

[COMMITTEE PRINT]

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

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114TH CONGRESS } SENATE { REPORT
2d Session } 114-000

TRANSPORTATION AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS BILL, 2017

APRIL 00, 2016.—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, 2017, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amounts of new budget (obligational) authority for fiscal year 2017

Table with 2 columns: Description and Amount. Rows include Total of bill as reported to the Senate (\$56,474,000,000), Amount of 2016 appropriations (57,600,707,000), Amount of 2017 budget estimate (51,992,343,000), and Bill as recommended to Senate compared to— (2016 appropriations: -1,126,707,000; 2017 budget estimate: +4,481,657,000).

1 The budget estimate proposed shifting \$7,415,017,000 in discretionary surface transportation programs to mandatory funding from the Transportation Trust Fund. The Committee recommendation does not reclassify the funding for these programs. For proper comparison, the 2017 budget estimate should include the additional \$7,415,017,000.

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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, and airport infrastructure; the operation of the Nation's air traffic control system; housing assistance for those in need, including the homeless, elderly, and disabled; resources to support community planning and development; activities to improve road, rail, and pipeline safety; and a wide range of research efforts.

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 strong and economically competitive Nation. The ability to fulfill these responsibilities and make important investments is made challenging by pressure on available levels of discretionary spending as a consequence of the overall public debate on Federal spending, revenues, and the size of the Federal debt.

This bill makes the operation of the interstate highway system possible, as well as the world's safest air transportation system. 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, individuals and families. This bill also includes funding for competitive grants to communities to support transportation infrastructure projects of national or regional importance.

In the context of overall pressures on spending and the competing priorities that the Committee faces, this bill, as reported, provides the proper amount of emphasis on transportation, housing, community development, and other programs and activities funded within it. It is consistent with the subcommittee's allocation for fiscal year 2017. All accounts in the bill have been closely examined to ensure that an appropriate level of funding is provided to carry out the programs of DOT, HUD, and related agencies. Details on each of the accounts, the funding level, and the Committee's justifications for the funding levels are included in the report.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2017, 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 appro-

priations acts (including joint resolutions providing continuing appropriations) or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference. This definition shall apply to all programs for which new budget (obligational) authority is provided, as well as to discretionary grants and discretionary grant allocations made through either bill or report language.

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 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 that vital budget information that the Committee needs is not lost. Therefore, the Committee directs that justifications submitted with the fiscal year 2018 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 2018 to the fiscal year 2017 enacted level.

The Committee is aware that the analytical materials required for review by the Committee are unique to each agency in this act. Therefore, the Committee expects that the each agency will coordinate with the House and Senate Committees on Appropriations in advance on its planned presentation for its budget justification materials in support of the fiscal year 2018 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 is increasingly 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 Government Accountability Office 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.

TITLE I

DEPARTMENT OF TRANSPORTATION

The Committee regularly receives technical assistance from the Department in order to ensure that Appropriations bills are implemented as intended by Congress. 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. Additionally, the Department provided inaccurate technical assistance to the Committee, inconsistent with the intent of Congress, which could lead to devastating impacts on the commercial motor vehicle industry and increase costs to consumers all while knowing the intent of Congress was not the case. 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.

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 Chief Information Officer. OST also includes the Department's Office of Civil Rights and the Department's Working Capital Fund.

SALARIES AND EXPENSES

Appropriations, 2016	\$108,750,000
Budget estimate, 2017	114,396,000
Committee recommendation	116,396,000

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 \$116,396,000 for salaries and expenses of OST, including \$60,000 for reception and representation expenses. The recommendation is \$2,000,000 more than the budget request and \$7,646,000 more than the fiscal year 2016 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 request to merge the Office of Small and Disadvantaged Business Utilization with Minority Business Outreach is approved and these functions are now consolidated into the new Office of Small and Disadvantaged Business Utilization and Outreach.

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 2016 enacted level and the budget request:

	Fiscal year—		Committee recommendation
	2016 enacted	2017 estimate	
Office of the Secretary	\$2,734,000	\$2,758,000	\$2,758,000
Office of the Deputy Secretary	1,025,000	1,040,000	1,040,000
Office of the General Counsel	20,609,000	20,772,000	20,772,000
Office of the Under Secretary of Transportation for Policy	9,941,000	11,108,000	11,108,000
Office of the Assistant Secretary for Budget and Programs	13,697,000	14,020,000	16,020,000
Office of the Assistant Secretary for Governmental Affairs	2,546,000	2,569,000	2,569,000
Office of the Assistant Secretary for Administration	25,925,000	30,054,000	30,054,000
Office of Public Affairs	2,029,000	2,142,000	2,142,000
Office of the Executive Secretariat	1,737,000	1,760,000	1,760,000
Office of Small and Disadvantaged Business Utilization	1,434,000		
Office of Intelligence, Security, and Emergency Response	10,793,000	11,089,000	11,089,000
Office of the Chief Information Officer	16,280,000	17,084,000	17,084,000
Total	108,750,000	114,396,000	116,396,000

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 \$2,758,000 for fiscal year 2017 for the Immediate Office of the Secretary. The recommendation is equal to the budget request and \$24,000 more than the fiscal year 2016 enacted level.

Mobile Wireless Devices.—On February 24, 2014, the Department published an Advance Notice of Proposed Rulemaking (Docket No. DOT-OST-2014-0002) regarding the use of mobile wireless devices for voice calls on commercial aircraft. The approval of voice communication over mobile wireless devices during commercial airline

flights would be problematic for many of the nearly 2 million Americans who fly each day and challenging for the airlines. The Committee is strongly concerned with the duration of this rulemaking process and directs the Department to complete its rulemaking expeditiously and put in place a clear rule that takes into account the full impact on consumers and the commercial aviation industry.

Puget Sound.—The Committee commends FTA's Region 10 and the FHWA's Washington Division for signing the Puget Sound Federal Caucus Memorandum of Understanding in 2014. The recovery and cleanup of Puget Sound is essential to the regional economy and continued coordination and sharing of expertise among Federal partners is critical to furthering current efforts. The Committee directs the DOT agencies that are party to the Memorandum to work with their counterparts in the Puget Sound Federal Caucus to renew and strengthen the MOU prior to its expiration on March 27, 2017.

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 budget request and \$15,000 more than the fiscal year 2016 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 \$20,772,000 for expenses of the Office of the General Counsel for fiscal year 2017. The recommended funding level is equal to the budget request and \$163,000 more than the fiscal year 2016 enacted level.

OFFICE OF THE UNDER SECRETARY OF TRANSPORTATION FOR POLICY

PROGRAM DESCRIPTION

The Under Secretary for Policy is the chief policy officer of the Department and is responsible to the Secretary for the analysis, development, and review of policies and plans for domestic and international transportation matters. The Office administers the economic regulatory functions regarding the airline industry and is responsible for international aviation programs, the essential air

service program, airline fitness licensing, acquisitions, international route awards, computerized reservation systems, and special investigations, such as airline delays.

