expeditiously as possible. DOT will coordinate efforts between the FAA, FRA, Amtrak, the Department of Homeland Security and U.S. Customs and Border Protection to report to the House and Senate Committees on Appropriations within 90 days of enactment of this act on their progress implementing the U.S.-Canada Preclearance Agreement.

IMMEDIATE OFFICE OF THE DEPUTY SECRETARY

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends $1,040,000 for the Immediate Office of the Deputy Secretary, which is equal to the fiscal year 2017 enacted level.

OFFICE OF THE GENERAL COUNSEL

PROGRAM DESCRIPTION

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 and the final authority on all legal questions.

COMMITTEE RECOMMENDATION

The Committee recommends $20,555,000 for expenses of the Office of the General Counsel for fiscal year 2018. The recommended funding level is $217,000 less than the fiscal year 2017 enacted level.

Sexual Assault Rules and Guidelines.—The Committee remains concerned about the adequacy of response to incidents of sexual assault and sexual harassment that take place onboard commercial aircraft. All passengers should be able to travel without the worry of being sexually assaulted. However, there is limited data on the prevalence of sexual assault and sexual harassment committed on commercial aircraft and a lack of guidance and training for airline personnel to respond to such incidents.

The Committee directs the Office of Aviation Enforcement and Proceedings, in conjunction with the FAA, to establish Federal rules and guidelines, based on best practices, for air carriers to respond to and address sexual assault and sexual harassment onboard commercial aircraft within 1 year of enactment of this act. The Federal rules and guidelines shall include: (1) initial and annual recurrent training for flight attendants, pilots, and other individuals who are employees or contractors of the air carrier that respond to or address sexual assault and sexual harassment of passengers, employees, and contractors of the air carrier onboard commercial aircraft; (2) timely reporting by air carriers of sexual assault and sexual harassment onboard commercial aircraft, which incorporates privacy protections for victims; and (3) a program to collect, maintain, and make publically available data from air carriers on the incidence of sexual assault and sexual harassment onboard commercial aircraft in a manner that maintains privacy protections for individuals and allows for confidential reporting.

To develop these Federal rules and guidelines, the Office of Aviation Enforcement and Proceedings shall establish the National In-Flight Sexual Assault Task Force [Task Force] to provide recommendations to the Secretary on best practices and protocols for air carriers relating to training, reporting, and data collection. The task force shall include the Department of Justice, including the Office on Violence Against Women; the Department of Health and Human Services; national organizations which specialize in providing services to sexual assault victims and responding to and addressing sexual assault and sexual harassment; national consumer protection organizations; national travel organizations; labor organizations which represent flight attendants and pilots; State and local law enforcement agencies; airports; and air carriers. Within 180 days of enactment of this act, the Office of Aviation Enforcement and Proceedings shall submit an initial report to the House and Senate Committees on Appropriations on the Task Force's recommendations.

Consumer Protections.—The Department has the authority and duty to protect consumers from unfair or deceptive practices and to ensure safe and adequate service related to air transportation. To that end, the FAA Extension, Safety and Security Act Authorization bill of 2016 directed the Department to promulgate regulations to require air carriers to refund fees for delayed baggage, as well as to address adjoining seats for children and their parents within 1 year of the date of enactment. There has been no action taken to address these consumer fairness issues, which were due to be finalized by July 16, 2017. The failure to address these Congressional mandates in a timely manner is unacceptable and allows airlines to continue to take advantage of the traveling public with unreasonable fees on baggage, and on parent's ability to sit with and care for their children in flight. Therefore, the Committee directs the Secretary to take immediate action to implement these two regulatory actions.

Further, there have been recent high-profile incidents in which commercial airline employees have allowed conflicts to escalate into violent acts against customers. These incidents have led to increased demand for additional consumer protection measures, particularly with regard to overbooked flights. DOT's regulations require airlines to inform and compensate passengers who are bumped from their flights involuntarily. Air carriers are also required to provide boarding priority rules and criteria for determining which passengers will be denied boarding on oversold flights, and airlines must provide compensation to customers who are involuntarily bumped from their flights. The Secretary testified that she is evaluating commercial airline policies on this issue and whether additional limitations should be placed on overbooking by commercial airlines. The Committee is interested to know these findings and conclusions and directs the Secretary to report to the House and Senate Committees on Appropriations once such assessment is completed.

OFFICE OF THE UNDER SECRETARY FOR POLICY

PROGRAM DESCRIPTION

The Under Secretary for Policy is the chief policy officer of the Department and is responsible 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.

COMMITTEE RECOMMENDATION

The Committee recommends $10,331,000 for the Office of the Under Secretary for Policy. The recommended funding level is $298,000 more than the fiscal year 2017 enacted level.

Rural Infrastructure.—Congress cannot ignore the country's infrastructure needs by supporting the Administration's proposed 13 percent cut to the Department's programs. Deteriorating infrastructure already costs the economy close to $200,000,000,000 a year. To simply catch up, our infrastructure needs require direct Federal investments in our transportation networks and communities because we cannot fix a problem of this magnitude with private-public partnerships alone. In particular, investments in infrastructure in rural America are vital for growing the economy, increasing exports, and expanding markets.

The Committee believes that our Federal infrastructure programs must benefit communities across the country and recognizes the importance of providing set-asides when possible for small towns, rural communities, Tribal lands, and underserved populations is necessary to balance the needs of all communities across the country. For this reason, the Committee continues to require the Secretary to award grants and credit assistance in a manner that ensures an equitable geographic distribution of funds and an appropriate balance in addressing the needs of urban and rural communities.

Agreements.—In fiscal year 2016, the Committee provided the Department $130,000 in requested funds to conduct studies and regulatory analysis to ensure U.S. airlines and consumers realize the full benefits of Open Skies agreements. For 25 years, these agreements have significantly benefited consumers, communities and the U.S. economy and allowed America's passenger airlines to achieve profitability and on which America's all-cargo airlines have established a world-leading position in the global market for express delivery services. Additionally, the Department began an interagency process to solicit public comments and evaluate whether alleged foreign government subsidies received by some international carriers violate the agreements. While the previous Administration initiated informal discussions with some foreign governments to address these alleged subsidies, no conclusion was reached prior to the end of the Administration. The Committee requests that the Department consider whether it is necessary and appropriate to continue those informal discussions. If it decides to do so, the Committee strongly urges the Department to carefully consider the interests of all the stakeholders, including consumers, communities, both passenger and all-cargo carriers, the travel and tourism industry, U.S. aerospace manufacturers and the national economy. The Committee directs the Department to provide regular updates to the Committee.

OFFICE OF THE ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS

PROGRAM DESCRIPTION

The Assistant Secretary for Budget and Programs serves as the Chief Financial Officer for the Department and provides leadership on all financial management matters. The primary responsibilities of this office include ensuring the development and justification of the Department's annual budget submissions for consideration by the Office of Management and Budget and the Congress. The Office is also responsible for the proper execution and accountability of these resources. In addition, the Office of the Chief Financial Officer for the Office of the Secretary is located within the Office of the Assistant Secretary for Budget and Programs.

COMMITTEE RECOMMENDATION

The Committee recommends $14,019,000 for the Office of the Assistant Secretary for Budget and Programs. The recommended level is equal to the fiscal year 2017 enacted level.

OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS

PROGRAM DESCRIPTION

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 decisionmaking process.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $2,546,000 for the Office of the Assistant Secretary for Governmental Affairs. The recommended level is equal to the fiscal year 2017 enacted level.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

PROGRAM DESCRIPTION

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.

COMMITTEE RECOMMENDATION

The Committee recommends $29,356,000 for the Office of the Assistant Secretary for Administration. The recommended funding level is equal to the fiscal year 2017 enacted level.

OFFICE OF PUBLIC AFFAIRS

PROGRAM DESCRIPTION

The Director of Public Affairs is the principal advisor to the Secretary and other senior departmental officials on public affairs questions. The Office is responsible for managing the Secretary's presence in the media, writing speeches and press releases, and preparing the Secretary for public appearances. The Office arranges media events and news conferences, and responds to media inquiries on the Department's programs and other transportation-related issues. It also provides information to the Secretary on the opinions and reactions of the public and news media on these programs and issues.

COMMITTEE RECOMMENDATION

The Committee recommends $2,142,000 for the Office of Public Affairs, which is equal to the fiscal year 2017 enacted level.

EXECUTIVE SECRETARIAT

PROGRAM DESCRIPTION

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.

COMMITTEE RECOMMENDATION

The Committee recommends $1,760,000 for the Executive Secretariat. The recommendation is equal to the fiscal year 2017 enacted level.

OFFICE OF INTELLIGENCE, SECURITY, AND EMERGENCY RESPONSE

PROGRAM DESCRIPTION

The Office of Intelligence, Security, and Emergency Response ensures the development, coordination, and execution of plans and procedures for the Department to balance transportation security requirements with the safety, mobility, and economic needs of the Nation. The Office keeps the Secretary and her advisors apprised of current developments and long-range trends in international issues, including terrorism, aviation, trade, transportation markets, and trade agreements. The Office also advises the Department's leaders on policy issues related to intelligence, threat information sharing, national security strategies and national preparedness and response planning.

To ensure the Department is able to respond to disasters, the Office prepares for and coordinates the Department's participation in national and regional exercises and training for emergency personnel. The Office also administers the Department's Continuity of Government and Continuity of Operations programs and initiatives. Additionally, the Office provides direct emergency response and recovery support through the National Response Framework and operates the Department's Crisis Management Center. The center monitors the Nation's transportation system 24 hours a day, 7 days a week, and is the Department's focal point during emergencies.

COMMITTEE RECOMMENDATION

The Committee recommends $11,318,000 for the Office of Intelligence, Security, and Emergency Response. The recommendation is $229,000 more than the fiscal year 2017 enacted level.

OFFICE OF THE CHIEF INFORMATION OFFICER

PROGRAM DESCRIPTION

The Office of the Chief Information Officer serves as the principal advisor to the Secretary on matters involving information technology, cybersecurity, privacy, and records management.

COMMITTEE RECOMMENDATION

The Committee recommends $16,745,000 for the Office of the Chief Information Officer, which is $1,740,000 less than the fiscal year 2017 enacted level.

RESEARCH AND TECHNOLOGY

Appropriations, 2017	$13,000,000
Budget estimate, 2018	8,465,000
Committee recommendation	8,465,000

PROGRAM DESCRIPTION

The Office of the Assistant Secretary for Research and Technology has taken over the responsibilities previously held by the Research and Innovative Technology Administration. The responsibilities include coordinating, facilitating, and reviewing the Department's research and development programs and activities; and overseeing and providing direction to the Bureau of Transportation Statistics, the Intelligent Transportation Systems Joint Program Office, the University Transportation Centers program, the Volpe National Transportation Systems Center and the Transportation Safety Institute.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $8,465,000 for the Office of the Assistant Secretary for Research and Technology, of which $2,618,000 shall be available through September 30, 2020. This amount is equal to the budget request and $4,535,000 less than the fiscal year 2017 enacted level. The following table summarizes the Committee's recommendation in comparison to the budget request and the fiscal year 2017 enacted level:

	Fiscal year—		Committee recommendation
	2017 enacted	2018 estimate	
Salaries and Administrative Expenses	$4,826,000	$5,847,000	$5,847,000
Research & Technology Programs		2,618,000	2,618,000
Research, Development and Technology Coordination	509,000		
Alternative Energy Research and Development	499,000		
Positioning, Navigation and Timing	1,610,000		
Civil Signal Monitoring—Air Force—GPS			
Nationwide Differential Global Positioning System	5,600,000		
Total	13,000,000	8,465,000	8,465,000

University Transportation Centers.—The Committee continues to support University Transportation Centers, which are funded through the Federal Highway Administration. Under the Committee recommendation, University Transportation Centers will continue to receive the levels authorized under the Fixing America's Surface Transportation Act [FAST Act].

Autonomous Vehicle Research in Rural Areas.—The Committee believes that autonomous vehicles have the potential to enhance roadway safety and increase mobility options for all Americans, but have additional challenges to overcome in order to bring these benefits to rural Americans. Of the funds provided for the University Transportation Centers, no less than $3,000,000 is for rural autonomous vehicle and connected vehicle research to be conducted by existing University Transportation Center universities. Further, research should take into account variations in rural infrastructure: such as unmapped, gravel, and snow-covered roads; wildlife encounters; and other situations unique to rural roads.

Small Business Innovation Research.—The Committee recognizes the importance of the Small Business Innovation Research program and its previous success in commercialization from federally funded research and development projects. The SBIR program encourages domestic small business to engage in Federal research and development and creates jobs in the smallest firms. The Committee therefore directs the Department to place an increased focus on awarding SBIR awards to firms with fewer than 50 people.

Technology Solutions.—The Committee encourages the Department to review and test nanotechnology solutions that may provide a benefit to Federal, State and local governments by extending the life and utility of materials such as cement, asphalt and steel.

Increasing Public Access to Federally-funded Research.—The Committee commends the Department on issuing its Plan to Increase Public Access to the Results of Federally-funded Scientific Research Results on December 16, 2015. The Committee urges the Department to continue its efforts towards full implementation of the plan, and expects an update on progress to be included in its fiscal year 2019 budget request.

Transportation Data Hub.—The Committee encourages the Department to assess establishing a surface transportation and maritime analytics partnership hub that focuses on making available large-scale data and visualization tools related to transportation on infrastructure, systems, and networks accessible to humans and machines through the Internet of things [IoT], in order to enable improved resilience, planning, investment and operational decisions.

NATIONAL INFRASTRUCTURE INVESTMENTS

Appropriations, 2017	$500,000,000
Budget estimate, 2018	....
Committee recommendation	550,000,000

PROGRAM DESCRIPTION

This program provides grants and credit assistance to State and local governments, transit agencies, or a collaboration of such entities for capital investments in surface transportation infrastructure that will have a significant impact on the Nation, a metropolitan area or a region. Eligible projects include highways and bridges, public transportation, freight and passenger rail, and port infrastructure. The Department awards grants on a competitive basis;

however, the Department must ensure an equitable geographic distribution of funds and an appropriate balance in addressing the needs of urban and rural communities and within the timeframes outlined in the bill.

COMMITTEE RECOMMENDATION

The Committee recommendation includes $550,000,000 for grants and credit assistance for investment in significant transportation projects, which is $50,000,000 more than the fiscal year 2017 enacted level. The Committee continues to believe that the National Infrastructure Investments program is integral to the economic success of communities throughout the country. The criteria to be used for these grants shall be the criteria from the fiscal year 2016 Notice of Funding Opportunity.

Protections for Rural Areas.—The Committee continues to believe that our Federal infrastructure programs must benefit communities across the country. For this reason, the Committee continues to require the Secretary to award grants and credit assistance in a manner that ensures an equitable geographic distribution of funds and an appropriate balance in addressing the needs of urban and rural communities.

Investing in infrastructure in rural America is extremely important for growing the economy, increasing exports, and expanding markets. For this reason, the Committee has set aside no less than 30 percent of the program's funding for projects located in rural areas, and included specific provisions to match grant requirements with the needs of rural areas. Specifically, the Committee has lowered the minimum size of a grant awarded to a rural area and increased the Federal share of the total project cost.

Port Infrastructure.—The Committee recognizes the important role that ports play in our Nation's transportation network. With the prediction that the volume of trade through our Nation's ports will substantially increase in the next decade, our Nation's infrastructure will be challenged to accommodate the increase in the movement of freight. Growth at our Nation's ports simultaneously increases demand on our transportation systems. Therefore, the Committee continues to identify inland and land based ports as eligible recipients of this program and directs the Secretary to take into consideration, when selecting recipients, the annual tonnage, existing terminal capacity, and potential economic benefits of improvements to, or expansion of, ports.

NATIONAL SURFACE TRANSPORTATION AND INNOVATIVE FINANCE BUREAU

Appropriations, 2017	$3,000,000
Budget estimate, 2018	3,000,000
Committee Recommendation	3,000,000

PROGRAM DESCRIPTION

The National Surface Transportation and Innovative Finance Bureau [Bureau] will administer and coordinate or consolidate aspects of the Department's existing surface transportation innovative finance programs as authorized in section 9001 of the FAST Act, contingent upon advance approval by the Committee.

COMMITTEE RECOMMENDATION

The Committee recommends $3,000,000 to establish and fulfill the duties of the Bureau, as authorized in section 9001 of the FAST Act, which is equal to the budget request and the fiscal year 2017 enacted level. The Committee directs the Bureau to report to the House and Senate Committees on Appropriations on streamlining the application approval processes as required under 49 U.S.C. 116(d)(5).

FINANCIAL MANAGEMENT CAPITAL

Appropriations, 2017	$4,000,000
Budget estimate, 2018	3,000,000
Committee recommendation	3,000,000

PROGRAM DESCRIPTION

The Financial Management Capital program is a multi-year business transformation initiative to streamline and standardize the financial systems and business processes across the Department. The initiative includes upgrading and enhancing the commercial software used for DOT's financial systems, improving the cost and performance data provided to managers, and instituting new accounting standards and mandates.

COMMITTEE RECOMMENDATION

The Committee is recommending $3,000,000 to complete the Secretary's Financial Management Capital initiative, which is equal to the budget request and $1,000,000 less than fiscal year 2017 enacted level.

CYBER SECURITY INITIATIVE

Appropriations, 2017	$15,000,000
Budget estimate, 2018	10,000,000
Committee recommendation	15,000,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommendation includes $15,000,000 to support the Secretary's Cyber Security Initiative, which is $5,000,000 more than the budget request and equal to the fiscal year 2017 enacted level. The increase is for full execution of phase 2 of the DOT Network Assessment Risk Mitigation initiative.

OFFICE OF CIVIL RIGHTS

Appropriations, 2017	$9,751,000
Budget estimate, 2018	9,500,000
Committee recommendation	9,500,000

PROGRAM DESCRIPTION

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, 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.

COMMITTEE RECOMMENDATION

The Committee recommends a funding level of $9,500,000 for the Office of Civil Rights. The recommendation is equal to the budget request and $251,000 less than the fiscal year 2017 enacted level.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

Appropriations, 2017	$12,000,000
Budget estimate, 2018	8,500,000
Committee recommendation	8,500,000

PROGRAM DESCRIPTION

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.

COMMITTEE RECOMMENDATION

The Committee recommends $8,500,000 for Transportation Planning, Research, and Development, which is equal to the budget request and $3,500,000 less than the fiscal year 2017 enacted level. The Committee directs the Secretary to dedicate $1,500,000 to support the Interagency Infrastructure Permitting Improvement Center.

Nonmotorized User Safety.—The Committee is aware that adults 65 and over make up a disproportionate share of pedestrian fatalities and that pedestrian fatalities continue to rise. Consistent with section 1442 of the FAST Act, the Secretary should conduct rigorous outreach to States and Metropolitan Planning Organizations for the purpose of creating safe communities and reducing traffic fatalities among nonmotorized users. Specifically through the Safer People, Safer Streets initiative, the Secretary should expand the availability of technical assistance and training workshops to help States and Metropolitan Planning Organizations revise their practices, standards and performance measurements in all phases of project planning, development, and operation with the goal of reducing fatalities among non-motorized users. In fulfilling the report required in section 1442, the Secretary should include guidance to

States on how to identify the design and accommodation needs for each class of roadway user, separated by categories of age and ability, as well as actions that could be taken by State and local partners to improve safe and adequate accommodations for all users of the transportation network, including recommendations on changing policies and procedures; practical steps to modify planned and existing infrastructure; a list of common barriers to implementation and recommendations to overcome such barriers; guidance on evaluating the costs and benefits of safe and adequate accommodations; and recommendations for maximizing State and local cooperation.

WORKING CAPITAL FUND

Limitation, 2017	$190,389,000
Budget estimate, 2018	202,245,000
Committee recommendation	202,245,000

PROGRAM DESCRIPTION

The Working Capital Fund provides technical and administrative services to the Department's operating administrations and other Federal entities. The services are centrally performed in the interest of economy and efficiency, 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.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $202,245,000 on activities financed through the Working Capital Fund. The recommended limit is $11,856,000 more than the limit enacted for fiscal year 2017, and equal to the budget request.

As in past years, the bill specifies that the limitation on the Working Capital Fund shall apply only to the Department and not to services provided for other entities. The Committee directs services to be provided on a competitive basis to the maximum extent possible.

The Committee notes that the "transparency paper" included in the justifications for fiscal year 2018 provides essential information on total budgetary resources for the Office of the Assistant Secretary for Administration and the Office of the Chief Information Officer, including the balance of resources provided through the Working Capital Fund and direct appropriations. Therefore, the Committee directs the Department to update this "transparency paper" and include it in the budget justifications for fiscal year 2019.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

	Appropriations	Limitation on guaranteed loans
Appropriations, 2017	$941,000	$18,367,000
Budget estimate, 2018	500,000	....
Committee recommendation	941,000	18,367,000

PROGRAM DESCRIPTION

The Minority Business Resource Center of the Office of Small and Disadvantaged Business Utilization and Outreach 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. As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with guaranteed loans for this program as well as administrative expenses of this program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $339,000 to cover the subsidy costs for guaranteed loans and $602,000 for administrative expenses to carry out the guaranteed loan program. These recommended levels provide a total funding level of $941,000 for the Minority Business Resource Center. This total funding level is $441,000 more than the budget request and equal to the fiscal year 2017 enacted level. The Committee also recommends a limitation on guaranteed loans of $18,367,000, equal to the fiscal year 2017 enacted level.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION AND OUTREACH

Appropriations, 2017	$4,646,000
Budget estimate, 2018	3,999,000
Committee recommendation	4,646,000

PROGRAM DESCRIPTION

This appropriation provides contractual support to assist small, women-owned, Native American, and other disadvantaged business firms in securing contracts and subcontracts for transportation-related projects that involve Federal spending. Separate funding is provided for these activities since this program provides grants and contract assistance that serve Department-wide goals and not just OST purposes.

COMMITTEE RECOMMENDATION

The Committee recommends $4,646,000 for grants and contractual support, which is equal to the fiscal year 2017 enacted level and $647,000 more than the budget request.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

PROGRAM DESCRIPTION

This appropriation provides funding for the Essential Air Service [EAS] program, which was created to continue air service to communities that had received federally mandated air service prior to deregulation of commercial aviation in 1978. The program currently provides subsidies to air carriers serving small communities that meet certain criteria.

The Federal Aviation Administration [FAA] collects user fees that cover the air traffic control services the agency provides to aircraft that neither take off from, nor land in, the United States. These fees are commonly referred to as "overflight fees" and the receipts from the fees are used to help finance the EAS program.

COMMITTEE RECOMMENDATION

	Appropriations	Mandatory	Total
Appropriation, 2017	$150,000,000	$100,000,000	$250,000,000
Budget estimate, 2018	....	119,129,000	119,129,000
Committee recommendation	155,000,000	119,129,000	274,129,000

The Committee recommends an appropriation of $155,000,000 for the EAS program. This appropriation would be in addition to an estimated $119,129,000 from overflight fees collected by the FAA, allowing the Department to support a total program level for EAS of $274,129,000. The Committee's recommendation for the appropriation is $155,000,000 more than the budget request and equal to the request for the overflight fees. The total program level under the Committee's recommendation is $8,000,000 less than the total program level enacted for fiscal year 2017.

Proximity to the Nearest Hub Airport.—The Committee continues to include a provision that prohibits the Department from entering into a new contract with an EAS community located less than 40 miles from the nearest hub airport before the Secretary has negotiated with the community over a local cost share.

Aircraft Size Requirement.—The Committee continues to include a provision that removes the requirement for 15-passenger seat aircraft. This requirement adds to the cost of the EAS program because the fleet of 15-passenger seat aircraft continues to age and grow more difficult for airlines to maintain. The Committee, however, expects that the Department will use this flexibility judiciously. The Department should use it for communities where historical passenger levels indicate that smaller aircraft would still accommodate the great majority of passengers, or for communities where viable proposals for service are not available. The Committee does not expect the Department to use this flexibility simply to lower costs if a community can show regular enplanement levels that would justify larger aircraft.

EAS Airports.—The Committee recognizes that seasonal airports may need to operate beyond current dates and therefore recommends that the FAA utilize existing budget authorities to ensure seasonal EAS airports are able to operate when airport resources and weather permit.

Passenger Levels and Subsidy Rates.—The following table reflects the points in the continental United States currently receiving EAS service, their annual subsidy rates, and their level of subsidy per passenger.

ESSENTIAL AIR SERVICE SUBSIDY PER PASSENGER

State	EAS communities	Est. miles to nearest hub (S, M, or L)	Passenger totals at 9/30/16	Annual subsidy rates at 9/30/16	Subsidy per passenger at 9/30/16	Average enplanements per day
AL	Muscle Shoals*	60	7,164	1,739,712	$243	17.2

ESSENTIAL AIR SERVICE SUBSIDY PER PASSENGER—Continued

State	EAS communities	Est. miles to nearest hub (S, M, or L)	Passenger totals at 9/30/16	Annual subsidy rates at 9/30/16	Subsidy per passenger at 9/30/16	Average enplanements per day
AR	El Dorado/Camden	272	6,643	1,398,475	211	10.9
AR	Harrison	263	4,192	1,827,409	436	6.9
AR	Hot Springs	300	4,296	1,377,628	321	7.1
AR	Jonesboro	239	8,761	1,937,497	221	14.0
AZ	Page	282	6,926	2,135,446	308	11.1
AZ	Prescott	102	6,244	2,568,486	411	10.0
AZ	Show Low	173	7,138	1,244,628	174	11.4
CA	Crescent City	314	17,616	3,480,340	198	28.1
CA	El Centro*	114	5,687	1,311,518	231	14.0
CA	Merced	107	16,113	2,940,435	182	26.0
CO	Alamosa	205	6,764	2,005,395	296	10.8
CO	Cortez	255	6,640	1,708,769	257	10.6
CO	Pueblo*	121	1,786	925,980	518	3.3
GA	Macon*	82	n/a	n/a	n/a	n/a
IA	Burlington	188	12,801	2,218,424	173	20.4
IA	Fort Dodge	156	13,240	3,724,020	281	21.2
IA	Mason City	133	15,186	3,658,230	241	24.3
IA	Waterloo	189	50,456	1,317,334	26	80.6
IL	Decatur	126	15,518	2,852,426	184	24.8
IL	Marion/Herrin	123	18,112	2,562,819	141	28.9
IL	Quincy/Hannibal, MO	111	15,722	2,431,286	155	25.1
KS	Dodge City	345	3,592	1,686,570	470	5.7
KS	Garden City	300	52,302	1,357,800	26	83.5
KS	Hays	284	15,601	2,431,497	156	24.9
KS	Liberal/Guymon, OK	356	4,119	1,629,380	396	6.6
KS	Salina*	186	3,227	762,982	236	8.8
KY	Owensboro	138	7,815	1,867,985	239	12.5
KY	Paducah	146	40,728	2,084,285	51	65.1
MD	Hagerstown	78	7,469	1,797,260	241	11.9
ME	Augusta/Waterville	168	9,936	1,880,045	189	15.9
ME	Bar Harbor	256	16,070	1,987,057	124	25.7
ME	Presque Isle/Houlton	358	24,325	4,738,805	195	38.9
ME	Rockland	177	14,097	1,967,434	140	22.5
MI	Alpena	236	17,615	2,157,184	122	28.1
MI	Escanaba	227	30,849	3,524,772	114	49.3
MI	Hancock/Houghton	334	49,101	1,279,498	26	78.4
MI	Iron Mountain/Kingsford	223	22,621	2,966,166	131	36.1
MI	Ironwood/Ashland, WI	213	9,697	3,551,742	366	15.5
MI	Manistee/Ludington	233	5,777	1,844,547	319	9.2
MI	Muskegon	165	33,491	2,054,099	61	53.5
MI	Pellston	267	52,731	1,225,363	23	84.2
MI	Sault Ste. Marie	347	41,631	1,905,822	46	66.5
MN	Bemidji	213	47,919	1,217,620	25	76.5
MN	Brainerd	123	33,519	1,697,814	51	53.5
MN	Chisholm/Hibbing	199	25,127	2,671,234	106	40.1
MN	International Falls	298	23,598	2,189,324	93	37.7
MN	Thief River Falls	305	4,321	2,176,866	504	7.3
MO	Cape Girardeau/Sikeston	127	10,524	1,975,944	188	16.8
MO	Fort Leonard Wood	136	15,353	2,752,753	179	24.5
MO	Joplin	167	57,079	516,880	9	91.2
MO	Kirksville	154	9,583	1,623,392	169	15.3
MS	Greenville	279	7,943	1,896,237	239	14.2
MS	Laurel/Hattiesburg	135	23,390	3,981,510	170	37.4
MS	Meridian	185	52,186	4,000,698	77	83.4
MS	Tupelo*	204	5,576	2,158,222	387	16.3
MT	Butte	415	50,609	867,213	17	80.8
MT	Glasgow	709	6,471	2,030,855	314	10.3
MT	Glendive	607	5,212	1,871,294	359	8.3
MT	Havre	668	4,609	1,965,803	427	7.4
MT	Sidney	658	16,326	3,445,646	211	26.1
MT	West Yellowstone	332	17,019	500,764	29	69.8
MT	Wolf Point	686	7,090	2,171,235	306	11.3
ND	Devils Lake	402	14,207	3,320,989	234	22.7

ESSENTIAL AIR SERVICE SUBSIDY PER PASSENGER—Continued

State	EAS communities	Est. miles to nearest hub (S, M, or L)	Passenger totals at 9/30/16	Annual subsidy rates at 9/30/16	Subsidy per passenger at 9/30/16	Average enplanements per day
ND	Dickinson**	528	n/a	n/a	n/a	n/a
ND	Jamestown	333	20,208	3,028,225	150	32.3
NE	Alliance	233	4,010	2,117,500	528	6.4
NE	Chadron	290	8,213	2,169,234	264	13.1
NE	Grand Island	138	52,633	1,277,388	24	84.1
NE	Kearney	181	7,735	1,643,804	213	12.4
NE	McCook	256	2,076	1,616,134	778	3.3
NE	North Platte	255	6,893	1,632,000	237	11.0
NE	Scottsbluff	192	5,856	1,564,931	267	9.4
NH	Lebanon/White River Junction, VT	124	19,380	3,104,143	160	31.0
NM	Carlsbad	280	5,752	2,469,663	429	9.2
NM	Clovis	233	9,098	3,240,470	356	14.5
NM	Silver City/Hurley/Deming	229	10,099	3,412,480	338	16.1
NY	Jamestown (NY)	76	3,537	2,027,122	573	5.7
NY	Massena	256	10,554	2,698,608	256	16.9
NY	Ogdensburg	223	8,233	2,266,928	275	13.2
NY	Plattsburgh	243	13,432	2,857,971	213	21.5
NY	Saranac Lake/Lake Placid	233	9,547	1,835,962	192	15.3
NY	Watertown (NY)	172	33,294	2,314,505	70	53.2
OR	Pendleton*	205	6,969	1,659,090	238	11.5
PA	Altoona	112	3,693	2,371,850	642	5.9
PA	Bradford	77	6,068	2,082,430	343	9.7
PA	DuBois	112	5,463	2,252,184	412	8.7
PA	Franklin/Oil City	85	3,657	1,547,632	423	5.8
PA	Johnstown	84	8,516	2,396,358	281	13.6
PA	Lancaster	86	6,633	2,512,692	379	10.6
PR	Mayaguez	105	10,411	1,288,357	124	16.6
SD	Aberdeen	270	52,742	1,054,369	20	84.3
SD	Pierre	394	5,627	606,636	108	70.3
SD	Watertown (SD)	207	1,575	304,220	193	19.7
TN	Jackson	137	6,457	2,054,950	318	10.3
TX	Victoria	119	3,761	2,053,469	546	6.0
UT	Cedar City	179	26,891	2,610,261	97	43.0
UT	Moab	256	5,124	2,211,169	432	16.2
UT	Vernal*	150	4,750	1,583,235	333	15.0
VA	Staunton	134	10,512	1,891,380	180	16.8
VT	Rutland	134	10,244	1,355,583	132	16.4
WI	Eau Claire	92	36,400	1,988,732	55	58.1
WI	Rhinelander	216	43,046	2,083,650	48	68.8
WV	Beckley	211	4,127	2,471,805	599	6.6
WV	Clarksburg/Fairmont	96	9,041	2,305,224	255	14.4
WV	Greenbrier/White Sulphur Springs	230	9,023	3,507,888	389	14.4
WV	Morgantown	75	15,009	2,342,555	156	24.0
WV	Parkersburg/Marietta, OH	110	8,434	3,420,872	406	13.5
WY	Cody	449	49,060	1,085,268	22	78.4
WY	Laramie	145	29,263	2,046,800	70	46.7

* Indicates the community experienced a sevice hiatus. Days of service reduced accordingly to calculate enplanements per day.
** Dickinson received subsidized service for three days of fiscal year 2016, starting September 28, 2016.
*** Diomede is not an EAS community, but it is covered under ATNEP 49 U.S.C. 41736.
Alaska and Hawaii are not subject to any per passenger subsidy caps or required to enplane a minimum level of passengers.

ADMINISTRATIVE PROVISIONS—OFFICE OF THE SECRETARY OF TRANSPORTATION

Section 101 prohibits the Office of the Secretary of Transportation from obligating funds originally provided to a modal administration in order to approve assessments or reimbursable agreements, unless the Department follows the regular process for the reprogramming of funds, including congressional notification.

Section 102 allows the Department of Transportation to make use of the Working Capital Fund in providing transit benefits to Federal employees.

Section 103 places simple administrative requirements on the Department of Transportation's Council on Credit and Finance. These requirements include posting a schedule of meetings on the DOT Web site, posting the meeting agendas on the Web site, and recording the minutes of each meeting.

Section 104 extends transfer authority originally provided in the FAST Act for the Bureau, which expires in December 2017. The language also allows the Bureau to transfer funds back to any applicable entity who had funds transferred to the Bureau.

Section 105 allows fees collected through the RRIF program to be deposited directly into an Office of the Secretary account so it can be used by the Bureau once fully consolidated. Currently, the fees can only be deposited into a Federal Railroad Administration account.

Section 106 lifts the suspension of a consumer rulemaking and requires the Department to set a new deadline for additional public comment within 60 days of enactment of this act.

FEDERAL AVIATION ADMINISTRATION

PROGRAM DESCRIPTION

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 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 Transportation Security Administration.

COMMITTEE RECOMMENDATION

The total recommended funding level for the FAA for fiscal year 2018 amounts to $16,970,000,000 including new budget authority and a limitation on the obligation of contract authority. This funding level is $844,114,000 more than the budget request and $562,648,000 more than the fiscal year 2017 enacted level.

The following table summarizes the Committee's recommendations for fiscal year 2018 in comparison to the budget request and the fiscal year 2017 enacted level:

	Fiscal year—		Committee recommendation
	2017 enacted	2018 estimate	
Operations	$10,025,852,000	$9,890,886,000	$10,186,000,000
Facilities and equipment	2,855,000,000	2,735,000,000	3,005,000,000
Research, engineering, and development	176,500,000	150,000,000	179,000,000
Grants-in-aid to airports (obligation limitation)	3,350,000,000	3,350,000,000	3,600,000,000
Rescissions			
Total	16,407,352,000	16,125,886,000	16,970,000,000

OPERATIONS

Appropriations, 2017	$10,025,852,000
Budget estimate, 2018	9,890,886,000
Committee recommendation	10,186,000,000

PROGRAM DESCRIPTION

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, research, engineering and development programs, as well as policy oversight and agency management functions. The Operations appropriation includes the following major activities:

—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;
—the regulation and certification activities, including establishment and surveillance of civil air regulations to ensure 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;
—the Office of Commercial Space Transportation; and
—headquarters and support offices.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $10,186,000,000 for FAA Operations. This funding level is $295,114,000 more than the budget request, and $160,148,000 more than the fiscal year 2017 enacted level. The Committee recommendation derives $8,947,000,000 of the appropriation from the Airport and Airway Trust Fund. The balance of the appropriation will be drawn from the General Fund of the Treasury.

As in past years, the 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 and fiscal year 2017 enacted level:

FAA OPERATIONS

	Fiscal year—		Committee recommendation
	2017 enacted	2018 estimate	
Air traffic organization	$7,559,785,000	$7,491,938,000	$7,692,032,000
Aviation safety	1,298,482,000	1,257,981,000	1,310,000,000
Commercial space transportation	19,826,000	17,905,000	21,587,000
Finance and Management	771,342,000	758,192,000	777,506,000
NextGen Operations and Planning	60,155,000	59,041,000	60,000,000
Security and hazardous materials safety	107,161,000	100,961,000	112,622,000
Staff offices	209,101,000	204,868,000	212,253,000
Total	10,025,852,000	9,890,886,000	10,186,000,000

Air Traffic Control Privatization.—The United States has the largest, safest, most efficient and most complex air traffic control system in the world, and the FAA should remain a global leader with a singular and unified mission of safety. The Committee does not support the Administration's request to transfer the FAA's air traffic functions to a not-for-profit, independent, private corporation. The Committee makes this determination on several grounds.