COMMITTEE RECOMMENDATION

The Committee recommends \$11,108,000 for the Office of the Under Secretary for Policy. The recommended funding level is equal to the budget request and \$1,167,000 more than the fiscal year 2016 enacted level. The request to fund a new Office of Safety Oversight is denied. Instead, funding is provided directly to the operating modes to address critical safety needs.

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 \$16,020,000 for the Office of the Assistant Secretary for Budget and Programs. The recommended level is \$2,000,000 more than the budget request and \$2,323,000 more than the fiscal year 2016 enacted level. The Committee recommendation includes not less than \$2,000,000 to assist the Department in complying with the Digital Accountability and Transparency Act. The amount provided is \$2,000,000 less than the budget request, which was requested as a separate appropriation.

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 \$2,569,000 for the Office of the Assistant Secretary for Governmental Affairs. The recommended level is equal to the budget request and \$23,000 more than the fiscal year 2016 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 \$30,054,000 for the Office of the Assistant Secretary for Administration. The recommended funding level is equal to the budget request and \$4,129,000 more than the fiscal year 2016 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 budget request and \$113,000 more than the fiscal year 2016 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 budget request and \$23,000 more than the fiscal year 2016 enacted level.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

PROGRAM DESCRIPTION

The Office of Small and Disadvantaged Business Utilization has primary responsibility for providing policy direction for small and disadvantaged business participation in the Department's procure-

ment and grant programs, and effective execution of the functions and duties under sections 8 and 15 of the Small Business Act, as amended.

COMMITTEE RECOMMENDATION

The Committee recommendation is consistent with the budget request for the Office to merge with Minority Business Outreach into the Office of Small and Disadvantaged Business Utilization and Outreach.

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 his 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 in 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 \$11,089,000 for the Office of Intelligence, Security, and Emergency Response. The recommendation is equal to the budget request and \$296,000 more than the fiscal year 2016 enacted level.

OFFICE OF THE CHIEF INFORMATION OFFICER

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends \$17,084,000 for the Office of the Chief Information Officer, which is equal to the budget request and \$804,000 more than the fiscal year 2016 enacted level.

RESEARCH AND TECHNOLOGY

Appropriations, 2016	\$13,000,000
Budget estimate, 2017	18,007,000
Committee recommendation	13,044,000

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; coordinating and developing positioning, navigation and timing [PNT] technology; maintaining PNT policy, coordination and spectrum management; implementing the civil signal performance monitoring requirements in the Global Positioning Systems NextGen Operational Control System in collaboration with the Air Force; 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 \$13,044,000 for the Office of the Assistant Secretary for Research and Technology. This amount is \$4,963,000 less than the budget request and \$44,000 more than the fiscal year 2016 enacted level. The following table summarizes the Committee's recommendation in comparison to the budget request and the fiscal year 2016 enacted level:

	Fiscal year—		Committee recommendation
	2016 enacted	2017 estimate	
Salaries and Administrative Expenses	\$4,782,000	\$5,389,409	\$4,826,000
Research, Development and Technology Coordination	509,000	509,000	509,000
Alternative Energy Research and Development	499,000	499,000	499,000
Positioning, Navigation and Timing	1,610,000	1,610,000	1,610,000
Civil Signal Monitoring—Air Force—GPS		10,000,000	5,600,000
Nationwide Differential Global Positioning System	5,600,000		
Total	13,000,000	18,007,409	13,044,000

University Transportation Centers.—The Committee continues to support University Transportation Centers, which is 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.

Small Business Innovation Research.—The Committee recognizes the importance of the Small Business Innovation Research [SBIR] 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 urges the Department to place an increased focus on awarding SBIR awards to firms with fewer than 50 people. In

addition, the Committee encourages the Department to take steps to ensure SBIR spending levels meet or exceed statutory requirements.

Technology Solutions.—The Committee encourages the Department of Transportation to review and test nano-technology 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.

Autonomous Vehicles.—The Committee recognizes the rapid pace at which autonomous vehicle technology is developing, and is interested in validating the safety of the new technology. To help facilitate the deployment and safety testing of autonomous vehicles, the Committee encourages the Secretary to solicit applications under the Advanced Transportation and Congestion Management Technologies Deployment Program for autonomous vehicle projects to test the feasibility of deployment through geographically contained ridesharing pilot programs. In reviewing applications, the Secretary should consider the extent to which applicants propose to include the gathering and sharing of critical safety data with the government and the extent to which applicants propose to test the benefits of the technology with groups that might otherwise have limited transportation options, such as older Americans who no longer drive or those with disabilities or no driver's license.

NATIONAL INFRASTRUCTURE INVESTMENTS

Appropriations, 2016	\$500,000,000
Budget estimate, 2017 ¹	1,250,000,000
Committee recommendation	525,000,000

¹ Requested as mandatory funding from the transportation trust fund.

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.

COMMITTEE RECOMMENDATION

The Committee recommendation includes \$525,000,000 for grants and credit assistance for investment in significant transportation projects, which is \$25,000,000 more than the fiscal year 2016 enacted level. The request shifts this program to mandatory spending. The Committee, however, does not expect the enactment of legislation that funds this program on the mandatory side of the budget, and therefore provides its funding recommendation in order to continue investment in these important transportation projects. The recommendation does not include funding for the 21st century clean transportation investments plan.

Planning Activities.—The Committee recommendation allows up to \$25,000,000 to be used for the planning, preparation, or design of projects eligible for funding under this heading.

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, 2016	
Budget estimate, 2017	\$3,000,000
Committee Recommendation	3,000,000

PROGRAM DESCRIPTION

The National Surface Transportation and Innovative Finance Bureau will administer and coordinate or consolidate aspects of the U.S. Department of Transportation's existing surface transportation innovative finance programs as authorized in section 9001 of the Fixing America's Surface Transportation [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 National Surface Transportation and Innovative Finance Bureau, as authorized in section 9001 of the FAST Act, which is equal to the budget request and \$3,000,000 above fiscal year 2016 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, 2016	\$5,000,000
Budget estimate, 2017	4,000,000
Committee recommendation	4,000,000

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 \$4,000,000 to complete the Secretary's Financial Management Capital initiative, which is equal to the budget request and \$1,000,000 less than fiscal year 2016 enacted level.

CYBER SECURITY INITIATIVE

Appropriations, 2016	\$8,000,000
Budget estimate, 2017	15,000,000
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 equal to the budget request and \$7,000,000 more than the fiscal year 2016 enacted level.