First, the rigorous and yearly oversight of the budget and programs of the FAA is necessary to ensure the transparency and integrity of the public's investment in the air traffic control system. The proposed shift does not serve the public interest and would only create a new bureaucracy that is unaccountable to the public and the communities surrounding our network of airports.

Second, the FAA continues to upgrade the air traffic control system through NextGen's development of advanced procedures, technologies and tools that allow commercial airlines to safely and efficiently carry more passengers and cargo, while burning less fuel and producing fewer emissions. The NextGen Advisory Committee has provided increased input from aviation stakeholders and has been an effective tool in advancing NextGen priorities through public-private collaboration. Through 2016, airspace improvements have provided $2,720,000,000 in savings and are projected to provide more than $160,000,000,000 through 2030, at a cost of $35,000,000,000 to the FAA and stakeholders. Further, programs such as data communications are well ahead of schedule. However, the budget request, with its privatization proposal, will only serve to delay the progress that has already been made. The Committee does not agree that a major shift in governance is necessary for continued progress and would only undermine and delay the modernization effort that is currently underway.

Third, the removal of the air traffic organization [ATO] would disrupt the important and seamless collaboration that occurs among ATO, the FAA's office of aviation safety and other government agencies that rely on the national airspace system. For example, the GAO noted in an October, 2016, report that the, "FAA provides and receives critical information and analysis throughout the intelligence, defense and law enforcement communities," which are used to identify terrorism, counterintelligence and cyber security threats. Maintaining active coordination is key to the security of the U.S. airspace.

Fourth, the Committee is greatly concerned about the potential impact a privatized air traffic control system would have on small communities. The FAA's longstanding role has been to ensure that the national airspace system provides equal access to all users—from commercial airlines traveling between large hubs to the small businesses that utilize the network of remote general aviation airports. The Committee is not convinced that the proposed governing board or the so-called "protections on access" will protect the universal access that has been the hallmark of our large and diverse aviation system.

The Committee acknowledges that there is room for improvement in our air traffic control system and welcomes constructive solutions to identified problems. The Committee has provided the FAA with multi-year funding and increased transfer authority to better manage the transition between budget years. The Committee will continue to work with the authorizing committees to advance our mutual interest in ensuring that the United States has the best aviation system in the world 5, 10, and 20 years from now.

Funding Availability and Transfer Authority.—The bill provides 2-year funding availability for the entire operations account. This funding flexibility is provided to enhance assurance of continuity of air traffic operations during the annual transition from one fiscal year to the next. In addition, the bill includes funding transfer authority of 5 percent among the activities in this account. This transfer authority is provided to meet emerging requirements as FAA works to accelerate the modernization of the Nation's air traffic control system.

Contract Towers.—The Committee recommendation provides not less than $162,000,000 for the contract tower program, including the cost-share contract towers, which is $3,000,000 above the fiscal year 2017 enacted level. Contract towers serve as vital public safety and economic development assets to hundreds of communities. Municipalities depend on the contract tower program to provide commercial and general aviation services, jobs, and public safety, such as air ambulance services. The Committee continues to express strong support for the FAA contract tower program as a cost-effective and efficient way to provide air traffic control services to smaller airports across the country, as validated by numerous audits of the Department of Transportation Office of Inspector General. In an effort to increase air traffic safety benefits throughout the national air transportation system, the Committee has provided dedicated funding over the past few years to add qualified airports annually to the program. For fiscal year 2018, the Committee expects FAA to continue to operate the 253 contract towers currently in the program, including the contract tower cost share program, as well as add in an expeditious manner qualified airports eligible to enter the program and any other airport that may qualify during the fiscal year. FAA is directed to provide the House and Senate Committees on Appropriations with a plan for beginning operations at qualified towers during the fiscal year and a detailed report on the administrative and program management expenses for the program since fiscal year 2013 not later than 90 days from enactment of this act.

Current law limits contributions by airports in the contract tower cost share program to 20 percent of total costs. The contract tower program continues to serve as a highly successful model for cost-effective government and industry partnerships in the aviation industry. The agency-imposed 2014 moratorium on calculating contract tower benefit/cost [b/c] analysis on applicable non-towered airports, non-Federal towers, and cost-share contract tower airports was lifted by statutory language in the fiscal year 2017 omnibus appropriations law. As such, the Committee expects the agency to work collaboratively and in partnership with airports and industry stakeholders on a fair and balanced approach to the b/c analysis that focuses on enhancing air traffic safety and efficiency at appropriate airports.

Radar Approach Control.—The Committee finds that radar approach control enhances aviation safety and efficiency for regularly scheduled commercial airline service. The Committee, therefore, recommends that the FAA utilize existing budget authorities to promptly provide radar to all FAA "Type 4" air traffic control towers.

Aircraft Certification.—The Committee continues to support modernizing and streamlining FAA certification processes. The Committee has consistently urged FAA to move forward with certification reforms to better leverage certification resources and strengthen safety oversight. Full utilization of organization designation authorizations [ODAs] is key to improving the effectiveness and efficiency of product certification. The Committee directs FAA to continue to work with industry on realizing this goal. In particular, with funds under the act, the FAA shall ensure that an ODA can conduct all specified activities authorized and approved by FAA in their procedures manual. Additionally, the Committee directs that the FAA, at the request of an ODA, conduct a review of ODA limitations and remove limitations that FAA determines, through risk analysis, are associated with low and medium risk activities. These efforts shall include all FAA field office activities for the type certification and delivery of new aircraft including Aircraft Certification Office, Aircraft Evaluation Group and Manufacturing Inspection District Offices. We also note the FAA's plan to expand the ODA performance scorecard to all ODAs nationally and believe this must be aligned with objectives to facilitate full utilization of ODAs by all FAA offices.

International Aviation Safety Cooperation.—The Committee commends the FAA for continuing to strengthen international aviation safety cooperation and improve the flow of aviation products globally through strategic engagement with the European Aviation Safety Agency, Transport Canada Civil Aviation, and National Civil Aviation Agency of Brazil. These activities will result in streamlined validation and acceptance of type certificates and approvals among these authorities. With the funds provided, the Committee directs the FAA to ensure that the efficiency of foreign validations are consistent with the terms of the Bilateral Agreement and to assist U.S. companies that experience significant delays.

Safety, Security and Infrastructure.—After the fire at the Chicago Air Route Traffic Control Center [ZAU] on September 26, 2014, FAA con- ducted a comprehensive security review, which resulted in identifying 42 recommendations, of which 24 of them were deemed significant to improve safety. The funding provided will support activities recommended for implementation of facility security, personnel security, and the insider threat program necessary to improve the security and support resiliency of FAA critical operations.

The Committee expects FAA's continued commitment toward restoring operations immediately following an emergency situation, while improving the physical and personnel security to ensure air traffic is not brought to a halt, similar to what occurred at ZAU.

Aeronautical Navigation Products.—The Committee remains concerned about Aeronautical Navigation Products' [AeroNav] plans to impose a per person charge and erect a digital copyright on digital products produced by the FAA for the public benefit. The FAA has previously made these products available for download from its Web site without charge. The Committee is concerned that the proposed scheme will be used to support the declining paper chart services by charging those that are moving to a digital format. In contrast to AeroNav's efforts, Executive Order 13642 was issued on May 14, 2013, to make government data available to foster entrepreneurship and innovation. This order builds on another order issued in 2012 to open up government systems with public interfaces for commercial application providers. With these concerns in mind, the Committee continues to include bill language that prohibits AeroNav from implementing new charges on AeroNav products until the FAA provides the House and Senate Committees on Appropriations a report that describes: (1) the estimated cost of producing only its digital products, on a product-by-product basis (for example, delineating costs for electronic navigation charts and vector charts separately), for use on computers, tablets, and other displays; (2) the cost of producing both digital products and paper products, on a product-by-product basis; (3) safety and operational benefits of using digital products; and (4) how AeroNav's actions conflict with the direction in Executive Order 13642 to support open data for entrepreneurship, innovation, and scientific discovery.

Human Intervention Motivation Study.—The Committee recognizes the effectiveness of the Human Intervention Motivation Study and the Flight Attendant Drug and Alcohol Program in mitigating drug and alcohol abuse through a peer identification and intervention program. The Committee recommends the FAA continue to prioritize this program and use existing resources made available within Operations to support this program.

FAA Public Hearing.—The Committee remains concerned with the proposed modifications to the Condor 1 and Condor 2 military operating areas and encourages the FAA to continue working with its partner agencies by holding a public hearing with representatives from the relevant Federal agencies in western Maine upon completion of the Air National Guard's environmental impact statement [EIS] and the record of decision. The Committee recognizes that the Air National Guard, as the lead agency under the NEPA process, has sought to meet the minimum legal requirements for public participation and comment. However, the Committee remains troubled with how the authorization of low-altitude military training in the proposed airspace would affect areas that significantly contribute to the local economy and areas that are culturally and environmentally sensitive. Furthermore, the Committee notes the FAA is the only Federal agency that can modify special airspace and that the FAA may adopt the Air National Guard's EIS in whole, or in part, once the Final EIS has been issued. In addition, the Committee directs the FAA to report to the House and Senate Committees on Appropriations prior to the issuance of a record of decision regarding the modification of the Condor 1 and Condor 2 military operations areas that includes a summary of any public meeting and hearing and a list of the comments, questions, and responses presented at these meetings and hearings.

Air Traffic Controller Hiring Data.—In fiscal year 2014, the FAA embarked on an open hiring process for air traffic controllers. This hiring process, with this Committee's support, brought in a diverse class of prospective controllers from previously underrepresented groups at the FAA. The ATC training program is rigorous and there is a significant amount of attrition as trainees advance through the process. The Committee directs the FAA to report to the House and Senate Committees on Appropriations data detailing the level of attrition through the training process by both gender and race and national origin within 45 days of enactment of this act.

Unmanned Aircraft Systems [UAS]—Broadcast Media.—The Committee urges the FAA to consider the important public interest role of credentialed newsgatherers in disseminating critical information to the public following major news events and natural disasters. The Committee further urges the FAA to immediately establish procedures to enable credentialed news and broadcast media, in coordination with public safety officials and Air Traffic Control, if necessary, to use UAS to gather images and information and to inform the public and disseminate information during and following emergencies and natural disasters, including at night, over people and beyond the line of sight of the UAS operator.

Unmanned Aircraft Systems—Electronic Registration.—The Committee supports the FAA's electronic registration system to register UAS, as opposed to the current paper-based FAA Aircraft Registry system for manned aircraft. The Committee believes that online, interactive education program links on the electronic registration process would provide the education necessary to reduce the risk of unknowing or negligent mistakes by recreational operators of small unmanned aircraft thus promoting aviation safety. Therefore, the Committee directs the FAA to include in its electronic registration system for recreational operators a link for registrants to undergo a suitable and interactive online education and training program. The Committee also directs the FAA to report to the House and Senate Committees on Appropriations on the implementation of such online interactive training for registrants, including the number of registrants who have attempted and completed the training course, and recommendations for any improvements or changes to this system within 120 days of enactment of this act. Further, the Committee recommends the FAA to develop an online aeronautical knowledge test in order to obtain remote pilot certificates and report to the House and Senate Committees on Appropriations within 120 days of enactment of this act.

Unmanned Aircraft Systems Field Testing.—The Committee directs the FAA to clarify the regulations governing UAS and consider utilizing airspace in rural and geographically challenging areas to conduct field testing.

Landing Strips.—The Committee finds that backcountry landing strips on Federal lands are important assets to the national aviation infrastructure. The Committee recommends the FAA assist Federal Land Managers, including but not limited to the Bureau of Land Management, United States Forest Service, and National Park Service in charting airstrips located on Federal Lands that are and may be useful for administrative, recreational, and emergency purposes.

Contract Weather Observers.—The FAA's Contract Weather Observer [CWO] program provides operationally significant weather information and support to the entire aviation community. CWO safety professionals observe and report operationally significant weather conditions at airports across the country. These trained specialists augment the Automated Surface Observing System [ASOS], which detects and reports basic weather information for aviation and forecasting. The Committee continues to have serious concerns about the FAA's proposal to eliminate the CWO program. Air traffic controllers perform a critical role, managing separation of aircraft, and are required to remain inside of their towers. By law, weather observing would be their lowest priority duty. Adding this responsibility to the other important duties of air traffic controllers would seriously degrade the speed and accuracy of operationally-significant weather observations and reduce air traffic control coverage, particularly at a time when air traffic controller staffing shortages are a continuing issue for the FAA. The Committee therefore rejects the budget request to eliminate the CWO program.

Medical Kits.—The Committee directs the FAA to undertake a rulemaking to evaluate and revise the regulations under part 121 of title 14, Code of Federal Regulations, regarding the emergency medical requirements, including the contents of the first-aid kit, applicable to all certificate holders operating passenger-carrying airplanes under that party. In conducting this rulemaking, the Administrator should consider whether the minimum contents of approved emergency medical kits, including approved first-aid kits, include appropriate medications and equipment to meet the emergency medical needs of children.

Aviation Events.—The Committee directs FAA to use existing resources to provide air traffic control and safety support services at major aviation events hosted annually for the general aviation community. The Committee recognizes that these services are paid for using the aviation fuel tax excise collected from general aviation users. Recognizing continual funding constraints, the Committee instructs the FAA to utilize appropriate resources to maintain the safe and efficient movement of aircraft based on projected airspace congestion at major aviation events.

Space Launch System.—The Committee commends the FAA Office of Commercial Space Transportation's efforts to promote private sector lunar exploration and development. The Committee encourages the FAA to explicitly define non-interference and to enhance its payload review process to provide companies planning private sector lunar development with the security and predictability necessary to support substantial investments. The Committee also encourages the office, in collaboration with the Commercial Space Transportation Advisory Committee, to engage in conversation with National Aeronautics and Space Administration [NASA] to explore the lift power and capacity of the Space Launch System [SLS] as a means of facilitating commercial-space efforts, in accordance with the Commercial Space Launch Act, in which the SLS sometimes serves in an infrastructure-building role to speed the transport of large-volume payloads and non-profit or cost-sharing payloads, and payloads benefit from being launched into lunar orbit together.

Commercial Space.—The FAA is directed to provide a report on the findings regarding a June 2015 catastrophic launch failure by a commercial launch provider, which destroyed $118,000,000 worth of cargo while under contract with NASA to transport such cargo to the International Space Station. The report must consolidate all relevant investigations by, or at the request of, the Federal Government that were conducted, including those completed by NASA as part of the FAA report, and must also include a summary suitable for public disclosure. The Committee directs the FAA to submit its report to the House and Senate Committees on Appropriations within 30 days of enactment of this act.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriations, 2017	$2,855,000,000
Budget estimate, 2018	2,766,200,000
Committee recommendation	3,005,000,000

PROGRAM DESCRIPTION

The Facilities and Equipment 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 National Airspace System [NAS]. The program aims to keep pace with the increasing demands of aeronautical activity and remain in accordance with the FAA comprehensive 5-year capital investment plan [CIP].

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $3,005,000,000 for the Facilities and Equipment account of the FAA. The recommended level is $238,800,000 more than the budget request and $150,000,000 above the fiscal year 2017 enacted level. The Committee rejects the request to rescind $31,200,000 for new construction.

Budget Activities Format.—The Committee directs that the fiscal year 2019 budget request for the Facilities and Equipment account conform to the same organizational structure of budget activities as displayed below.

The following table shows the Committee's recommended distribution of funds for each of the budget activities funded by this appropriation and by resources provided under Grants-in-Aid to Airports:

FACILITIES AND EQUIPMENT

	Fiscal year—		Committee recommendation
	2017 enacted	2018 estimate	
Activity 1—Engineering, Development, Test and Evaluation			
Advanced Technology Development and Prototyping	$24,800,000	$26,800,000	$26,800,000
William J. Hughes Technical Center Laboratory Improvement	1,000,000	1,000,000	1,000,000
William J. Hughes Technical Center Laboratory Sustainment	19,000,000	18,000,000	18,000,000
William J. Hughes Technical Center Infrastructure Sustainment	12,200,000	10,000,000	15,000,000

FACILITIES AND EQUIPMENT—Continued

	Fiscal year—		Committee recommendation
	2017 enacted	2018 estimate	
Separation Management Portfolio	32,800,000	13,500,000	13,500,000
Traffic Flow Management Portfolio	....	10,800,000	10,800,000
Improved Surface Portfolio	2,000,000	....	....
On Demand NAS Portfolio	11,500,000	12,000,000	12,000,000
Environment Portfolio	....	....	....
Improved Multiple Runway Operations Portfolio	6,500,000	....	....
NAS Infrastructure Portfolio	17,660,000	17,500,000	17,500,000
NextGen Support Portfolio	12,000,000	12,000,000	12,000,000
Performance Based Navigation & Metroplex Portfolio	17,500,000	....	....
Unmanned Aircraft Systems [UAS]	....	15,000,000	25,000,000
Enterprise, Concept Development, Human Factors, & Demonstrations Portfolio	....	9,000,000	9,000,000
Total Activity 1	156,960,000	145,600,000	160,600,000
Activity 2—Air Traffic Control Facilities and Equipment:			
a. En Route Programs:			
En Route Automation Modernization [ERAM]—System Enhancements and Tech Refresh	78,000,000	76,650,000	91,650,000
En Route Communications Gateway [ECG]	2,650,000	2,650,000	2,650,000
Next Generation Weather Radar [NEXRAD]—Provide	6,300,000	5,500,000	5,500,000
Air Route Traffic Control Center [ARTCC] & Combined Control Facility [CCF] Building Improvements	74,870,000	100,400,000	120,400,000
Air Traffic Management [ATM]	20,000,000	4,900,000	4,900,000
Air/Ground Communications Infrastructure	8,750,000	9,750,000	9,750,000
Air Traffic Control En Route Radar Facilities Improvements	5,800,000	5,400,000	5,400,000
Voice Switching and Control System [VSCS]	11,300,000	12,800,000	12,800,000
Oceanic Automation System	24,000,000	23,100,000	34,950,000
Next Generation Very High Frequency Air/Ground Communications [NEXCOM]	50,500,000	53,000,000	60,000,000
System-Wide Information Management	43,800,000	50,050,000	50,050,000
ADS -B NAS Wide Implementation	154,800,000	139,150,000	150,300,000
Windshear Detection Service	4,500,000	1,000,000	1,000,000
Collaborative Air Traffic Management Technologies	13,820,000	9,000,000	9,000,000
Time Based Flow Management Portfolio	50,600,000	40,450,000	40,450,000
ATC Beacon Interrogator [ATCBI]—Sustainment	1,000,000	....	....
NextGen Weather Processors	27,800,000	35,450,000	35,450,000
Airborne Collision Avoidance System X [ACASX]	8,900,000	7,700,000	7,700,000
Data Communications in Support of NG Air Transportation System	232,000,000	154,100,000	178,100,000
Non-Continental United States [Non-CONUS] Automation	3,000,000	11,000,000	11,000,000
Reduced Oceanic Separation	....	4,350,000	24,350,000
En Route Service Improvements	....	3,000,000	3,000,000
Commercial Space Integration	....	4,500,000	4,500,000
Subtotal En Route Programs	822,390,000	753,900,000	862,900,000
b. Terminal Programs:			
Airport Surface Detection Equipment—Model X [ASDE–X]	8,400,000	....	....
Terminal Doppler Weather Radar [TDWR]—Provide	5,000,000	3,800,000	3,800,000
Standard Terminal Automation Replacement System [STARS] (TAMR Phase 1)	64,200,000	86,700,000	86,700,000
Terminal Automation Modernization/Replacement Program (TAMR Phase 3)	108,900,000	66,100,000	66,100,000
Terminal Automation Program	7,700,000	8,493,000	8,493,000
Terminal Air Traffic Control Facilities—Replace	58,800,000	31,118.485	58,118.485
ATCT/Terminal Radar Approach Control [TRACON] Facilities—Improve	47,720,000	56,800,000	61,800,000
Terminal Voice Switch Replacement [TVSR]	6,000,000	6,000,000	6,000,000
NAS Facilities OSHA and Environmental Standards Compliance	42,700,000	46,700,000	46,700,000

FACILITIES AND EQUIPMENT—Continued

	Fiscal year— 2017 enacted	Fiscal year— 2018 estimate	Committee recommendation
Airport Surveillance Radar [ASR–9]	4,500,000	11,400,000	11,400,000
Terminal Digital Radar [ASR–11] Technology Refresh and Mobile Airport Surveillance Radar [MASR]	6,100,000	3,200,000	3,200,000
Runway Status Lights	4,800,000	2,800,000	2,800,000
National Airspace System Voice System [NVS]	48,400,000	68,750,000	68,750,000
Integrated Display System [IDS]	7,700,000	5,000,000	5,000,000
Remote Monitoring and Logging System [RMLS]	9,900,000	7,400,000	7,400,000
Mode S Service Life Extension Program [SLEP]	37,900,000	20,900,000	20,900,000
Surveillance Interface Modernization	21,800,000	....	....
Terminal Flight Data Manager [TFDM]	42,200,000	90,350,000	90,350,000
National Air Space [NAS] Voice Recorder Program [NVRP]	2,000,000	5,000,000	5,000,000
Integrated Terminal Weather System [ITWS]	1,000,000	1,000,000	1,000,000
Next Generation: Surveillance and Weather Radar Capability & Back-up Surveillance Capability	6,000,000	....	....
Flight and Interfacility Data Interface [FIDI] Modernization	13,000,000	....	....
Performance Based Navigation & Metroplex Portfolio	....	20,000,000	20,000,000
Subtotal Terminal Programs	554,720,000	541,511.485	573,511.485
c. Flight Service Programs			
Aviation Surface Observation System [ASOS]	10,000,000	10,000,000	10,000,000
Future Flight Services Program	3,000,000	14,038.515	14,038.515
Alaska Flight Service Facility Modernization [AFSFM]	2,650,000	2,650,000	2,650,000
Weather Camera Program	2,200,000	1,300,000	1,300,000
Juneau Airport Wind System [JAWS]—Technology Refresh.			
Subtotal Flight Service Programs	17,850,000	27,988.515	27,988.515
d. Landing and Navigational Aids Program			
VHF Omnidirectional Radio Range [VOR] with Distance Measuring Equipment [DME]	9,000,000	11,000,000	17,000,000
Instrument Landing System [ILS]—Establish	7,000,000	7,000,000	11,000,000
Wide Area Augmentation System [WAAS] for GPS	111,600,000	102,300,000	110,300,000
Runway Visual Range [RVR] and Enhanced Low Visibility Operations [ELVO]	6,500,000	4,000,000	4,000,000
Approach Lighting System Improvement Program [ALSIP]	3,000,000	3,000,000	3,000,000
Distance Measuring Equipment [DME]	3,000,000	3,000,000	3,000,000
Visual NAVAIDS—Establish/Expand	2,000,000	2,000,000	2,000,000
Instrument Flight Procedures Automation [IFPA]	9,400,000	8,500,000	8,500,000
Navigation and Landing Aids—Service Life Extension Program [SLEP]	3,000,000	3,000,000	3,000,000
VASI Replacement—Replace with Precision Approach Path Indicator	5,000,000	5,000,000	5,000,000
GPS Civil Requirements	....	....	....
Runway Safety Areas—Navigational Mitigation	14,000,000	1,600,000	1,600,000
NAVAIDS Monitoring Equipment	2,000,000	2,000,000	2,000,000
Subtotal Landing and Navigational Aids Programs	175,500,000	152,400,000	170,400,000
e. Other ATC Facilities Programs			
Fuel Storage Tank Replacement and Management	22,700,000	28,100,000	35,000,000
Unstaffed Infrastructure Sustainment	40,490,000	35,700,000	41,000,000
Aircraft Related Equipment Program	13,000,000	12,500,000	12,500,000
Airport Cable Loop Systems—Sustained Support	8,000,000	8,000,000	8,000,000
Alaskan Satellite Telecommunications Infrastructure [ASTI]	6,000,000	20,900,000	20,900,000
Facilities Decommissioning	6,200,000	13,900,000	27,000,000
Electrical Power Systems—Sustain/Support	105,000,000	110,000,000	125,000,000
Energy Management and Compliance [EMC]	2,000,000	2,400,000	2,400,000
Child Care Center Sustainment	1,000,000	1,000,000	1,000,000
FAA Telecommunications Infrastructure	10,360,000	2,000,000	2,000,000

FACILITIES AND EQUIPMENT—Continued

	Fiscal year— 2017 enacted	Fiscal year— 2018 estimate	Committee recommendation
Data Visualization, Analysis and Reporting System [DVARS]	6,500,000	5,500,000	5,500,000
TDM-to-IP Migration	....	3,000,000	3,000,000
Subtotal Other ATC Facilities Programs	221,250,000	243,000,000	283,300,000
Total Activity 2	1,791,710,000	1,718,800,000	1,918,100,000
Activity 3—Non-Air Traffic Control Facilities and Equipment			
a. Support Equipment			
Hazardous Materials Management	31,000,000	35,300,000	35,300,000
Aviation Safety Analysis System [ASAS]	11,300,000	12,000,000	12,000,000
Logistics Support Systems and Facilities [LSSF]	....	....	....
National Air Space [NAS] Recovery Communications [RCOM]	12,000,000	12,000,000	12,000,000
Facility Security Risk Management	21,000,000	20,400,000	20,400,000
Information Security	24,970,000	20,700,000	20,700,000
System Approach for Safety Oversight [SASO]	17,200,000	25,800,000	25,800,000
Aviation Safety Knowledge Management Environment [ASKME]	4,200,000	4,000,000	4,000,000
Aerospace Medical Equipment Needs [AMEN]	3,000,000	7,000,000	7,000,000
System Safety Management Portfolio	17,000,000	16,200,000	16,200,000
National Test Equipment Program	5,000,000	4,000,000	4,000,000
Mobile Assets Management Program	5,760,000	3,600,000	3,600,000
Aerospace Medicine Safety Information Systems [AMSIS]	12,000,000	14,000,000	14,000,000
Tower Simulation System [TSS] Technology Refresh	3,000,000	3,000,000	3,000,000
Subtotal Support Equipment	167,430,000	178,000,000	178,000,000
b. Training, Equipment and Facilities:			
Aeronautical Center Infrastructure Modernization	14,000,000	14,000,000	14,000,000
Distance Learning	1,500,000	1,000,000	1,000,000
Subtotal Training, Equipment and Facilities	15,500,000	15,000,000	15,000,000
Total Activity 3	182,930,000	193,000,000	193,000,000
Activity 4—Facilities and Equipment Mission Support:			
a. System Support and Services:			
System Engineering and Development Support	35,000,000	35,700,000	35,700,000
Program Support Leases	46,600,000	47,000,000	47,000,000
Logistics and Acquisition Support Services	11,000,000	11,000,000	11,000,000
Mike Monroney Aeronautical Center Leases	19,300,000	19,700,000	19,700,000
Transition Engineering Support	24,100,000	19,900,000	19,900,000
Technical Support Services Contract [TSSC]	23,000,000	23,000,000	23,000,000
Resource Tracking Program [RTP]	6,000,000	6,000,000	6,000,000
Center for Advanced Aviation System Development [CAASD]	60,000,000	57,000,000	57,000,000
Aeronautical Information Management Program	10,400,000	4,700,000	15,000,000
Cross Agency NextGen Management	2,000,000	1,000,000	1,000,000
Total Activity 4	237,400,000	225,000,000	235,300,000
Activity 5—Personnel and Related Expenses:			
Personnel and Related Expenses	486,000,000	483,800,000	498,000,000
Sub-Total All Activities	2,855,000,000	2,766,200,000	3,005,000,000

En Route Automation Modernization [ERAM].—The Committee is encouraged by NextGen successes, such as the FAA's ERAM. Since ERAM's deployment in early 2015, en route controllers are able to track 1,900 aircrafts at a time instead of the 1,100 of the previous system, Host. ERAM also enables additional coverage beyond facility boundaries so controllers can handle traffic more efficiently. Since 2014, ERAM has averaged only one unscheduled versus five unscheduled Host outages annually. ERAM has had no scheduled outages versus 209 Host scheduled outages annually. In calendar year 2016, ERAM exceeded the national airspace system defined 99.999 percent operational availability requirement and would have been 100 percent except for 28 minutes at one center early in the morning which resulted in no delays.

ADS–B NAS Wide Implementation.—ADS–B uses GPS signals to transmit an aircraft's location to receivers installed on the ground throughout the United States. The ground receivers transmit that information to air traffic controller screens and flight deck displays on any aircraft equipped with the appropriate avionics. Using ADS–B will improve the safety and efficiency of the national airspace, and it is a foundational program of the FAA's NextGen effort to modernize our air traffic control system. Therefore, the Committee recommendation includes $150,300,000 for the implementation of ADS–B across the national airspace. The Committee's recommendation is $150,000 more than the budget request, which includes $11,000,000 in Activity 2. The recommendation is also $4,500,000 less than the fiscal year 2017 enacted level.

SBS Advanced Surveillance Enhanced Procedural Separation.—The Committee provides $24,350,000 for SBS Advanced Surveillance Enhanced Procedural Separation, which is $16,350,000 more than the fiscal year 2017 enacted level and $20,000,000 more than the budget estimate. The additional funding will accelerate testing and evaluation of the technology, operational trials, modification of automation systems, and other activities necessary to use space-based ADS–B for enhanced surveillance to enable reduced oceanic separation services. The Committee commends the FAA for requesting that the NextGen Advisory Committee [NAC] evaluate the benefit of enhanced surveillance capabilities. The NAC task force recently issued an interim report that identified significant quantified benefits from using space-based ADS–B, mainly by enabling aircraft to obtain their preferred optimal flight tracks and altitudes to minimize fuel burn or to recover from delays. In addition to operational enhancements and efficiencies, the technology enables critical safety benefits, including filling existing surveillance gaps, precise search and rescue, global flight tracking, and reversing the rising number of denied weather deviations on oceanic tracks due to lack of surveillance. While the Committee appreciates recent progress, the Committee directs the FAA to make a final investment decision not later than September 30, 2018 for using space-based ADS–B for enhanced surveillance to control air traffic no later than March 31, 2019, and also to provide this capability in the same manner that terrestrial ADS–B surveillance is provided, as recommended by the NAC.

Wide Area Augmentation System [WAAS] Dual Frequency Operations [DFO].—The Committee continues to be concerned that the FAA's WAAS ground-based infrastructure will not be ready to work with the new GPS III constellation's dual frequency capability. The Committee understands that this effort was to be accomplished in WAAS DFO, Segment 2, which will develop and implement the new algorithms and integrity validation for this new safety-of-life application. The Committee also understands that WAAS DFO Segment 2 is not to begin acquisition until 2019. Last year, the Committee directed the FAA to begin algorithm development and test in support of dual frequency operations. In addition, the Committee recommended the FAA to dedicate sufficient funding to begin design, development, modeling and prototyping of the new algorithms using the current WAAS supplier, who retains this expertise. Commencement of this work will significantly mitigate risk factors associated with new development and ensure that the WAAS system is fully ready to utilize the new capabilities. The Committee directs the FAA to report on their plan for accomplishing this directed action to the House and Senate Committees on Appropriations within 90 days of enactment of this act.

Wide Area Augmentation System [WAAS] GEO Service Lease.—The Committee recommends the FAA to commence development of the WAAS GEO 7 satellite system early in fiscal year 2018 to avoid a gap in sustainment of the full three-satellite WAAS navigation constellation. The Committee is concerned that WAAS Service continuity will be placed at risk by targeting a fiscal year 2019 procurement. Current GEO host satellites begin retirement within the next year and the remaining satellites will be extended well beyond their mission life by the time they are replaced. Further, unless the FAA moves expeditiously with the development of WAAS GEO 7, the window for capturing development of the next available host satellite may pass, potentially compromising sustainment of this navigational capability and WAAS's ability to provide continuous uninterrupted service for aviation and other users. Therefore, the Committee is providing an additional $8,000,000 to mitigate this risk and allow the FAA to accelerate the competition between the incumbent suppliers.

VHF Omnidirectional Radio Range [VOR] with Distance Measuring Equipment [DME].—The Committee has included an increase of $8,000,000 above the fiscal year 2017 enacted level and $6,000,000 more than the budget request for the continuation of FAA's efforts to address the rationalization and recapitalization of aging infrastructure of en route navigational aids through a service base contract. Consistent with the FAA's program requirements roadmap, the Committee directs the FAA to achieve the following prior to September 30, 2018: conduct a supportability analysis; formulate funding documentation/requirements; develop technical requirements; develop a business case; seek Joint Resources Council approval; and conduct a competitive acquisition for award of a contract for sustainment of the VORs and DMEs.

Terminal Automation Modernization and Replacement [TAMR].—The fiscal year 2017 appropriations clearly stated the Committee's concerns that the FAA has not effectively proceeded with the required software tools and decision aids for air traffic controllers to enable pilots to fully utilize NextGen capabilities, especially Performance Based Navigation [PBN], at all locations at all times in the NAS. Therefore, the Committee directed the FAA to develop and maintain a Standard Terminal Automation Replacement Systems [STARS] automation roadmap to prepare for an investment decision to identify and prioritize STARS enhancements that assist controllers during PBN and other NextGen technology operations. The Committee also directed the FAA to describe how they intend to maximize the taxpayer investments in STARS to ensure that NextGen technologies, including PBN, ADS–B, weather products, Data Comm, and Terminal Flight Data Manager, are fully integrated in a timely manner to maximize user and FAA investment. The Committee is concerned that the FAA is not effectively proceeding with the development and implementation of the directed roadmap for the planned NextGen value added toolsets that will aid in increasing safety, capacity and efficiency to STARS. The Committee is pleased with the continued on time/on budget deployment of the STARS/TAMR infrastructure throughout the NAS; however, the Committee is concerned that the FAA is not expeditiously developing and implementing new software based toolsets that have the ability to provide significant enhancement taking advantage of this new infrastructure. Therefore, the Committee directs the FAA to provide a STARS/TAMR roadmap within 90 days of enactment of this act that details the future path, including investment decision milestones to assist terminal area controllers with PBN, and other NextGen initiatives such as improved terminal area weather.

Data Communications in Support of NextGen.—The Committee recommends $178,100,000 for Data Communications in Support of NextGen [DataComm], which is $53,900,000 less than the fiscal year 2017 enacted level and $24,000,000 more than the budget estimate. The additional funds will ensure that the FAA has the resources to continue engineering and development of En Route Full Services, which is critical for keeping on track for its scheduled implementation in 2022. The additional DataComm Full Services capabilities allow both controllers and pilots to further utilize the DataComm system to gain operational benefits and efficiencies. First, these services will allow controllers to uplink any speed or altitude restrictions as the plane crosses a fix in the air. Second, it will provide controllers and pilots the ability to send additional route messages to change the route of flight—for example, to avoid weather systems or take advantage of favorable wind conditions. Third, it will allow controllers to uplink repetitive advisory information thus reducing pilot voice requests for the information and allowing the controller to uplink long holding instructions. The capabilities in Full Services will reduce the need for the controller or pilot to voice complicated instructions that can often cause controllers and pilots to repeat information until correct and confirmed. The airlines anticipate this capability will enable them to fly more efficient routes, saving time and fuel. The airspace users have expressed through the RTCA NAC and other forums that their business case for investing in DataComm relies on the capabilities delivered by En Route Full Services.

Instrument Landing Systems.—The Committee provides an increase of $4,000,000 for the procurement of additional instrument landing systems [ILS]. The FAA currently operates a network of more than 1200 Category I ILS and 150 Category II/III ILS. According to the FAA, in the next decade, more than 700 currently deployed ILS will exceed their service life. Replacement of aging ILS equipment improves reliability and availability and reduces the outage rate and maintenance man-hours. The Committee is concerned that the pace at which these systems are being replaced is not adequate to address future requirements. Therefore, the FAA is directed within 30 days after enactment of this act to report to the House and Senate Committees on Appropriations regarding the agency's strategy to address replacement of these aging systems, including a multi-year budget plan that meets the requirements for replacement and an estimate of savings associated with installation of the new systems.

Terminal Airport Traffic Control Facilities–Replace.—The Committee recommends $58,118,485, which is $27,000,000 more than the budget estimate and $681,515 less than the fiscal year 2017 enacted level. Of this amount, $5,000,000 is for continuing the ongoing remote tower project, including operating costs, and for deploying remote tower systems to at least 2 other airports. The Committee believes that the remote tower is promising technology that will improve aviation safety, reduce capital costs, and increase operational efficiencies. In selecting airports to install a remote tower, the Committee directs the FAA to take into account the interest of the airport sponsor and to give priority to airports that are currently in the contract tower program that have aging towers in need of replacement or are non-towered airports that are viable candidates for the program. The Committee recommendation also includes an additional $22,000,000 for the replacement of terminal air traffic control facilities and air traffic control towers. The Committee directs the FAA to use this additional funding, as well as funding provided for this activity in the fiscal year 2016 and fiscal year 2017 appropriations acts, for all air traffic control towers that are ready for land acquisition or construction. The Committee denies the FAA's request to postpone construction on air traffic control facilities.

Terminal radar approach control [TRACON] facilities-Improve.—The Committee recommendation includes an additional $5,000,000 for the improvement of terminal air traffic control facilities and air traffic control towers, for a total funding level of $61,800,000. The FAA's budget request includes $11,200,000 for improvements to the agency's large terminal radar approach control [TRACON] facilities. The Committee directs the FAA to use the requested funding and the additional $5,000,000 for these improvements, and to use these funds for modernization and expansion efforts that will ensure the long-term viability of large TRACONs.