OFFICE OF CIVIL RIGHTS

Appropriations, 2016	\$9,678,000
Budget estimate, 2017	9,751,000
Committee recommendation	9,751,000

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, and overseeing the Department's conduct of its civil rights responsibilities and making final determinations on civil rights complaints. In addition, the Civil Rights Office is responsible for enforcing laws and regulations which prohibit discrimination in federally operated and federally assisted transportation programs.

COMMITTEE RECOMMENDATION

The Committee recommends a funding level of \$9,751,000 for the Office of Civil Rights. The recommendation is equal to the budget request and \$73,000 more than the fiscal year 2016 enacted level.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

Appropriations, 2016	\$8,500,000
Budget estimate, 2017	17,043,000
Committee recommendation	12,043,000

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 \$12,043,000 for Transportation Planning, Research, and Development, which is \$5,000,000 less than the budget request and \$3,543,000 more than the fiscal year 2016 enacted level. The Committee directs the Secretary to dedicate \$3,000,000 to support the Interagency Infrastructure Permitting Improvement Center. Further, the Committee rejects the request for the proposed Clean Energy Research—Green Ports Study.

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 of Transportation 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 [MPOs] revise their practices, standards and performance measurements in all phases of project planning, development, and operation with the goal of reducing fatalities among nonmotorized 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, 2016	\$190,039,000
Budget estimate, 2017	
Committee recommendation	190,389,000

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 \$190,389,000 on activities financed through the Working Capital Fund. The recommended limit is \$350,000 more than the limit enacted for fiscal year 2016. The Department requested that no limitation be included for fiscal year 2017.

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 2017 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 2018.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

	Appropriations	Limitation on guaranteed loans
Appropriations, 2016	\$933,000	\$18,367,000
Budget estimate, 2017	941,000	.....
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 equal to the budget request and \$8,000 more than the fiscal year 2016 enacted level. The Committee also recommends a limitation on guaranteed loans of \$18,367,000, equal to the fiscal year 2016 enacted level.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION AND
OUTREACH

Appropriations, 2016	\$3,084,000
Budget estimate, 2017	4,646,000
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 \$1,562,000 more than the fiscal year 2016 enacted level and equal to the budget request. The Committee supports the request to merge the Minority Business Outreach program with the Office of Small and Disadvantaged Business Utilization from the Salaries and Expenses accounts, to be called the Office of Small and Disadvantaged Business Utilization and Outreach. The Committee accepts this approach, fully funding the request for this consolidation.

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, 2016	\$175,000,000	\$108,000,000	\$283,000,000
Budget estimate, 2017	150,000,000	104,000,000	254,000,000
Committee recommendation	150,000,000	104,000,000	254,000,000

The Committee recommends the appropriation of \$150,000,000 for the EAS program. This appropriation would be in addition to an estimated \$104,000,000 of overflight fees collected by the FAA, allowing the Department to support a total program level for EAS of \$254,000,000. The appropriation and the level of funding from overflight fees under the Committee’s recommendation are both equal to the budget request. The total program level under the Committee’s recommendation is \$29,000,000 less than the total program level enacted for fiscal year 2016, which was comprised of an appropriation of \$175,000,000 plus \$108,000,000 in overflight fees.

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 rec-

ommends 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)	Average enplanements per day	Annual subsidy rates at 9/30/15	Passenger totals at 9/30/15	Subsidy per passenger at 9/30/15
AL	Muscle Shoals ¹	60	1.9	\$605,728	1,208	\$501
AR	El Dorado/Camden	117	13.4	1,624,636	8,390	194
AR	Harrison	86	15.5	2,168,360	9,734	223
AR	Hot Springs	51	9.9	1,423,980	6,198	230
AR	Jonesboro	82	15.3	1,921,026	9,571	201
AZ	Kingman ²	121	1.3	856,348	787	n/a
AZ	Page	282	9.1	1,891,308	5,727	330
AZ	Prescott	102	11.0	2,056,469	6,916	297
AZ	Show Low	173	5.6	1,112,976	3,508	317
CA	Crescent City ¹	231	18.1	1,261,488	11,315	111
CA	El Centro	101	8.4	1,947,342	5,228	372
CA	Merced ¹	60	10.7	1,918,704	6,705	286
CA	Visalia	47	14.9	1,899,753	9,297	204
CO	Alamosa	164	9.8	1,604,276	6,119	262
CO	Cortez	255	7.5	1,122,323	4,705	239
CO	Pueblo ¹	36	4.9	1,502,092	3,069	489
GA	Macon ¹	82	0.3	193,851	188	n/a
IA	Burlington	98	21.2	1,949,808	13,300	147
IA	Fort Dodge ¹	91	10.5	2,140,470	6,599	324
IA	Mason City ¹	131	17.7	3,268,588	11,078	295
IA	Sioux City	88	79.8	600,222	49,959	12
IA	Waterloo	63	76.8	911,778	48,101	19
IL	Decatur	126	23.7	2,668,817	14,859	180
IL	Marion/Herrin	123	30.6	2,129,562	19,148	111
IL	Quincy	111	29.4	1,974,896	18,419	107
KS	Dodge City	150	6.9	1,558,776	4,339	359
KS	Garden City	202	82.7	1,412,990	51,774	27
KS	Great Bend ²	114	0.7	697,477	462	1,510
KS	Hays	166	27.9	2,219,610	17,496	127
KS	Liberal/Guymon, OK	228	8.4	1,558,290	5,280	295
KS	Salina	97	4.5	997,557	2,824	353
KY	Owensboro	115	12.0	1,551,120	7,481	207
KY	Paducah	146	68.1	1,956,717	42,621	46
MD	Hagerstown	78	3.8	1,453,430	2,374	612
ME	Augusta/Waterville	58	15.8	1,764,038	9,903	178
ME	Bar Harbor	157	14.0	1,620,836	8,785	185
ME	Presque Isle/Houlton	274	40.5	4,680,585	25,322	185
ME	Rockland	76	21.3	1,824,399	13,306	137
MI	Alpena	174	32.6	2,128,800	20,405	104
MI	Escanaba	227	51.9	3,318,111	32,485	102
MI	Hancock/Houghton	321	76.7	649,152	48,033	14
MI	Iron Mountain/Kingsford	223	34.6	2,794,707	21,659	129
MI	Ironwood/Ashland, WI	213	14.8	3,439,386	9,265	371
MI	Manistee/Ludington	121	15.9	1,481,048	9,983	148
MI	Muskegon	49	48.4	1,325,415	30,305	44
MI	Pellston	213	79.8	1,004,018	49,958	20
MI	Sault Ste. Marie	281	71.8	1,601,568	44,939	36
MN	Bemidji	128	74.7	1,133,001	46,754	24
MN	Brainerd	123	53.2	1,581,872	33,291	48
MN	Chisholm/Hibbing	199	37.1	2,537,352	23,227	109
MN	International Falls	298	41.8	1,789,868	26,195	68
MN	Thief River Falls	129	3.4	2,119,062	2,151	985
MO	Cape Girardeau/Sikeston	127	18.6	1,649,760	11,631	142