Aging Facilities.—The Committee instructs FAA to work to address aging and antiquated air traffic control facilities that it leases from airport authorities to ensure they are fully compliant with current building codes consistent with being occupied by air traffic controllers. The Committee recognizes that this, in many cases, may require the construction of new air traffic facilities to replace existing ones. Recognizing continual funding constraints, the Committee instructs FAA to utilize creative financing options and to include consideration of long-term cost recovery leases, when conditions warrant the construction of new air traffic control towers.

Military Operations Areas.—The Committee finds that radar and future NextGen systems capable of controlling airspace down to 500 feet above ground level enhances aviation safety in Military Operations Areas that overlay public use airports with more than

5,000 operations per year. The Committee recommends that the FAA utilize existing resources to promptly provide radar or NextGen capability in such areas.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriations, 2017	$176,500,000
Budget estimate, 2018	150,000,000
Committee recommendation	179,000,000

PROGRAM DESCRIPTION

The Research, Engineering, and Development 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 to ensure that the system will safely and efficiently handle future volumes of aircraft traffic.

COMMITTEE RECOMMENDATION

The Committee recommends $179,000,000 for the FAA's Research, Engineering, and Development activities. The recommended level of funding is $29,000,000 more than the budget request and $2,500,000 more than the fiscal year 2017 enacted level.

A table showing the fiscal year 2017 enacted level, the fiscal year 2018 budget estimate and the Committee recommendation is as follows:

RESEARCH, ENGINEERING, AND DEVELOPMENT

	Fiscal year—		Committee recommendation
	2017 enacted	2018 estimate	
Safety:			
Fire Research & Safety	$7,425,000	$7,044,000	$7,067,000
Propulsion & Fuel Systems	2,074,000	2,269,000	2,074,000
Advanced Materials/Structural Safety	6,500,000	4,338,000	10,500,000
Aircraft Icing/Digital System Safety/Cyber Security	5,102,000	9,253,000	9,253,000
Continued Air Worthiness	9,269,000	10,437,000	11,269,000
Aircraft Catastrophic Failure Prevention Research	1,528,000	1,570,000	1,570,000
Flightdeck/Maintenance/System Integration Human Factors	7,305,000	6,825,000	7,305,000
Safety System Management/Terminal Area Safety	6,500,000	4,149,000	4,726,000
Air Traffic Control/Technical Operations Human Factors	6,165,000	5,196,000	5,196,000
Aeromedical Research	8,538,000	9,765,000	8,538,000
Weather Research	15,476,000	13,399,000	15,476,000
Unmanned Aircraft Systems Research	20,035,000	6,787,000	20,035,000
NextGen—Alternative Fuels for General Aviation	7,000,000	5,924,000	7,000,000
Commercial Space Transportation Safety	2,453,000	1,796,000	1,872,000
Total Safety	105,370,000	88,752,000	111,881,000
Economic Competitiveness:			
NextGen—Wake Turbulence	8,609,000	6,831,000	6,831,000
NextGen—Air Ground Integration	8,575,000	6,757,000	6,757,000
NextGen—Weather Technology in the Cockpit	4,059,000	3,644,000	3,644,000

RESEARCH, ENGINEERING, AND DEVELOPMENT—Continued

	Fiscal year—		Committee recommendation
	2017 enacted	2018 estimate	
NextGen—Information Security	1,000,000	1,000,000	1,000,000
Total Economic Competiveness	22,243,000	18,232,000	18,232,000
Environmental Sustainability:			
Environment & Energy	16,013,000	14,497,000	16,013,000
NextGen Environmental Research—Aircraft Technologies, Fuels and Metrics	27,174,000	23,151,000	27,174,000
Total Environmental Sustainability	43,187,000	37,648,000	43,187,000
Mission Support:			
System Planning and Resource Management	2,288,000	2,135,000	2,288,000
WJHTC Lab Facilities	3,412,000	3,233,000	3,412,000
Total Mission Support	5,700,000	5,368,000	5,700,000
Total	176,500,000	150,000,000	179,000,000

Advanced Materials/Structural Safety.—The Committee continues to support the impact that stitched resin composites can provide to the aviation industry. Therefore, the Committee recommendation includes $10,500,000 for Advanced Materials and Structural Safety, which is $4,000,000 above the fiscal year 2017 enacted level and $4,162,000 above the budget request. Of the total amount provided, $2,000,000 is directed for the FAA to work with public/private partners to evaluate the material for airworthiness certification; and $4,000,000 is to advance the use of new structural material applications and bring new materials into future production while ensuring the safety and integrity for use of these materials into the commercial aviation industry through the FAA Joint Advanced Materials and Structures Center of Excellence.

Additive Manufactured Continued Airworthiness.—The Committee recommends $11,269,000 for Continued Airworthiness, which is $2,000,000 above the fiscal year 2017 enacted level, and $832,000 above the budget request. With the emergence of additive manufactured, the advances in the fabrication of complex structures has the potential to transform aircraft and spacecraft propulsion. The Committee understands a primary challenge in additive manufactured for aerospace applications is the certification of flight worthiness of complex additive manufactured-constructed components. The Committee, therefore, directs the increase provided under this section, for the FAA to collaborate with academic and industry partners, to develop and define the critical standards and assessment methods for certifying advanced material components for aerospace applications.

Unmanned Aircraft Systems [UAS] Research—Center of Excellence.—The Committee recognizes the valuable role of the Center of Excellence in assisting the FAA in a host of research challenges associated with the integration of UAS into the National Airspace System. The Committee recommendation includes $20,035,000 for UAS research, equal to the fiscal year 2017 enacted level and $13,248,000 above the budget request. Of the funds provided for

UAS research, $12,000,000 is directed to support the expanded role of the Center of Excellence in areas of UAS research, including cybersecurity, agricultural applications, beyond visual line of sight technology, and continuation of air and ground collision studies. Furthermore, the Center of Excellence shall establish a UAS safety research facility at the Center to study appropriate safety standards for UAS and to develop and validate certification standards for such systems; $5,000,000 is available for research necessary to establish the consensus safety standards requirements, to the maximum extent practicable, leverage the research and testing capacity and capabilities of the Center of Excellence for UAS and the test sites; and $2,000,000 is to expand the Center's role in transportation disaster preparedness and response, partnering with institutions that have a demonstrated experience in damage assessment, collaboration with State agencies of transportation, and experience in applied UAS field testing.

Alternative Fuels for General Aviation.—The Committee recommendation includes $7,000,000 for research that supports alternative fuels for general aviation. This funding level is $1,076,000 above the budget request and equal to the fiscal year 2017 enacted level.

Environmental Sustainability.—The Committee recommendation includes a total of $43,187,000 for research related to environmental sustainability, which is $5,539,000 above the budget request and equal to the fiscal year 2017 enacted level. This total includes $16,013,000 under the "Environment and Energy" and another $27,174,000 under "NextGen—Environmental Research Aircraft Technologies, Fuels, and Metrics."

Unmanned Aircraft Systems—[UAS] Traffic Management.—The Committee believes that creation of an unmanned traffic management [UTM] system is critical to the safe integration of drones into the national airspace. The Committee is concerned that FAA is not meeting its statutory obligations under Section 2208 of the FAA Extension, Safety, and Security Act of 2016 (Public Law 114–190) to develop a research plan and establish a pilot program to demonstrate a UTM system. FAA must leverage technology solutions to enable States and regions to establish UTM systems that are part of a national UTM system. Failure to accelerate the implementation of a UTM system for drones will hinder the safe integration of drones into the national airspace. Therefore, the FAA is directed to submit a report within 60 days of enactment of this act to the House and Senate Committees on Appropriations on its progress toward implementation of Section 2208, including a detailed summary of how the FAA has agreed to work concurrently with NASA to establish a UTM system and any memoranda of understanding or work plans entered into between the two agencies to meet the statutory deadlines.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(AIRPORT AND AIRWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

(INCLUDING RESCISSION)

	Fiscal year—		Committee recommendation
	2017 enacted	2018 estimate	
Resources from the Airport and Airway Trust Fund:			
Limitation on obligations	$3,350,000,000	$3,350,000,000	$3,600,000,000
Liquidation of contract authorization	3,750,000,000	3,000,000,000	3,250,000,000

PROGRAM DESCRIPTION

Funding for Grants-in-Aid for airports pays for capital improvements at the Nation's airports, including those investments that emphasize capacity development, safety improvements, and security needs. Other priority areas for funding under this program include improvements to runway safety areas that do not conform to FAA standards, investments that are designed to reduce runway incursions, and aircraft noise compatibility planning and programs.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations of $3,600,000,000 for Grants-in-Aid for airports for fiscal year 2018. The recommended limitation on obligations is $250,000,000 above the enacted level for fiscal year 2017 and the budget request.

The Committee recommends a liquidating cash appropriation of $3,250,000,000 for Grants-in-Aid for Airports. The recommended level is $500,000,000 less than the fiscal year 2017 enacted level and $250,000,000 more than the budget request. This appropriation is sufficient to cover the liquidation of all obligations incurred pursuant to the limitation on obligations set forward in the bill.

Administrative Expenses.—The Committee recommends $111,863,000 to cover administrative expenses. This funding level is equal to the budget request and $4,172,000 more than the fiscal year 2017 enacted level.

Airport Cooperative Research.—The Committee recommends $15,000,000 for the Airport Cooperative Research program. This funding level is equal to the budget estimate and the fiscal year 2017 enacted level.

Airport Technology.—The Committee recommends $33,210,000 for Airport Technology Research. This funding level is equal to the budget request and $1,835,000 more than the fiscal year 2017 level.

Small Community Air Service Development Program [SCASDP].—The Committee recommends $10,000,000. This funding level is equal to the fiscal year 2017 enacted level. The budget request included no funds for this program for fiscal year 2018.

Cost Share.—The agreement includes a provision that allows small airports to continue contributing 5 percent of the total cost for unfinished phased projects that were underway prior to the passage of the FAA Modernization and Reform Act of 2012.

Allocation of Resources.—The Committee recognizes many States have short construction seasons due to inclement weather and require certainty about airport grant allocations when making planning decisions. FAA is encouraged to work expeditiously to make entitlement and discretionary grant allocations, in order to provide certainty to northern State airports. The Committee also understands that certain physical topography, environments, and circumstances prohibit certain existing airports that are in critical need of expansion due to their essential economic impact on their surrounding communities from expanding, and as such are required to physically relocate their premises. Therefore, the Committee directs the FAA to ensure sufficient funding is available to relocate these airports in a timely and expedited manner.

Aircraft Rescue and Firefighting Training.—The Committee is concerned about the number and location of training facilities offering Aircraft Rescue and Firefighting [ARFF] training, particularly in the Great Lakes and Central FAA regions, which lack a single dedicated ARFF training site. Historically, FAA has recommended firefighting training facilities be located no more than one day's driving time or 300 miles from participating airports to mitigate cost. The Committee is interested in ensuring ARFF training is available and accessible in a cost-effective and sustainable setting. The Committee directs the Administration to provide a report on the number and suitability of training facilities in each FAA region, as well as a plan to address identified coverage gaps, within 90 days of enactment of this act. The Committee encourages FAA to consider cost-effective proposals, including partnerships between airport sponsors and established firefighting training facilities.

Policy and Procedure Concerning the Use of Airport Revenue.—The Committee is aware of several self-help counties that have enacted sales tax measures to fund local transportation improvements. These sales tax measures are difficult to enact and provide critical funding to address local highway, transit, and other transportations requirements. Several of these counties contain airports and have been receiving funds raised on the sales tax associated with the sale of aviation fuel.

In 2014, the FAA finalized a rule construing the term "local taxes on aviation fuel" to apply to all sales taxes rather than specific excise taxes on aviation fuel. This change in definition diverts funding away from projects outlined in local sales tax measures, violating promises made to the voters who approved these measures. According to the FAA rules, local transportation sales taxes collected on the sale of aviation fuel would have to be spent in accordance with FAA rules governing such expenditures. The Policy and Procedure Concerning the Use of Airport Revenue [Docket No. FAA–2013–0988] is scheduled to be enforced by the end of December 2017. Given the utility of sales tax measures to address local transportation needs and reduce the burden on Federal spending, the Committee encourages the Secretary to postpone the enforcement of Docket No. FAA–2013–0988 and work with local governments and the FAA to develop a path forward to allow the use of local sales tax revenues generated on the sale of aviation fuel to be used in a manner consistent with their enactment.

Deed Restrictions.—The Committee finds that commercial activities, in addition to regularly scheduled commercial air service, are vital to the fiscal sustainability of commercial use airports. The Committee directs the FAA work with the Department of Agriculture and States or municipalities that own and operate commercial or public use airports on land acquired from the Federal government to ease deed restrictions and permit commercial development of land owned by the State or municipality.

ADMINISTRATIVE PROVISIONS—FEDERAL AVIATION ADMINISTRATION

Section 110 limits the number of technical staff years at the Center for Advanced Aviation Systems Development to no more than 600 in fiscal year 2018.

Section 111 prohibits funds in this act from being used to adopt guidelines or regulations requiring airport sponsors to provide the FAA "without cost" buildings, maintenance, or space for FAA services. The prohibition does not apply to negotiations between the 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 112 permits the Administrator to reimburse FAA appropriations for amounts made available for 49 U.S.C. 41742(a)(1) as fees are collected and credited under 49 U.S.C. 45303.

Section 113 allows funds received to reimburse the FAA for providing technical assistance to foreign aviation authorities to be credited to the Operations account.

Section 114 prohibits the FAA from paying Sunday premium pay except in those cases where the individual actually worked on a Sunday.

Section 115 prohibits the FAA from using funds provided in the bill to purchase store gift cards or gift certificates through a Government-issued credit card.

Section 116 requires approval from the Assistant Secretary for Administration of the Department of Transportation for retention bonuses for any FAA employee.

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

Section 118 prohibits funds in this act for salaries and expenses of more than eight political and Presidential appointees in the Federal Aviation Administration.

Section 119 requires the FAA to conduct public outreach and provide justification to the Committee before increasing fees under section 44721 of title 49, United States Code.

Section 119A requires the FAA to notify the House and Senate Committees on Appropriations at least 90 days before closing a regional operations center or reducing the services it provides.

Section 119B prohibits funds from being used to change weight restrictions or prior permission rules at Teterboro Airport in New Jersey.

Section 119C prohibits funds from being used to withhold from consideration and approval any application for participation in the Contract Tower Program, pending as of January 1, 2016, including applications from Cost-share Program participants if the Administrator determines such tower is eligible under the criteria set forth in the Federal Aviation report, Establishment and Discontinuance Criteria for Airport Traffic Control Towers [FAA–APO–90–7].

Section 119D allows airports that met the 10,000 enplanement qualification for AIP funds in calendar year 2012 to continue to receive AIP funds in fiscal year 2018.

Section 119E allows foreign air carriers traveling to or from Cuba to make transit stops in the United States for refueling and other technical services.

Section 119F provides transfer authority to prevent a reduction of operations or delays to NextGen programs, projects, and activities.

Section 119G modifies requirements to the Cost-share program to ensure continuity of operations at existing facilities.

Section 119H prohibits funds from limiting certification activities unless the FAA documents noncompliance.

Section 119I allows for the implementation of mandatory compliance airworthiness instructions when safety requirements are met.

Section 119J eliminates redundancies within bilateral safety agreements.

Section 119K requires the Secretary to issue regulations to prohibit the use of cell phones on aircraft while airborne.

Section 119L provides airports with greater flexibilities to generate additional revenue to improve infrastructure.

Section 119M prohibits the FAA from transferring the exclusive sovereignty of the operational and regulatory authority over the National Airspace System.

FEDERAL HIGHWAY ADMINISTRATION

PROGRAM DESCRIPTION

The principal mission of the Federal Highway Administration [FHWA] is, in partnership with State and local governments, to 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.

COMMITTEE RECOMMENDATION

Under the Committee recommendations, a total program level of $44,973,212,000 is provided for the activities of the Federal Highway Administration in fiscal year 2018. The recommendation is equal to the budget request and $1,825,112,000 more than the fiscal year 2017 enacted level. The following table summarizes the Committee's recommendations:

	Fiscal year—		Committee recommendation
	2017 enacted	2018 estimate	
Federal-aid highways program obligation limitation	$43,266,100,000	$44,234,212,000	$44,234,212,000
Contract authority exempt from the obligation limitation	739,000,000	739,000,000	739,000,000
Rescission of unused contract authority	−857,000,000	....	....
Total	43,148,100,000	44,973,212,000	44,973,212,000

LIMITATION ON ADMINISTRATIVE EXPENSES

(HIGHWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

Limitation, 2017	$435,795,000
Budget estimate, 2018	442,691,925
Committee recommendation	442,691,925

PROGRAM DESCRIPTION

This limitation on obligations provides for the salaries and expenses of the Federal Highway Administration [FHWA] for program management, direction, and coordination; engineering guidance to Federal and State agencies; and advisory and support services in field offices.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations of $439,443,925 for administrative expenses of the agency, and an additional $3,248,000 for administrative expenses of the Appalachian Regional Commission in accordance with section 104 of title 23, United States Code. The total limitation is equal to the budget request and $6,897,925 more than the fiscal year 2017 enacted level.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, 2017	$43,266,100,000
Budget estimate, 2018	44,234,212,000
Committee recommendation	44,234,212,000

PROGRAM DESCRIPTION

The Federal-aid highway program provides financial support to States and localities for the development, construction, and repair of highways and bridges through grants. The program is financed from the Highway Trust Fund and most of the funds are distributed through apportionments and allocations to States. Title 23 of the United States Code and other supporting legislation provide authority for the various activities of the FHWA. Funding is provided by contract authority, with program levels established by annual limitations on obligations set in appropriations acts.

COMMITTEE RECOMMENDATION

The Committee recommends limiting fiscal year 2018 obligations to $44,234,212,000, which is equal to the budget request and $968,112,000 more than the fiscal year 2017 enacted level for the Federal-aid highway program. In addition, the bill includes a provision that allows the FHWA to collect and spend fees in order to pay for the services of expert firms in the field of municipal and project finance to assist the agency in the provision of credit instruments.

FAST Act Funding Levels.—The Committee supports projects that help growing communities improve safety and mitigate congestion, making it easier for economic investment to provide new opportunities for residents. As such, the Committee recommendation includes funding levels consistent with the FAST Act, which will enable projects that have been identified by Metropolitan Planning Organizations [MPOs], including those using public-private partnerships, to achieve transportation and economic development in local communities. This funding is required to keep pace with maintenance of existing infrastructure, especially roads and highways in rural and mountainous areas.

Regulations.—The Committee directs FHWA to identify opportunities to eliminate unnecessary regulations and streamline burdensome regulations to ensure FHWA is a good steward of taxpayer resources that support the construction of physical infrastructure. FHWA should identify areas where more autonomy can be given to State, local, and tribal jurisdictions, which have an understanding of the needs and challenges in building and maintaining infrastructure.

Timber Bridge Initiative.—The Committee recognizes that the use of cross laminated timber and other forms of mass timber can provide value in bridge structures. The benefits of timber in bridge construction include reduced weight and cost-effectiveness. When used to reinforce existing structures, timber can upgrade live load capacity. The Committee notes with appreciation that FHWA has worked successfully in partnership with the U.S. Department of

Agriculture's Forest Products Laboratory to research the benefits of timber in bridge construction. The Committee urges the Department to renew this work, as well as to use mass timber in demonstration projects, and recommends continued collaboration with other Federal agencies for deploying timber into the U.S. highway and bridge system.

Border Infrastructure.—The FAST Act provided border State departments of transportations the flexibility to use funding under their control to advance infrastructure projects that facilitate cross border travel. However, the Committee recognizes that funding these projects is a challenge for many rural States. Recognizing that the benefits of modern infrastructure at border crossings is of national interest, the Committee directs FHWA to explore incentives for border States to prioritize and fund border infrastructure improvement projects and report its findings to the House and Senate Committees on Appropriations within 90 days of enactment of this act.

Job Order Contracting.—The Committee directs FHWA to approve job order contracting, as currently allowed through the Special Experimental Projects No. 14 Program, as an operational contracting technique for all Federal-aid Highway Program funded projects within 30 days of enactment of this act.

Regional Transportation Workforce Centers.—The Committee notes that the workforce needs of the transportation sector continue to evolve as new technology and construction practices are developed. In many instances, education curriculum has not kept pace with civil engineering practices. The Committee directs FHWA to provide resources to the Center for Transportation Workforce Development to align education workforce development efforts to support the advancement of environmental career paths within transportation, the deployment and delivery of innovative transportation solutions in rural areas, the planning for smart city and community design in rural areas, and improved technology transfer.

Natural Gas Trucks.—Section 1410 of the FAST Act allows natural gas trucks to operate with up to 2,000 additional pounds when traveling on the Dwight D. Eisenhower System of Interstate and Defense Highways. The Committee directs the FHWA to issue additional guidance on section 1410 to States to ensure that the Congressional intent of allowing this to occur on all applicable roads occurs expeditiously.

Resilient Infrastructure.—The Committee directs the FHWA to submit a report to the House and Senate Committees on Appropriations that includes recommendations for States, MPOs, and cities to plan for and develop resilient Federal-aid highways that are contextually sensitive, and provide cost-effective solutions to improving shoreline protections for existing highways not later than 12 months after the date of enactment of this act. The Committee further directs FHWA to expand its technical assistance and training workshops to help coastal States, MPOs, and cities to revise their practices in all phases of transportation planning and asset management, project planning and development, and operations with the goal of improving the resiliency of our coastal highways and reducing the life-cycle costs for these natural disaster prone roadways.

Research.—FHWA's April 2016 "Truck Size and Weight Limits Study" revealed data limitations that hampered efforts to conclusively study the effect of changing the size and weight of various truck configurations. While there are inadequate performance data from the operational use of these vehicles in a number of States, the Committee is aware of ongoing efforts between the Department, the NAS, and the Transportation Research Board to develop a Comprehensive Truck Size and Weight Research Plan. The Committee is also aware of an ongoing study to synthesize and compare past work, empirical models, and current legal operation of twin 33-foot trailers, LCVs, and other configurations. Should the Department find that there is a lack of available data, the Committee directs the Department to work with the State departments of transportation to establish best practices for data collection relating to truck configurations. The Department is directed to incorporate those practices and begin accumulating such data to supplement the ongoing Research Plan. The Committee directs the Secretary to finalize the Research Plan within one calendar year of the enactment of this act, and to submit a report on the results of this effort to the House and Senate Committees on Appropriations within 30 days of completion. The Committee further directs the Secretary to submit a report on the status of this effort to the House and Senate Committees on Appropriations no later than 180 days after the enactment of this act.

Surface Transportation System Funding Alternatives Program.—The Committee directs the Secretary to issue an annual Notice of Funding Opportunity [NOFO] each fiscal year for which funding is provided, consistent with section 6020 of the FAST Act, and encourages the Secretary to provide no less than $3,000,000 to eligible applicants that partner with municipal governments to pilot revenue collection mechanisms that utilize shared ride electric and automated vehicles. The Committee is aware of concerns that the timing of the NOFO and application deadlines have not been aligned with State legislative calendars, and that the obligation deadline unnecessarily limits the period for which planning activities are eligible. Therefore, the Committee directs the Secretary to modify the NOFO deadline to align with State legislative calendars and to extend the amount of time for pilot planning and predevelopment activities from the current 18 months to no less than 24 months.

Permeable Pavements.—The Committee encourages the Secretary to accelerate research, demonstration, and deployment for permeable pavements to achieve flood mitigation, pollutant reduction, stormwater runoff reduction and conservation. Projects may include roadway shoulder load testing and documenting life-cycle cost efficiency.

Geosynthetic Reinforced Soil-Integrated Bridge System.—The Committee supports research and deployment to capitalize on investment in Geosynthetic Reinforced Soil Integrated Bridge Systems and encourages the Secretary to complete cost studies and to distribute these findings to State DOTs. Further, the Department should consider AID Demonstration grants to deploy innovations in geosynthetic-reinforced abutments, segmental sound barriers, and flooding scour countermeasures, and address technical specifications for segmental face durability and geosynthetics connections.

Composites.—The Committee recognizes that composites can improve the performance of bridge structures and prove valuable for other uses, including road signs. Proven benefits of composites include strength, low weight, corrosion resistance, and long-term durability, and these characteristics can lead to improved performance for bridges and other structures. The Committee urges the Department to use composites in demonstration projects and recommends the continued research, development, and regulatory reform needed, if any, to clear hurdles for deploying composites into our highway and bridge system. Through use in the Technology and Innovation Deployment Program, FHWA should identify ways other agencies and programs could collaborate with FHWA and contribute to the expanded use of composites.

Highway Guide Signs Font.—In early 2016, the FHWA notified State transportation agencies of its intention to rescind Interim Approval IA–5 for the use of Clearview font on highway guide signs. The Committee continues the directive to suspend enforcement of action, terminating this interim approval. The Committee also directed FHWA to provide opportunity for public comment on this matter. As a result FHWA issued a request for information on December 13, 2016 (FHWA Docket No. FHWA–2016–0036). The comment period closed January 27, 2017. The Committee directs FHWA to reinstate Interim Approval IA–5 unless there is sufficient information to demonstrate no improvement in the overall effectiveness of signs from the use of Clearview.

Safe Streets Design Implementation.—The Committee is encouraged by FHWA's efforts to improve roadway design standards to improve safety for all users. To leverage these efforts to save lives and limit severe injuries from roadway crashes, the Committee directs the FHWA to conduct training with its State offices on the design flexibilities available for recipients of Federal highway funds. The trainings should include topics such as: lessons learned from the Safer People, Safer Streets initiative; context sensitive solutions in transportation planning; revisions of controlling criteria for design and documentation of design exceptions; road diets; and the evolving use of level of service metrics in transportation analysis.

LIQUIDATION OF CONTRACT AUTHORIZATION

(HIGHWAY TRUST FUND)

Appropriations, 2017	$44,005,100,000
Budget estimate, 2018	44,973,212,000
Committee recommendation	44,973,212,000

PROGRAM DESCRIPTION

The Federal-aid highway program is funded through contract authority paid out of the Highway Trust Fund. Most forms of budget authority provide the authority to enter into obligations and then to liquidate those obligations. Put another way, it allows a Federal agency to commit to spending money on specified activities and then to actually spend that money. In contrast, contract authority provides only the authority to enter into obligations, but not the authority to liquidate those obligations. The authority to liquidate obligations—to actually spend the money committed with the contract authority—must be provided separately. The authority to liquidate obligations under the Federal-aid highway program is provided under this heading. This liquidating authority allows FHWA to follow through on commitments already allowed under current law; it does not provide the authority to enter into new commitments for Federal spending.

COMMITTEE RECOMMENDATION

The Committee recommends a liquidating cash appropriation of $44,973,212,000. The recommended level is equal to the budget request and $968,112,000 more than the fiscal year 2017 enacted level. This level of liquidating authority is necessary to pay outstanding obligations from various highway accounts pursuant to this and prior appropriations acts.

ADMINISTRATIVE PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

Section 120 distributes obligation authority among Federal-aid Highway programs.

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

Section 122 provides requirements for any waiver of Buy America requirements.

Section 123 requires congressional notification before the Department provides credit assistance under the TIFIA program.

Section 124 requires 60-day notification for any grants for a project under 23 U.S.C. 117 and requires these notifications to be made within 180 months of enactment of this act.

Section 125 allows State DOTs to repurpose certain highway project funding to be used within 100 miles of its original designation.

Section 126 amends an existing high priority corridor on the national highway system.

Section 127 requires the Secretary to remove a certain road in Colorado from the National Highway System.

Section 128 allows States to use CMAQ for operating assistance on certain State-supported Amtrak routes with no time limitation.

Section 129 allows the Secretary to remove outdated restrictions on the use of excess toll revenues for certain highways in order to make them consistent with 23 U.S.C. 129.

Federal Motor Carrier Safety Administration

PROGRAM DESCRIPTION

The Federal Motor Carrier Safety Administration [FMCSA] was established within the Department of Transportation by 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.

MCSIA, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users [SAFETEA–LU], the Moving Ahead for Progress in the 21st Century Act [MAP–21], and the Fixing America's Surface Transportation [FAST] Act provide funding authorization for FMCSA's Motor Carrier Safety Operations and Programs and Motor Carrier Safety Grants.

FMCSA's mission is to promote safe commercial motor vehicle and motor coach operations, as well as reduce the number and severity of accidents. Agency resources and activities prevent and mitigate commercial motor vehicle and motor coach accidents through education, regulation, enforcement, stakeholder training, technological innovation, and improved information systems. FMCSA is also responsible for ensuring that all commercial vehicles entering the United States along its southern and northern borders comply with all Federal motor carrier safety and hazardous materials regulations. To accomplish these activities, FMCSA works with Federal, State, and local enforcement agencies, the motor carrier industry, highway safety organizations, and the public.

COMMITTEE RECOMMENDATION

The Committee recommends a total level of $744,800,000 for obligations and liquidations from the Highway Trust Fund. This level is equal to the request and $13,600,000 more than the fiscal year 2017 enacted level. In addition, the Committee recommends a rescission of $117,715,789 of unobligated balances of contract authority.

	Fiscal year—		Committee recommendation
	2017 enacted	2018 estimate	
Motor Carrier Safety Operations & Programs (obligation limitation)	$277,200,000	$283,000,000	$283,000,000
Motor Carrier Safety Operations & Programs (rescission of contract authority)	....	....	−13,914,757
Motor Carrier Safety (rescission of contract authority)	....	....	−2,929,772
National Motor Carrier Safety (rescission of contract authority)	....	....	−9,419,390
Motor Carrier Safety Grants (obligation limitation)	367,000,000	374,800,000	461,800,000
Motor Carrier Safety Grants (rescission of contract authority)	....	....	−91,451,870
Total	644,200,000	657,800,000	627,084,211

MOTOR CARRIER SAFETY OPERATIONS AND PROGRAMS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, 2017	$277,200,000
Budget estimate, 2018	283,000,000
Committee recommendation	283,000,000

PROGRAM DESCRIPTION

This account provides the necessary resources to support motor carrier safety program activities and maintain the agency's administrative infrastructure. Funding supports nationwide motor carrier safety and consumer enforcement efforts, including Federal safety enforcement activities at the United States-Mexico border to ensure that Mexican carriers entering the United States are in compliance with FMCSA regulations. Resources are also provided to fund motor carrier regulatory development and implementation, information management, research and technology, safety education and outreach, and the 24-hour safety and consumer telephone hotline.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations and authority to liquidate an equal amount of contract authorization of $283,000,000 for FMCSA's Operations and Programs. The recommendation is $5,800,000 more than the fiscal year 2017 enacted level and equal to the budget request. Of the total limitation on obligations, $9,073,000 is for research and technology and $34,824,000 is for information management.

Information Management.—The Committee provides roughly $40,000,000 annually for the Office of the Chief Information Officer [OCIO] to develop, implement, and maintain information technology systems and services that support FMCSA's safety mission. It is essential that this office sustain an IT environment that dynamically responds to evolving business requirements, while protecting privacy and security. At a minimum, the office should be able to clearly identify its strategic goals and performance objectives on an annual basis and long-term, 5-year framework in a capital investment plan. The office also needs to address key milestones, investment decisions, operational and lifecycle costs, as well as anticipated costs, cost overruns and cost savings, for IT investments to meet the agency's needs and the replacement of aging infrastructure. Based on the sparse budget justification and subsequent agency briefings, the Committee is concerned there is a lack of direction, accountability and transparency in how these resources are used or that they are being used effectively. Therefore, 50 percent of the allotment of funding for the OCIO shall be held by the Secretary until the Administrator submits a capital investment plan that meets these requirements to the House and Senate Committees on Appropriations.

Bus Lease and Interchange Rule.—On June 16, 2017, FMCSA announced it was once again extending the compliance date for the final rule concerning the lease and interchange of passenger carrying motor vehicles based on issues raised in numerous petitions for reconsideration. The Committee is pleased by this action, but remains concerned that the agency has failed to complete its review of the rule in order to resolve the issues raised by petitioners, while ensuring the rule appropriately targets unsafe passenger carriers. The Committee directs FMCSA to resolve outstanding issues by modifying or removing the proposed rule prior to October 1, 2017.

Heavy Vehicle Speed Limiters.—In response to a 2006 petition from a coalition of trucking industry and safety advocates, NHTSA and FMCSA issued a joint proposed rule on August 26, 2016 requiring speed limiter devices. The Committee directs the agencies to fully and expeditiously address all public comments. The final rule should address the impact of creating speed differentials on highways and consider the costs and benefits of applying the rule to existing heavy vehicles that are equipped with speed limiting devices.

High-Risk Carriers.—In January 2016, FMCSA revised its scoring and standards for the inspection of high-risk carriers in response to a July 2014 Independent Review Team assessment and section 5305 of the FAST Act. Under revised FMCSA regulations, carriers identified as high risk must have a compliance review conducted within 90 days. The Committee is encouraged that the agency accelerated the timeline for high-risk carrier inspections from 1 year to 90 days, particularly when the statute allows for a longer timeframe of 4 months. In fiscal year 2016, FMCSA met this requirement for over 97 percent of the high-risk carriers in need of an investigation. The Committee expects the number of high-risk carrier inspections to continue to improve, particularly given that the pool of carriers that now fall into this status has substantially declined under the new criteria from 4,432 to 967. The Committee directs the agency to provide the House and Senate Committees on Appropriations with an updated report on its ability to meet its requirements to evaluate high-risk carriers by April 15, 2018 for the preceding fiscal year.

In fiscal year 2015, the Committee provided FMCSA with additional resources to improve the agency's ability to conduct oversight of carriers operating under consent agreements. On average, FMCSA manages between 100 and 150 active consent agreements at any time, allowing motor carriers to continue to operate under certain restrictions while corrections to deficiencies or violations are addressed. This investment was used to develop a consent agreement tracking system allowing FMCSA to dynamically manage risk, address the highest risk carriers more quickly, and decrease the cost to manage this compliance tool by 50 percent. Now that this system has been operationalized since 2016, the Committee directs the agency report to the House and Senate Committees on Appropriations on its performance, if the system succeeded in providing the expected efficiencies, and if additional enhancements and resources are necessary to assist with the monitoring and enforcement of high-risk carriers.

Natural Gas Vehicle Regulations.—The Committee recognizes the significant growth and value in the market for natural gas as a transportation fuel and is aware that certain DOT regulations that address the safety of natural gas vehicles have not been updated to keep pace with new developments and the advancement of natural gas vehicles. Accordingly, the Department is encouraged to develop new safety regulations and inspection procedures for liquefied natural gas [LNG] fuel tanks and fuel systems on commercial motor vehicles, and revise and harmonize requirements for compressed natural gas [CNG] cylinders that address the inspection of such cylinders. The Department is also encouraged to work with industry and manufacturers to clarify and address the ability of bus manufacturers to continue to deploy buses that have roof-top mounted CNG cylinders. In addition, as there are no Federal regulations that prohibit the interstate movement of natural gas vehicles as it relates to the fuel stored onboard for motive power, the Secretary is encouraged to clarify through guidance that rules restricting access to bridges and tunnels in the case of an alternative fuel vehicle should not be any more restrictive than those addressing gasoline and diesel fueled vehicles, unless there is a determination of a significant risk to safety.

RESCISSION

(HIGHWAY TRUST FUND)

Appropriations, 2017	....
Budget estimate, 2018	....
Committee recommendation	–$13,914,757

PROGRAM DESCRIPTION

As of May 31, 2017, there are $13,914,757 in unobligated carryover and recoveries of contract authority in this account.

COMMITTEE RECOMMENDATION

The Committee recommends a rescission of $13,914,757 from unobligated balances of funds, which is $13,914,757 greater than the budget request and the fiscal year 2017 enacted level.

MOTOR CARRIER SAFETY

RESCISSION

(HIGHWAY TRUST FUND)

Appropriations, 2017	....
Budget estimate, 2018	....
Committee recommendation	–$2,929,772

PROGRAM DESCRIPTION

As of May 31, 2017, there are $2,929,772 in unobligated carryover and recoveries of contract authority in this account.

COMMITTEE RECOMMENDATION

The Committee recommends a rescission of $2,929,772 from unobligated balances of funds, which is $2,929,772 greater than the budget request and the fiscal year 2017 enacted level.

NATIONAL MOTOR CARRIER SAFETY

RESCISSION

(HIGHWAY TRUST FUND)

Appropriations, 2017	....
Budget estimate, 2018	....
Committee recommendation	−$9,419,390

PROGRAM DESCRIPTION

The Committee recommends a rescission of $9,419,390 from unobligated balances of funds, which is $9,419,390 greater than the budget request and the fiscal year 2017 enacted level.

COMMITTEE RECOMMENDATION

The Committee recommends a rescission of $9,419,390 from unobligated balances of funds, which is $9,419,390 greater than the budget request and the fiscal year 2017 enacted level.