ESSENTIAL AIR SERVICE SUBSIDY PER PASSENGER—Continued

State	EAS communities	Est. miles to nearest hub (S, M, or L)	Average enplanements per day	Annual subsidy rates at 9/30/15	Passenger totals at 9/30/15	Subsidy per passenger at 9/30/15
MO	Fort Leonard Wood	85	24.5	2,561,219	15,363	167
MO	Joplin	70	86.9	427,518	54,373	8
MO	Kirksville	137	17.0	1,655,208	10,626	156
MS	Greenville ¹	124	0.7	309,600	441	702
MS	Laurel/Hattiesburg	85	31.2	3,805,284	19,539	195
MS	Meridian	84	67.4	3,769,249	42,178	89
MS	Tupelo	94	8.3	1,725,914	5,181	333
MT	Butte	75	85.4	737,880	53,466	14
MT	Glasgow	285	12.0	2,054,790	7,504	274
MT	Glendive	223	7.8	1,931,811	4,885	395
MT	Havre	230	7.7	2,024,704	4,795	422
MT	Sidney	272	30.6	3,773,979	19,170	197
MT	West Yellowstone	89	65.4	497,170	15,952	31
MT	Wolf Point	293	11.9	2,160,390	7,462	290
ND	Devils Lake	159	16.6	2,997,834	10,379	289
ND	Jamestown ND	92	24.2	3,042,799	15,164	201
NE	Alliance	233	3.4	923,316	2,124	435
NE	Chadron	290	3.3	842,014	2,036	414
NE	Grand Island	138	82.5	1,673,526	51,633	32
NE	Kearney	181	15.2	2,077,827	9,493	219
NE	McCook	256	1.3	695,303	791	879
NE	North Platte	255	12.0	1,743,106	7,501	232
NE	Scottsbluff	192	11.9	1,621,737	7,480	217
NH	Lebanon/White River Junction, VT ...	74	31.8	2,883,284	19,926	145
NM	Carlsbad	149	4.4	1,288,380	2,767	466
NM	Clovis	102	15.7	3,234,816	9,815	330
NM	Silver City/Hurley/Deming	134	9.5	2,804,544	5,954	471
NY	Jamestown NY	76	5.3	1,790,066	3,289	544
NY	Massena	138	13.8	2,253,178	8,634	261
NY	Ogdensburg	105	14.8	2,034,732	9,243	220
NY	Plattsburgh	82	26.0	2,807,973	16,253	173
NY	Saranac Lake/Lake Placid	138	15.7	1,835,530	9,826	187
NY	Watertown NY	54	61.5	3,273,620	38,521	85
OR	Pendleton	185	13.5	1,797,333	8,422	213
PA	Altoona	112	7.3	1,920,171	4,568	420
PA	Bradford ¹	77	7.3	1,315,318	4,546	289
PA	DuBois	112	10.9	2,199,516	6,793	324
PA	Franklin/Oil City ¹	85	2.9	934,506	1,815	515
PA	Johnstown	84	13.6	2,338,824	8,485	276
PA	Lancaster	28	4.2	2,002,455	2,620	764
SD	Aberdeen	176	85.4	1,058,488	53,450	20
SD	Huron ²	121	3.1	2,500,160	1,920	1,302
SD	Watertown SD	102	4.3	2,446,273	2,688	910
TN	Jackson	86	3.9	1,435,281	2,427	591
TX	Victoria	119	9.5	2,420,118	5,977	405
UT	Cedar City	179	41.6	2,351,695	26,045	90
UT	Moab ¹	256	12.5	1,361,409	7,851	173
UT	Vernal ¹	150	8.4	819,864	5,279	155
VA	Staunton	113	17.2	1,823,986	10,751	170
VT	Rutland	69	16.9	1,352,052	10,562	128
WI	Eau Claire	92	53.5	1,492,861	33,512	45
WI	Rhineland	190	69.5	1,878,684	43,524	43
WV	Beckley	168	7.6	2,946,550	4,729	623
WV	Clarksburg/Fairmont	96	14.7	2,278,596	9,218	247
WV	Greenbrier/White Sulphur Springs ...	162	18.3	3,488,764	11,431	305
WV	Morgantown	75	24.0	2,316,855	15,015	154
WV	Parkersburg/Marietta, OH	110	14.2	3,338,140	8,907	375
WY	Cody	106	104.8	1,340,218	65,574	20
WY	Laramie	145	40.5	1,908,913	25,328	75
WY	Worland ²	161	2.7	1,866,872	1,697	1,100

¹ Service Hiatus:
Bradford, PA—no service between 10/31/14 and 2/28/15

Crescent City, CA—no service between 4/7/15 and 9/15/15
Fort Dodge, IA—no service between 10/1/14 and 2/23/15
Franklin/Oil City, PA—no service between 11/1/14 and 3/4/15
Greenville, MS—no service between 10/1/14 and 3/16/15
Macon, GA—no service between 11/5/14 and 9/30/15
Macon City, IA—no service between 10/1/14 and 11/17/14
Merced, CA—no service between 8/31/15 and 9/30/15
Moab, UT—no service between 4/30/15 and 9/30/15
Muscle Shoals, AL—no service between 10/1/14 and 1/12/15
Pueblo, CO—no service between 6/3/15 and 9/30/15
Vernal, UT—no service between 5/1/15 and 9/30/15.

² Termination:

Kingman, AZ—the Department issued Order 2015-3-6 on 3/13/2015 to terminate Kingman's eligibility as of 4/30/15, because the subsidy per passenger exceeded the \$1,000 statutory limit during fiscal year 2014.
DOT has tentatively terminated the eligibility of Great Bend, KS, Huron, SD, and Worland, WY because the subsidy per passenger exceeded the \$1,000 statutory limit during fiscal year 2015.

³ Actual subsidy paid may be less than obligated amounts because air carriers may have completed fewer flights than proposed.

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.

FEDERAL AVIATION ADMINISTRATION
PROGRAM DESCRIPTION

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

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

COMMITTEE RECOMMENDATION

The total recommended funding level for the FAA for fiscal year 2017 amounts to \$16,412,354,000 including new budget authority and a limitation on the obligation of contract authority. This funding level is \$512,502,000 more than the budget request and \$131,630,000 more than the fiscal year 2016 enacted level.