MOTOR CARRIER SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, 2017	$367,000,000
Budget estimate, 2018	374,800,000
Committee recommendation	461,800,000

PROGRAM DESCRIPTION

This account provides the necessary resources for Federal grants to support State compliance, enforcement, and other programs. Grants are also provided to States for enforcement efforts at both the southern and northern borders to ensure that all points of entry into the United States are fortified with comprehensive safety measures; improvement of State commercial driver's license [CDL] oversight activities to prevent unqualified drivers from being issued CDLs; and the Performance Registration Information Systems and Management [PRISM] program, which links State motor vehicle registration systems with carrier safety data in order to identify unsafe commercial motor carriers.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations and authority to liquidate an equal amount of contract authorization of $374,800,000 for motor carrier safety grants. An additional $87,000,000 in obligation limitation is provided for modernization and maintenance of border facilities. The recommended limitation is $94,800,000 more than the fiscal year 2017 enacted level and $87,000,000 more than the budget request. The Committee recommends a separate limitation on obligations for each grant program funded under this account with the funding allocation identified below.

	Amount
Motor carrier safety assistance program [MCSAP]	$298,900,000
High priority activities program	43,100,000
Commercial motor vehicle operator grants program	1,000,000
Commercial driver's license program implementation program	31,800,000
Border facilities	87,000,000

Border Infrastructure.—In fiscal years 2013 and 2014, the Committee provided $41,000,000 for the first and second phase of the border facility capital improvement program for the 11 port-of-entries [POEs] along the border. Prior to these improvements, FMCSA staff worked in facilities that had pest infestations, improper drainage, lack of security, lack of canopies or covering from the sun, and/or insufficient lighting for night inspections. To date, FMCSA has completed construction at four crossings and anticipates completing the remaining crossings by January 2018. In order to continue making progress along the border, the Committee recommendation includes $87,000,000 in additional obligation limitation to complete construction of the remaining 16 POEs. The Committee directs FMCSA to provide an annual update to its capital improvement program for border facilities as part of its congressional budget justification, including any changes to cost, scope, schedule, or other challenges it faces. The report should also include relevant safety inspection data.

RESCISSION

(HIGHWAY TRUST FUND)

Appropriations, 2017	....
Budget estimate, 2018	....
Committee recommendation	−$91,451,870

PROGRAM DESCRIPTION

As of May 31, 2017, there are $178,451,870 in unobligated carryover and recoveries of contract authority in this account.

COMMITTEE RECOMMENDATION

The Committee recommends a rescission of $91,451,870 from unobligated balances of funds, which is $91,451,870 greater than the budget request and the fiscal year 2017 enacted level.

ADMINISTRATIVE PROVISION—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 requires FMCSA to send notice of 49 CFR 385.308 violations by certified mail, registered mail, or some other manner of delivery that records receipt of the notice by the persons responsible for violations.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

PROGRAM DESCRIPTION

The National Highway Traffic Safety Administration [NHTSA] was established as a separate organizational entity in the Department of Transportation in March of 1970 to administer motor vehicle and highway safety programs. It was the successor agency to the National Highway Safety Bureau, which was housed in the Federal Highway Administration. NHTSA is responsible for motor vehicle safety, highway safety behavioral programs, motor vehicle information, and automobile fuel economy programs.

NHTSA's mission is to reduce deaths, injuries, and economic losses resulting from motor vehicle crashes. To accomplish these goals, NHTSA establishes and enforces safety performance standards for motor vehicles and motor vehicle equipment, investigates safety defects in motor vehicles, and conducts research on driver behavior and traffic safety. NHTSA provides grants and technical assistance to State and local governments to enable them to conduct effective local highway safety programs. Together with State and local partners, NHTSA works to reduce the threat of drunk, impaired, and distracted driving, and to promote policies and devices with demonstrated safety benefits including helmets, child safety seats, airbags, and graduated license. NHTSA establishes and ensures compliance with fuel economy standards, investigates odometer fraud, establishes and enforces vehicle anti-theft regulations, and provides consumer information on a variety of motor vehicle safety topics.

COMMITTEE RECOMMENDATION

The Committee recommends $908,629,000, including both budget authority and limitations on the obligation of contract authority. This funding is $9,490,000 more than the President's request and $2,718,000 less than the fiscal year 2017 enacted level. The following table summarizes Committee recommendations:

	General fund	Highway trust fund	Total
Appropriation 2017	$180,075,000	$731,272,000	$911,347,000
Budget estimate, 2018	152,510,000	746,629,000	899,139,000
Committee recommendation	162,000,000	746,629,000	908,629,000

PROGRAM DESCRIPTION

These programs support traffic safety programs and related research, demonstrations, technical assistance, and national leadership for highway safety programs conducted by State and local governments, the private sector, universities, research units, and various safety associations and organizations. These highway safety 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, protection of motorcycle riders, pedestrian and bicyclist safety, pupil transportation, distracted driving prevention, young and older driver safety, and improved accident investigation procedures.

OPERATIONS AND RESEARCH

	General fund	Highway trust fund	Total
Appropriation, fiscal year 2017	$180,075,000	$145,900,000	$325,975,000
Budget estimate, 2018	152,510,000	149,000,000	301,510,000
Committee recommendation	162,000,000	149,000,000	311,000,000

COMMITTEE RECOMMENDATION

The Committee provides $311,000,000 for Operations and Research, which is $9,490,000 more than the President's budget request and $14,975,000 less than the fiscal year 2017 enacted level. Of the total amount recommended for Operations and Research, $162,000,000 is derived from the general fund and $149,000,000 is derived from the Highway Trust Fund. For vehicle safety research, the Committee recommendation includes $22,520,000 for rulemakings, $21,042,000 for enforcement, and $40,253,000 for research and analysis. For highway safety research and development, the Committee recommendation includes $55,035,000 for highway safety programs, and $39,941,000 for the National Center for Statistics and Analysis. The recommendation includes no additional FTE above those provided in previous fiscal years, but directs the Secretary to lift any hiring freeze that prevents the agency from reaching FTE levels appropriated by Congress. The Committee reminds the agency that staffing levels are determined by the Congress, not OMB.

Autonomous Vehicles.—The Committee recommendation includes $10,100,000 for vehicle electronics and emerging technologies to support the development of autonomous vehicles and automated technologies. These technologies may prevent 94 percent of the roadway fatalities that are caused by human error while improving mobility options for rural America. The Committee remains concerned with cybersecurity in autonomous vehicles and urges the Department to continue to address this risk in the next update of the Federal Automated Vehicles Policy.

The Committee is also concerned that low-level automated vehicles could lead to complacent and unresponsive drivers. The Committee encourages NHTSA to include guidance on driver education and advance driver notification specifications for low-level automated vehicles in the next update of the Federal Automated Vehicles Policy.

The Committee is also concerned about the impact of advanced driver automation systems on driver cognition, specifically driver fatigue and situational awareness. The Committee directs NHTSA to work collaboratively with industry and academia to conduct research on the relationship between driver automation technologies and cognitive response. Since several automation systems with near-term deployment opportunity involve commercial vehicles, the Committee recommends this research initially focus on the trucking industry and include real-world simulation on closed test tracks where possible.

The Committee is also concerned about the impacts of highly automated vehicles on the economy and labor market for professional drivers. GAO has initiated a study on the labor displacement impact, but while that study is being conducted, coordination between DOT and the Department of Labor could help adjust Federal labor programs and proactively ease transitions for displaced workers. The Committee directs DOT to coordinate with relevant Federal agencies and keep the Committee informed on such coordination.

Plastics and Polymer Composite Materials.—The Committee recognizes the importance that plastics and polymer-based composite materials play in reducing vehicle weight. They provide vehicle manufacturers with innovative tools to reduce fuel consumption and, by association, vehicle emissions. As manufacturers plan for future fleets, composite materials offer benefits for meeting new targets established under NHTSA's vehicle fuel efficiency rules. At the same time, the Committee recognizes that composite manufacturing is a new and growing industry, providing highly skilled jobs in the automotive industry. The Committee directs NHTSA to use funding provided for the Fuel Economy program to accelerate the advancement of plastic and polymer composites, including testing and evaluation techniques, while validating the safety performance of polymer-based composites in structural applications for the automotive industry. This research will help facilitate a foundation of cooperation between DOT, the Department of Energy, and industry stakeholders for the development of safety-centered approaches for future light-weight automotive design.

Impaired Driving.—The Committee remains concerned about the increasing rates of impaired driving, particularly in States that adopt measures to decriminalize marijuana. The use of marijuana before or while driving is a critical public safety issue and the Committee directed NHTSA in Senate Report 114–253 to conduct a study of marijuana-impaired driving. The Committee recognizes the importance of impaired driving countermeasures at the community level in protecting public safety, and encourages NHTSA to expand its efforts with law enforcement to increase awareness and use of Drug Recognition Expert [DRE] and Advanced Roadside Impaired Driving Enforcement [ARIDE] training, particularly in States that have adopted recreational or medicinal marijuana laws. In order to further efforts to provide law enforcement with advanced training and skills to detect impaired driving, the Committee directs NHTSA to encourage and work with States to use impaired driving countermeasures grants and funds transferred to section 402 grants through the transfer authority in 23 U.S.C. 405(a)(8) for DRE and ARIDE training.

The Committee further directs the Department to conduct a national survey, in partnership with one or more qualified universities, to examine and understand the behavioral factors that influence a driver's willingness to drive while impaired. The survey shall be based on a standard definition of traffic safety culture that can be operationalized to predict the intention to drive impaired. Analyses guided by this model would inform local and regional safety programs to achieve a sustainable reduction in impaired driving, and will support our Nation's goal to achieve zero traffic fatalities.

Tire Efficiency.—The FAST Act includes three tire-related provisions under section 24331, the "Tire Efficiency, Safety, and Registration Act of 2015" or the "TESR Act". The provisions will contribute significantly to consumer safety, vehicle fuel economy and the competitiveness of the U.S. tire manufacturing industry and deserve the Department's timely attention and resources. The Committee encourages the Secretary to implement these regulations promptly and directs the Department to submit a report to the House and Senate Committees on Appropriations within 60 days after enactment of this act on the Department's schedule and plan for promulgating these regulations. Further, the Committee urges DOT to move forward with promulgating its pending updates to passenger Tire Pressure Monitoring System [TPMS] standards as required by section 24115 of the FAST Act. The risk of unintentional reset or recalibration in some models of TPMS is a concern and DOT should not delay in taking action on this issue.

Drunk Driving Prevention.—NHTSA has partnered with leading automobile manufacturers in the Automotive Coalition for Traffic Safety on an ambitious research program to develop in-vehicle technology to prevent alcohol-impaired driving that is publicly acceptable, unobtrusive for drivers below the legal limit of .08 BAC, reliable, and relatively inexpensive. The FAST Act provides $21,248,000 between fiscal year 2017 and 2020 for in-vehicle alcohol detection device research. The Committee continues to strongly support this promising research partnership, which has the potential to prevent thousands of drunk-driving deaths annually. The Committee recommendation includes $5,312,000 for continuation of this research in fiscal year 2018.

Child Hyperthermia Prevention.—The Committee continues to recognize the severe child safety crisis involving children left alone in motor vehicles who succumb to hyperthermia, and has favorably cited the awareness programs conducted by NHTSA. In the 19 years since records have been maintained, more than 700 children, mostly 3 years old or younger, have died in this tragic way. While progress was seen in 2014 and 2015, there were 39 deaths in 2016, and several children have already died early in 2017. The Committee directs NHTSA to continue and expand its public education and outreach efforts on child hot car death prevention through a public call to action encouraging public messaging and involvement from a broad group of organizations, government agencies, medical professionals and others who regularly interact with parents and the public. The campaign should focus on parents and caregivers who transport children, and also to encourage bystanders to take action when they see children alone in cars. The Committee urges the campaign commence earlier in the year compared to prior campaigns. In addition to public awareness, the Committee urges NHTSA to continue to pursue technological solutions that can serve as a reminder to parents to remove children from the rear seat prior to leaving their vehicle in coordination with industry. To prevent fatalities, education and technology work hand in hand to develop multiple barriers of prevention.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, 2017	$585,372,000
Budget estimate, 2018	597,629,000
Committee recommendation	597,629,000

PROGRAM DESCRIPTION

The most recent surface transportation authorization, the FAST Act, reauthorizes the section 402 State and community formula grants, the high visibility enforcement grants, and the consolidated National Priority Safety Program which consists of occupant protection grants, State traffic safety information grants, impaired driving countermeasures grants, distracted driving grants, motorcycle safety grants, State graduated driver license grants, and nonmotorized safety grants.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations and authority to liquidate an equal amount of contract authorization of $597,629,000 for the highway traffic safety grant programs funded under this heading. The recommended limitation is equal to the budget estimate and $12,257,000 above the fiscal year 2017 enacted level.

The Committee continues to recommend 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.

The authorized funding for administrative expenses and for each grant program is as follows:

	Amount
Highway Safety Programs (section 402)	$261,200,000
National Priority Safety Programs (section 405)	280,200,000
High Visibility Enforcement Program	29,900,000
Administrative Expenses	26,329,000

ADMINISTRATIVE PROVISIONS—NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Section 140 makes available $130,000 of obligation authority for section 402 of title 23 U.S.C. to pay for travel and expenses for State management reviews and highway safety staff core competency development training.

Section 141 exempts obligation authority, made available in previous public laws, from limitations on obligations for the current year.

FEDERAL RAILROAD ADMINISTRATION

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. FRA 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.

SAFETY AND OPERATIONS

Appropriations, 2017	$218,298,000
Budget estimate, 2018	199,000,000
Committee recommendation	210,000,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recognizes the importance of taking a holistic approach to improving railroad safety and supports a comprehensive strategy of data-driven regulatory and inspection efforts, proactive approaches to identify and mitigate risks, and strategic capital investments in order to improve safety.

The Committee recommends $210,000,000 for Safety and Operations for fiscal year 2018, which is $11,000,000 more than the budget request and $8,298,000 less than the fiscal year 2017 enacted level. The bill specifies that $15,900,000 shall remain available until expended to cover the cost of the Automated Track Inspection Program, the Railroad Safety Information System, research and development activities, and contract support. The Committee recommendation includes 2 FTE and $283,000 for salaries and benefits for the Office of Governmental Affairs and includes no additional FTE above those provided in previous fiscal years for all other offices. The Committee is concerned about the needless delays in hiring staff, particularly inspectors, up to the levels provided by the Committee, and reminds the agency that staffing levels are determined by Congress, not OMB.

Positive Train Control.—The Committee is encouraged by the efforts of commuter railroads to develop and implement positive train control [PTC] and encourages the Department to make certification a priority and to provide the necessary technical assistance to commuter railroads as they move toward full implementation. The Committee remains concerned that implementation of PTC may be slowed or impaired by conflicting government requirements at the Federal, State, and local levels with regards to permits and historical and environmental preservation requirements. In order to implement PTC in as timely a manner as possible to meet the deadline for implementation on December 31, 2018, the Committee encourages the Secretary to exercise discretion and provide flexibility to recipients in administering grants authorized by section 3028 of the FAST Act. Specifically, the Committee encourages the Secretary to allow recipients to use grant funds for non-construction purposes, such as the installation of on-board locomotive apparatuses, back office server technology, and other core functionalities of PTC. The Department may provide this flexibility to grant recipients, to the extent allowed by current law, even if construction-related PTC work is delayed due to permitting requirements, uncompleted National Environmental Policy Act [NEPA] clearances, or uncompleted historic preservation clearances. Additionally, grant recipients should not be disqualified from receiving grant funds for any pre-award expenditures as the timing of grant awards is frequently incompatible with project schedules necessary to meet mandated completion milestones.

Bench Test Equipment.—The Committee recognizes the crucial role test equipment plays in rail safety and encourages FRA to adopt standardized Bench Test Equipment [BTE] to replace numerous legacy and aging test and diagnostic equipment. Standardization on proven performance verification methods could provide increased safety for the traveling public, shorter schedules for new technology deployments, such as PTC or communications-based train control, reduce down time related to faulty systems, and reduce or eliminate serious accidents. Therefore, the Committee encourages DOT to work with the private sector to perform an extended business case analysis supporting standardized performance verification and diagnostics for safety critical electronics systems. The study should involve DOT and local transit authorities implementing an interoperable open architecture BTE. Similar efforts have proven successful in reducing overall cost while increasing safety when sponsored by the FAA and the Department of Defense.

RAILROAD RESEARCH AND DEVELOPMENT

Appropriations, 2017	$40,100,000
Budget estimate, 2018	39,100,000
Committee recommendation	40,100,000

PROGRAM DESCRIPTION

The Railroad Research and Development program provides science and technology support for FRA's rail safety rulemaking and enforcement efforts. It also supports technological advances in conventional and high-speed railroads, as well as evaluations of the role of railroads in the Nation's transportation system.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $40,100,000 for railroad Research and Development, which is $1,000,000 more than the budget request and equal to the fiscal year 2017 enacted level.

Short Line Safety Institute.—Short Line railroads operate approximately 50,000 miles of track, which is one-third of the national railroad network. They are an important feeder system for the larger Class I railroads, helping connect local communities to the national railroad network. There are 550 short line railroads operating in the United States, 73 of which currently handle some volume of energy products. The safety management system of short lines is extremely varied. Many small railroads with limited personnel and limited financial capital need additional resources to conduct hazardous materials safety training and other operational safety assessments. The Committee supports FRA's efforts, in partnership with short line and regional railroads, to continue to build a stronger, more sustainable safety culture in this segment of the rail industry. To date, several Class III railroads, including those that transport crude oil, have received safety culture assessments in order to improve railroad safety culture. The Committee's recommendation includes $2,000,000 to fund the Short Line Safety Institute and its mission, including continued efforts to improve the safe transportation of crude oil, other hazardous materials, freight, and passenger rail.

Tank Car Research.—The Committee's recommendation includes $2,000,000 to conduct tank car research activities related to the safe transportation of energy products in partnership with other Federal agencies.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING PROGRAM

PROGRAM DESCRIPTION

The Railroad Rehabilitation and Improvement Financing [RRIF] program was established by Public Law 109–178 to provide direct loans and loan guarantees to State and local governments, Government-sponsored entities, and railroads. Credit assistance under the program may be used for rehabilitating or developing rail equipment and facilities.

COMMITTEE RECOMMENDATION

The Committee recommendation removes the restriction on using Federal funds to pay for the credit risk premium for RRIF loans and directs the Secretary to identify potential sources of Federal funding for the CRP to potential applicants. The Committee directs FRA to continue to provide a summary of loan activity for the preceding fiscal years in its fiscal year 2019 budget justification. At a minimum, FRA should detail the number of loans pending and issued, and the processing time for these loans.

Credit Risk Premium.—The original authorization of the RRIF program required the Department to return the credit risk premium [CRP], and interest accrued thereon, to borrowers once the corresponding loan was repaid and all obligations attached to a cohort of loans have been satisfied. Returning the CRP could allow borrowers to reinvest their own funds for critical improvements to railroad infrastructure across the Nation. To date, DOT has not returned any CRP to borrowers that have repaid their loans because the Department has not clarified its definition of cohorts. The Committee directs the Secretary to define cohorts on a fiscal year basis, consistent with virtually every loan or loan guarantee program in the Federal government. The Committee further directs the Secretary to define each cohort as the RRIF loans provided for that fiscal year, creating individual fiscal year cohorts for each fiscal year in which a loan was provided from the date of enactment of Public Law 105–178 to the date of enactment of Public Law 114–94. The Committee also directs the Secretary not to treat the repayment of a loan after the date of enactment of Public Law 114–94 as precluding, limiting, or negatively affecting the satisfaction of the obligation of its cohort for a fiscal year prior to Public Law 114–94. The Committee directs the Secretary to repay the CRP to applicants in a timely manner, if applicable, or to provide a written explanation within 90 days of enactment of this act to the House and Senate Committees on Appropriations explaining why the CRP for loans that have been repaid should not be returned to the borrower.

CONSOLIDATED RAIL INFRASTRUCTURE AND SAFETY IMPROVEMENTS GRANTS

Appropriations, 2017	$68,000,000
Budget estimate, 2018	25,000,000
Committee recommendation	92,547,000

PROGRAM DESCRIPTION

The Consolidated Rail Infrastructure and Safety Improvements [CRISI] Grants provide support for projects authorized in section 11301 of Public Law 114–94.

COMMITTEE RECOMMENDATION

The Committee recommends $92,547,000 for the CRISI Grants, which is $67,547,000 more than the budget request and $24,547,000 more than the fiscal year 2017 enacted level. The funding is eligible for activities authorized under 49 U.S.C. 24407, of which at least 25 percent shall be available for projects in rural areas. Of the total amount provided, $35,547,000 shall be for eligible projects under 49 U.S.C. 24407(c)(2) that contribute to the initiation or restoration of intercity passenger rail service.

FEDERAL-STATE PARTNERSHIP FOR STATE OF GOOD REPAIR GRANTS

Appropriations, 2017	$25,000,000
Budget estimate, 2018	25,945,000
Committee recommendation	26,000,000

PROGRAM DESCRIPTION

The Federal-State Partnership for State of Good Repair Grant program provides support for capital projects that reduce the state of good repair backlog with respect to qualified railroad assets.

COMMITTEE RECOMMENDATION

The Committee recommends $26,000,000 for the Federal-State Partnership for State of Good Repair Grants, which is $55,000 more than the budget request and $1,000,000 more than the fiscal year 2017 enacted level. The Committee is aware of the growing backlog of state of good repair and improvement needs on many of the country's important passenger routes. The Committee notes that regardless of the title of this program, eligible projects under 49 U.S.C. 24911 include capital projects to replace existing assets with assets that increase capacity or provide a higher level of service, as well as capital projects to ensure that service can be maintained while existing assets are brought to a state of good repair. Therefore, certain projects may be eligible for funding provided for this program as well as funding provided under the Capital Investment Grant program as authorized under 49 U.S.C. 5309.

RESTORATION AND ENHANCEMENT GRANTS

Appropriations, 2017	$5,000,000
Budget estimate, 2018	....
Committee recommendation	5,000,000

PROGRAM DESCRIPTION

The Restoration and Enhancement Grant program provides support for operating assistance and capital investments to initiate, restore, or enhance intercity passenger rail service.

COMMITTEE RECOMMENDATION

The Committee recommends $5,000,000 for Restoration and Enhancement Grants, which is $5,000,000 more than the budget request and equal to the fiscal year 2017 enacted level. The Committee expects non-Federal stakeholders to make financial or in-kind contributions to projects receiving awards under this program.

THE NATIONAL RAILROAD PASSENGER CORPORATION [AMTRAK]

Appropriations, 2017	$1,495,000,000
Budget estimate, 2018	760,000,000
Committee recommendation	1,600,000,000

PROGRAM DESCRIPTION

The National Railroad Passenger Corporation (Amtrak) 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. Thereafter, Amtrak assumed the common carrier obligations of the private railroads in exchange for the right to priority access to their tracks for incremental cost.

COMMITTEE RECOMMENDATION

The Committee recommends a total appropriation of $1,600,000,000 for Amtrak, which is $840,000,000 more than the budget request and $105,000,000 more than the fiscal year 2017 enacted level. The Committee directs FRA to make a timely disbursement of funds in accordance with the FAST Act to maximize the Corporation's ability to efficiently manage its cash flow. Each year, Amtrak is responsible for significant one-time cash overflows at the beginning of the calendar year. In order to help facilitate these payments, the Committee encourages the FRA to release adequate funding in the first quarter of the fiscal year in order to efficiently manage Amtrak's financial obligations in a timely manner.

Budget, and Business Plan.—The Committee continues to direct Amtrak to submit a business plan in accordance with section 11203(b) of Public Law 114–94 for fiscal year 2018. The Corporation shall continue to submit a budget request for fiscal year 2019 to the House and Senate Committees on Appropriations in similar format and substance to those submitted by executive agencies of the Federal Government.

FRA Grant Administration and Report Streamlining.—The Committee recognizes that Amtrak fields a myriad of grant requirements from the FRA. The Committee is supportive of robust oversight by the FRA; however, to the extent practicable, the FRA is encouraged to work with Amtrak to reduce duplication and streamline their reporting requirements.

New York Penn Station.—New York Penn Station is the busiest railroad station in the Nation, with more than 1,300 weekday train movements resulting in 650,000 passenger trips on Amtrak, Long Island Rail Road [LIRR], NJ TRANSIT [NJT], and local transit subways. Amtrak's trains comprised 20.5 percent of train movements, making it a minority user of the asset, but has contributed 70 percent of the investments made in shared-use infrastructure of Penn Station and the adjacent tunnels. Amtrak is currently implementing the New York Penn Station Infrastructural Renewal program, a series of major track and switch renewal projects aimed at strengthening and improving operations and preparedness at Penn Station. Years of state-of-good-repair work is being accelerated and compressed into a few weeks, which is expected to result in less disruptive maintenance for years to come. All users of Penn Station, including Amtrak, LIRR, and NJT, will benefit from the enhanced reliability that stems for these critical improvements. The Committee is concerned that New Jersey and New York have threatened to withhold critical safety funding for the NEC and Penn Station as a result of the necessary disruptions caused by the renewal program, which would reduce investment in Penn Station and adversely impact Amtrak, LIRR, and NJT passengers. Such action may also be in violation of the agreements between Amtrak, the commuter authorities, and the Federal mandate for users of NEC assets to fully compensate owners of such assets for their use.

Food and Beverage.—Since 2015, the Committee has required Amtrak to report on its savings initiatives, and the FAST Act formalized this planning and implementation process providing specific requirements to eliminate operating losses associated with providing food and beverage services on board Amtrak trains by 2020. The Committee urges Amtrak to continue to take actions, such as increasing cashless transactions, continuing to reduce labor costs, and expeditiously beginning the third party contracting pilot, that would allow it to produce a net loss of zero on its food and beverage services ahead of the FAST Act deadline. The Committee directs Amtrak to provide a report to the House and Senate Committees on Appropriations no later than 120 days after enactment of this act comparing the actual fiscal year 2017 savings with Amtrak projections.

NORTHEAST CORRIDOR GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

The Committee recommends $358,400,000 for Northeast Corridor Grants to Amtrak. The funding level provided includes no more than $5,000,000 for the use of the Northeast Corridor Commission established under section 24905 of title 49, United States Code.

Northeast Corridor.—The Committee commends Amtrak's commitment to making important capital improvements, particularly along the Northeast Corridor. Superstorm Sandy caused serious damage to the current Amtrak Hudson River Tunnels, necessitating their replacement in less than 20 years. Without the completion of the Northeast Corridor Gateway Project, Amtrak predicts severe service cuts for both intercity and commuter service. Accordingly, the Committee encourages Amtrak to use funding provided to continue the Northeast Corridor Gateway Project.

NATIONAL NETWORK GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

The Committee recommends $1,241,600,000 for National Network Grants to Amtrak. The funding level provided includes no more than $2,000,000 for use of the State-Supported Route Committee established in the FAST Act.

Gulf Coast Rail Service.—Section 11304 of the FAST Act required the Gulf Coast Working Group [GCWG], consisting of FRA, Amtrak, the Southern Rail Commission [SRC], railroad carriers, State and local governments, and others, to evaluate all options for restoring passenger rail service in the gulf coast region, select a preferred option for service, develop an inventory and cost estimate of capital projects to restore service, and identify Federal and non-Federal funding to restore service. The GCWG report, released on July 17, 2017, identified the preferred options as a daily long-distance route that extends Amtrak's existing City of New Orleans service from New Orleans, Louisiana to Orlando, Florida and a new daily State-supported route from New Orleans, Louisiana to Mobile, Alabama. The preliminary capital cost estimates for restoring service is $117,672,000, with annual operating cost estimates at $5,480,000 for the long-distance route and $4,000,000 for the State-supported route. These cost estimates are dwarfed by the $2,300,000,000 estimate previously determined by industry, which also raised concerns with on-time performance [OTP] requirements and delays at drawbridges. The Committee believes the GCWG report more accurately reflects these concerns and is a more realistic cost estimate, but directs Amtrak and DOT to continue working with the host railroad and the Coast Guard to refine cost estimates.

The GCWG report also highlights potential sources of Federal funding for restoration of Gulf Coast passenger rail service including RRIF, TIFIA, TIGER, CRISI, Restoration and Enhancement, Nationally Significant Freight and Highway Projects, Railway-Highway Crossings, and fiscal year 2006 Gulf Coast Funds. The Committee recommendation includes $35,547,000 in CRISI for capital projects and $5,000,000 in Restoration and Enhancement Grants for operating assistance for projects that contribute to the initiation or restoration of intercity passenger rail service. The Committee recommendation also includes a provision allowing States with appropriate agreements with Amtrak to use CMAQ funds for operating assistance. The Committee expects Amtrak, SRC, and the gulf coast region to seek funding through these programs for the preferred routes and encourages the Secretary to prioritize funding provided by this Committee for these routes. In order to expeditiously return passenger rail service to the Gulf Coast, the Committee further directs the Secretary to report to the House and Senate Committees on Appropriations within 180 days of enactment on progress made with implementing the recommendations identified in section 5 of the GCWG report. In addition, the Committee recommendation allows up to $5,000,000 of the Grant to the National Network to be available for administrative and other expenses related to cases Amtrak may bring before STB related to the restoration of passenger rail service over routes previously served by Amtrak.

Long-Distance Routes.—Long-distance routes provide much needed transportation access for 4.7 million riders in 325 communities in 40 States. Providing diversified transportation options is important to the growth of the Nation's economy, especially in rural areas where options are limited. The budget request includes a proposal to terminate all long-distance service. Rather than saving money, the proposal would actually increase costs for Amtrak in fiscal year 2018 by $423,400,000 as a result of mandatory labor payments and increased operating losses to Amtrak. There are significant shared and system related costs which would remain and need to be shifted to NEC or State-supported routes. Many State-supported routes would be unable to pay for these cost increases and could be eliminated if the budget request was enacted. The Committee is dismayed at the lack of analysis and forethought behind the budget request to eliminate long-distance routes and rejects it.

Passenger Rail in the Bakken Region.—The Committee recognizes the importance of improving the financial viability of Amtrak's Empire Builder and the growth in demand for passenger rail service in the Bakken region. The Committee directs Amtrak to continue to work with local officials, taking into account the results of the updated Amtrak Empire Builder feasibility study, to address the prospect of adding new passenger rail stops that generate revenue and reduce operating costs of the Empire Builder and other national network routes.

ADMINISTRATIVE PROVISIONS

Section 150 limits overtime payments to employees at Amtrak to $35,000 per employee. However, Amtrak's president may waive this restriction for specific employees for safety or operational efficiency reasons. If the cap is waived, Amtrak must notify the House and Senate Committees on Appropriations within 30 days and specify the reason for such waiver.

FEDERAL TRANSIT ADMINISTRATION

PROGRAM DESCRIPTION

The Federal Transit Administration [FTA] 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 FTA are: to help develop improved mass transportation systems and practices; to support the inclusion of public transportation in community and regional planning to support economic development; to provide mobility for Americans who depend on transit for transportation 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 agencies in financing such services and systems.

COMMITTEE RECOMMENDATION

Under the Committee recommendations, a total program level of $12,129,428,407 is provided for FTA programs in fiscal year 2018. The recommendation is $903,565,000 more than the budget request and $285,073,636 less than the fiscal year 2017 enacted level.

	General fund	Highway trust fund	Total
Appropriation 2017	$2,680,796,000	$9,733,706,043	$12,414,502,043
Budget estimate, 2018	1,492,510,000	9,733,353,407	11,225,863,407
Committee recommendation	2,396,075,000	9,733,353,407	12,129,428,407

ADMINISTRATIVE EXPENSES

Appropriations, 2017	$113,165,000
Budget estimate, 2018	110,795,000
Committee recommendation	113,165,000

PROGRAM DESCRIPTION

Administrative expenses fund personnel, contract resources, information technology, space management, travel, training, and other administrative expenses necessary to carry out FTA's mission to support, improve, and help ensure the safety of public transportation systems.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $113,165,000 from the general fund for the agency's salaries and administrative expenses. The recommended level of funding is $2,370,000 more than the budget request and equal to the fiscal year 2017 enacted level.

Project Management Oversight [PMO] Activities.—The Committee directs FTA to continue to submit to the House and Senate Committees on Appropriations the quarterly PMO reports for each project with a full funding grant agreement.

Full Funding Grant Agreements [FFGAs].—Section 5309(k) of title 49, U.S.C. requires that FTA notify the House and Senate Committees on Appropriations, as well as the House Committee on

Transportation and Infrastructure and the Senate Committee on Banking, Housing, and Urban Affairs, 30 days before executing a FFGA. In its notification to the House and Senate Committees on Appropriations, the Committee directs FTA to submit the following information: (1) a copy of the proposed FFGA; (2) the total and annual Federal appropriations required for the project; (3) the yearly and total Federal appropriations that can be planned or anticipated for existing FFGAs for each fiscal year through 2019; (4) a detailed analysis of annual commitments for current and anticipated FFGAs against the program authorization, by individual project; (5) a financial analysis of the project's cost and sponsor's ability to finance the project, which shall be conducted by an independent examiner and which shall include an assessment of the capital cost estimate and finance plan; (6) the source and security of all public and private sector financing; (7) the project's operating plan, which enumerates the project's future revenue and ridership forecasts; and (8) a listing of all planned contingencies and possible risks associated with the project.

The Committee also directs FTA to inform the House and Senate Committees on Appropriations in writing 30 days before approving schedule, scope, or budget changes to any FFGA. Correspondence relating to all changes shall include any budget revisions or program changes that materially alter the project as originally stipulated in the FFGA, including any proposed change in rail car procurement.

The Committee directs FTA to continue to provide a monthly Capital Investment Grant program update to the House and Senate Committees on Appropriations, detailing the status of each project. This update should include anticipated milestone schedules for advancing projects, especially those within 2 years of a proposed FFGA. It should also highlight and explain any potential cost and schedule changes affecting projects.

Staffing Levels.—The Committee provided funding for new safety-critical positions in fiscal year 2017 for office of Transit Safety and Oversight [TSO] in order to provide the necessary oversight of WMATA and other transit agencies. While FTA is no longer under a hiring freeze, the Committee is concerned about the needless delays in hiring critical staff, particularly in TSO, up to the levels provided by the Committee. The Committee directs FTA to hire staff based on funding levels provided by Congress rather than future budget requests, and reminds the agency that staffing levels are determined by Congress, not OMB.

Coordinating Council on Access and Mobility.—The Committee directs the Coordinating Council on Access and Mobility to submit within 180 days of enactment of this act a plan and report to the House and Senate Committees on Appropriations on options to eliminate duplication, provide efficient services for people in need, and increase coordination between the various Federal departments' operating programs for transportation-disadvantaged persons.

FORMULA GRANTS

(LIQUIDATION OF CONTRACT AUTHORITY)

(LIMITATION ON OBLIGATIONS)

	Obligation limitation (trust fund)
Appropriations, 2017	$9,733,706,043
Budget estimate, 2018	9,733,353,407
Committee recommendation	9,733,353,407

PROGRAM DESCRIPTION

Communities use Formula Grants funds for bus and railcar purchases, facility repair and construction, maintenance, and where eligible, planning and operating expenses. The Formula Grants account includes funding for the following programs: transit-oriented development; planning programs; urbanized area formula grants; enhanced mobility for seniors and individuals with disabilities; a pilot program for enhanced mobility; formula grants for rural areas; public transportation innovation; technical assistance and workforce development, including a national transit institute; a bus testing facility; the national transit database; state of good repairs grants; bus and bus facilities formulas grants; and growing States and high-density States formula grants. Set-asides from formula funds are directed to a grant program for each State with rail systems not regulated by the Federal Railroad Administration to meet the requirements for a State Safety Oversight program. The account also provides funding to support passenger ferry services and public transportation on Indian reservations.

COMMITTEE RECOMMENDATION

The Committee recommends limiting obligations in the transit formula and bus grants account in fiscal year 2018 to $9,733,353,407. The recommendation is equal to the budget request and $352,636 more than the fiscal year 2017 enacted level. The recommendation is also consistent with the currently authorized level under the FAST Act. The Committee recommends $10,300,000,000 in authority to liquidate contract authorizations. This amount is sufficient to cover outstanding obligations from this account. The following table displays the distribution of obligation limitation among the program categories of formula grants:

DISTRIBUTION OF OBLIGATION LIMITATION AMONG MAJOR CATEGORIES OF FORMULA GRANTS

Formula grants (obligation limitation)	Section number	Fiscal year 2017	Fiscal year 2018	
			Administration proposal	Committee assumption
Transit Oriented Development	20005(b)	$10,000,000	$10,000,000	$10,000,000
Planning Programs	5305	133,398,933	136,200,311	136,200,311
Urbanized Area Formula Grants	5307	4,629,683,814	4,726,907,174	4,726,907,174
Enhanced Mobility of Seniors and Individuals with Disabilities..	5310	268,208,388	273,840,764	273,840,764
Pilot Program for Enhanced Mobility	3006(b)	3,000,000	3,250,000	3,250,000
Formula Grants for Rural Areas	5311	632,355,120	645,634,578	645,634,578
Public Transportation Innovation	5312	28,000,000	28,000,000	28,000,000

DISTRIBUTION OF OBLIGATION LIMITATION AMONG MAJOR CATEGORIES OF FORMULA GRANTS—Continued

Formula grants (obligation limitation)	Section number	Fiscal year 2017	Fiscal year 2018	
			Administration proposal	Committee assumption
Technical Assistance and Workforce Development.	5314	9,000,000	9,000,000	9,000,000
Bus Testing Facilities	5318	3,000,000	3,000,000	3,000,000
National Transit Database	5335	4,000,000	4,000,000	4,000,000
State of Good Repair Grants	5337	2,549,670,000	2,593,703,558	2,593,703,558
Bus and Bus Facilities Grants	5339	719,956,000	747,033,476	747,033,476
Growing States and High Density States	5340	544,433,788	552,783,547	552,783,547
Positive Train Control		199,000,000		
Total		9,733,706,043	9,733,353,407	9,733,353,407

Population Loss.—The Committee recognizes the financial constraints placed on local communities and transit operators who have lost their urbanized area [UZA] formula funds as a direct result of a hurricane or other major disaster. In the interest of protecting local communities and transit operators from any additional burdens in the wake of a major disaster, the Committee directs FTA to explore ways to ensure that the impact to local communities and transit operators affected by major disasters are minimalized, including potential guidance to prevent a loss of formula funds from a population drop directly related to such major disaster.