The following table summarizes the Committee's recommendations for fiscal year 2017 in comparison to the budget request and the fiscal year 2016 enacted level:

	Fiscal year--		Committee recommendation
	2016 enacted	2017 estimate	
Operations	\$9,909,724,000	\$9,994,352,000	\$10,048,352,000
Facilities and equipment	2,855,000,000	2,838,000,000	2,838,000,000
Research, engineering, and development	166,000,000	167,500,000	176,002,000
Grants-in-aid to airports (obligation limitation)	3,350,000,000	2,900,000,000	3,350,000,000
Rescissions			
Total	16,280,724,000	15,899,852,000	16,412,354,000

OPERATIONS

Appropriations, 2016	\$9,909,724,000
Budget estimate, 2017	9,994,352,000
Committee recommendation	10,048,352,000

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 assure safety and development of standards, rules and regulations governing the physical fitness of airmen, as well as the administration of an Aviation Medical Research Program;
- the Office of Commercial Space Transportation; and
- headquarters and support offices.

COMMITTEE RECOMMENDATION

The Committee recommends a total of \$10,048,352,000 for FAA Operations. This funding level is \$54,000,000 more than the budget request, and \$138,628,000 more than the fiscal year 2016 enacted level. The Committee recommendation derives \$9,190,000,000 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 2016 enacted level:

FAA OPERATIONS

	Fiscal year—		Committee recommendation
	2016 enacted	2017 estimate	
Air traffic organization	\$7,505,293,000	\$7,539,785,000	\$7,593,785,000
Aviation safety	1,258,411,000	1,286,982,000	1,286,982,000
Commercial space transportation	17,800,000	19,826,000	19,826,000
Finance and Management	760,500,000	771,342,000	771,342,000
NextGen Operations and Planning	60,089,000	60,155,000	60,155,000
Security and hazardous materials safety	100,880,000	107,161,000	107,161,000
Staff offices	206,751,000	209,101,000	209,101,000
Total	9,909,724,000	9,994,352,000	10,048,352,000

Federal Aviation Administration [FAA] Reform—Reauthorization of FAA Programs and Air Traffic Control Governance.—The last

multi-year authorization for FAA programs and activities expired on September 30, 2015. As a result, the FAA's programs are in the midst of its second short-term extension. The Committee believes there is broad consensus on needed reforms to the FAA's certification process; oversight of unmanned aircraft systems; implementation of NextGen technologies; and the important safety oversight role of the FAA. However, there remains vigorous dispute over proposals to separate air traffic control functions from the rest of the FAA's operations. The attempt to remove the air traffic control system from the FAA is fraught with risk, could lead to uncontrollable cost increases to consumers, and could ultimately harm users of and operators in the system, including the flying public, the aviation community, FAA's workforce, and the small towns in rural America that rely on access to the national air space.

The Committee strongly believes that air traffic control should remain an inherently governmental function where the Air Traffic Control Organization [ATO] is subject to on-going congressional oversight so that resource needs and activities are reviewed. The annual congressional oversight process is best suited to protect consumers and preserve access to urban, suburban and rural communities. The Senate affirmed this position by not including any structure changes to privatize the air traffic control system in the recent passage of the Federal Aviation Administration Reauthorization Act of 2016.

The Committee is confident that the able leadership of the authorizing committees can reach an expeditious resolution to a multi-year authorization bill while avoiding a prolonged and contentious fight over removing the ATO from the FAA. Given the growing congressional opposition to removing the ATO from the FAA, the Committee will prohibit funding for this purpose should there be any effort to bypass the will of Congress.

Mission Support Network Capacity Upgrades.—The demand for space on the administrative telecom network at air traffic control facilities is increasing due to each new application and program requiring more space on the network. This slows down all the programs on the network where, at some facilities, the problem is so acute that only few users can be on one application at a time. This problem is affecting the ability of air traffic controllers to carry out safety-critical electronic training while carrying out other administrative duties. Therefore, the Committee provides \$5,000,000 to acquire additional bandwidth on its administrative telecom network to support electronic training and other duties of air traffic controllers and other air traffic facility personnel.

Contract Towers.—The Committee recommendation provides \$159,000,000 for the contract tower program, including the cost-share contract towers. This total funding level is sufficient to cover all towers that will be operating during fiscal year 2017. Current law limits contributions in the contract tower cost share program to 20 percent of total costs. The Committee finds that Federal Contract Towers are a safe and efficient means to provide air traffic control services. The Committee also finds that some contract towers have insufficient staffing and hours of operation. The Committee suggests that the FAA respond within 30 days of formal request from airports or ATC contracts for additional authority to ex-

pand contract tower operational hours and staff to accommodate flight traffic outside of current tower operational hours. The Committee also suggests that the FAA accommodate needs, especially when the airport and ATC contractor are in agreement.

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 believes future budgets must include adequate funding to prevent reduced operations and support at contract towers.

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 supports the budget request of nine FTEs to support UAS integration in addition to six FTEs for FAA’s Aircraft Certification Service to increase capacity and support the certification of new technologies. These efforts help provide an efficient and effective system for new aviation products and technologies to be manufactured and brought to market. Additionally, it is crucial to improving the safety of old and new aircraft.

The FAA and industry have developed a number of recommendations to make improvements to the certification system. These recommendations cover a number of items related to maximizing utilization of organizational designation authority, more effective safety oversight, better workforce training, and meaningful performance metrics. The Committee believes that the FAA must view implementation of these recommendations as one of its critical and highest priorities.

The Committee also remains concerned about the implementation of the Small Airplane Revitalization Act (Public Law 113–53) and notes that the FAA has missed statutory deadlines to modernize the part 23 airworthiness certification process, including issuing a final rule by December 15, 2015. Implementation of this law will reduce costs, enhance security, and ensure that the FAA and the U.S. aviation manufacturing sector remain international leaders on safety and certification standards. Therefore, the Committee directs the Administrator to implement the recommendations developed with industry as a result of the 2012 FAA Modernization and Reform Act and leverage Aircraft Certification Service funding to promote and facilitate the acceptance of U.S. aeronautical products in international markets.

Safety, Security and Infrastructure.—After the fire at the Chicago Air Route Traffic Control Center on September 26, 2014, FAA conducted 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 directs the FAA to continue to prioritize this program and use 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 air-

space 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.

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 [UAS].—Section 333 of the FAA Modernization and Reform Act of 2012 authorized the FAA to approve, where appropriate and consistent with criteria specified in the law, the operation of certain UAS before the completion of certain rules and planning requirements specified in the law. The Committee encourages the FAA to consider whether UAS test sites may be appropriate in assisting the Secretary in making determinations under section 333. The Committee also urges the FAA to communicate clearly with the UAS industry regarding its priorities for section 333 consideration.

Unmanned Aircraft Systems—Electronic Registration.—The Committee supports the Federal Aviation Administration's establishment of an electronic registration system through the Web or an app 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 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 FAA's 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.

Commercial Space Launches.—The Committee understands that current FAA regulations requiring launch providers to clearly obtain insurance to cover property damage in the event of an accident fail to address the status of State and local property. With the rapid growth in the number of State spaceports over the last decade as well as anticipated growth over the next several years, the

Committee believes the FAA should update regulations for those developments involving Federal property assigned to a State government, particularly those developments located at Federal ranges, the State government should qualify as a "contractor" or Government Launch Participant with the right to make claims under 14 CFR 440.9(d).