Bus and Bus Facilities Grant Program.—The Committee supports the FAST Act's inclusion of competitive grants in the buses and bus facilities grant program and encourages FTA to follow the guidance set forth in the FAST Act when developing selection criteria for the program. Consistent with section 3017 of the FAST Act, the age and condition of buses, bus fleets, related equipment, and bus-related facilities should be the primary consideration for selection criteria.

Improving Rural Transit Access.—The Committee recognizes the importance of ensuring safe, private transportation is made available for seniors and people who do not drive, especially in small and rural communities where distance and low population density make traditional mass transportation difficult. The efficiencies of information management can help to provide on-demand transportation services and bring together underutilized private transportation capacity through ride share, car share, volunteer transport, and private community transport. The Committee encourages FTA to consider innovative transportation networks that leverage community volunteerism and private resources in various forms to access underutilized private transportation capacity to promote inclusive community mobility and provide transportation for seniors and disadvantaged populations in small and rural communities. Further, the Committee supports the capacity of consumers to plan their travel safely, independently, and reliably through a variety of techniques and tools.

CAPITAL INVESTMENT GRANTS

Appropriations, 2017	$2,412,631,000
Budget estimate, 2018	1,232,000,000
Committee recommendation	2,132,910,000

PROGRAM DESCRIPTION

Under the Capital Investment Grants [CIG] program, FTA provides grants to fund the building of new fixed guideway systems or extensions and improvements to existing fixed guideway systems. Eligible services include light rail, rapid rail (heavy rail), commuter rail, and bus rapid transit. The program includes funding for four categories of eligible projects authorized under 49 U.S.C. 5309, and section 3005(b) of the FAST Act: New Starts, Small Starts, Core Capacity, and Expedited Project Delivery Pilot Program. New Starts are projects with a Federal share under this section of at least $100,000,000 or a total net capital cost of at least $300,000,000. By comparison, Small Starts are projects with a Federal share under this section of less than $100,000,000 and total net capital cost less than $300,000,000. Core Capacity projects are those that will expand capacity by at least 10 percent in existing fixed-guideway transit corridors that are already at or above capacity, or are expected to be at or above capacity within 5 years. The FAST Act authorizes eight projects under the Expedited Project Delivery Pilot Program, consisting of New Starts, Small Starts, or Core Capacity, that require no more than a 25 percent Federal share and are supported, in part, by a public private partnership.

COMMITTEE RECOMMENDATION

The Committee recommends $2,132,910,000 for capital investment grants, which is $279,721,000 less than the fiscal year 2017 enacted level, and $900,910,000 more than the request. In addition, $8,900,000 in New Starts recoveries and $5,500,000 in Bus and Bus Facilities recoveries from prior year obligations are made available, for a total spending level of $2,147,310,000. The Committee recommendation includes $1,007,910,000 to cover the cost of the 11 existing FFGAs for New Starts projects and $200,000,000 to cover the cost of the two existing FFGAs for Core Capacity projects in fiscal year 2018, which shall be distributed consistent with the proposed schedule of Federal funds for each FFGA. The Committee recommendation includes $149,900,000 to complete funding for previously funded Small Starts projects that do not have a signed agreement. The Committee's recommendations also includes for new projects that received at least a "medium" overall rating in the fiscal year 2018 annual report: $454,000,000 for New Starts FFGAs, $145,700,000 for Core Capacity FFGAs, and $168,400,000 for Small Starts grant agreements.

Project Pipeline.—In addition to providing funding for this program for the projects described above, the Committee directs the Secretary to continue to advance eligible projects into project development and engineering in the capital investment grant evaluation, rating, and approval process pursuant to 49 U.S.C. 5309 and section 3005(b) of the FAST Act in all cases when projects meet the statutory criteria. The Committee also directs the Secretary to provide notice to the House and Senate Committees on Appropriations of not less than 90 days prior to altering or rescinding any rule, circular or guidance relating to the evaluation, rating and approval process pursuant to 49 U.S.C. 5309.

Annual Report on Funding Recommendations.—The Committee directs the Secretary to submit the fiscal year 2019 annual report on funding recommendations required by 49 U.S.C. 5309(o), and directs the Secretary to maintain the Federal Government funding commitments for all existing grant agreements and identify all projects with a medium or higher rating that anticipate requesting a grant agreement in fiscal year 2019.

Increasing Costs of Transit Projects.—Not later than 9 months after the enactment of this act, the GAO shall report to the House and Senate Committees on Appropriations regarding the construction costs of transit capital projects in the United States in comparison to other developed G–20 nations, such as South Korea, Japan, Spain, France, Italy and Germany. The GAO shall examine potential cost drivers, including: contracting and procurement, project and station design, routing, regulatory barriers, interagency cooperation and legal systems, but not those which are required by Federal law. The report shall compare practices both between various cities in the United States, as well as practices in other nations. The report should, if appropriate, make recommendations to DOT on steps it can take within existing Federal law to address the issues identified by the reports to help bring best practices in the United States in line with international standards within the boundaries of current law. These recommendations may take the form of changes to funding guidelines or prioritization, regulatory changes, contracting practices, or intergovernmental technical assistance.

GRANTS TO THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Appropriations, 2017	$150,000,000
Budget estimate, 2018	149,715,000
Committee recommendation	150,000,000

PROGRAM DESCRIPTION

This appropriation provides assistance to the Washington Metropolitan Area Transit Authority [WMATA]. The Federal Rail Safety Improvements Act of 2008 (Public Law 110–432, title VI, section 601) authorized DOT to make up to $150,000,000 available to WMATA annually for capital and preventive maintenance for a 10-year period.

COMMITTEE RECOMMENDATION

The Committee recommendation includes $150,000,000 for grants to WMATA for capital and preventive maintenance expenses, including pressing safety-related investments, which is $285,000 more than the budget request and equal to the fiscal year 2017 enacted level. These grants are in addition to the funding local jurisdictions have committed to providing to WMATA.

SafeTrack.—The Committee is encouraged by the progress made by WMATA's SafeTrack program to accelerate 3 years of renewal work into 1 year, but is concerned about the decrease in ridership and increases in WMATA's capital needs and operating costs. While the General Manager has made some progress in reducing costs, the agency needs to do more to right-size its spending given that fewer people are using the system. The Committee is also concerned that the WMATA's 2018 budget assumes that Congress will continue to provide capital and preventative maintenance funding to WMATA into perpetuity despite the expiration of authorization for this program at the end of fiscal year 2018. The Committee directs FTA to work with WMATA and the authorizing committees to determine whether the authorization should be extended and if any reforms are required to WMATA's charter to ensure the success of the agency.

Financial Management.—The bill directs the Secretary to provide grants to WMATA only after receiving and reviewing a request for each specific project to be funded under this heading. The bill requires the Secretary to determine that WMATA has placed the highest priority on funding projects that will improve the safety of its public transit system before approving these grants, using the recommendations and directives of the NTSB and FTA as a guide.

Wireless Service Extension.—The Committee reluctantly provides another 1-year extension for the wireless service requirement in the authorization statute. The Committee directs WMATA to continue to provide the House and Senate Committees on Appropriations a quarterly report detailing its progress installing wireless service.

ADMINISTRATIVE PROVISIONS—FEDERAL TRANSIT ADMINISTRATION

Section 160 exempts authority previously made available for programs of the FTA under section 5338 of title 49, United States Code, from the obligation limitations in this act.

Section 161 allows funds appropriated before October 1, 2017, that remain available for expenditure to be transferred to the most recent appropriation heading.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

PROGRAM DESCRIPTION

The Saint Lawrence Seaway Development Corporation [SLSDC] is a wholly owned Government corporation established by the Saint Lawrence Seaway Act of May 13, 1954 (33 U.S.C. 981). The Saint Lawrence Seaway [Seaway] 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 one-half of the Canadian population. SLSDC is responsible for the operation, maintenance, and development of the United States portion of the Seaway between Montreal and Lake Erie.

OPERATIONS AND MAINTENANCE [HARBOR MAINTENANCE TRUST FUND]

Appropriations, 2017	$36,028,000
Budget estimate, 2018	28,346,012
Committee recommendation	36,028,000

PROGRAM DESCRIPTION

The Harbor Maintenance Trust Fund [HMTF] was established by the Water Resources Development Act of 1986 (Public Law 99–662). Since 1987, the HMTF has supported the operations and maintenance of commercial harbor projects maintained by the Federal Government. Appropriations from the HMTF and revenues from non-Federal sources finance the operation and maintenance of those portions of the Seaway for which SLSDC is responsible.

COMMITTEE RECOMMENDATION

The Committee recommends $36,028,000 for the operations, maintenance, and asset renewal of SLSDC. This amount is $7,681,988 greater than the budget request and is equal to the fiscal year 2017 enacted level.

The Committee directs SLSDC to continue to submit an annual report to the Senate and House Committees on Appropriations, not later than April 30, summarizing the activities of the Asset Renewal Program during the immediate preceding fiscal year.

Maritime Administration

PROGRAM DESCRIPTION

The Maritime Administration [MARAD] is responsible for programs authorized by the Merchant Marine Act of 1936, as amended (46 App. U.S.C. 1101 et seq.). 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 the Department of Defense's [DOD] 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 obsolete ships in the National Defense Reserve Fleet that 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 that assist in providing 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.

MARITIME SECURITY PROGRAM

Appropriations, 2017	$300,000,000
Budget estimate, 2018	210,000,000
Committee recommendation	300,000,000

PROGRAM DESCRIPTION

The Maritime Security Program [MSP] 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 provide intermodal sealift support to DOD in times of war or national emergency.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $300,000,000 for the MSP. This amount is $90,000,000 above the budget request and equal to the fiscal year 2017 enacted level. Once again, the Committee rejects the Administration's short-sighted proposal to cut funding for this program which would undermine the cost-effective sustainment of troops serving overseas.

OPERATIONS AND TRAINING

Appropriations, 2017	$175,560,000
Budget estimate, 2018	171,820,000
Committee recommendation	228,642,000

PROGRAM DESCRIPTION

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.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $228,642,000 for Operations and Training at MARAD for fiscal year 2018 to be distributed between agency operations, the United States Merchant Marine Academy, and State maritime academies as outlined in the chart below. This amount is $53,082,000 above the fiscal year 2017 enacted level and $56,822,000 above the budget request. Of this amount, $50,000,000 is provided for the National Security Multi-Mission Vessel.

MARITIME ADMINISTRATION

	Fiscal year 2018 Senate
U.S. Merchant Marine Academy	$87,000,000
Academy Operations	69,000,000
Capital Improvements	14,180,000
Facilities Maintenance, Repair and Equipment	3,820,000
State Maritime Academies	32,200,000
SMA Direct Payments	6,000,000
Student Incentive Payments	2,400,000
Schoolship Maintenance and Repair	22,000,000
Fuel Assistance Payments	1,800,000
National Security Multi-Mission Vessel	50,000,000
MARAD Operations	59,442,000
Headquarter Operations	49,442,000
Environment and Technology Grants	3,000,000
Marine Highways Grants	7,000,000
Total	228,642,000

Short Sea Shipping Program.—The Committee recommendation includes $7,000,000 for the Short Sea Shipping program, commonly known as the Marine Highway program. Projects funded by this grant program will help mitigate landside congestion, encourage shipper utilization, improve port and landside infrastructure, and develop marine transportation strategies by State and local governments.

National Security Multi-Mission Vessel [NSMV].—The Committee supports MARAD's efforts to develop a replacement vessel for the six State Maritime Academy training ships, including the 56-year-old training ship the *Empire State*. The Committee is concerned that the budget request's exclusion of funding for a training ship signals a lack of interest in addressing this urgent need that is essential to the education of U.S. mariners and the manning of our U.S.-flag fleets and the U.S. military. The Committee recommendation includes $50,000,000 for special purpose vessels to be used as training school ships. The Committee directs the agency to consult with the Navy, Coast Guard, and any other relevant agencies that may benefit from the NSMV prior to submitting a budget request related to the construction, acquisition, or conversion of a replacement vessel.

United States Merchant Marine Academy Spend Plan.—The Committee directs the Secretary, in consultation with the Superintendent of the United States Merchant Marine Academy and the Maritime Administrator, to complete a spend plan anticipating Academy expenditures, and to provide this plan to the House and Senate Committees on Appropriations within 90 days of enactment of this act.

Sexual Assault and Sexual Harassment at the United States Merchant Marine Academy.—The Committee remains concerned about the high rate of incidents of sexual assault and sexual harassment at the Academy. The most recent survey of sexual harassment and sexual assault from the 2015–2016 academic year shows a continuation of the disturbing results at the Academy seen in prior surveys with 19.5 percent of female and 2 percent of male midshipmen reporting incidents of sexual assault.

The Academy has failed to achieve its intended goals in successive action plans, despite repeated commitments from senior leadership at DOT, MARAD, and the Academy. In November 2011, Secretary LaHood outlined a corrective action plan in the first report to Congress, which was based on survey data from the 2009–2010 academic year. The DOT IG found that over one-third of that action plan was incomplete. Another IG review in 2016 found that only 66 percent of the 2014–2015 action plan was achieved. Based on the recommendations of that audit, Secretary Foxx instituted another action plan in January 2017. It is an ambitious plan with over 50 action items, including: establishing a process for credentialing shipping companies for participation in Sea Year, supporting victims by establishing policies and procedures against retaliation, and filling key positions in the Sexual Assault Prevention Office and the Civil Rights office. While meeting the agencies goals in successive action plans is important, it is also clear that a change in culture must also be made throughout the entire Academy. It is imperative that senior leadership throughout the Department continue to make improving conditions at the Academy a top priority. The Academy's success in meeting these goals will hinge on the continued diligence of senior leadership at all levels within DOT, as well as the ability to hire and retain qualified staff. The Committee recommendation includes resources to hire an attorney dedicated to serve as an advisor to victims of sexual assault and sexual harassment, consistent with the practices of all other Federal service academies. The funding level provided also supports the annualization of staff approved in fiscal year 2017 for the Office of Sexual Assault Prevention and Response. In addition, MARAD is currently pursuing a 24/7 hotline contract with the Rape, Abuse and Incest National Network to enhance the services already provided by the Safe Center LI in Nassau County, New York hotline.

In June 2016, the previous Secretary suspended the Sea Year training program in response to reports that midshipmen were subject to sexual assault and sexual harassment while aboard commercial vessels. On February 15, 2017, DOT resumed the Sea Year program with new eligibility criteria for new vessels participating in the program. To date, MARAD has stated that the program is now back to 81 percent capacity of the sea days for midshipmen sailing on commercial ships prior to the program's suspension. The Committee expects that the suspension will not prevent any midshipmen from obtaining sufficient at-sea training hours to graduate on time. MARAD is directed to provide a report to the House and Senate Committees on Appropriations within 90 days of enactment of this act that provides the status of all midshipmen effected by the Sea Year Stand Down, including aggregate year-over-year comparisons of sea hours accrued by the classes of 2015 through 2020.

The Committee directs the Secretary to provide the annual report required by section 3507 of Public Law 110–417 to the House and Senate Committees on Appropriations no later than January 12, 2018.

Accreditation.—In June, 2016, the Middle States Commission on Higher Education [MSCHE] warned the Academy that it was at risk of losing its accreditation if it failed to meet five credentialing standards tied to governance and combatting sexual assault and sexual harassment. In June, 2017, MSCHE found the Academy successfully implemented reforms to address all findings with the exception of one deficiency related to institutional planning and resources allocation. The Committee is encouraged that the Superintendent has successfully resolved the vast majority of these deficiencies in a timely manner.

United States Merchant Marine Academy Capital Improvements Plan [CIP].—The Committee directs the Administrator to provide an annual report by March 31, 2018, on the current status of the CIP. The report should include a list of all projects that have received funding and all proposed projects that the Academy intends to initiate within the next 5 years: cost overruns and cost savings for each active project; specific target dates for project completion; delays and the cause of delays; schedule changes; up-to-date cost projections for each project; and any other deviations from the previous year's CIP.

Environment and Compliance.—The Committee commends MARAD's initiative to support the domestic maritime industry's efforts to comply with emerging international and domestic environmental regulatory requirements. The Committee directs MARAD to notify the House and Senate Committees on Appropriations not less than 3 business days before any grant, contract, or cooperative agreement is announced by the Department or MARAD for the maritime environment and technology assistance program as authorized by 46 U.S.C. 50307.

Small Shipyard Survey.—The Committee expects MARAD to continue its work, in consultation with the Army Corps of Engineers, to survey the dredging needs of small shipyards as required by Senate Report 114–243. The Committee expects the survey to capture potential demand for dredging from current grantees and applicants as well as small shipyards that have not previously applied but could make use of the program if dredging were to become an eligible activity.

ASSISTANCE TO SMALL SHIPYARDS

Appropriations, 2017	$10,000,000
Budget estimate, 2018	....
Committee recommendation	10,000,000

PROGRAM DESCRIPTION

As authorized under section 54101 of title 46, the Assistance to Small Shipyards program provides assistance in the form of grants, loans, and loan guarantees to small shipyards for capital improvements and training programs.

COMMITTEE RECOMMENDATION

The Committee recommendation includes $10,000,000 for assistance to small shipyards. This level of funding is equal to the fiscal year 2017 enacted level and $10,000,000 above the President's request. Funding for this program is intended to help small shipyards improve the efficiency of their operations by providing funding for equipment and other facility upgrades, including dredging of waters located within the shipyard's geographical location for the purpose of improving the shipyard facility operations. The funding recommended by the Committee will help improve the competitiveness of our Nation's small shipyards, as well as workforce training and apprenticeships in communities dependent upon maritime transportation.

SHIP DISPOSAL

Appropriations, 2017	$34,000,000
Budget estimate, 2018	9,000,000
Committee recommendation	9,000,000

PROGRAM DESCRIPTION

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]. MARAD contracts with domestic shipbreaking companies to dismantle these vessels in accordance with guidelines established by the Environmental Protection Agency.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $9,000,000 for MARAD's Ship Disposal program. This level of funding is $25,000,000 below the fiscal year 2017 enacted level and equal to the budget request.

MARITIME GUARANTEED LOAN PROGRAM [TITLE XI]

Appropriations, 2017	$3,000,000
Budget estimate, 2018	....
Committee recommendation	30,000,000

PROGRAM DESCRIPTION

The Maritime Guaranteed Loan program was established pursuant to title XI of the Merchant Marine Act of 1936, as amended. The program provides for a full faith and credit guarantee by the U.S. Government of debt obligations issued by: (1) U.S. or foreign ship-owners for the purposes of financing or refinancing either U.S.-flag vessels or eligible export vessels constructed, reconstructed, or reconditioned in U.S. shipyards; and (2) U.S. shipyards, for the purpose of financing advanced shipbuilding technology of privately owned general shipyard facilities located in the United States. Under the Federal Credit Reform Act of 1990, appropriations to cover the estimated costs of a project must be obtained prior to the issuance of any approvals for title XI financing.

COMMITTEE RECOMMENDATION

The Committee provides an appropriation of $30,000,000 for the maritime guaranteed loan title XI program, of which $3,000,000 shall be used for administrative expenses of the maritime loan guarantee program. This level of funding is $30,000,000 above the President's budget request and $27,000,000 above the fiscal year 2017 enacted level. The increase in funding is to support pending applications that are expected to be executed this fiscal year.

ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

Section 170 authorizes MARAD to furnish utilities and to service 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.

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

The Pipeline and Hazardous Material Safety Administration [PHMSA] was established in the Department of Transportation on November 30, 2004, pursuant to the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108–246). PHMSA is responsible for the Department's pipeline safety program as well as oversight of hazardous materials transportation safety operations. The agency is dedicated to safety, including the elimination of transportation-related deaths and injuries associated with hazardous materials and pipeline transportation, and to promoting transportation solutions that enhance communities and protect the environment.

OPERATIONAL EXPENSES

Appropriations, 2017	$22,500,000
Budget estimate, 2018	20,960,000
Committee recommendation	23,000,000

PROGRAM DESCRIPTION

This account funds program support costs for PHMSA, including policy development, civil rights, management, administration, and agency-wide expenses.

COMMITTEE RECOMMENDATION

The Committee recommends $23,000,000 for this account, of which $1,500,000 shall be for the Office of Pipeline Safety for Information Grants to Communities. The Committee's recommendation is $2,040,000 more than the budget request and $500,000 more than the fiscal year 2017 enacted level.

Comprehensive Oil Spill Response Plans.—An oil spill response plan is intended to help the carrier identify and deploy a response organization to contain and remediate an oil release. The plans require carriers to identify a qualified individual with full authority to implement removal actions; ensure by contract or other means the availability of private personnel and equipment to remove a worst case discharge; and describe training, equipment testing, drills and exercises. PHMSA issued a notice of proposed rulemaking to expand the applicability of comprehensive oil spill response plans to rail carriers in July 2016. The Committee notes with disappointment that to date, despite additional resources provided by the Committee and explicit direction in prior fiscal years, PHMSA has failed to issue a final rule. The Committee directs PHMSA to issue a final rule to expand the applicability of comprehensive oil spill response plans to rail carriers no later than 5 days after enactment of this act.

Open Data Standards.—The Committee recognizes that identifying and adopting data standards help further PHMSA's mission, fulfill congressional directives, and lead to better agency performance and recommendations. The Committee encourages PHMSA to pursue public-private partnerships utilizing existing industry standards for data, which can increase the efficiency and effectiveness of the National Pipeline Mapping System.

Modification Reporting.—The Secretary is directed to comply with the reporting requirement in Section 7308 of the FAST Act (Public Law 114–94), "Modification Reporting" no later than 60 days after enactment of this act.

HAZARDOUS MATERIALS SAFETY

Appropriations, 2017	$57,000,000
Budget estimate, 2018	55,513,000
Committee recommendation	59,000,000

PROGRAM DESCRIPTION

PHMSA oversees the safety of more than 6.1 million tons of hazardous materials shipments daily in the United States, using risk management principles and security threat assessments to fully assess and reduce the risks inherent in hazardous materials transportation.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $59,000,000 for hazardous materials safety, of which $7,570,000 shall remain available until September 30, 2020. The amount provided is $3,487,000 more than the administration's budget request and $2,000,000 more than the fiscal year 2017 enacted level. The Committee's recommendation does not provide new FTE.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

Appropriations, 2017	$156,288,000
Budget estimate, 2018	154,344,000
Committee recommendation	162,000,000

PROGRAM DESCRIPTION

The Office of Pipeline Safety [OPS] is designed to promote the safe, reliable, and sound transportation of natural gas and hazardous liquids through the Nation's 2.6 million miles of privately owned and operated pipelines.

COMMITTEE RECOMMENDATION

The Pipeline Safety Office has the important responsibility of ensuring the safety and integrity of the pipelines that run through every community in our Nation. Efforts by Congress and the OPS to invest in promising safety technologies, increase civil penalties, and educate communities about the potential risks of pipelines have resulted in a reduction in serious pipeline incidents. It is essential that the agency continue to make strides in protecting communities from pipeline failures and incidents. To that end, the Committee recommends an appropriation of $162,000,000 for the OPS, consistent with the PIPES Act. The amount is $5,712,000 more than the fiscal year 2017 enacted level and $7,656,000 more than the budget request. Of the funding provided, $23,000,000 shall be derived from the Oil Spill Liability Trust Fund,

$131,000,000 shall be derived from the Pipeline Safety Fund and $8,000,000 is derived from the Underground Natural Gas Storage Facility Safety Fund. Of the funds recommended for research and development up to $2,000,000 shall be used for the Pipeline Safety Research Competitive Academic Agreement Program [CAAP] to focus on near-term solutions to improve the safety and reliability of the Nation's pipeline transportation system.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

Appropriations, 2017	$28,318,000
Budget estimate, 2018	28,318,000
Committee recommendation	28,318,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends $28,318,000 and an equal obligation limitation for the emergency preparedness grant program. The recommendation continues to provide PHMSA the authority to use prior year carryover and recaptures for the development of a Web-based hazardous materials response training curriculum for emergency responders, including response activities for crude oil, ethanol and other flammable liquids by rail. The Committee is pleased that in March 2017 PHMSA released its initial Web-based, off-the-shelf training material that can be used by emergency responders across the country. The Committee encourages PHMSA to continue to enhance its training curriculum for local emergency responders. Prior years' carryover may also be used to train public sector emergency response personnel in communities on or near rail lines that transport a significant volume of high-risk energy commodities or toxic inhalation hazards. The Committee continues a provision increasing the administrative costs available from 2 percent to 4 percent in order to address the OIG's recommendations.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2017	$90,152,000
Budget estimate, 2018	87,306,000
Committee recommendation	92,100,000

PROGRAM DESCRIPTION

The Inspector General Act of 1978 established the Office of Inspector General [OIG] as an independent and objective organization, with a mission to:

—conduct and supervise audits and investigations relating to the programs and operations of the Department;
—provide leadership and recommend policies designed to promote economy, efficiency, and effectiveness in the administration of programs and operations;
—prevent and detect fraud, waste, and abuse; and
—keep the Secretary and Congress currently informed regarding problems and deficiencies.

COMMITTEE RECOMMENDATION

The Committee recommendation provides $92,100,000 for activities of the Office of the Inspector General, which is $4,794,000 more than the President's budget request and $1,948,000 more than the fiscal year 2017 enacted level.

Audit Reports.—The Committee requests that the Inspector General continue to provide copies of all audit reports to the Committee immediately after they are issued, and to continue to make the Committee aware immediately of any review that recommends cancellation of or modifications to any major acquisition project or grant, or which recommends significant budgetary savings. The OIG is also directed to withhold from public distribution for a period of 15 days any final audit or investigative report which was requested by the House or Senate Committees on Appropriations.

Buy American Compliance.—Congressionally mandated audits of the Department of Defense's purchases of manufactured goods, Naval Personnel Can Improve Compliance With the Berry Amendment and the Buy American Act, and Air Force Personnel Can Improve Compliance With the Berry Amendment and the Buy American Act, revealed a high level of non-compliance with statutory "Buy American" obligations. In the last 5 years, the FAA has reported purchases of over $3,000,000,000 of manufactured goods. Given the impact that manufacturing has on our economy, the Committee directs the Inspector General of the Department of Transportation to conduct an audit of FAA purchases of manufactured goods to ensure compliance with chapter 83, title 41 of the United States Code for the purchase of domestically manufactured goods.

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.

General Provisions—Department of Transportation

Section 180 allows funds for maintenance and operation of aircraft; motor vehicles; liability insurance; uniforms; or allowances, as authorized by law.

Section 181 limits appropriations for services authorized by 5 U.S.C. 3109 not to exceed the rate for an executive level IV.

Section 182 prohibits funds in this act for salaries and expenses of more than 110 political and Presidential appointees in the Department of Transportation.

Section 183 prohibits recipients of funds made available in this act from releasing personal information, including Social Security numbers, medical and disability information, and photographs, from a driver's license or motor vehicle record without the express consent of the person to whom such information pertains; and prohibits the Secretary of Transportation from withholding funds provided in this act from any grantee in noncompliance with this provision.

Section 184 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 185 prohibits the use of funds in this act to make a grant or announce the intention to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations at least 3 full business days before making the grant or the announcement.

Section 186 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 to be credited to appropriations of the Department of Transportation.

Section 187 requires amounts from improper payments to a third-party contractor that are lawfully recovered by the Department of Transportation to be available to cover expenses incurred in recovery of such payments.

Section 188 establishes requirements for reprogramming actions by the House and Senate Committees on Appropriations.

Section 189 prohibits funds appropriated in this act to the modal administrations from being obligated for the Office of the Secretary for costs related to assessments or reimbursable agreements unless the obligations are for services that provide a direct benefit to the applicable modal administration.

Section 190 authorizes the Secretary to carry out a program that establishes uniform standards for developing and supporting agency transit pass and transit benefits authorized under section 7905 of title 5, United States Code.

Section 191 prohibits the use of funds for any geographic, economic, or other hiring preference pilot program, regulation, or policy unless certain requirements are met related to availability of local labor, displacement of existing employees, and delays in transportation plans.

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MANAGEMENT AND ADMINISTRATION

The Department of Housing and Urban Development [HUD] was established by the Housing and Urban Development Act (Public Law 89–174), effective November 9, 1965. This Department is the principal Federal agency responsible for programs concerned with the Nation's housing needs, fair housing opportunities, and improving and developing communities.

In carrying out the mission of serving the needs and interests of the Nation's communities and of the people who live and work in them, HUD administers: mortgage and loan insurance programs that help families become homeowners and facilitate the construction of rental housing; rental and homeownership subsidy programs for low-income families who otherwise could not afford decent housing; programs to combat discrimination in housing and affirmatively further fair housing opportunities; programs aimed at ensuring an adequate supply of mortgage credit; and programs that aid neighborhood rehabilitation, community development, and the preservation of our urban centers from blight and decay.

HUD also administers programs that protect homebuyers, and fosters programs and research that stimulate and guide the housing industry to provide not only housing, but better communities and living environments.

As HUD works to fulfill its mission, the Committee urges the Secretary to enhance its efforts to provide decent, affordable housing and to promote economic development for rural Americans. When designing programs and making funding decisions, the Secretary shall take into consideration the unique conditions, challenges, and scale of rural areas.

The Committee notes that poverty is far too prevalent in the United States. HUD should continue to work with Congress and other partners to implement policies that reduce poverty and the suffering associated with it. The Committee also encourages HUD to increase interagency collaboration to ensure Federal resources are strategically deployed in order to achieve the most effective outcomes, while also reducing overlap and duplication.

Relationship Between HUD and the Committee on Appropriations.—A relationship between the Committee and HUD has existed through the Departmental budget office. This relationship has, in prior years, proven beneficial to the Committee in completing its work structuring the annual Appropriations Act. However, the Committee retains the right to call upon all offices and agencies within the Department during the course of its oversight and funding of the Department's programs. Additionally, the Committee expects that all offices within HUD will provide timely and accurate information to the Committee upon request.

Appropriations Attorneys.—During consideration of the fiscal year 2003 appropriations legislation, it became apparent to the Committee that both the Committee and the Department would be better served if the attorneys responsible for appropriations matters were housed in the Office of the Chief Financial Officer [OCFO]. The fiscal year 2003 act provided funds and FTE to the OCFO to accommodate four attorneys transferred from the Office of General Counsel [OGC]. Since that time, the Committee has routinely received prompt, accurate, and reliable information from the OCFO on various appropriations law matters. For fiscal year 2018, the Committee continues to fund appropriations attorneys in the OCFO and directs HUD to refer all appropriations law issues to such attorneys within the OCFO.

Reprogramming and Congressional Notification.—The Committee reiterates that the Department must secure the approval of the House and Senate Committees on Appropriations for the reprogramming of funds between programs, projects, and activities within each account. Unless otherwise identified in the bill or report, the most detailed allocation of funds presented in the budget justifications is approved, with any deviation from such approved allocation subject to the normal reprogramming requirements. Except as specifically provided otherwise, it is the intent of the Committee that all carryover funds in the various accounts, including recaptures and de-obligations, are subject to the normal reprogramming requirements outlined under section 405. No change may be made to any program, project, or activity if it is construed to be new policy or a change in policy, without prior approval of the House and Senate Committees on Appropriations. The Committee also directs HUD to include a separate delineation of any reprogramming of funds requiring approval in the operating plan required by section 405 of this act. Finally, the Committee shall be notified regarding reorganizations of offices, programs or activities prior to the implementation of such reorganizations. The Department is directed to submit, in consultation with the House and Senate Committees on Appropriations, current and accurate organizational charts for each Office within the Department as part of the fiscal year 2019 congressional justifications. The Committee further directs the Department to submit any staff realignments or restructuring to the House and Senate Committees on Appropriations 30 days prior to their implementation.

Congressionally Mandated Reports.—The Department is reminded that directives and reports mandated in the House and Senate Appropriations Acts and accompanying reports are not optional unless revised or eliminated by the Statement of Managers accompanying the act. The Committee believes that such reports provide a better understanding of various issues and the Committee uses such reports to help inform funding decisions. Therefore, the Department is advised that the submission of directed reports is mandatory and not at the discretion of the Department. The Committee directs the Department to submit all overdue reports and to advise the Committee if it is unable to meet a reporting requirement well in advance of the deadline.

Addressing the Needs of Survivors of Domestic Violence.—In November 2016, HUD published its final rule, "Violence Against Women Reauthorization Act of 2013 [VAWA 2013]: Implementation in HUD Housing Programs" which expanded housing protections to all victims of domestic violence, dating violence, sexual assault, and stalking. In accordance with the reauthorization statute, this rule not only expanded protections beyond public housing and Section 8 programs, it also required grantees to develop emergency transfer plans in order to meet the pressing housing and services needs of this vulnerable population. Subsequently, on May 19, 2017, HUD issued guidance for its Public and Indian Housing [PIH] programs with Notice PIH–2017–08 and on June 30, 2017, issued guidance for its Multifamily Housing programs with Notice H 2017–05. However, the Department has yet to issue guidance for its Community Planning and Development [CPD] programs, or update critical notices and forms, including the "Notice of Occupancy Rights under the Violence Against Women Act", the "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternative Documentation" form, the "Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking" form, and "Model Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking". Additionally, the Department has yet to update its handbooks and lease terms for programs covered under VAWA 2013. The Committee is extremely concerned that without critical updates to guidance, handbooks, and forms, grantees are unable to effectively meet their statutory obligations under VAWA 2013, and assist those who are fleeing unsafe circumstances and require the protection of the law. Therefore, the Committee directs HUD to prioritize and expeditiously issue the related guidance and update its forms within 120 days of enactment of this act. Additionally, on December 16, 2016, an amendment to VAWA 2013's housing provisions was signed into law as part of the Justice for All Reauthorization Act of 2016. This amendment clarified that lease bifurcations and post-lease bifurcation protections apply to both survivor tenants and residents. However, HUD has not taken action to clarify how this change impacts its programs, or sought public comment through further rulemaking. As a result, the Committee directs the Department to issue clarifying guidance on how this change applies to VAWA 2013 covered programs within 60 days of enactment of this act, and where necessary, initiate public comment and or rulemaking within 90 days of enactment of this act.

Implementation of Lead-Based Paint Hazard Initiatives.—It is estimated that at least four million American households have children who are being exposed to high levels of lead and that approximately 24 million homes in the United States contain lead-based paint or lead-contaminated dust. Exposure to this paint and dust in the home accounts for 70 percent of lead poisoning cases in the United States. Last year, the Committee directed HUD to determine the extent of this health hazard in HUD-assisted housing; however, HUD lacked sufficient data and proper oversight of public housing agencies' [PHAs] and property owners' compliance with existing lead-based paint regulations to conclude the scale of the problem for the nearly 5 million families living in HUD-assisted housing. The Committee also expressed concern about the 34,000 children under the age of six residing in zero-bedroom units, including studios and efficiency apartments, which were excluded from the protections afforded by lead-based paint regulations and from receiving grant funding from HUD to address those hazards. The Committee was extremely concerned by HUD's overall lack of data and oversight and the potential exposure of children to lead-based paint hazards in HUD-assisted housing.

As a result, the Committee included a comprehensive series of lead-based paint remediation initiatives: $60,000,000 in additional resources to address lead-based paint hazards in both public and low-income housing; and directed numerous provisions to improve quality controls for physical inspections, enhance HUD's oversight of those inspections; and expand the housing units covered by lead-based paint regulations. Specifically, these initiatives included: increasing HUD's oversight and quality assurance of physical inspections in public and multifamily housing to ensure that PHAs and property owners are complying with lead-based paint regulations; doubling the number of inspectors in the Office of Lead Hazard Control and Healthy Homes' Enforcement Division; requiring HUD to issue clarifying guidance to PHAs on current and prospective lead-based paint regulations to help ensure that HUD-assisted units meet HUD's lead-safe standards; and removing zero-bedroom dwellings from the exceptions set forth in several lead-based paint hazard prevention statutes. These directives will help HUD provide more effective oversight of lead-based paint regulations, as well as assist PHA compliance. Furthermore, by removing the exceptions granted to zero-bedroom dwellings, the Committee is ensuring that young children living in HUD-assisted housing will be protected from the dangers of lead-based paint hazards regardless of the type of unit in which they reside.