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 has serious concerns about the FAA's proposal to eliminate the CWO program at 57 of these airports and replace it with Limited Aviation Weather Reporting Services [LAWRS]. Under LAWRS, air traffic controllers, or airport staff, would be responsible for the accuracy of weather information at the 57 airports identified by the FAA. However, air traffic controllers already 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 is also concerned that, to come to its determination on eliminating CWOs at 57 airports, the FAA removed the frequency of thunderstorms and low visibility as considerations for which airports receive CWO service, without soliciting or receiving sufficient stakeholder input. These types of conditions create serious safety hazards that should have been explored by all stakeholders and adequately taken into account by the FAA in its decision-making processes.

Accordingly, the Committee directs the FAA to conduct a comprehensive study, with public and stakeholder input, and issue a report examining of all safety risks, hazard effects, and operational effects on airlines and other stakeholders that could result from loss of CWO services at the 57 airports currently targeted for the loss of service. The Committee further directs the FAA to identify how these targeted airports will accurately report rapidly changing severe weather conditions including thunderstorms, lightning, fog, visibility, cloud layers and ceilings, ice pellets, and freezing rain/drizzle without contract weather observers and include the process

through which FAA analyzed the safety hazards associated with eliminating the program. Additionally, the Committee directs the FAA to provide this report to the House and Senate Committees on Appropriations within 30 days of its completion.

Tarmac Vehicle Safety.—The Committee notes that there is no national standard that requires markings on airport vehicles and equipment that operate in busy night time conditions. The Committee directs the FAA to study one large hub airport, one medium hub airport, and one small hub airport to determine whether national standards for conspicuity of surface vehicles operating at airports are necessary. The FAA is directed to report to the House and Senate Committees on Appropriations its finding and recommendations within 1 year after enactment of this act.

NextGen—Performance Goals.—NextGen implementation is critical for the United States to remain the global leader in safe and efficient air traffic control. Establishing performance objectives and holding the NextGen Office accountable to those objectives is critical in timely implementation. Therefore, the Committee directs the FAA's NextGen Advisory Committee to establish annual performance objectives for the implementation of NextGen and report to the House and Senate Committees on Appropriations within 180 days of enactment of this act.

FACILITIES AND EQUIPMENT
(AIRPORT AND AIRWAY TRUST FUND)

Appropriations, 2016	\$2,855,000,000
Budget estimate, 2017	2,838,000,000
Committee recommendation	2,838,000,000

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 Federal Aviation Administration's [FAA] comprehensive 5-year capital investment plan [CIP].

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,838,000,000 for the Facilities and Equipment account of the FAA. The recommended level is equal to the budget request and \$17,000,000 below the fiscal year 2016 enacted level.

Capital Investment Plan.—In fiscal year 2016, the Committee included a provision that lowered the appropriation for FAA's facilities and equipment by \$100,000 for each day the agency was late in submitting its capital investment plan to Congress. The Committee continues this provision and expects the FAA to provide the plan by the deadline.

Budget Activities Format.—The Committee directs that the fiscal year 2018 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
	2016 enacted	2017 estimate	
Activity 1—Engineering, Development, Test and Evaluation:			
Advanced Technology Development and Prototyping	\$21,300,000	\$24,800,000	\$24,800,000
William J. Hughes Technical Center Laboratory Improvement	1,000,000	1,000,000	1,000,000
William J. Hughes Technical Center Laboratory Sustainment	19,050,000	19,000,000	19,000,000
William J. Hughes Technical Center Infrastructure Sustainment	12,200,000	12,200,000	12,200,000
Separation Management Portfolio	31,500,000	25,800,000	25,800,000
Improved Surface Portfolio	17,000,000	2,000,000	2,000,000
On Demand NAS Portfolio	11,000,000	8,500,000	8,500,000
Environment Portfolio	1,000,000		
Improved Multiple Runway Operations Portfolio	8,000,000	6,500,000	6,500,000

FACILITIES AND EQUIPMENT—Continued

	Fiscal year—		Committee recommendation
	2016 enacted	2017 estimate	
NAS Infrastructure Portfolio	11,000,000	17,660,000	17,660,000
NextGen Support Portfolio	10,000,000	12,000,000	12,000,000
Performance Based Navigation & Metroplex Portfolio ...	13,000,000	17,500,000	17,500,000
Total Activity 1	156,050,000	146,960,000	146,960,000
Activity 2—Air Traffic Control Facilities and Equipment:			
a. En Route Programs:			
En Route Automation Modernization [ERAM]—System Enhancements and Tech Refresh	79,400,000	78,000,000	78,000,000
En Route Communications Gateway [ECG]	2,650,000	2,650,000	2,650,000
Next Generation Weather Radar [NEXRAD]—Provide	6,500,000	6,300,000	6,300,000
Air Route Traffic Control Center [ARTCC] & Combined Control Facility [CCF] Building Improvements	74,200,000	74,870,000	74,870,000
Air Traffic Management [ATM]	13,700,000	20,000,000	20,000,000
Air/Ground Communications Infrastructure	11,750,000	8,750,000	8,750,000
Air Traffic Control En Route Radar Facilities Improvements	5,810,000	5,800,000	5,800,000
Voice Switching and Control System [VSCS]	9,900,000	11,300,000	11,300,000
Oceanic Automation System	20,000,000	24,000,000	24,000,000
Next Generation Very High Frequency Air/Ground Communications [NEXCOM]	43,600,000	50,500,000	50,500,000
System-Wide Information Management	37,400,000	28,800,000	28,800,000
ADS-B NAS Wide Implementation	184,600,000	31,100,000	181,400,000
Windshear Detection Service	5,200,000	4,500,000	4,500,000
Collaborative Air Traffic Management Technologies	14,770,000	13,820,000	13,820,000
Time Based Flow Management Portfolio	42,600,000	50,600,000	50,600,000
ATC Beacon Interrogator [ATCBI]—Sustainment	1,000,000	1,000,000	1,000,000
NextGen Weather Processors	7,000,000	27,800,000	27,800,000
Airborne Collision Avoidance System X [ACASX]	10,800,000	8,900,000	8,900,000
Data Communications in Support of NG Air Transportation System	234,900,000	232,000,000	232,000,000
Non-Continental United States [Non-CONUS] Automation		3,000,000	3,000,000
Subtotal En Route Programs	805,780,000	683,690,000	833,990,000
b. Terminal Programs:			
Airport Surface Detection Equipment—Model X [ASDE-X]	13,500,000	8,400,000	8,400,000
Terminal Doppler Weather Radar [TDWR]—Provide	4,900,000	5,000,000	5,000,000
Standard Terminal Automation Replacement System [STARS] (TAMR Phase 1)	81,100,000	64,200,000	64,200,000
Terminal Automation Modernization/Replacement Program (TAMR Phase 3)	159,350,000	108,900,000	108,900,000
Terminal Automation Program	7,700,000	7,700,000	7,700,000
Terminal Air Traffic Control Facilities—Replace	45,500,000	58,800,000	58,800,000
ATCT/Terminal Radar Approach Control [TRACON] Facilities—Improve	58,990,000	47,720,000	47,720,000
Terminal Voice Switch Replacement [TVSR]	6,000,000	6,000,000	6,000,000
NAS Facilities OSHA and Environmental Standards Compliance	39,600,000	42,700,000	42,700,000
Airport Surveillance Radar [ASR-9]	3,800,000	4,500,000	4,500,000
Terminal Digital Radar [ASR-11] Technology Refresh and Mobile Airport Surveillance Radar [MASR]	9,900,000	6,100,000	6,100,000
Runway Status Lights	24,170,000	4,800,000	4,800,000
National Airspace System Voice System [NVS]	53,550,000	48,400,000	48,400,000
Integrated Display System [IDS]	23,300,000	7,700,000	7,700,000
Remote Monitoring and Logging System [RMLS]	4,700,000	9,900,000	9,900,000
Mode S Service Life Extension Program [SLEP]	16,300,000	37,900,000	37,900,000
Surveillance Interface Modernization	23,000,000	26,800,000	26,800,000
Improved Surface/TFDM Portfolio		42,200,000	42,200,000
National Air Space [NAS] Voice Recorder Program [NVRP]	3,000,000	2,000,000	2,000,000

FACILITIES AND EQUIPMENT—Continued

	Fiscal year—		Committee recommendation
	2016 enacted	2017 estimate	
Integrated Terminal Weather System [ITWS]	5,400,000	1,000,000	1,000,000
Next Generation: Surveillance and Weather Radar Capability & Back-up Surveillance Capability		6,000,000	6,000,000
Flight and Interfacility Data Interface [FIDI] Modernization	9,000,000	15,000,000	15,000,000
Subtotal Terminal Programs	592,760,000	561,720,000	561,720,000
c. Flight Service Programs:			
Aviation Surface Observation System [ASOS]	8,000,000	10,000,000	10,000,000
Future Flight Services Program	3,000,000	3,000,000	3,000,000
Alaska Flight Service Facility Modernization [AFSFM]	2,650,000	2,650,000	2,650,000
Weather Camera Program	1,000,000	2,200,000	2,200,000
Subtotal Flight Service Programs	14,650,000	17,850,000	17,850,000
d. Landing and Navigational Aids Program:			
VHF Omnidirectional Radio Range [VOR] with Distance Measuring Equipment [DME]	4,500,000	7,000,000	7,000,000
Instrument Landing System [ILS]—Establish	7,000,000	7,000,000	7,000,000
Wide Area Augmentation System [WAAS] for GPS	107,200,000	85,000,000	85,000,000
Runway Visual Range [RVR] and Enhanced Low Visibility Operations [ELVO]	6,000,000	6,500,000	6,500,000
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]	3,371,000	9,400,000	9,400,000
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	15,000,000		
Runway Safety Areas—Navigational Mitigation	30,000,000	14,000,000	14,000,000
Integrated Control and Monitoring System [ICMS]—NAVAIDS Monitoring Equipment		2,000,000	2,000,000
Subtotal Landing and Navigational Aids Programs ..	189,071,000	146,900,000	146,900,000
e. Other ATC Facilities Programs:			
Fuel Storage Tank Replacement and Management	18,700,000	22,700,000	22,700,000
Unstaffed Infrastructure Sustainment	39,640,000	40,490,000	40,490,000
Aircraft Related Equipment Program	9,000,000	13,000,000	13,000,000
Airport Cable Loop Systems—Sustained Support	12,000,000	8,000,000	8,000,000
Alaskan Satellite Telecommunications Infrastructure [ASTI]	12,500,000	6,000,000	6,000,000
Facilities Decommissioning	6,000,000	6,200,000	6,200,000
Electrical Power Systems—Sustain/Support	125,000,000	105,000,000	105,000,000
FAA Employee Housing and Life Safety Shelter System Service	2,500,000		
Energy Management and Compliance [EMC]	2,000,000	2,000,000	2,000,000
Child Care Center Sustainment	1,600,000	1,000,000	1,000,000
FAA Telecommunications Infrastructure	1,000,000	10,360,000	10,360,000
System Capacity, Planning, and Improvements		6,500,000	6,500,000
Subtotal Other ATC Facilities Programs	229,940,000	221,250,000	221,250,000
Total Activity 2	1,832,201,000	1,631,410,000	1,781,710,000
Activity 3—Non-Air Traffic Control Facilities and Equipment:			
a. Support Equipment:			
Hazardous Materials Management	26,400,000	31,000,000	31,000,000
Aviation Safety Analysis System [ASAS]	20,200,000	11,300,000	11,300,000
Logistics Support Systems and Facilities [LSSF]	4,000,000		
National Air Space [NAS] Recovery Communications [RCOM]	12,000,000	12,000,000	12,000,000

FACILITIES AND EQUIPMENT—Continued

	Fiscal year—		Committee recommendation
	2016 enacted	2017 estimate	
Facility Security Risk Management	15,000,000	21,000,000	21,000,000
Information Security	12,000,000	24,970,000	24,970,000
System Approach for Safety Oversight (SASO)	18,900,000	17,200,000	17,200,000
Aviation Safety Knowledge Management Environment [ASKME]	7,500,000	4,200,000	4,200,000
Aerospace Medical Equipment Needs [AMEN]	2,500,000	3,000,000	3,000,000
System Safety Management Portfolio	17,000,000	17,000,000	17,000,000
National Test Equipment Program	4,000,000	5,000,000	5,000,000
Mobile Assets Management Program	4,800,000	5,760,000	5,760,000
Aerospace Medicine Safety Information Systems [AMSIS]	3,000,000	12,000,000	12,000,000
Tower Simulation System [TSS] Technology Refresh	7,000,000	3,000,000	3,000,000
Subtotal Support Equipment	154,300,000	167,430,000	167,430,000
b. Training, Equipment and Facilities:			
Aeronautical Center Infrastructure Modernization	15,200,000	14,000,000	14,000,000
Distance Learning	1,500,000	1,500,000	1,500,000
Subtotal Training, Equipment and Facilities	16,700,000	15,500,000	15,500,000
Total Activity 3	171,000,000	182,930,000	182,930,000
Activity 4—Facilities and Equipment Mission Support:			
a. System Support and Services:			
System Engineering and Development Support	35,000,000	35,000,000	35,000,000
Program Support Leases	46,700,000	46,600,000	46,600,000
Logistics and Acquisition Support Services	11,000,000	11,000,000	11,000,000
Mike Monroney Aeronautical Center Leases	18,800,000	19,300,000	19,300,000
Transition Engineering Support	19,200,000	24,100,000	24,100,000
Technical Support Services Contract [TSSC]	23,000,000	23,000,000	23,000,000
Resource Tracking Program [RTP]	4,000,000	6,000,000	6,000,000
Center for Advanced Aviation System Development [CAASD]	60,000,000	60,000,000	60,000,000
Aeronautical Information Management Program	5,000,000	10,400,000	10,400,000
Cross Agency NextGen Management	3,000,000	2,000,000	2,000,000
Total Activity 4	225,700,000	237,400,000	237,400,000
Activity 5—Personnel and Related Expenses:			
Personnel and Related Expenses	470,049,000	489,000,000	489,000,000
Activity 6—Sustain ADS-B services and Wide Area Augmentation Services [WAAS] GEOs:			
ADS-B services and WAAS GEOs		150,300,000	
Subtotal All Activities	2,855,000,000	2,838,000,000	2,838,000,000