The Committee is pleased that the Secretary shares the commitment and urgency to implement the initiatives and to protect young children in HUD-assisted housing from lead-based paint hazards. The Committee directs the Department to complete implementation of all of these initiatives within 90 days of enactment of this act.

EXECUTIVE OFFICES

Appropriations, 2017	$14,000,000
Budget estimate, 2018	14,708,000
Committee recommendation	15,645,000

PROGRAM DESCRIPTION

The Executive Offices account provides the salaries and expenses funding to support the Department's senior leadership and other key functions, including the immediate offices of the Secretary, Deputy Secretary, Congressional and Intergovernmental Relations, Public Affairs, Adjudicatory Services, the Center for Faith-Based and Community Initiatives, and the Office of Small and Disadvantaged Business Utilization.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $15,645,000 for this account, which is $1,645,000 more than the fiscal year 2017 enacted level and $937,000 more than the budget request. The Secretary is directed to submit a spend plan to the House and Senate Committees on Appropriations that outlines how budgetary resources will be distributed among the seven offices funded under this heading.

ADMINISTRATIVE SUPPORT OFFICES

Appropriations, 2017	$517,647,000
Budget estimate, 2018	517,803,000
Committee recommendation	520,190,000

PROGRAM DESCRIPTION

The Administrative Support Offices [ASO] account is the backbone of HUD's operations, and consists of several offices that aim to work seamlessly to provide the leadership and support services to ensure the Department performs its core mission and is compliant with all legal, operational, and financial guidelines. This account funds the salaries and expenses of the Office of the General Counsel, the Office of the Chief Financial Officer, the Office of the Chief Procurement Officer, the Office of Departmental Equal Employment Opportunity, the Office of Field Policy and Management, the Office of Strategic Planning and Management, the Office of the Chief Human Capital Officer, the Office of Administration, and the Office of the Chief Information Officer.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $520,190,000 for this account, which is $2,543,000 more than the fiscal year 2017 enacted level and $2,387,000 more than the budget request.

Funds are made available as follows:

	Amount
Office of the Chief Human Capital Officer	$39,300,000
Office of Administration	206,140,000
Office of the Chief Financial Officer	52,200,000
Office of the Chief Procurement Officer	19,500,000
Office of Field Policy and Management	53,500,000
Office of Departmental Equal Employment Opportunity	3,800,000
Office of the General Counsel	95,400,000
Office of Strategic Planning and Management	4,950,000
Office of the Chief Information Officer	45,400,000

Hiring and Separation Report.—The Committee directs HUD's Office of the Chief Financial Officer and the Office of the Human Capital Officer to submit quarterly reports to the House and Senate Committees on Appropriations on hiring and separations by program office. This report shall include position titles, location, associated FTE, and include the Office of the Inspector General and Government National Mortgage Association.

Office of Chief Operations Officer [OCOO].—The Committee recommendation does not include the authority to establish an Office of Chief Operations Officer within the Administrative Support Offices account as proposed in the budget request. The Committee recommendation continues to fund this function with the Executive Offices account.

Office of the Chief Financial Officer [OCFO].—The Department is directed to cap the staffing for the OCFO Office of Budget at the level of staff on board on September 30, 2017. The Department is further directed to limit the staffing level of the OCFO Immediate Office to no more than 3 FTE until a Chief Financial Officer is confirmed by the Senate. The Department is further directed to add

4 FTEs to the OCFO Office of Accounting staffing level above the fiscal year 2017 level. The Department shall not alter the organizational structure of OCFO as in effect on January 1, 2015, without prior written approval of the House and Senate Committees on Appropriations.

PROGRAM OFFICES SALARIES AND EXPENSES

PUBLIC AND INDIAN HOUSING

Appropriations, 2017	$216,000,000
Budget estimate, 2018	216,633,000
Committee recommendation	222,000,000

PROGRAM DESCRIPTION

This account provides salary and benefits funding to support staff in headquarters and in 46 field offices in the Office of Public and Indian Housing [PIH]. PIH is charged with ensuring the availability of safe, decent, and affordable housing, creating opportunities for residents' self-sufficiency and economic independence, and assuring the fiscal integrity of all public housing agencies. The Office ensures that safe, decent and affordable housing is available to Native American families, creates economic opportunities for tribes and Indian housing residents, assists tribes in the formulation of plans and strategies for community development, and assures fiscal integrity in the operation of its programs. The Office also administers programs authorized in the Native American Housing Assistance and Self Determination Act of 1996 [NAHASDA], which provides housing assistance to Native Americans and Native Hawaiians. PIH also manages the Housing Choice Voucher program, in which tenant-based vouchers increase affordable housing choices for low-income families. Tenant-based vouchers enable families to lease safe, decent, and affordable privately owned rental housing.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $222,000,000 for this account, which is $5,367,000 more than the budget request and $6,000,000 more than the fiscal year 2017 enacted level. The Committee recommendation supports existing personnel, and reflects the establishment of a Working Capital Fund in fiscal year 2017 for shared service costs. Of the amounts provided, no less than $200,000 is for travel related to the provision of training, technical assistance, oversight and management of Indian housing.

The Committee directs HUD to prioritize the hiring of one additional staff person in the field office for the management and oversight of Native Hawaiian programs.

The Committee directs HUD to inform the House and Senate Committees on Appropriations within 30 days of enactment of this act regarding how it is implementing the Committee's hiring direction.

COMMUNITY PLANNING AND DEVELOPMENT

Appropriations, 2017	$110,000,000
Budget estimate, 2018	107,554,000
Committee recommendation	108,300,000

PROGRAM DESCRIPTION

This account provides salary and benefits funding for Community Planning and Development [CPD] staff in headquarters and in 43 field offices. CPD's mission is to support successful urban, suburban and rural communities by promoting integrated approaches to community and economic development. CPD programs also assist in the expansion of opportunities for low- and moderate-income individuals and families in moving towards home ownership. The Assistant Secretary for CPD administers formula and competitive grant programs, as well as guaranteed loan programs that help communities plan and finance their growth and development. These programs also help communities increase their capacity to govern and provide shelter and services for homeless persons and other persons with special needs, including person with HIV/AIDS.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $108,300,000 for the staffing within this office, which is $746,000 more than the budget request and $1,700,000 less than the fiscal year 2017 enacted level.

The Committee directs HUD to prioritize the hiring of staff to support grant monitoring, as well as the closeout of open audits and backlog of open grants particularly as it relates to disaster recovery grants, before hiring in other areas, unless such staff are identified as backfilling mission-critical positions.

The Committee directs HUD to inform the House and Senate Committees on Appropriations within 30 days of enactment of this act regarding how it is implementing the Committee's hiring direction.

New Housing in High Cost Metropolitan Areas.—The Committee is concerned that a combination of income concentration and housing supply constraints in high-productivity metropolitan areas has created entry limits harmful to geographic and economic mobility. Upward price pressure on rents resulting from such conditions imposes a greater financial burden on Federal taxpayers through rental assistance programs that respond to market rents. The Committee directs the Department to report to the House and Senate Committees on Appropriations no later than 90 days after the date of enactment of this act, identifying metropolitan areas where such conditions are most prevalent and recommending best practices for localities and states to help encourage the production of new housing stock in high-cost metropolitan areas.

Promise Zones.—Since 2014, HUD has competitively made Promise Zone designations in 21 communities. These designations partner the Federal government with local communities to address multiple community revitalization challenges in a collaborative way and have demonstrated a commitment to results. To realize the full potential of these designations, the Committee has included language this year directing HUD to continue supporting the existing Promise Zone designations for the length of their agreements.

HOUSING

Appropriations, 2017	$392,000,000
Budget estimate, 2018	365,829,000
Committee recommendation	383,000,000

PROGRAM DESCRIPTION

This account provides salary and benefits funding to support staff in headquarters and in 52 field locations in the Office of Housing. The Office of Housing is responsible for implementing programs to assist projects for occupancy by very low- and moderate-income households, to provide capital grants to nonprofit sponsors for the development of housing for the elderly and disabled, and to conduct several regulatory functions. The Office also administers Federal Housing Administration [FHA] programs. FHA administers HUD's mortgage and loan insurance programs, which facilitate the financing of new construction, rehabilitation or the purchase of existing dwelling units. The Office also provides services to maintain and preserve homeownership, especially for underserved populations. This assistance allows lenders to make lower cost financing available to more borrowers for home and home improvement loans, and apartment, hospital, and nursing home loans. FHA provides a vital link in addressing America's homeownership and affordable housing needs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $383,000,000 for staffing in the Office of Housing, which is $17,171,000 more than the budget request and $9,000,000 less than the fiscal year 2017 enacted level.

POLICY DEVELOPMENT AND RESEARCH

Appropriations, 2017	$24,000,000
Budget estimate, 2018	24,065,000
Committee recommendation	25,400,000

PROGRAM DESCRIPTION

This account provides salary and benefits funding to support staff in headquarters and in 16 field locations in the Office of Policy Development and Research [PD&R]. PD&R supports the Department's efforts to help create cohesive, economically healthy communities. PD&R is responsible for maintaining current information on housing needs, market conditions, and existing programs, as well as conducting research on priority housing and community development issues. The office provides reliable and objective data and analysis to help inform policy decisions.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $25,400,000 for this account, which is $1,335,000 more than the budget request and $1,400,000 more than the fiscal year 2017 enacted level.

PD&R collects and distributes data on HUD programs, the people HUD serves, and housing needs across the country, in addition to providing technical assistance in these areas. The information it makes available and the analysis it provides to the Department are essential to moving HUD to outcome-based performance measures. The Committee also relies on the data and research provided by PD&R to inform its work. The recommended amount will ensure that PD&R can continue to play this important role.

FAIR HOUSING AND EQUAL OPPORTUNITY

Appropriations, 2017	$72,000,000
Budget estimate, 2018	69,808,000
Committee recommendation	72,400,000

PROGRAM DESCRIPTION

This account provides salary and benefits funding to support staff in headquarters and in all regional offices in the Office of Fair Housing and Equal Opportunity [FHEO]. FHEO is responsible for investigating, resolving, and prosecuting complaints of housing discrimination, as well as conducting education and outreach activities to increase awareness of the requirements of the Fair Housing Act. The Office also develops and interprets fair housing policy, processes complaints, performs compliance reviews, and provides oversight and technical assistance to local housing authorities and community development agencies regarding section 3 of the Housing and Urban Development Act of 1968.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $72,400,000, which is $2,592,000 more than the budget request and $400,000 more than the fiscal year 2017 enacted level.

OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES

Appropriations, 2017	$9,353,000
Budget estimate, 2018	7,600,000
Committee recommendation	8,200,000

PROGRAM DESCRIPTION

This account provides salary and benefits funding to support the Office of Lead Hazard Control and Healthy Homes [OLHCHH] headquarters staff. OLHCHH administers and manages the lead-based paint and healthy homes activities of the Department, and is directly responsible for the administration of the Lead-Based Paint Hazard Reduction program. The office also develops lead-based paint regulations, guidelines, and policies applicable to HUD programs, designs lead-based paint and healthy homes training programs, administers lead-hazard control and healthy homes grant programs, and implements the lead and healthy homes research program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $8,200,000 for this account, which is $600,000 more than the budget request and $1,153,000 less than the fiscal year 2017 enacted level.

WORKING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

PROGRAM DESCRIPTION

The Department of Housing and Urban Development's Working Capital Fund [WCF] was established by the Consolidated Appropriations Act, 2017. The purpose of the WCF is to promote economy, efficiency, and accountability. Amounts transferred to the Fund are for Federal shared services used by offices and agencies of the Department, and are derived from centralized Salaries and Expenses accounts starting in 2017.

COMMITTEE RECOMMENDATION

The Committee recommendation provides the Secretary with the authority to transfer amounts provided in this title for salaries and expenses, except those for the Office of Inspector General, to this account for the purpose of funding centralized activities. The Department is required to centralize and fund from this account any shared service agreements executed between HUD and another Federal agency. For fiscal year 2018, the Department is permitted to centralize and fund from this account: financial management, procurement, travel, relocation, human resources, printing, records management, space renovation, furniture, and supply services. The Committee does not expand the authority to include the proposed management data initiative. The Committee expects that, prior to exercising discretion to centrally fund an activity, the Secretary shall have established transparent and reliable unit cost accounting for the offices and agencies of the Department that use the activity and shall have adequately trained staff within each affected office and agency on resource planning and accounting processes associated with the centralization of funds to this account.

Prior to exercising its authority to transfer funds for activities beyond what is required for shared service agreements, the Committee expects HUD to establish a clear execution plan for centralizing the additional activities and to properly vet that plan with the House and Senate Committees on Appropriations prior to transferring such funds into the WCF. Financial management, procurement, travel, and relocation costs for services provided to the Office of the Inspector General are covered by the Office of the Chief Financial Officer.

HUD shall include in its annual operating plan a detailed outline of its plans for transferring budgetary resources to the WCF in fiscal year 2018.

The Committee directs the Department to submit to the House and Senate Committees on Appropriations within 90 days of enactment of this act a report on HUD's shared service agreement with the Administrative Resource Center [ARC] for financial management, procurement, and travel services. This report shall, at a minimum, define the scope of the agreement (including the defined roles of ARC and HUD), summarize the agreed upon solutions for addressing HUD's core accounting, financial management and reporting, procurement, and travel functions, and provide an update on all outcomes of the shared service agreement as of September

30, 2017. The report shall identify how the shared service agreement addresses weaknesses and deficiencies in program administration, systems and data management, and human capital that effect HUD's annual financial accounting and reporting. It shall also identify functionality HUD previously had related to financial management and reporting, procurement, and travel that has been lost as a result of the shift to a shared service model.

PUBLIC AND INDIAN HOUSING

TENANT-BASED RENTAL ASSISTANCE

Appropriations, 2017	$20,292,000,000
Budget estimate, 2018	19,317,900,000
Committee recommendation	21,365,120,000

PROGRAM DESCRIPTION

This account provides funding for the Section 8 tenant-based (voucher) program. Section 8 tenant-based housing assistance is one of the principle appropriations for Federal housing assistance, serving approximately 2.2 million families. The program also funds incremental vouchers for tenants who live in properties where the owner has decided to leave the Section 8 program. The program also provides for the replacement of units lost from the assisted housing inventory through its tenant protection vouchers. Under these programs, eligible low-income individuals and families pay 30 percent of their adjusted income for rent, and the Federal Government is responsible for the remainder of the rent, up to the fair market rent or some other payment standard. This account also provides funding for administrative fees for PHAs, mainstream vouchers, Housing and Urban Development Veterans Supportive Housing [HUD–VASH] programs, and other incremental vouchers for vulnerable populations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $21,365,120,000 for fiscal year 2018, including $4,000,000,000 as an advance appropriation to be made available on October 1, 2018. This amount is $2,047,220,000 more than the budget request and $1,073,120,000 more than the fiscal year 2017 enacted level.

Contract Renewals.—The Committee recommends $19,370,000,000 for the renewal costs of Section 8 vouchers, which is $1,786,174,000 more than the budget request and $1,015,000,000 more than the fiscal year 2017 enacted level.

The Section 8 rental assistance program is a critical tool that enables more than 2 million low-income individuals and families to access safe, stable, and affordable housing in the private market. In recognition of the Section 8 program's central role in ensuring housing for vulnerable Americans, the Committee recommendation and existing reserves will provide sufficient resources to ensure that no current voucher holders are put at risk of losing their housing assistance. It also supports the first time renewal of incremental vouchers that were funded in prior years, including HUD–VASH vouchers. The Committee will continue to monitor leasing data to make sure residents are protected.

Regulatory Relief.—The Committee recognizes the growing demand placed on small-and medium-sized public housing agencies across the Nation. Given this recognition, the Committee believes that small agencies may face disproportionate regulatory burdens and the Department should simplify monitoring and compliance requirements. The Committee continues to urge HUD to eliminate excessive paperwork and administrative requirements and develop opportunities that achieve new efficiencies in management and operations for small- and medium-sized public housing agencies. The Committee directs HUD to report to the House and Senate Committees on Appropriations on recommendations for statutory and regulatory relief for small- to medium-sized PHAs within 120 days of enactment of this act.

Set-Aside for Special Circumstances.—The Committee has provided a set-aside of $75,000,000 to allow the Secretary to adjust allocations to PHAs under certain circumstances. Qualifying factors include: (1) a significant increase, as determined by the Secretary, in renewal costs of tenant-based rental assistance resulting from unforeseen circumstances and voucher utilization or the impact from portability under section 8(r) of the act; (2) vouchers that were not in use during the previous 12-month period in order to be available to meet a commitment pursuant to section 8(o)(13) of the act; (3) adjustments or costs associated with HUD–VASH vouchers; and (4) possible termination of families as a result of insufficient funding. A PHA should not receive an adjustment to its allocation from the funding provided under this section if the Secretary determines that such PHA, through negligence or intentional actions, would exceed its authorized level of vouchers.

HUD–VASH.—Since 2008, the Committee has provided more than $500,000,000 in targeted funding to address veterans' homelessness. Communities across the country have been able to use these resources to make tremendous strides in addressing veterans' homelessness. Progress continues to be made in 2017 as communities including La Crosse, Wisconsin, and Akron, Ohio joined a growing list of cities and states that have ended veterans' homelessness. These successes, which are the result of hard work and effective collaboration, have been critical in reducing veterans' homeless by 47 percent since 2010. For this reason, the Committee again rejects the budget proposal to prematurely end funding for new VASH vouchers and includes $40,000,000 for this purpose.

The Committee also encourages the Department to use existing authority to recapture HUD–VASH voucher assistance from PHAs that voluntarily declare that they no longer have a need for that assistance, and reallocate it to PHAs with an identified need. The Committee directs HUD to expedite this process, ensuring that communities that have successfully ended veterans' homelessness enable other communities to assist this population. The Committee encourages the Department to prioritize, as part of this reallocation, PHAs that project-base a portion of their HUD–VASH vouchers.

Tribal-VASH.—The Committee recommendation includes $5,000,000 for rental assistance and associated administrative costs for Tribal HUD–VASH to serve Native American veterans that are homeless or at-risk of homelessness living on or near a reservation or other Indian areas. The Committee is aware that House and Senate authorizing committees are considering authorizing this demonstration program. As part of this consideration, the Committee encourages the respective committees of jurisdiction to consider the effectiveness of administering the program through the Office of Native American Programs, as currently demonstrated, rather than the Office of Housing Choice Vouchers, where traditional HUD–VASH vouchers are managed. The Department's administration and use of these funds have been in alignment with the administration of programs authorized under the Native American Housing and Self Determination Act [NAHASDA]. As a result, the Committee encourages the authorizing committees to consider authorizing this program, as appropriate, as part of NAHASDA rather than under the 1937 Housing Act.

Administrative Fees.—The Committee recommends $1,725,000,000 for administrative fees, which is $175,000,000 more than the budget request and $75,000,000 more than the fiscal year 2017 enacted level. The Committee is concerned that where there is a significant fluctuation in local rental market conditions, HUD's published fair market rents do not reflect the increased need in rental subsidy and the associated operating costs. As a result, some PHAs are conducting independent market surveys to more accurately reflect local market conditions, to submit to HUD for review and consideration. The Committee understands that such surveys are an eligible administrative expense under the Housing Choice Voucher program, and therefore directs HUD to issue clarifying guidance within 90 days of enactment of this act on how PHAs can use administrative fee funding for this purpose.

Tenant Protection Vouchers.—The Committee recommendation includes $75,000,000 for tenant protection vouchers. These vouchers are provided to public housing residents whose buildings have health or safety issues, or whose projects are being demolished. However, the largest share of these vouchers is provided to tenants living in properties with expiring HUD assistance that may face rent increases if their owners opt out of HUD programs. In these instances, the vouchers ensure continued affordability of tenants' housing.

Section 811 Mainstream Vouchers.—The Committee recommends $130,120,000 to continue the rental assistance and administrative costs of this program.

Family Unification Program [FUP].—Young adults associated with child welfare systems are more likely to experience homelessness as adults or as they transition to adulthood. The Committee recognizes that stable, affordable housing with appropriate services can help prevent children from being unnecessarily removed from their families and help youth exiting foster care transition to adulthood. Therefore, the Committee includes $20,000,000 for new FUP vouchers. The Committee directs HUD to prioritize the award of these new vouchers to PHAs that will target them to youth and PHAs that have partnered with their local public child welfare agency to ensure youth referrals for these vouchers. The Committee also includes language permitting the Secretary to recapture voucher assistance from PHAs that no longer have a need for that assistance, and reallocate to it to PHAs with an identified need.

HOUSING CERTIFICATE FUND

(INCLUDING RESCISSIONS)

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee has included language that will allow unobligated balances from specific accounts to be used to renew or amend project-based rental assistance contracts.

PUBLIC HOUSING CAPITAL FUND

Appropriations, 2017	$1,941,500,000
Budget estimate, 2018	628,000,000
Committee recommendation	1,945,000,000

PROGRAM DESCRIPTION

This account provides funding for modernization and capital needs of PHAs (except Tribally Designated Housing Entities), including management improvements, resident relocation, and homeownership activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,945,000,000 for the Public Housing Capital Fund, which is $1,317,000,000 more than the budget request and $3,500,000 more than the fiscal year 2017 enacted level.

Of the amount made available under this account, $25,000,000 is for supportive services for residents of public housing under the Resident Opportunity and Self-Sufficiency [ROSS] program, and $15,000,000 is for the Jobs-Plus demonstration. The Committee also recommends up to $8,300,000 to support the ongoing financial and physical assessment activities performed by the Real Estate Assessment Center [REAC] and $1,000,000 for the cost of administrative and judicial receiverships.

ConnectHome.—The Committee does not include resources for the ConnectHome initiative, which provides a platform for collaboration among local governments, public housing agencies, Internet service providers, philanthropic foundations, nonprofit organizations and other relevant stakeholders to work together to produce local solutions for narrowing the digital divide in communities across the Nation served by HUD. However, the Committee encourages the Department to continue to partner with these entities to help identify ways residents living in public housing can connect to broadband infrastructure through technical assistance and digital literacy training. The Committee encourages HUD to work with its partners to take steps to expand the number of participating communities.

Safety and Security in Public Housing.—The Committee directs at least $5,000,000 of the $21,500,000 recommended for emergency capital needs for safety and security measures necessary to address crime and drug-related activity in public housing. The Committee has included this specific set-aside because there are PHAs facing safety and security issues that rely on these funds to protect their tenants. The Committee notes that the demand for these funds continues to grow while the amount that HUD is awarding to PHAs is decreasing. The Committee believes that the level of funding recommended will support both repairs from disasters and safety and security improvements. Therefore, the Committee directs the Department to fund eligible safety and security projects with a portion of these funds as quickly as possible. The Committee continues language clarifying that unused funds from the emergency set-aside shall be used to address safety and security needs of PHAs and the residents who live in these properties.

Quality Assurance of Physical Inspections.—The Committee remains concerned about the physical quality of some HUD-subsidized properties across the country, including incidences of unaddressed or untimely responses to health-related hazards in HUD-assisted housing. The scope of this issue has spanned geographic regions, but the Committee is encouraged that authorizing committees have taken steps to address systemic problems with HUD's oversight, and improved the Real Estate Assessment Center's [REAC] inspections of HUD-assisted housing. The Committee directs the Department to move expeditiously to implement the provisions contained in section 101 of title I of the Housing Opportunity Through Modernization Act of 2016, which unambiguously affirms congressional intent regarding inspections and tenant protections. The Committee also directs the Department to submit to the House and Senate Committees on Appropriations 30 days after enactment of this act, a report identifying how funds provided for the Real Estate Assessment Center, including any carryover balances, will be utilized during fiscal year 2018. The Committee further directs the Real Estate Assessment Center to work with the Office of Policy Development and Research to identify and implement a statistically significant sample photographic review of HUD-assisted properties that receive a passing inspection score during fiscal year 2018. The Department shall report its findings from this review to the House and Senate Committees on Appropriations no later than September 30, 2018.

The Committee encourages the Department to work with the House and Senate authorizing committees on enforcement actions, including civil monetary penalties, that HUD can take to ensure PHAs and landlords maintain the physical quality of HUD-assisted units.

The Committee continues to support efforts to quickly issue tenant-protection vouchers to ensure affected residents are expeditiously securing housing that meets HUD's decent, safe and sanitary standards. The Committee would like to reiterate that failure to maintain the physical condition of HUD-assisted properties results in a loss of critical affordable housing and tenant protection vouchers are of questionable value to families that encounter a lack of affordable housing in their communities. The Committee recognizes that residents displaced from public housing may find it difficult to find replacement housing within their existing community and may have to find replacement housing within the jurisdictions of other public housing authorities. One of the few options that may be available to residents in communities with limited rental housing stock is replacement housing that is owned by a family member, which is currently prohibited under 24 CFR Part 982. The Committee supports the intent of the rule, which is to reduce the potential for fraud and abuse under the Section 8 program, however there are limited circumstances where an exception to the regulatory prohibition may be warranted. Therefore, the Committee encourages the Department to waive the prohibition under 24 CFR Part 982 on a case-by-case basis in emergency circumstances where a resident has been displaced due to uninhabitable conditions, there are no other safe and affordable housing options within the public housing agency's jurisdiction, and moving outside of the PHA's jurisdiction would place an undue burden on the resident. Housing rented under such a waiver must continue to meet all other requirements for housing assistance payment contracts.

Public Housing Receiverships.—The Committee directs the Department to report quarterly during fiscal year 2018 to the House and Senate Committees on Appropriations on the status of public housing agencies under receivership, including factors that informed the receivership such as physical and financial scores, deficiencies with internal controls, and other information demonstrating why HUD believes PHAs are unable to effectively oversee their business operations. This report shall also include an identification of funding resources and technical assistance provided to the PHA for the purpose of bringing it out of receivership, and future steps HUD will take to address deficiencies in an effort to return the respective PHAs to local control.

Cash Management.—The Committee is aware that the Department continues to work on implementing improved cash management for public housing agencies. The Department is reminded that effective cash management policies will require coordinated efforts and transparency across offices.

Lead-Based Paint.—In fiscal year 2017 the Committee included $25,000,000 to help PHAs address lead-based paint hazards in public housing units, to ensure the physical condition of units meet the criteria set forth in HUD's amended blood lead level standards. This funding will be competitively awarded to PHAs for lead inspections, risk assessments, interim controls and abatements, and will provide greater protections for more than 1,000 children under the age of 6 living in public housing. As the Department develops the notice of funding availability for this competition, the Committee encourages the Office of Public Housing Investments [OPHI] to consult with the Office of Lead Hazard Control and Healthy Homes in the design of the initiative to ensure the competition meets the standards set-forth in HUD's lead-based paint regulations. Further, the Committee expects the Department to work with PHAs to ensure that the initiative reflects the unique needs of the industry. The Committee continues to strongly encourage HUD to work with PHAs, their maintenance staff, and tenants to help ensure potential lead-based paint risks are identified and addressed expeditiously.

PUBLIC HOUSING OPERATING FUND

Appropriations, 2017	$4,400,000,000
Budget estimate, 2018	3,900,000,000
Committee recommendation	4,500,000,000

PROGRAM DESCRIPTION

This account provides funding for the payment of operating subsidies to approximately 3,100 PHAs (except tribally designated housing entities) with a total of approximately 1.2 million units under management in order to augment rent payments by residents in order to provide sufficient revenues to meet reasonable operating costs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $4,500,000,000 for the public housing operating fund, which is $600,000,000 more than the budget request and $100,000,000 more than the fiscal year 2017 enacted level.

Regulatory Relief.—The Committee recognizes the growing demand placed on small-and medium-sized public housing agencies across the Nation. Given this recognition, the Committee believes that small agencies may face disproportionate regulatory burdens and the Department should simplify monitoring and compliance requirements. The Committee continues to urge HUD to eliminate excessive paperwork and administrative requirements and develop opportunities that achieve new efficiencies in management and operations for small public housing agencies. The Committee directs HUD to report to the House and Senate Committees on Appropriations on recommendations for statutory and regulatory relief for small- to medium-sized PHAs within 120 days of enactment of this act.

Operating Fund Adjustment Factors.—The Committee is concerned that the Department's current methodology for calculating formula income and utility expenses for PHAs does not accurately reflect the reality that many experience locally. This is especially true for those PHAs that serve a large elderly or disabled populations, or operate on a utility that is of higher cost than other parts of the country. The Committee appreciates that the Department takes seriously concerns raised by PHAs and is reviewing its data and evaluating alternative approaches. The Committee directs the Department to report to the House and Senate Committees on Appropriations 30 days after enactment of this act on alternative methodologies for calculating PHA formula income for purposes of Operating Fund eligibility.

CHOICE NEIGHBORHOODS INITIATIVE

Appropriations, 2017	$137,500,000
Budget estimate, 2018	....
Committee recommendation	50,000,000

PROGRAM DESCRIPTION

The Choice Neighborhoods initiative provides competitive grants to transform impoverished neighborhoods into functioning, sustainable, mixed-income neighborhoods with co-location of appropriate services, schools, public assets, transportation options, and access to jobs or job training. Choice Neighborhoods grants fund the preservation, rehabilitation, and transformation of public and HUD-assisted housing, as well as their neighborhoods. Grantees include

PHAs, tribes, local governments, and nonprofit organizations. For-profit developers may also apply in partnership with another eligible grantee. Grant funds can be used for resident and community services, community development and affordable housing activities in surrounding communities. Grantees undertake comprehensive local planning with input from residents and the community.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $50,000,000 for the Choice Neighborhoods initiative. This amount is $87,500,000 less than the fiscal year 2017 enacted level and $50,000,000 more than the budget request. Of the total amount provided, not less than $25,000,000 shall be awarded to projects where PHAs are the lead applicant, and no more than $5,000,000 may be used for planning, including planning and action, grants.

Choice Neighborhoods builds on the HOPE VI program by expanding the pool of eligible grantees and allowing funding to be used for HUD-owned or -assisted housing, as well as the surrounding community. Inherent to the Choice Neighborhoods initiative is the understanding that community transformation requires more than replacing housing. The creation of vibrant, sustainable communities also requires greater access to transportation, jobs and services that will increase opportunities for community residents. However, HUD funding cannot support all of these activities without strong public-private partnerships. The Committee continues to be encouraged by the ability of Choice Neighborhood grantees to leverage significant resources with their grant awards, to expand opportunities for residents living in Choice Neighborhoods sites.

The Committee notes that successful community planning brings together multiple partners and funding sources that aid in community transformation. The Committee continues to direct the Secretary to give priority consideration to grantees that have been previously awarded planning grants when making implementation grant awards.

FAMILY SELF-SUFFICIENCY

Appropriations, 2017	$75,000,000
Budget estimate, 2018	75,000,000
Committee recommendation	75,000,000

PROGRAM DESCRIPTION

The Family Self-Sufficiency [FSS] program provides funding to help Housing Choice Voucher, project-based Section 8, and Public Housing residents achieve self-sufficiency and economic independence. The FSS program is designed to provide service coordination through community partnerships that link residents with employment assistance, job training, child care, transportation, financial literacy, and other supportive services. The funding will be allocated through one competition to eligible PHAs to support service coordinators who will serve both public housing and vouchers residents.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $75,000,000 for the FSS program in fiscal year 2018, an amount equal to the fiscal year 2017 enacted level and the budget request.

The Committee strongly supports the FSS program, which helps provide public housing and Section 8 residents with the tools to improve their lives and achieve self-sufficiency. In fiscal year 2014, the Committee combined Section 8 voucher and public housing FSS programs so that public housing agencies could manage one unified program. Since fiscal year 2015, the Committee has included language expanding the program to serve residents living in project-based Section 8 housing. This authority allows property owners to create escrow accounts and fund service coordinators with residual receipts. As a result of this language, HUD is working with project-based Section 8 property owners on the implementation of FSS at select properties. As the program expands to additional project-based Section 8 properties, the Committee expects HUD to continue to hold webinars, trainings, and share best-practices for property owners currently operating and seeking to implement a new FSS program. Further, the Committee strongly encourages the Department to continue work with PHAs and property owners, including those converting existing FSS programs through the Rental Assistance Demonstration, to ensure they comply with reporting and other program requirements.

NATIVE AMERICAN HOUSING BLOCK GRANTS

Appropriations, 2017	$654,000,000
Budget estimate, 2018	600,000,000
Committee recommendation	655,000,000

PROGRAM DESCRIPTION

This account funds the Indian Housing Block Grant Program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 [NAHASDA]. This program provides a funding allocation on a formula basis to Indian tribes and their tribally designated housing entities to help address the housing needs within their communities. Under this block grant, Indian tribes use performance measures and benchmarks that are consistent with the national goals of the program, but can base these measures on the needs and priorities established in their own Indian housing plan.

COMMITTEE RECOMMENDATION

The Committee recommends a total of $655,000,000 for the Indian Housing Block Grant [IHBG] and Title VI Loan Guarantee programs, of which $646,000,000 is for IHBG formula grants, $7,000,000 is for technical assistance, and $2,000,000 is for credit subsidy to support a Title VI guaranteed loan level not to exceed $17,391,304. The recommended level of funding is $1,000,000 more than the amount provided in fiscal year 2017 and $55,000,000 more than the budget request.

Recognizing the tremendous needs in Indian Country and the limited resources available to address these challenges, the Committee includes a provision limiting the amount of funding a Tribe may receive from the IHBG program to not more than 10 percent. The Committee directs HUD to collect data as part of tribes' Indian Housing Plan submissions on new program activity that is generated due to this provision.

IHBG is a vital resource for tribal governments to address the dire housing conditions in Indian Country, and access to affordable housing remains in a critical state for many tribes across the country. Native Americans living in tribal areas are nearly twice as likely to live in poverty compared to the rest of the Nation. As a result, the housing challenges on tribal lands are daunting. According to the American Housing Survey data for 2013, 16 percent of homes on American Indian reservations and off-reservation trust land are overcrowded, compared to 2 percent of households nationwide. In addition to being overcrowded, 34 percent of Native American housing units suffer from one or more physical problems compared with only 7 percent for U.S. households, on average.

The Committee believes the housing goals for American Indians, Alaska Natives, and Native Hawaiians remain a priority. The housing resources provided by this Committee serve communities who are disproportionately low income, more likely to experience homelessness or overcrowded living conditions and unable to utilize traditional lending sources for homeownership. IHBG has aided thousands of individuals and families in the pursuit of safe, affordable housing and the Committee encourages HUD to continue providing appropriate assistance and resources based on continued demonstrable need.

Coordinated Environmental Reviews for Tribal Housing and Related Infrastructure.—In fiscal year 2015, the Committee directed HUD to collaborate with the Council on Environmental Quality and affected Federal agencies, including the Departments of the Interior, Agriculture, Commerce, Energy, Health and Human Services, the Federal Highway Administration, and the Environmental Protection Agency, to develop a coordinated environmental review process to simplify tribal housing development and its related infrastructure needs. The Committee expects HUD to continue to update the Committee on the status and progress of these ongoing efforts.

Technical Assistance.—Limited capacity hinders the ability of many tribes to effectively address their housing needs. The Committee recommendation includes $7,000,000 for technical assistance needs in Indian country to support the IHBG program, as well as other HUD programs, in order to meet the needs of Native American families and Indian country. The Committee expects HUD to use the technical assistance funding provided to aid tribes with capacity challenges, especially tribes receiving small grant awards. The funding should be used for training, contract expertise, and other services necessary to improve data collection, increase leveraging, and address other needs identified by tribes. The Committee also expects that these technical assistance funds will be provided to both national and regional organizations with experience in providing technical assistance that reflects the unique needs and culture of Native Americans.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

	Program account	Limitation on guaranteed loans
Appropriations, 2017	$7,227,000	$1,762,683,000
Budget estimate, 2018	....	....
Committee recommendation	1,000,000	270,270,270

PROGRAM DESCRIPTION

This program provides access to private financing for Indian families, Indian tribes, and their tribally designated housing entities that otherwise could not acquire housing financing because of the unique status of Indian trust land. HUD continues to be the largest single source of financing for housing in tribal communities. This program makes it possible to promote sustainable reservation communities by providing access to financing for higher income Native Americans to achieve homeownership within their Native communities. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,000,000 in program subsidies to support a loan level of $270,270,270. This subsidy amount is $6,227,000 less than the fiscal year 2017 enacted subsidy level and $1,000,000 more than the budget request.

NATIVE HAWAIIAN HOUSING BLOCK GRANT

Appropriations, 2017	$2,000,000
Budget estimate, 2018	....
Committee recommendation	1,000,000

PROGRAM DESCRIPTION

The Hawaiian Homelands Homeownership Act of 2000 created the Native Hawaiian Housing Block Grant program to provide grants to the State of Hawaii Department of Hawaiian Home Lands [DHHL] for housing and housing-related assistance, in order to develop, maintain, and operate affordable housing for eligible low-income Native Hawaiian families. As one of the United States' indigenous people, Native Hawaiian people have a unique relationship with the Federal Government.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,000,000 for the Native Hawaiian Housing Block Grant Program, which is $1,000,000 less than the fiscal year 2017 enacted level and $1,000,000 more than the budget request.

The Native Hawaiian Housing Block Grant Program [NHHBG] provides funding for affordable housing activities on Hawaiian home lands to eligible Native Hawaiian families. This program is necessary given the general living conditions and poverty rates for Native Hawaiians. According to the 2011–2013 American Community Survey, approximately 19 percent of Native Hawaiian households were overcrowded compared to 3.3 percent of all households in the United States, and about 18.4 percent of Native Hawaiians in Hawaii live in poverty. According to HUD's 2017 Housing Needs of Native Hawaiians report, Native Hawaiians are overrepresented in Hawaii's homeless population.

Hawaiian home lands are dispersed throughout the Hawaiian Islands and are often in less desirable areas with steep terrain that is difficult to access and develop. The challenges involved with development of this raw land add to the already high cost of construction in the State. Project development is a lengthy process that involves complex environmental reviews with strict water resource requirements, procurement of construction contracts, and installation of entire public works systems. Development in several Hawaiian home land areas has been halted after the discovery of unexploded ordinance and DHHL is working with the U.S. Army Corps of Engineers to identify and remediate trust lands affected. These challenges have impeded the DHHL's ability to advance the traditional model of single housing family community developments. The Committee remains concerned that this traditional housing model does not address the severe housing needs of the 34,100 low-income Native Hawaiian households that are eligible for assistance under the NHHBG program. The Committee directs HUD to ensure that the funds provided are administered to maximize the provision of affordable housing through the construction of high density, multi-family affordable housing and rental units, as well as housing counseling services and the rehabilitation of housing on Native Hawaiian home lands that do not meet safe and sanitary housing building standards.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Appropriations, 2017	$356,000,000
Budget estimate, 2018	330,000,000
Committee recommendation	330,000,000

PROGRAM DESCRIPTION

The Housing Opportunities for Persons With AIDS [HOPWA] program provides States and localities with resources and incentives to devise long-term, comprehensive strategies for meeting the housing and supportive service needs of persons living with HIV/AIDS and their families.

By statute, 90 percent of formula-appropriated funds are distributed to qualifying States and metropolitan areas on the basis of the number of living HIV and living AIDS cases, as well as poverty and local housing cost factors. The remaining 10 percent of funds are awarded through a national competition, with priority given to the renewal of funding for expiring agreements consistent with appropriations act requirements.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $330,000,000 for the Housing Opportunities for Persons With AIDS [HOPWA] program. This level of funding is equal to the President's budget request and $26,000,000 less than the fiscal year 2017 enacted level. The Committee continues to include language requiring HUD to allocate these funds in a manner that preserves existing HOPWA programs, to the extent that those programs are determined to be meeting the needs of persons with HIV/AIDS.

COMMUNITY DEVELOPMENT FUND

Appropriations, 2017	$3,060,000,000
Budget estimate, 2018	....
Committee recommendation	3,060,000,000

PROGRAM DESCRIPTION

Under title I of the Housing and Community Development Act of 1974, as amended, the Department is authorized to award block grants to units of general local government and States for the funding of local community development programs. A wide range of physical, economic, and social development activities are eligible with spending priorities determined at the local level, but the law enumerates general objectives which the block grants are designed to fulfill, including adequate housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income. Grant recipients are required to use at least 70 percent of their block grant funds for activities that benefit low- and moderate-income persons.

Funds are distributed to eligible recipients for community development purposes utilizing the higher of two objective formulas, one of which gives somewhat greater weight to the age of housing stock. Of the funds appropriated, 70 percent are distributed to entitlement communities and 30 percent are distributed to nonentitlement communities after deducting designated amounts for insular areas.

COMMITTEE RECOMMENDATION

The Committee has provided $3,000,000,000 for Community Development Block Grants [CDBG]. The recommended amount is $3,000,000,000 above the budget request and equal to the fiscal year 2017 enacted level. CDBG funding provides States and entitlement communities with resources that allow them to undertake a wide range of community development activities, including public infrastructure improvements, housing rehabilitation and construction, job creation and retention, and public services that primarily benefit low and moderate income persons. The CDBG program supports homeownership, housing rehabilitation, public improvements and economic development projects while encouraging additional local investment. From fiscal year 2005–2016, CDBG has assisted more than 1.3 million households rehabilitate their homes, provided down payment and closing cost assistance to qualified home buyers, and assisted homeowners with lead-based paint abatement. In addition, since 2005, the program has assisted in the creation and retention of more than 387,109 economic development-related jobs in low-income and moderate-income communities and provided public services benefitting over 133 million people. For every $1.00 of CDBG Federal investment leverages another $3.65 in non-CDBG funding. Urban and rural communities rely on this funding to serve their most vulnerable residents, and where residents experience economic hardship. This program is vital to our nation's downtown and neighborhood revitalization efforts, and the Committee believes that every effort must be made to protect this essential funding mechanism.

The flexibility associated with CDBG enables State and local governments to tailor solutions to effectively meet the unique needs of their communities. The Committee notes the importance of States and local grantees meeting the program's three national objectives, as they utilize the program's resources to address a wide range of community needs. As HUD works with communities to determine eligible activities that meet the national objective of benefiting low- and moderate-income persons, the Committee encourages the Department to extend flexibility for rural communities under 1,000 residents to use alternate sources of data to establish Low-Moderate Income Survey Data [LMISD] when American Community Survey [ACS] data is considered by the Community Development Block Grant applicant to be unreliable.

The Committee recommends $60,000,000 for grants to Indian Tribes for essential economic and community development activities, which is $60,000,000 above the budget request and equal to the fiscal year 2017 enacted level.

To ensure the program remains flexible, but also accountable and transparent, the Committee recommendation continues provisions in bill language that prohibit any community from selling its CDBG award to another community and that any funding provided to a for-profit entity for an economic development project funded under this act undergo appropriate underwriting. The Committee has included these provisions to address concerns raised about how program dollars have been used and mitigate risks associated with it.

Procurement Standards for Disaster Grantees.—Community Development Block Grant Disaster Recovery provides essential funding to States and localities recovering from natural disasters. In prior appropriations, Congress has directed HUD to provide thorough oversight of the auditing and procurement procedures implemented by grantees. In the Disaster Relief Appropriations Act of 2013 (Public Law 113–2), and in subsequent disaster recovery appropriations in fiscal years 2015 and 2016, Congress specifically required HUD to certify that the procurement processes employed by each grantee meet a standard of proficiency. On March 5, 2013, HUD published Notice FR–5696–N–01 clarifying that a proficient standard is one that is equivalent to and in alignment with Federal procurement standards. The Committee believes that as long as HUD provides consistent and rigorous oversight of the procurement processes employed by State and local recipients, an equivalent, though not identical procurement standard that upholds the principles of fair and open competition can prevent Federal dollars appropriated for disaster recovery from being spent irresponsibly. The Committee agrees that this approach provides maximum feasible deference to grantees, particularly States, which is consistent with the CDBG program design.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

	Program account	Limitation on guaranteed loans
Appropriations, 2017	....	$300,000,000
Budget estimate, 2018	....	....
Committee recommendation	....	300,000,000

PROGRAM DESCRIPTION

Section 108 of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to issue Federal loan guarantees of private market loans used by entitlement and non-entitlement communities to cover the costs of acquiring real property, rehabilitation of publicly owned real property, housing rehabilitation, and other economic development activities.

COMMITTEE RECOMMENDATION

The Committee recommendation provides a loan level guarantee of $300,000,000 which is equal to the fiscal year 2017 enacted level and $300,000,000 above the budget request. The Committee requires HUD to collect fees to offset credit subsidy costs such that the program operates at a zero credit subsidy cost.

This program enables CDBG recipients to use their CDBG dollars to leverage financing for economic development projects, community facilities, and housing rehabilitation programs. Communities are allowed to borrow up to five times their most recent CDBG allocation.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriations, 2017	$950,000,000
Budget estimate, 2018	....
Committee recommendation	950,000,000

PROGRAM DESCRIPTION

Title II of the National Affordable Housing Act, as amended, authorizes the HOME Investment Partnerships Program. This program provides assistance to States and local governments for the purpose of expanding the supply and affordability of housing to low-income and very low-income people. Eligible activities include tenant-based rental assistance, acquisition and rehabilitation of affordable rental and ownership housing, and housing construction. To participate in the HOME program, State and local governments must develop a comprehensive housing affordability strategy. There is a 25 percent matching requirement for participating jurisdictions, which can be reduced or eliminated if they are experiencing fiscal distress.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $950,000,000 for the HOME Investment Partnerships Program. This amount is equal to the fiscal year 2017 enacted level and $950,000,000 more than the budget request.

Affordable Housing Needs.—The Committee notes the substantial gains made by HOME in increasing the supply and affordability of housing for low-income families. Since 1992, States and localities have used $26,000,000,000 in HOME funds to leverage an additional $117,000,000,000 in public and private resources to build or preserve 1.2 million homes and provide rental assistance to 313,558 families. HOME has been particularly successful in helping extremely low-income families (at or below 30 percent of area median income) who have received 40 percent of assistance for affordable rental housing during the past 5 years. HOME is also a critical part of meeting the supportive housing needs of the low-to-moderate income individuals and families, including veterans, persons with disabilities and seniors. In addition, it is the only Federal housing grant program exclusively focused on providing States with the flexible financing needed to address our most pressing housing needs.

SELF–HELP AND ASSISTED HOMEOWNERSHIP OPPORTUNITY PROGRAM

Appropriations, 2017	$54,000,000
Budget estimate, 2018	....
Committee recommendation	54,000,000

PROGRAM DESCRIPTION

The Self-Help and Assisted Homeownership Opportunity Program is comprised of the Self-Help Homeownership Opportunity Program [SHOP], which assists low-income homebuyers willing to contribute "sweat equity" toward the construction of their houses. These funds increase nonprofit organizations' ability to leverage funds from other sources. This account also includes funding for the Capacity Building for Community Development and Affordable Housing Program, as well as assistance to rural communities, as authorized under sections 6301 through 6305 of Public Law 110–246. These programs assist in the development of the capacity of nonprofit community development organizations to carry out community development and affordable housing projects. This account also provides funding for the rehabilitation and modification of the homes of veterans, who are low-income or disabled, as authorized by section 1079 of Public Law 113–291.

COMMITTEE RECOMMENDATION

The Committee recommends $54,000,000 for the Self-Help and Assisted Homeownership Opportunity Program, which is equal to the fiscal year 2017 enacted level and $54,000,000 more than the budget request. The Committee rejects the Administration's proposal to eliminate this account. The Committee recommendation includes $10,000,000 for SHOP, as authorized under section 11 of the Housing Opportunity Extension Act of 1996; $35,000,000 for capacity building, as authorized by section 4 of the HUD Demonstration Act of 1993; $5,000,000 to carry out capacity building activities in rural communities; and $4,000,000 for a program to rehabilitate and modify housing for veterans, who are low-income or disabled. The Committee notes that funding for technical assistance is being provided under the Office of Policy Development and Research and directs that funds available for the Section 4 program be used solely for capacity building activities.

The Rural Capacity Building Program is intended for truly national organizations. For the purposes of the National Rural Capacity Building Notification of Funding Availability [NOFA], the Committee directs HUD to define an eligible national organization as a nonprofit entity that has ongoing experience in rural housing, including experience working with rural housing organizations, local governments, and Indian tribes, as evidenced by past and continuing work in one or more States in eight or more of HUD's Federal regions.

Delays in Assistance for Veterans.—The Committee is extremely concerned that HUD has not yet published a NOFA for the Home Rehabilitation and Modification Pilot Program for Disabled or Low-Income Veterans. In the fiscal year 2015 National Defense Authorization Act, Congress directed HUD to establish a program to award grants to nonprofit organizations to rehabilitate and modify the homes of veterans to, among other things, make them more accessible, including installing wheelchair ramps and accessible bathroom fixtures. Over the previous two fiscal years, the Committee has provided a total of $9,700,000 for this program, and HUD has not yet taken the needed actions to help some of the 3.9 million veterans in the United States with a service-connected disability or the nearly 1.5 million veterans living in poverty. The Committee directs HUD to publish a NOFA for this program within 90 days of enactment of this act and to award funds provided for this program within 180 days of enactment of this act.

HOMELESS ASSISTANCE GRANTS

Appropriations, 2017	$2,383,000,000
Budget estimate, 2018	2,250,000,000
Committee recommendation	2,456,000,000

PROGRAM DESCRIPTION

The Homeless Assistance Grants Program provides funding to break the cycle of homelessness and to move homeless persons and families to permanent housing. This is done by providing rental assistance, emergency shelter, transitional and permanent housing, prevention, rapid re-housing, and supportive services to homeless persons and families or those at risk of homelessness. The emergency solutions grant program is a formula grant program, while the Continuum of Care and Rural Housing Stability Programs are competitive grants. Homeless assistance grants provide Federal support to the Nation's most vulnerable populations. These grants assist localities in addressing the housing and service needs of a wide variety of homeless populations while developing coordinated Continuum of Care [CoC] systems that ensure the support necessary to help those who are homeless attain housing and move toward self-sufficiency.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $2,456,000,000 for Homeless Assistance Grants in fiscal year 2018. This amount is $206,000,000 above the President's request, and $73,000,000 above the fiscal year 2017 enacted level.

As part of the Committee recommendation, at least $2,099,000,000 will support the Continuum of Care Program, including the renewal of existing projects, and the Rural Housing Stability Assistance Program. Based on the renewal burden, HUD may also support planning and other activities authorized by the HEARTH Act. The recommendation also includes at least $270,000,000 for the emergency solutions grants program [ESG].

The Committee continues to support HUD's efforts to leverage existing housing resources, such as Section 8 vouchers, to serve people experiencing homelessness and supports replacing existing, underperforming projects with new projects.

The Committee is aware that while most States witnessed a decrease in the number of people experiencing homelessness between 2015 and 2016, some States and the District of Columbia experienced a significant increase in homeless populations. It is the belief of the Committee that HUD should continue to support the implementation of comprehensive and proven approaches to serving people experiencing homelessness in order to allow CoCs to meet their goals of preventing and ending homelessness, which in certain cases may include not only permanent supportive housing and rapid rehousing, but transitional housing as well. Therefore, if funds remain available in this account after meeting renewal demands and funding ESG, HUD may use it for new projects, including transitional housing, provided that such projects are targeted to areas with the greatest need, as measured by data on homelessness.

Addressing the Needs of Survivors of Domestic Violence and Sexual Assault.—Victims and survivors of domestic violence and assault, particularly women and children, often flee unsafe circumstances and seek refuge through emergency shelter or transitional housing programs in order to avoid homelessness. The Committee recognizes the nexus between experiences of domestic violence and homelessness, as well as how access to housing and services can serve as an effective bridge between a person leaving an abusive and dangerous environment and finding stable housing. While permanent housing serves as a stable platform for preventing and ending cycles of homelessness among survivors, and rapid rehousing has been shown to be an effective method for providing shorter term assistance, the Committee is also aware that in some communities well-designed transitional housing programs have also been effective in meeting the needs of this population. Although HUD does not penalize effective transitional housing projects that serve survivors of domestic violence through its CoC grant competition, the Committee is concerned that transitional housing and service providers, and CoCs lack the information necessary to make informed funding recommendations that reflect the needs of survivors at the local level. Therefore, the Committee directs the Department to issue clarifying guidance on how transitional housing can be an appropriate model, and an eligible and effective use of funding through the CoC grant competition. The Committee also directs the Department to coordinate with the Department of Justice's Office on Violence Against Women [OVW] on opportunities in communities where CoC program resources can be used with OVW's transitional housing grants to ensure that survivors of domestic and dating violence, sexual assault, and stalking have access to safe and affordable housing and services. The Committee encourages the Department to renew transitional housing projects for domestic violence survivors that have been shown to effectively address survivors' safety and client choice, and to continue funding CoC projects serving domestic violence survivors that allow program participants to obtain permanent housing through tenant-based rental assistance and supportive services. The Committee recommendation also includes $25,000,000 in competitive CoC grants for rapid re-housing projects and supportive service projects providing coordinated entry, and other critical activities in order to assist survivors of domestic violence, dating violence, and stalking. The Committee also includes language requiring that such projects be eligible for renewal under the continuum of care program, subject to the same terms and conditions as other renewal applicants. It is the expectation of the Committee that HUD will work with Continuums of Care to ensure that such projects do not supplant projects eligible for renewal as part of the 2018 continuum of care grant competition.

To further understand how to best meet the needs of survivors of domestic violence, dating violence, sexual assault, or stalking, the Committee directs the Department to submit a report to the House and Senate Committees on Appropriations within 120 days of enactment of this act that identifies how homeless assistance grants can effectively meet the needs of this population. This report shall address how CoC and ESG resources directed to programs for survivors of domestic violence have been utilized and changed over the last three fiscal years, and include recommendations for how CoCs can be inclusive of and effectively collaborate with survivor housing and supportive service providers. Where appropriate, it should identify measurable criteria that CoCs can use to evaluate how well these programs serve survivors. The report shall also include recommendations on how coordinated entry systems can improve to ensure the safety and confidentiality of this population, without inhibiting a client's choice to secure housing and services.

Data on Youth Homelessness.—The Committee believes an accurate count is critical to understanding the scale of youth homelessness. While the Annual Homelessness Assessment Report [AHAR] provides Congress and the public with meaningful information on the progress in ending homelessness, other Federal agencies have youth-specific data that can help communities better understand the scope of youth homelessness and housing instability in their area. The Committee continues to direct HUD to incorporate additional Federal data on youth homelessness into the AHAR.

Comprehensive Interventions to Prevent and End Youth Homelessness.—The Committee recommendation includes $55,000,000 to continue implementation of comprehensive approaches to serving homeless youth, of which $5,000,000 shall be used to provide technical assistance to grantees.

Guidance Update.—The Committee is concerned with the Department's recent decision to withdraw several resources for housing providers to help them comply with nondiscrimination protections for Lesbian, Gay, Bisexual and Transgender [LGBT] service recipients. The Department reversed its decision to publish a policy requiring HUD-funded emergency shelters to display a poster notifying LGBT residents of HUD's updated policies on discrimination, withdrew a survey to evaluate the LGBT Youth Homelessness Prevention Initiative from the Federal Register, and removed four guidance documents from its website. The Department has indicated that it is determining the effectiveness of these resources before reinstating them. The Committee notes that certain studies find 40 percent of homeless youth identify as LGBT, and transgender individuals experience homelessness at disproportionately high levels compared to the rest of the population. The Committee directs HUD to expedite its review of these resources and, as appropriate, reissue and make publically available all policies, surveys, and guidance within 180 days of enactment of this act.

Clarifying Eligibility and Documentation Requirements for Homeless Youth.—The Committee remains concerned that service providers are turning homeless youth away due to a lack of clarity on HUD's existing eligibility and documentation requirements. While HUD has issued some guidance on how youth qualify for assistance under the current definition, service providers remain challenged with identifying and serving youth who are unaccompanied or head of household, faced with domestic violence, trafficking, or other unsafe circumstances—the most vulnerable and hard-to-reach homeless youth—due to lack of clarity in HUD's regulation and guidance. The Committee continues to hear from service providers that documentation requirements pose a barrier for individuals and families, especially youth, to access HUD programs and services.

The Committee includes language that waives the requirement for youth 24 and under to provide third-party documentation to receive housing and supportive services within the Continuums of Care. The Committee strongly believes documentation requirements should not be a basis for denying access to necessary services. The Committee believes the Department shares the goal of effectively addressing youth homelessness and ensuring no youth eligible go unserved where there is the local capacity to house and/or provide services. Therefore, the Committee encourages the Department to continue to clarify program requirements through guidance, notice and webcasts as appropriate.

Performance Partnership Pilot.—The Committee has continued language permitting HUD to partner with other Federal agencies in the Performance Partnership Pilot program, a cross-Federal agency initiative serving disconnected youth through innovative, cost-effective, and outcome-focused strategies. The Committee believes there is a critical role HUD can play in this pilot, especially as communities seek to address the housing and self-sufficiency needs of disconnected youth.

Annual Homeless Assessment Report [AHAR].—AHAR is the result of Congressional directives, beginning in 2001, that directed the Department to collect data on homelessness using the newly implemented Homeless Management Information System [HMIS]. HMIS data, information provided by Continuums of Care, and a point-in-time count of sheltered and unsheltered persons from one night in January of each year informs AHAR. The Committee is encouraged that HUD is sharing homeless data widely, and that Federal, State and local service providers use AHAR to determine needs and develop strategies to address homelessness.

The Committee believes HMIS can be used as a platform for information gathering in other Federal programs. Streamlining data to reflect the various Federal data sources will allow the Federal Government to better understand the scope and needs of homeless populations, to then inform a strategic alignment of Federal services. The Committee directs HUD to incorporate additional Federal data on homelessness into the AHAR. This information is important to ensure that communities develop and implement policies that respond to local needs. To support continued data collection and AHAR, the Committee has included $7,000,000 to support AHAR data collection and analysis. The Department shall submit the AHAR report to the House and Senate Committees on Appropriations by August 29, 2018. The Committee further hopes that HUD's efforts to increase participation in the HMIS effort will lead to improved information about and understanding of the Nation's homeless.

Renewal Costs.—The Committee directs HUD to continue to include 5-year projections of the costs of renewing existing projects as part of the fiscal year 2019 budget justification. This should include estimated costs of renewing permanent supportive housing.

HOUSING PROGRAMS

RENTAL ASSISTANCE DEMONSTRATION

Appropriations, 2017	....
Budget estimate, 2018	....
Committee recommendation	$4,000,000

PROGRAM DESCRIPTION

The Rental Assistance Demonstration [RAD] was authorized in fiscal year 2012 to preserve public and other multifamily housing. Under existing authorities, PHAs and other owners of rental properties assisted under the Public Housing, Moderate Rehabilitation [Mod Rehab], Moderate Rehabilitation Single-Room Occupancy [Mod Rehab SRO], Rent Supplement [Rent Supp] and Rental Assistance Payment [RAP] programs are offered the option to convert their properties to Section 8 contracts.

COMMITTEE RECOMMENDATION

The Committee recommendation includes provisions permitting Section 202 PRAC properties to convert to Section 8 contracts. The current contracts are limited to 1 year and impede successfully addressing capital needs for these properties. Conversion to multi-year Section 8 contracts will enable properties to leverage private financing for capital improvements, enabling these properties to remain a source of critical affordable housing for low-income elderly residents. The Committee recommendation also includes $4,000,000 for the Rental Assistance Demonstration, which is $4,000,000 more than the fiscal year 2017 enacted level and $4,000,000 more than the budget request. This funding is limited to providing additional rental subsidy for Section 202 PRAC properties converting to Section 8 contracts that will not be able to successfully convert at the current subsidy amounts.

The Committee recommendation also eliminates the unit cap for public housing conversions, as well as the related deadline for public housing application submissions. In fiscal year 2017, Congress increased the cap by 40,000 units. This increase went into effect in May of 2017 and by June, the Department had a waitlist of over 11,000 units above the new cap. The unit cap makes it difficult for agencies to effectively plan and prioritize their capital activities, and determine if participation is appropriate for their housing portfolios. By eliminating the cap, the Committee intends to eliminate the planning uncertainty PHAs experience related to an incremental cap adjustment.

The Committee recommendation also includes the following changes to facilitate additional conversions of HUD-assisted properties: promotes the preservation of multifamily properties in high-cost areas; standardizes ownership and control requirements for converted Public Housing properties in situations where low-income housing tax credits are used or where foreclosure, bankruptcy, or default occurs; and protects tenants' right to continue occupancy under second component conversions.

PROJECT-BASED RENTAL ASSISTANCE

Appropriations, 2017	$10,816,000,000
Budget estimate, 2018	10,751,100,000
Committee recommendation	11,507,000,000

PROGRAM DESCRIPTION

Section 8 Project-Based Rental Assistance provides a rental subsidy to a private landlord that is tied to a specific housing unit, as opposed to a voucher, which allows a recipient to seek a unit, subject primarily to certain rent caps. Amounts in this account include funding for the renewal of and amendments to expiring Section 8 project-based contracts, including Section 8, moderate rehabilitation, and single room occupancy [SRO] housing. This account also provides funds for contract administrators.

COMMITTEE RECOMMENDATION

The Section 8 Project-Based Rental Assistance [PBRA] program supports an estimated 17,400 contracts with private owners of multifamily housing. Through this program, HUD and private sector partners support the preservation of safe, stable and sanitary housing for more than 1.2 million low-income households. Without PBRA, many affordable housing projects would convert to market rates with large rent increases that current tenants would be unable to afford.

The Committee recommends a total appropriation of $11,507,000,000 for the annual renewal of project-based contracts, of which up to $285,000,000 is for the cost of contract administrators. The recommended level of funding is $691,000,000 above the amount provided in fiscal year 2017 and is $755,900,000 above the budget request. The Committee's recommendation rejects the administration's rental reform proposals, including raising maximum rents to 35 percent of gross income, the establishment of mandatory minimum rents, and the elimination of utility allowance reimbursements. It is unfortunate that the Department is seeking to achieve much of its cost-savings on the backs its tenant population, a significant portion of which is elderly or disabled. The Committee believes that these types of rent reforms are best addressed by the authorizing committees. The decision not to include these controversial rent reforms that have not been subject to authorizing committee vetting and approval results in a renewal need above the President's request. The funding recommendation provides sufficient resources to fully renew all existing affordable housing contracts.

Performance-Based Contract Administrators.—Performance-based contract administrators [PBCAs] are typically PHAs or State housing finance agencies. They are responsible for conducting on-site management reviews of assisted properties; adjusting contract rents; and reviewing, processing, and paying monthly vouchers submitted by owners, among other tasks. The Committee notes that PBCAs are integral to the Department's efforts to be more effective and efficient in the oversight and monitoring of this program, reduce improper payments, protect tenants and ensure properties are well maintained. The Committee in prior years directed the Department to solicit and award PBCA contracts under full and open competition without geographic limitation in accordance with the Competition in Contracting Act and the Federal Acquisition Regulations. The Committee is concerned that proposals to reduce the scope of work performed by PBCAs, diminish the applicability of Federal law, or consolidate PBCAs into regional awards versus State-by-State will have a detrimental effect on the oversight of these HUD-assisted properties and the individuals and families that rely on this critical source of affordable housing. To date HUD has failed to execute this directive. It is imperative that HUD move forward with this solicitation. The Committee believes that fair and open competition is the best way to ensure that the taxpayer receives the greatest benefit for the costs incurred.

Oversight of Property Owners.—The Committee places a priority on providing access to safe, sanitary, and affordable housing to those most in need. If owners fail to uphold these standards, HUD should hold them accountable. After learning of several properties around the country that suffered from severe physical deficiencies, but were none-the-less able to pass HUD inspection, the Committee strengthened a general provision requiring the Department to take specific steps to ensure that serious defects are quickly addressed. This provision requires the Secretary to take explicit actions if an owner fails to maintain its property, including imposing civil monetary penalties, working to secure a different owner for the property, or transferring the Section 8 contract to another property. In addition to the requirements under this general provision, the Department took several steps to improve its inspections process, including: closing a loophole that allowed condemned units to be excluded from inspection samples; permitting REAC to require owners to make repairs for individual deficiencies even when an overall property receives a passing score; requiring owners to adopt industry standards when making repairs; and training REAC inspectors to recognize industry standards when evaluating whether deficiencies have been corrected. In addition, HUD is considering regulatory and policy changes that would reduce the time it takes to conduct an inspection after a property owner is notified about a failing score and removing the point deductions cap, which limits how much a property's score can be lowered for multiple instances of the same deficiency type. The Committee commends HUD for the steps it has taken to improve responsiveness and accountability and encourages the Department to implement the measures still under consideration described above. It also urges HUD to consider using PBCAs to identify troubled properties early on. Unfortunately, despite enacted changes, the Department's oversight still permits a property cited for multiple code violations by State and local building departments to receive a passing REAC score. While local code violations are factored into the risk assessments that determine which properties are inspected, State and local citations for building code violations do not consistently trigger an immediate response from the Department, which may explain why HUD has been inexcusably caught off guard by media reports of atrocious conditions that have been allowed to persist within its multifamily portfolio. The Committee directs the Department to establish a plan for responding to State and local building inspector findings so that properties with serious outstanding code violations are targeted by REAC and, if conditions leading to those violations are not addressed, those properties do not receive a passing score from HUD.

Unfortunately, the Department has been less than transparent with the Committee about the extent of the problems within its assisted housing portfolio, failing year after year to comply with the Committee's requirement to provide regular reports on its most troubled properties. HUD's refusal to provide this information makes it extremely difficult to assess the Department's performance and to evaluate whether changes and reforms such as those described above are effective. Once again, the Committee requires the Department to provide quarterly reports to the House and Senate Committees on Appropriations on projects that receive multiple exigent health and safety violations, physical inspection scores below 60, or have received an unsatisfactory management and occupancy review within the past 36 months. Such reports shall also include information on when the next inspection of the property will occur, and the Department's plans for resolution of the deficiencies. HUD shall also identify the actions taken to address safety concerns, including the frequency with which civil monetary penalties are imposed, contracts are transferred to another property, or ownership is transferred. In addition, because the Department has consistently failed to respond to this reporting requirement in the past, the Committee has added language to the general provision addressing troubled properties that reduces the appropriations for the Offices of Housing, Executive Offices and CFO each $50,000 for every day this report is late. The penalty shall apply to each of the quarterly reports due this fiscal year.

HOUSING FOR THE ELDERLY

Appropriations, 2017	$502,400,000
Budget estimate, 2018	510,000,000
Committee recommendation	573,000,000

PROGRAM DESCRIPTION

This account funds housing for the elderly under section 202 of the Housing Act of 1959. Under this program, the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing for seniors, and provides project-based rental assistance contracts [PRACs] to support operational costs for such units. Tenants living in section 202 supportive housing units can access a variety of community-based services in order to keep living independently in their communities and age in place.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $573,000,000 for the Section 202 program. This amount is $70,600,000 more than the level provided in fiscal year 2017 and $63,000,000 more than the budget request. The Committee recommendation includes $483,000,000 in new appropriations, in addition to carryover balances and residual receipts, to fully fund all annual PRAC renewals and amendments, and $90,000,000 for service coordinators and the continuation of existing congregate service grants.

HOUSING FOR PERSONS WITH DISABILITIES

Appropriations, 2017	$146,200,000
Budget estimate, 2018	121,300,000
Committee recommendation	147,000,000

PROGRAM DESCRIPTION

This account provides funding for housing for persons with disabilities under section 811 of the Cranston-Gonzales National Affordable Housing Act of 1990. Traditionally, the Section 811 program provided capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing for persons with disabilities, as well as project-based rental assistance contracts [PRACs] to support operational costs for such units. Since fiscal year 2012, HUD has transitioned to expanding capacity by providing project rental assistance to State housing financing agencies or other appropriate entities which act in partnership with State health and human service agencies to provide supportive services, as authorized by the Frank Melville Supportive Housing Investment Act of 2010 (Public Law 111–374).

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $147,000,000 for the Section 811 program. This level is $25,700,000 more than the budget request and is $800,000 more than the fiscal year 2017 enacted level. This level of funding, in addition to residual receipts, recaptures, and other unobligated balances, supports all PRAC renewals and amendments. Should the total available resources exceed the need for renewals, the Secretary shall direct such resources to make new awards or to conduct a new competition for project rental assistance to State housing finance agencies.

HOUSING COUNSELING ASSISTANCE

Appropriations, 2017	$55,000,000
Budget estimate, 2018	47,000,000
Committee recommendation	47,000,000

PROGRAM DESCRIPTION

The Housing Counseling Assistance Program provides comprehensive housing counseling services to eligible homeowners and tenants through grants to non-profit intermediaries, State government entities, and other local and national agencies. Eligible counseling activities include: pre- and post-purchase education, personal financial management, reverse mortgage product education, foreclosure prevention, mitigation, and rental counseling.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $47,000,000 for the Housing Counseling Assistance program, which is equal to the budget request and $8,000,000 less than the fiscal year 2017 enacted level. These funds will help to provide individuals and families across the country with sound advice to make more informed housing decisions, improve their financial situation, and meet their homeownership goals over time. Specifically, it will support competitive counseling grants and training activities. The network of HUD-approved housing counseling organizations provides a wide variety of counseling services, including assistance with preventing foreclosure and homelessness. In addition, the administrative contract support funding includes resources for financial audits and technical assistance.

The Committee is pleased with HUD's early insights from its First-Time Homebuyer Education and Counseling Demonstration. The knowledge and skills that consumers gain from this counseling will play an essential role in the continued recovery of the Nation from the foreclosure crisis. That ongoing recovery has been shown in the increase in demand for pre-purchase homeownership counseling and lower need for delinquency prevention counseling.

The Committee continues language requiring HUD to obligate counseling grants within 180 days of enactment of this act, as well as permitting HUD to publish multi-year NOFAs, contingent on annual appropriations. This should result in administrative savings for HUD and its grantees.

RENTAL HOUSING ASSISTANCE

Appropriations, 2017	$20,000,000
Budget estimate, 2018	14,000,000
Committee recommendation	14,000,000

PROGRAM DESCRIPTION

This account provides amendment funding for housing assisted under the Rental Housing Assistance Program (Section 236) and the Rent Supplement Program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $14,000,000 for HUD-assisted, State-aided, noninsured rental housing projects, consistent with the budget request. This amount is $6,000,000 less than the fiscal year 2017 enacted level. The Committee recommendation includes a provision to allow the conversion of these projects to long-term Section 8 contracts, at no additional cost. The Committee hopes that the conversion of these projects, through the Rental Assistance Demonstration, will lead to the eventual elimination of these outdated programs.

PAYMENT TO MANUFACTURED HOUSING FEES TRUST FUND

Appropriations, 2017	$10,500,000
Budget estimate, 2018	11,000,000
Committee recommendation	11,000,000

PROGRAM DESCRIPTION

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorizes the Secretary to establish Federal manufactured home construction and safety standards for the construction, design, and performance of manufactured homes. All manufactured homes are required to meet these Federal standards, and fees are charged to producers to cover the costs of administering the act.

COMMITTEE RECOMMENDATION

The Committee recommends $11,000,000 to support the manufactured housing standards programs, of which the full amount of $11,000,000 is expected to be derived from fees collected and deposited in the Manufactured Housing Fees Trust Fund account. No direct appropriation is provided. The total amount recommended is equal to the budget request and $500,000 more than the fiscal year 2017 enacted level. This increase in funding reflects a significant growth in manufactured housing production and is necessary for the continued oversight and effective administration of this program.

The Committee recommendation provides: not less than $4,000,000 for payments to State Administrative Agency partners, and not less than $4,000,000 for the monitoring of manufacturers' compliance with the construction and safety standards by third-party inspection agencies.

The Committee continues language allowing the Department to collect fees from program participants in the dispute resolution and installment programs, as mandated by the Manufactured Housing Improvement Act of 2000. These fees are to be deposited into the Trust Fund and may be used to support the manufactured housing standards programs, subject to the overall cap placed on the account.

Recreational Vehicle Definition.—The Committee urges HUD to expeditiously complete its rulemaking process concerning amendments to its regulatory definition of a "Recreational Vehicle," in accordance with the existing December 2014 recommendation of the Manufactured Housing Consensus Committee.

Resident-Owned Cooperative Models.—Two-thirds of the new affordable housing produced in the United States is manufactured housing. This industry serves as an important tool in combatting rising home prices and the growing housing shortage. More than 2.9 million manufactured homes are located in mobile home parks, where residents own their homes, but often do not own the land. This leaves homeowners vulnerable to land cost increases, arbitrary rule enforcement, and land conversion for some other use. It can also result in the eviction or closure of a community, which is very disruptive and can result in thousands of dollars in relocation costs. The resident-owned cooperative model provides a viable means for preserving this crucial source of affordable housing and protecting vulnerable residents from displacement. The Committee notes the recent growth of this cooperative model, and encourages the further expansion of this model nationally as manufactured housing production continues to rise.

Federal Housing Administration

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

	Limitation on direct loans	Limitation on guaranteed loans	Administrative contract expenses
Appropriations, 2017	$5,000,000	$400,000,000,000	$130,000,000
Budget estimate, 2018	5,000,000	400,000,000,000	160,000,000
Committee recommendation	5,000,000	400,000,000,000	130,000,000

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

	Limitation on direct loans	Limitation on guaranteed loans
Appropriations, 2017	$5,000,000	$30,000,000,000
Budget estimate, 2018	5,000,000	30,000,000,000
Committee recommendation	5,000,000	30,000,000,000

PROGRAM DESCRIPTION

The Federal Housing Administration [FHA] fund covers the mortgage and loan insurance activity of HUD mortgage/loan insurance programs. These include the mutual mortgage insurance [MMI] fund, cooperative management housing insurance [CMHI] fund, general insurance [GI] fund, and the special risk insurance [SRI] fund. For presentation and accounting control purposes, these are divided into two sets of accounts based on shared characteristics. The unsubsidized insurance programs of the mutual mortgage insurance fund and the cooperative management housing insurance fund constitute one set; and the general risk insurance and special risk insurance funds make up the other.

COMMITTEE RECOMMENDATION

The Committee has included the following amounts for the Mutual Mortgage Insurance Program account: a limitation on guaranteed loans of $400,000,000,000, a limitation on direct loans of $5,000,000, and $130,000,000 for administrative contract expenses. For the GI/SRI account, the Committee recommends $30,000,000,000 as a limitation on guaranteed loans and a limitation on direct loans of $5,000,000.

The Committee includes a general provision in the bill lifting the cap on the number of HECM loans that can be insured during fiscal year 2018, only to the extent that the net credit subsidy cost for such insurance does not exceed zero. The Committee directs the Department to take steps to accelerate the property disposition timelines and reduce the costs associated with the disposition of such properties. Such action should ensure there is no disruption in the insuring of mortgages under this section and ensure the mission of the program continues to meet its goals.

The Office of Inspector General published an audit report on October 14, 2016 indicating that FHA overpaid financial institutions, by as much as $2,230,000,000, due to improperly recording foreclosure and conveyance deadlines. While the Department disputed how much FHA might have actually overpaid, it agreed in general with the findings. The Committee directs the Department to submit within 30 days of enactment of this act, a report identifying the

Department's timeline for: completing the rulemaking changes to 24 CFR Part 203 initiated in 2015; development of a strategic technology plan to systematically ensure insurance claims are not overpaid for reasons of paying costs beyond established deadlines; and implementing better controls to identify noncompliance with 24 CFR 203.

The Committee does not include authority for HUD to charge a fee to provide additional funds for FHA's administrative costs as proposed in the budget request. However, the Committee supports the goal of improving FHA's system automation, risk management and quality control efforts and encourages the Department to work with its various stakeholders to determine a sustainable path forward that recognizes the needs of all parties.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

	Limitation on guaranteed loans	Limitation on personnel, compensation and administrative expenses
Appropriations, 2017	$500,000,000,000	$23,000,000
Budget estimate, 2018	500,000,000,000	25,400,000
Committee recommendation	500,000,000,000	24,000,000

PROGRAM DESCRIPTION

The Government National Mortgage Association [Ginnie Mae], through the mortgage-backed securities program, guarantees privately issued securities backed by pools of Government-guaranteed mortgages. Ginnie Mae is a wholly owned corporate instrumentality of the United States within the Department. Its powers are prescribed generally by title III of the National Housing Act, as amended. Ginnie Mae is authorized by section 306(g) of the act to guarantee the timely payment of principal and interest on securities that are based on and backed by a trust, or pool, composed of mortgages that are guaranteed and insured by the FHA, the Rural Housing Service, or the Department of Veterans Affairs. Ginnie Mae's guarantee of mortgage-backed securities is backed by the full faith and credit of the United States. This account also funds all salaries and benefits funding to support Ginnie Mae.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on new commitments on mortgage-backed securities of $500,000,000,000. This level is the same as the budget request and the fiscal year 2017 enacted level. The bill allows Ginnie Mae to use $24,000,000 for salaries and expenses. This is $1,000,000 more than the fiscal year 2017 enacted level and $1,400,000 less than the budget request.

Policy Development and Research

RESEARCH AND TECHNOLOGY

Appropriations, 2017	$89,000,000
Budget estimate, 2018	85,000,000
Committee recommendation	85,000,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $85,000,000 for research, technology, and community development activities in fiscal year 2018. This level is $4,000,000 less than the fiscal year 2017 enacted level and equal to the budget request. The Committee recommends $50,000,000 for Core Research and Technology, including: market surveys; research support and dissemination; data acquisition; housing finance studies; research partnerships; and housing technology. In addition, the Committee includes $35,000,000 for Department-wide technical assistance and critical research beyond the core studies. Of this amount, at least $25,000,000 is for technical assistance [TA] across HUD programs. The Committee recommendation will continue to support market surveys, such as the American Housing Survey, that are integral to HUD's ability to understand its own programs and also help enhance public and private entities' knowledge of housing conditions in the United States. The Committee encourages the Department to consider providing technical assistance to distressed cities and communities through a network of non-profit or private sector organizations that have a proven track record of providing assistance to multiple cities across various disciplines including economic development, workforce development, fiscal efficiency, and promoting best practices and inter- city assistance.

Of the amount provided for critical research beyond the core studies, the recommendation includes funding for: an evaluation of how PHAs are implementing and using the RAD Choice Mobility option and how implementation varies between PBV and PBRA conversions; the final phase of a Choice Neighborhood implementation study; an evaluation of HUD's demonstration authority linking vouchers for homeless youth through the Family Unification Program with the Family Self-Sufficiency program; an analysis of administrative data to compare school readiness and skill development for HUD-assisted children relative to similar unassisted children; and an evaluation of the effectiveness of resiliency funding as part of HUD's response to natural disasters. HUD shall include details on its allocation of these resources in its operating plan.

Fair Market Rents [FMRs].—Fair Market Rents are used across HUD rental assistance programs. However, in certain counties the current methodology does not accurately reflect the current housing market, and additional local area surveys are necessary. The Committee further notes that proposals such as Small Area Fair Market Rents do not fully address the undervaluing of Fair Market Rents in many areas where rents have risen quickly. The Committee encourages HUD to identify and implement alternatives to locally funded rent surveys of areas affected by changing economic conditions and natural disasters. The Committee strongly encourages HUD to expedite its research on improving its FMR estimates, including the potential use of alternative data sources, advertised for rent data, as a means of to improve estimates of rent inflation that occur between the time of the American Community Survey data collection and the current period for FMR estimates. If these data cannot be applied nationally, this research should also determine what alternative data sources HUD would accept from Public Housing Agencies [PHAs] to demonstrate changing economic conditions as an alternative to locally funded rent surveys. The Committee encourages the Department, to the extent practicable, to work with communities to use local rent survey data made available in the preceding year to inform the calculation of Fair Market Rents. The Committee directs the Department to submit a report to the House and Senate Committees on Appropriations within 90 days of enactment of this act describing proposals to update the FMR formula to more accurately reflect the current housing market. The Committee strongly encourages HUD to expedite the process for consideration of FMRs and exception payment standards that are requested from PHAs.

Fair Housing and Equal Opportunity

FAIR HOUSING ACTIVITIES

Appropriations, 2017	$65,300,000
Budget estimate, 2018	65,300,000
Committee recommendation	65,300,000

PROGRAM DESCRIPTION

The fair housing activities appropriation includes funding for both the Fair Housing Assistance Program [FHAP] and the Fair Housing Initiatives Program [FHIP].

The Fair Housing Assistance Program helps State and local agencies to implement title VIII of the Civil Rights Act of 1968, as amended, which prohibits discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. The major objective of the program is to assure prompt and effective processing of title VIII complaints with appropriate remedies for complaints by State and local fair housing agencies.

The Fair Housing Initiatives Program is authorized by section 561 of the Housing and Community Development Act of 1987, as amended, and by section 905 of the Housing and Community Development Act of 1992. This initiative is designed to alleviate housing discrimination by increasing support to public and private organizations for the purpose of eliminating or preventing discrimination in housing, and to enhance fair housing opportunities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $65,300,000 for the Office of Fair Housing and Equal Opportunity [OFHEO]. This amount is equal to the budget request and the 2017 enacted level. Of the amounts provided, $23,500,000 is for FHAP, $39,900,000 is for FHIP, and $300,000 is for the creation, promotion, and dissemination of translated materials that support the assistance of persons with limited English proficiency. The Committee also provides $1,600,000 for the National Fair Housing Training Academy, and encourages the Department to pursue ways to make the Academy self-sustaining.

Affirmatively Furthering Fair Housing [AFFH].—In 2018, HUD anticipates that a substantially higher number of grantees will submit fair housing assessments under the new AFFH rule, as compared to 2017. The Committee continues to support the implementation of AFFH, but remains concerned that HUD grantees interpret this new rule as a way for the Department to dictate local zoning laws. As a result, the Committee continues to include language prohibiting the Department from undertaking changes to local zoning laws as part of carrying out AFFH and the assessment tool. The Committee strongly encourages HUD to continue providing technical assistance to grantees for compliance and implementation efforts associated with this rule and expects greater collaboration within HUD and across its program offices, to prevent excessive administrative burdens on grantees. The Committee directs the Department to issue clarifying guidance within 60 days of enactment of this act on how grantees can also eliminate excessive burdens at the local level, in order to meet the requirements of AFFH. The Committee further directs HUD to expeditiously issue the tools and templates for communities that choose to conduct a regional analysis, and continue developing streamlined tools for small entitlement CDBG and PHA grantees.

Regulation of Insurance.—In Senate Report 114–243 the Committee propelled HUD to respond expeditiously to a U.S. District Court's remand which was a result of HUD failing to adequately consider insurance industry concerns in its discriminatory effects rule. On October 5, 2017, HUD issued its response in the Federal Register stating that categorical exemptions or safe harbors for insurance practices are unworkable and inconsistent with the Fair Housing Act, and that the insurance industry's concerns should be addressed on a case-by-case basis. The Committee remains concerned about the unintended consequences of HUD's interpretation and urges the Department to address the concerns of the insurance industry as permissible under current law.

OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES

Appropriations, 2017	$145,000,000
Budget estimate, 2018	130,000,000
Committee recommendation	160,000,000

PROGRAM DESCRIPTION

Title X of the Housing and Community Development Act of 1992 established the Residential Lead-Based Paint Hazard Reduction Act, under which HUD is authorized to make grants to States, localities, and Native American tribes in order to conduct lead-based paint hazard reduction and abatement activities in private, low-income housing. Lead poisoning is a significant environmental health hazard, particularly for young children and pregnant women, and can result in neurological damage, learning disabilities, and impaired growth. The Healthy Homes Initiative, authorized under sections 501 and 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z–1 and 1701z–2), provides grants to remediate housing hazards that have been scientifically shown to negatively impact occupant health and safety.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $160,000,000 for lead-based paint hazard reduction and abatement activities for fiscal year 2018. This amount is $30,000,000 above the President's budget request and $15,000,000 above the fiscal year 2017 enacted level. Of the amount provided, $30,000,000 is for the Healthy Homes Initiative.

Consolidation of Lead Grant Programs.—Lead poisoning disproportionately affects the lives of children from economically-disadvantaged backgrounds and has lifelong consequences that have been shown to severely inhibit healthy development and compromise learning. Children who are exposed to lead hazards are seven times more likely to drop out of school and six times more likely to end up in the juvenile justice system. Exposure to lead-based paint hazards at a young age poses not only serious immediate health consequences, but may permanently jeopardize potential for upward social mobility throughout adulthood. In an effort to ensure that more communities can access funding to address lead-based paint hazards in their low-income housing, the Committee has consolidated HUD's two lead hazard funding programs into a single grant program. This change will assist communities struggling to meet funding match requirements, remove duplicative application requirements for communities seeking to access funding from multiple grant programs, and simplify the award and administration of HUD's lead hazard control grants. This consolidation will establish a single source of funding for lead hazard grants with a single set of application criteria, which will ease the administrative burden both for applicants and the Department.

The Committee remains committed to protecting those children in communities with the highest rates of childhood lead poisoning and the oldest housing stock. Lead-based paint is far more prevalent in older homes and in low-income housing in particular, where maintenance is less robust and paint surfaces are more likely to deteriorate, leading to a heightened risk of exposure from peeling paint. In order to target funding to those communities, the Committee directs HUD to award no less than $65,000,000 of grants to remediate lead-based paint hazards in low-income housing to those jurisdictions with the highest lead-based paint abatement needs. The Committee notes that this set-aside is a minimum floor and encourages HUD to exceed this threshold when providing assistance to those communities where there is the highest risk. The overall funding level will support lead-based paint hazard reductions in up to 9,100 units, providing safer homes for nearly 32,300 low and very-low income families or individuals, including over 8,400 children under the age of 6.

Grantee Coordination.—Funds received by States and local governments under the Lead-Based Paint Hazard Control Grant Program may be utilized to evaluate and address lead-based paint hazards in Section 8 voucher units. The Office of Lead Hazard Control and Healthy Homes currently gives preference to grantees that work with public housing agencies to address lead-based paint hazards in Section 8 voucher units. The Committee commends HUD for emphasizing the need to address lead-based paint hazards in Section 8 voucher units when awarding these grants and urges HUD to continue to address these needs in HUD-assisted housing stock in the private market.

INFORMATION TECHNOLOGY FUND

Appropriations, 2017	$257,000,000
Budget estimate, 2018	250,000,000
Committee recommendation	250,000,000

PROGRAM DESCRIPTION

The Information Technology Fund finances the information technology [IT] systems that support departmental programs and operations, including FHA Mortgage Insurance, housing assistance and grant programs, as well as core financial and general operations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $250,000,000 for the Information Technology Fund for fiscal year 2018, which is equal to the budget request and $7,000,000 less than the fiscal year 2017 enacted level.

The Committee remains supportive of HUD's efforts to modernize its IT systems, which are critical to effectively manage its programs. For years, HUD has been hampered by outdated IT systems that are not integrated, which limit its ability to oversee grantees. In addition, HUD's efforts to work around system limitations to collect information for oversight purposes often results in increased work for grantees who have to input information into multiple systems. While HUD has undertaken efforts to better integrate systems, there is still more work to be done, and IT system integration should remain a top priority for the Department.

Unsanctioned Information Technology Development.—The Committee remains concerned about the development of IT systems outside of the Information Technology Fund. While the Committee understands that limited resources may prompt HUD offices to develop solutions with their own resources, the Committee expects that, at a minimum, OCIO will monitor and oversee the development of any such solutions. The Committee directs the OCIO to monitor the development of new system solutions by every office in HUD to make sure they conform to HUD's enterprise architecture, and will be compatible with systems under development.

GAO Oversight.—The Committee emphasizes the importance of pursuing a strategic approach as HUD continues to improve its IT management. To this end, in order to monitor the Department's progress, in 2012 the Committee instructed GAO to conduct several reviews. In 2013, GAO completed a review of the Department's IT project management practices. The Committee reaffirms its direction to GAO to also evaluate HUD's institutionalization of governance and cost estimating practices. In particular, the Committee remains interested in any cost savings or operational efficiencies that have resulted (or may result) from the Department's improvement efforts. The Committee appreciates the work that GAO has done in this area and believes it has benefited the Committee and the Department. The Committee encourages HUD to take advantage of GAO expertise as it makes further improvements to its IT structure and governance. The Committee notes that the Department has yet to submit plans articulating how the Department is implementing GAO's IT-related recommendations, and identifying savings it will achieve by retiring legacy systems and shutting off old servers. The Committee directs the Chief Operating Officer and the Chief Information Officer to ensure reports are submitted in a timely manner and include all required information.

Office of Inspector General

Appropriations, 2017	$128,082,000
Budget estimate, 2018	126,000,000
Committee recommendation	126,000,000

PROGRAM DESCRIPTION

This appropriation will finance all salaries and related expenses associated with the operation of the Office of Inspector General [OIG].

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $126,000,000 for the OIG, consistent with the budget request. This amount of funding is $2,082,000 less than the fiscal year 2017 enacted level.

Audit Reports.—The Committee requests that the OIG provide copies of all audit reports to the Committee immediately after they are issued, and continue to make the Committee aware immediately of any review which recommends significant budgetary savings.

GENERAL PROVISIONS—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

(INCLUDING RESCISSION)

The Committee recommends administrative provisions. A brief description follows.

Sec. 201. This section promotes the refinancing of certain housing bonds.

Sec. 202. This section clarifies a limitation on the use of funds under the Fair Housing Act.

Sec. 203. This section requires HUD to award funds on a competitive basis unless otherwise provided.

Sec. 204. This section allows funds to be used to reimburse GSEs and other Federal entities for various administrative expenses.

Sec. 205. This section limits HUD's spending to amounts set out in the budget justification.

Sec. 206. This section clarifies expenditure authority for entities subject to the Government Corporation Control Act.

Sec. 207. This section requires quarterly reports on all uncommitted, unobligated and excess funds associated with HUD programs.

Sec. 208. This section requires that the administration's budget and the Department's budget justifications for fiscal year 2019 be submitted in the identical account and sub-account structure provided in this act.

Sec. 209. This section exempts GNMA from certain requirements of the Federal Credit Reform Act of 1990.

Sec. 210. This section allows HUD to authorize the transfer of existing project-based subsidies and liabilities from obsolete housing to housing that better meets the needs of the assisted tenants.

Sec. 211. This section reforms certain section 8 rent calculations as related to athletic scholarships.

Sec. 212. This section provides allocation requirements for Native Alaskans under the Indian Housing Block Grant program.

Sec. 213. This section eliminates a cap on Home Equity Conversion Mortgages for fiscal year 2018.

Sec. 214. This section requires HUD to maintain section 8 assistance on HUD-held or owned multifamily housing.

Sec. 215. This section clarifies the use of the section 108 loan guaranteed program for nonentitlement communities.

Sec. 216. This section allows PHAs with less than 400 units to be exempt from management requirements in the operating fund rule.

Sec. 217. This section restricts the Secretary from imposing any requirement or guideline relating to asset management that restricts or limits the use of capital funds for central office costs, up to the limit established in QWHRA.

Sec. 218. This section requires that no employee of the Department shall be designated as an allotment holder unless the CFO determines that such employee has received certain training.

Sec. 219. The section requires the Secretary to publish all notices of funding availability that are competitively awarded on the Internet.

Sec. 220. This section limits attorney fees and requires the Department to submit a spend plan to the House and Senate Committees on Appropriations.

Sec. 221. This section allows the Secretary to transfer up to 10 percent of funds or $5,000,000, whichever is less, appropriated under the headings "Administrative Support Offices" or "Program Office Salaries and Expenses" to any other office funded under such headings.

Sec. 222. This section requires HUD to take certain actions against owners receiving rental subsidies that do not maintain safe properties.

Sec. 223. This section places limits on PHA compensation.

Sec. 224. This section extends the HOPE VI program until September 30, 2018.

Sec. 225. This section requires the Secretary to provide the Committee with advance notification before discretionary awards are made.

Sec. 226. This section prohibits funds to be used to require or enforce the Physical Needs Assessment.

Sec. 227. This section prohibits funds for HUD financing of mortgages for properties that have been subject to eminent domain.

Sec. 228. This section prohibits funds from being used to terminate the status of a unit of local government as a metropolitan city, as defined under section 102 of the Housing and Community Development Act of 1974, with respect to grants under section 106 of such act.

Sec. 229. This section allows funding for research, evaluation, and statistical purposes that is unexpended at the time of completion of the contract, grant, or cooperative agreement to be reobligated for additional research.

Sec. 230. This section prohibits funds to be used for financial awards for employees subject to administrative discipline.

Sec. 231. This section authorizes the Secretary on a limited basis to use funds available under the "Homeless Assistance Grants" heading to participate in the multiagency Performance Partnership Pilots program.

Sec. 232. This section allows program income to be used as an eligible match for 2015, 2016, 2017 and 2018 Continuum of Care funds.

Sec. 233. This section permits HUD to provide 1 year transition grants under the continuum of care program.

Sec. 234. This section prohibits section 218(g) of the Cranston-Gonzalez National Affordable Housing Act from applying with respect to the right of a jurisdiction to draw funds from its HOME Investment Trust Fund that otherwise expired or would expire.

Sec. 235. This section prohibits the use of funds to direct a grantee to undertake specific changes to existing zoning laws as part of carrying out the final rule entitled, "Affirmatively Furthering Fair Housing" or the notice entitled, "Affirmatively Further Fair Housing Assessment Tool".

Sec. 236. This section modifies the Rental Assistance Demonstration included in Public Law 112–55.

Sec. 237. This section prohibits funds from being used to interfere with state and local inspections of public housing units.

Sec. 238. This section maintains current Promise Zone designations and agreements.

TITLE III

INDEPENDENT AGENCIES

ACCESS BOARD

SALARIES AND EXPENSES

Appropriations, 2017	$8,190,000
Budget estimate, 2018	7,928,000
Committee recommendation	8,190,000

PROGRAM DESCRIPTION

The Access Board (formerly known as the Architectural and Transportation Barriers Compliance Board) was established by section 502 of the Rehabilitation Act of 1973. The Access Board is responsible for developing guidelines under the Americans with Disabilities Act, the Architectural Barriers Act, and the Telecommunications Act. These guidelines ensure that buildings and facilities, transportation vehicles, and telecommunications equipment covered by these laws are readily accessible to and usable by people with disabilities. The Board is also responsible for developing standards under section 508 of the Rehabilitation Act for accessible electronic and information technology used by Federal agencies, and for medical diagnostic equipment under section 510 of the Rehabilitation Act. The Access Board also enforces the Architectural Barriers Act, ensuring accessibility to a wide range of Federal agencies, including national parks, post offices, social security offices, and prisons. In addition, the Board provides training and technical assistance on the guidelines and standards it develops to Government agencies, public and private organizations, individuals and businesses on the removal of accessibility barriers.

In 2002, the Access Board was given additional responsibilities under the Help America Vote Act. The Board serves on the Board of Advisors and the Technical Guidelines Development Committee, which helps the Election Assistance Commission develop voluntary guidelines and guidance for voting systems, including accessibility for people with disabilities.

COMMITTEE RECOMMENDATION

The Committee recommends $8,190,000 for the operations of the Access Board. This level of funding is equal to the 2017 enacted level and $262,000 more than the President's fiscal year 2018 request.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

Appropriations, 2017	$27,490,000
Budget estimate, 2018	26,149,000
Committee recommendation	27,490,000

PROGRAM DESCRIPTION

The Federal Maritime Commission [FMC] is an independent regulatory agency, which administers the Shipping Act of 1984 (Public Law 98–237), as amended by the Ocean Shipping Reform Act of 1998 (Public Law 105–258); section 19 of the Merchant Marine Act of 1920 (41 Stat. 998); the Foreign Shipping Practices Act of 1988 (Public Law 100–418); and Public Law 89–777.

FMC's mission is to foster a fair, efficient, and reliable international ocean transportation system and to protect the public from unfair and deceptive practices. To accomplish this mission, FMC regulates the international waterborne commerce of the United States. In addition, FMC has responsibility for licensing and bonding ocean transportation intermediaries and for ensuring 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 United States ports.

COMMITTEE RECOMMENDATION

The Committee recommends $27,490,000 for the salaries and expenses of FMC for fiscal year 2018. This amount is $1,341,000 more than the President's fiscal year 2018 budget request and equal to the fiscal year 2017 enacted level.

The Committee commends FMC's efforts to promote access to foreign markets for American exports and efficient supply chains for the importation of goods for domestic production and consumption. These pursuits support economic growth and job creation. The Committee also supports FMC's continued efforts to protect consumers from potentially unlawful, unfair, or deceptive ocean transportation practices related to the movement of household goods or personal property in international ocean-borne trade.

National Railroad Passenger Corporation

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2017	$23,274,000
Budget estimate, 2018	23,274,000
Committee recommendation	23,274,000

PROGRAM DESCRIPTION

The Office of Inspector General for Amtrak was created by the Inspector General Act Amendment of 1988. The act recognized Amtrak as a "designated Federal entity" and required the railroad to establish an independent and objective unit to conduct and supervise audits and investigations relating to the programs and operations of Amtrak; recommend policies designed to promote economy, efficiency, and effectiveness in Amtrak, and prevent and detect fraud and abuse; and to provide a means for keeping the Amtrak leadership and the Congress fully informed about problems in Amtrak operations and the corporation's progress in making corrective action.

COMMITTEE RECOMMENDATION

The Committee recommends $23,274,000 for the Amtrak Office of Inspector General [OIG]. This funding level is equal to the budget request and equal to the fiscal year 2017 enacted level. The Committee retains language that requires the Amtrak OIG to submit a budget request in similar format and substance to those submitted by other executive agencies in the Federal Government.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

Appropriations, 2017	$106,000,000
Budget estimate, 2018	105,170,000
Committee recommendation	110,000,000

PROGRAM DESCRIPTION

Initially established along with the Department of Transportation, the National Transportation Safety Board [NTSB] commenced operations on April 1, 1967, as an independent Federal agency. The Board is 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 or the U.S. Coast Guard Commandant, or when civil penalties are assessed by FAA.

COMMITTEE RECOMMENDATION

The Committee recommends $110,000,000 for the National Transportation Safety Board, which is $4,830,000 more than the budget request and $4,000,000 more than the fiscal year 2017 enacted level. The Committee has also continued to include language that allows NTSB to make payments on its lease for the NTSB training facility with funding provided in the bill.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriations, 2017	$140,000,000
Budget estimate, 2018	27,400,000
Committee recommendation	140,000,000

PROGRAM DESCRIPTION

The Neighborhood Reinvestment Corporation was created by the Neighborhood Reinvestment Corporation Act (Title VI of the Housing and Community Development Amendments of 1978, Public Law 95–557). The Neighborhood Reinvestment Corporation, operating under the trade name "NeighborWorks America," helps local communities establish efficient and effective partnerships between residents and representatives of the public and private sectors. These partnership-based organizations are independent, tax-exempt, nonprofit entities and are frequently known as Neighborhood Housing Services or mutual housing associations.

Collectively, these organizations are known as the NeighborWorks network. Nationally, over 240 NeighborWorks organizations serve nearly 3,000 urban, suburban, and rural communities in every State, the District of Columbia, and Puerto Rico.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $140,000,000 for NeighborWorks for fiscal year 2018. This amount is $112,600,000 more than the budget request and equal to the fiscal year 2017 enacted level. The Committee continues to support the set-aside of $5,000,000 for the multifamily rental housing initiative, which has been successful in developing innovative approaches to producing mixed-income affordable housing throughout the Nation. The Committee directs NeighborWorks to provide 3 days' notice prior to the announcement of any grant to the House and Senate Committees on Appropriations.

Shared Equity Homeownership.—The Committee recognizes the need for increased Federal investment to promote, expand, and preserve homeownership through financial and housing education and counseling, lending programs, default intervention, and foreclosure prevention. The Committee recommends increased investment to support the growth of the shared equity homeownership model as a promising approach for helping lower income and minority families to achieve sustainable homeownership, while delivering positive economic activity to the surrounding community.

Mortgage Rescue Scams.—In 2009, Congress directed NeighborWorks to develop a national public education campaign to address the rise in loan modification scams. In response, NeighborWorks worked to raise awareness of these scams through public service announcements, public media, and the Internet, and has helped thousands of vulnerable homeowners access legitimate forms of assistance and connect with law enforcement. In recent years, however, loan modification scam activity has declined in the United States, as we continue to emerge from the foreclosure crisis. Additionally, the Consumer Financial Protection Bureau, which was not yet in existence at the beginning of this campaign, has undertaken a similar initiative. Accordingly, the Committee commends NeighborWorks for their successful efforts in educating consumers and expects NeighborWorks to continue to be responsive to emerging issues raised by its network.

Rural Areas.—The Committee continues to support NeighborWorks' efforts to build capacity in rural areas. The Committee urges NeighborWorks to continue these efforts.

Surface Transportation Board

SALARIES AND EXPENSES

	Appropriation	Crediting offsetting collections
Appropriations, 2017	$37,000,000	$1,250,000
Budget estimate, 2018	37,100,000	1,250,000
Committee recommendation	37,100,000	1,250,000

PROGRAM DESCRIPTION

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 five-member, bipartisan, decisionally independent adjudicatory body and is responsible for the regulation of the rail and pipeline industries and certain non-licensing regulations of motor carriers and water carriers.

STB's rail oversight activities include 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, pipeline carriers, intercity passenger train service, rate regulation involving noncontiguous domestic water transportation, household goods carriers, and collectively determined motor carrier rates.

COMMITTEE RECOMMENDATION

The Committee recommends a total appropriation of $37,100,000. This funding level is equal to the budget request and $100,000 more than the fiscal year 2017 enacted level. Included in the recommendation is $1,250,000 in fees, which will offset the appropriated funding, resulting in final appropriation from the general fund estimated at no more than $35,850,000.

Regulatory Proceedings.—While the STB has made progress in implementing the Surface Transportation Board Reauthorization Act of 2015, the Committee is concerned about a number of pending regulatory proceedings that would reform existing regulations at the STB. These proceedings are more difficult to resolve without all five board members. The Committee encourages the Administration to expeditiously nominate the full complement of board members to the STB, and encourages STB to provide a timely, efficient, and decisive regulatory process.

United States Interagency Council On Homelessness

OPERATING EXPENSES

Appropriations, 2017	$3,600,000
Budget estimate, 2018	570,000
Committee recommendation	3,600,000

PROGRAM DESCRIPTION

The United States Interagency Council on Homelessness [USICH] is an independent agency created by the McKinney-Vento Homeless Assistance Act of 1987 to coordinate and direct the multiple efforts of Federal agencies and other designated groups. The Council was authorized to review Federal programs that assist homeless persons and to take necessary actions to reduce duplication. The Council can recommend improvements in programs and activities conducted by Federal, State, and local government, as well as local volunteer organizations. The Council consists of the heads of 19 Federal agencies, including the Departments of Housing and Urban Development, Health and Human Services, Veterans Affairs, Agriculture, Commerce, Defense, Education, Labor, and Transportation; and other entities as deemed appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $3,600,000 for the USICH. This amount is $3,030,000 greater than the budget request and equal to the fiscal year 2017 enacted level. The bill includes language to amend the McKinney-Vento Homeless Assistance Act to eliminate USICH's sunset date and make the Council permanent.

USICH supports Federal collaboration and implementation of the Federal strategic plan to prevent and end homelessness. The Council's work on such issues as establishing common definitions of homelessness across programs and consolidating Federal data is helping to breakdown silos and increase Federal collaboration. Its work was recognized by GAO in its February 2012 report on ways to reduce duplication, overlap, and fragmentation in the Federal Government. The Committee is aware that individuals who are homeless or in unstable housing situations are often living with multiple chronic conditions. The link between homelessness and long-term physical and behavioral health conditions is well documented. The Committee has recognized the cost-savings that can be achieved by using evidence-based practices, and has been supportive of such efforts, including through the HUD–VASH program and other permanent supportive housing through HUD's homeless assistance grants program. However, the Committee believes that more can be done to emphasize evidence-based practices in serving other populations. The Committee continues to direct the USICH to improve coordination between HUD, HHS and other Federal agencies, and to help communities use the Homeless Management Information System and other data to target affordable housing and homeless resources to high-need, high-cost families and individuals. The Committee further encourages HUD to work with HHS and other Federal agencies to identify homeless individuals who have high utilization rates for emergency and other public services, and share strategies for combining affordable housing with health and social support services to improve both housing and health outcomes for these individuals.

Performance Metrics and Cross-Agency Coordination.—USICH leads the coordination of the Federal response to ending homelessness among 19 Federal agencies, as well as State, local, nonprofit and philanthropic organizations. However, the Committee remains concerned that other stakeholders do not fully appreciate the value of the important work that agency has been able to accomplish over time due to the Council's lack of clear output and outcome based performance metrics. The Committee directs the agency to undertake the development of measurable performance goals and metrics that define how USICH accomplishes its mission for inclusion in its fiscal year 2019 Congressional budget justification.

The Committee also directs USICH to develop performance metrics to measure the progress that USICH and its partners have made to address and end homelessness in the 2019 performance and accountability report, as well as provide an update on efforts to improve cross-agency collaboration and coordination on integrating child welfare systems with housing and services provided through HUD and the Department of Health and Human Services in response to youth homelessness; the coordination between continuums of care and the Department of Labor employment programs, the Department of Education and HUD, and the Department of Agriculture with other Federal agencies.

The Committee believes these targeted, data-driven analyses will better educate Congress and the public at-large on the clear outcomes of USICH's work to promote cost-effective policies, and evidence-based practices in urban and rural communities alike. The Committee further directs the agency to report to the House and Senate Committees on Appropriations within 120 days of enactment of this act on the status of these efforts.

Homeless Youth.—One of the goals of the Federal Strategic Plan is to prevent and end homelessness among youth by 2020. The plan identifies four core targeted outcomes for youth experiencing homelessness—stable housing, permanent connections, education and employment, and social/emotional well-being. These outcomes appropriately identify the multiple needs of youth experiencing homelessness and underscore the importance of comprehensive solutions. To be successful, it is critical to coordinate Federal services and programs at the local, regional, and State levels to ensure these outcomes are met. As such, the Committee recognizes that it can be difficult for local communities, as well as housing and service providers, to navigate different Federal program laws and regulatory requirements. USICH is directed to work with its Federal member agencies to ensure that all homeless-related Federal grant funding solicitations are coordinated and made publically available, a user-friendly document that helps local communities identify and understand the scope of all Federal programs for which homeless youth are eligible. This document shall include detailed descriptions of eligibility criteria, application instructions, and application deadlines and be updated as necessary.

TITLE IV

GENERAL PROVISIONS—THIS ACT

Section 401 prohibits pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this act.

Section 402 prohibits obligations beyond the current fiscal year and prohibits transfers of funds unless expressly so provided herein.

Section 403 limits expenditures for consulting services through procurement contracts where such expenditures are a matter of public record and available for public inspection.

Section 404 prohibits the use of funds for employee training unless such training bears directly upon the performance of official duties.

Section 405 authorizes the reprogramming of funds within a budget account and specifies the reprogramming procedures for agencies funded by this act. The Committee rejects the administration's request to transfer budget authority between accounts.

Section 406 ensures that 50 percent of unobligated balances may remain available for certain purposes.

Section 407 prohibits the use of funds for eminent domain unless such taking is employed for public use.

Section 408 prohibits funds in this act to be transferred without express authority.

Section 409 protects employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 410 prohibits the use of funds for activities not in compliance with the Buy American Act.

Section 411 prohibits funding for any person or entity convicted of violating the Buy American Act.

Section 412 prohibits funds for first-class airline accommodation in contravention of section 301–10.122 and 301–10.123 of title 41 CFR.

Section 413 prohibits funds from being used for the approval of a new foreign air carrier permit or exemption application if that approval would contravene United States law or article 17 bis of the U.S.-E.U.-Iceland-Norway Air Transport Agreement and specifies that nothing in this section shall prohibit, restrict, or preclude the Secretary of DOT from granting a permit or exemption where such authorization is consistent with the U.S.-E.U.-Iceland-Norway Air Transport Treaty and the U.S. law.

Section 414 restricts the number of employees that agencies funded in this act may send to international conferences.

Section 415 prohibits funds to agencies unless they are in compliance with the Presidential Memorandum—Federal Fleet Performance, dated May 24, 2011.

Section 416 prohibits the Surface Transportation Board from charging filing fees for rate or practice complaints that are greater than the fees authorized for district court civil suits.

Section 417 prohibits funds from being used to privatize air traffic control.

Section 418 prohibits funds from denying an Inspector General timely access to any records, documents, or other materials available to the department or agency over which that Inspector General has responsibilities, or to prevent or impede that Inspector General's access.

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 is filing an original bill, which is not covered under this rule, but reports this information in the spirit of full disclosure.

The Committee recommends funding for the following programs or activities which currently lack authorization for fiscal year 2018:

TITLE I—DEPARTMENT OF TRANSPORTATION

National Infrastructure Investments
Federal Aviation Administration
Maritime Administration

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Rental Assistance Programs
Indian Housing Block Grants
Indian Housing Loan Guarantee Fund
Native Hawaiian Housing Block Grant
Housing Opportunity for Persons with AIDS
Community Development Fund
Community Development Loan Guarantee
Home Investment Partnerships Program
Choice Neighborhoods Initiatives
Self-Help Homeownership Opportunity Program
Homeless Assistance
Housing for the Elderly
Housing for Persons with Disabilities
FHA General and Special Risk Program Account
GNMA Mortgage Backed Securities Loan Guarantee Program Account
Policy Development and Research
Fair Housing Activities, Fair Housing Program
Lead Hazard Reduction Program
Salaries and Expenses

TITLE III—RELATED AGENCIES

Access Board
National Transportation Safety Board

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on July 00, 2017, the Committee ordered favorably reported a bill (S. 0000) making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2018, and for other purposes, provided, that the bill be subject to amendment and that the bill be consistent with its budget allocation, by a recorded vote of 00–00, a quorum being present. The vote was as follows:

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.

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 in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the subcommittee allocation for 2018: Subcommittee on Transportation and Housing and Urban Development, and Related Agencies:				
Mandatory	....	....	....	....
Discretionary	....	....	....	....
Security	....	....	NA	NA
Nonsecurity	....	....	NA	NA
Projections of outlays associated with the recommendation:				
2018	....	....	....	....
2019	....	....	....	....
2019	....	....	....	....
2020	....	....	....	....
2021 and future years	....	....	....	....
Financial assistance to State and local governments for 2018	NA	....	NA	....

[1] Includes outlays from prior-year budget authority.
[2] Excludes outlays from prior-year budget authority.

NA: Not applicable.

NOTE.—Consistent with the funding recommended in the bill as an emergency-requirement and in accordance with section 251(b)(2)(A)(i) of the BBEDCA of 1985, the Committee anticipates that the Budget Committee will provide a revised 302(a) allocation for the Committee on Appropriations reflecting an upward adjustment of $———— in outlays.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2017 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2018

[In thousands of dollars]

Item	2017 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2017 appropriation	Budget estimate
TITLE I—DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses					
Immediate Office of the Secretary					