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 \$181,400,000 for the implementation of ADS-B across the national airspace.

The Committee’s recommendation is equal to the budget request, which included \$150,300,000 in Activity 2. The recommendation is also \$3,200,000 less than the fiscal year 2016 enacted level. The

Committee recommendation rejects the request to create a new Activity 6 and instead provides ADS-B resources for both activities within Activity 2.

NextGen Separation Management Portfolio.—The Committee recommends \$25,800,000 for the activities of the NextGen Separation Management Portfolio, which is equal to the budget estimate and \$5,700,000 below the fiscal year 2016 enacted level. This amount includes \$15,000,000 specifically for space-based ADS-B. For the past two fiscal years, the Committee has appropriated additional funding and urged the FAA to accelerate its planning and activities to keep pace with neighboring air navigation service providers [ANSPs], but the FAA has not shown any urgency. In fact, the Committee is aware that the FAA is postponing key decisions that will delay its schedule for incorporating space-based ADS-B and for implementing reduced oceanic aircraft separation. Despite delays by the FAA, the international aviation community is preparing to be able to use space-based ADS-B in 2018. The International Civil Aviation Organization [ICAO] is in the process of approving a 15/15 nautical mile separation standard for oceanic traffic under surveillance for use in 2018, and foreign ANSPs in neighboring airspace, particularly in the busy North Atlantic, are taking the necessary steps to implement the ICAO reduced oceanic separation standard in 2018. In order to increase safety and enhance efficiency in U.S.-controlled oceanic airspace in the same timeframe as neighboring ANSPs, the Committee directs the FAA to streamline its current Joint Resources Council strategy by making a final investment decision not later than September 2016 for the implementation of a 15/15 nautical mile oceanic separation capability by September 2018 and to provide this new surveillance capability in the same manner that terrestrial ADS-B surveillance is provided.

Wide Area Augmentation System [WAAS].—The Committee recognizes that the upcoming WAAS Dual Frequency Operations Segment 2 will implement dual frequency algorithms into the WAAS system and will provide the integrity validation required for safety-of-life applications. The Committee, therefore, directs the FAA to begin algorithm development in support of dual frequency GPS. As part of that effort, the Committee recommends that the FAA dedicate sufficient funding for definition, modelling, and prototyping in collaboration with the FAA systems engineering team as well as the original WAAS algorithm developer. This collaboration will ensure that the FAA has access to the expertise of the original algorithm developer who understands the end-to-end system impacts for algorithm changes, and who has a vested interest in solving this problem expeditiously.

Very High Frequency Omni-Directional Range.—The Committee is aware of efforts underway to address the rationalization and re-capitalization of aging en route navigational aids. These systems are critical to the safety, resiliency, and on-going operations of both civilian and military air navigation. The Committee directs the FAA to move ahead with the issuance of a request for proposals to implement a service-based procurement for Very High Frequency [VHF] Omni-Directional Range [VOR] and Tactical Air Navigation systems this fiscal year. The Committee supports the goal of ensuring that the greatest amount of savings are derived from the VOR

MON program. Therefore, the Committee supports the outsourcing of total performance-based solutions to industry for the realization of highest efficiency gains and recommends a systems integrator approach to develop the most efficient decommissioning and maintenance support without tying the government to any single vendor.

*Terminal Automation Modernization and Replacement [TAMR].—*The Committee is concerned that the FAA has not effectively proceeded with required software tools and decision aids for air traffic controllers to enable pilots to fully utilize NextGen capabilities, especially PBN, at all locations at all times in the NAS. Therefore, the Committee directs the FAA to develop and maintain a Standard Terminal Automation Replacement Systems [STARS] automation roadmap to prepare for an investment decision that identifies and prioritizes STARS enhancements that assist controllers during Performance Based Navigation and other NextGen technology operations. The roadmap should consist of a series of Work Packages that ensures utilization of STARS in support of NextGen technologies that are in the midst of nationwide deployment. The roadmap should describe the capabilities that will be developed and explain the benefits to controllers and airspace users. The Committee directs FAA to describe how they intend to maximize the taxpayer investments in STARS to ensure that NextGen technologies, to include PBN, ADS-B, weather products, Data Comm, and Terminal Flight Data Manager, are fully integrated in a timely manner so as to maximize user and FAA investment in NextGen technologies.

*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.

*Approach Lighting.—*The Committee notes the benefit of enhanced approach lighting systems that improve safety and reliability especially in areas with challenging approaches in non-radar environments, with mountainous terrain and inclement weather conditions where use of conventional navigational aids do not allow for a close-in low approach. The Committee directs FAA to consider these factors in selecting projects for funding in the Approach Lighting System Improvement Program.

*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.

RESEARCH, ENGINEERING, AND DEVELOPMENT
(AIRPORT AND AIRWAY TRUST FUND)

Appropriations, 2016	\$166,000,000
Budget estimate, 2017	167,500,000
Committee recommendation	176,002,000

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 \$176,002,000 for the FAA's Research, Engineering, and Development activities. The recommended level of funding is \$8,502,000 more than the budget request and \$10,002,000 more than the fiscal year 2016 enacted level.

A table showing the fiscal year 2016 enacted level, the fiscal year 2017 budget estimate and the Committee recommendation follows:

RESEARCH, ENGINEERING, AND DEVELOPMENT

	Fiscal year—		Committee recommendation
	2016 enacted	2017 estimate	
Safety:			
Fire research and safety	\$6,000,000	\$7,925,000	\$7,925,000
Propulsion and fuel systems	2,034,000	2,574,000	2,074,000
Advanced materials/structural safety	7,409,000	4,113,000	9,409,000
Aircraft icing /digital system safety	5,500,000	5,102,000	5,102,000
Continued airworthiness	8,987,000	10,269,000	9,669,000
Aircraft catastrophic failure prevention research	1,433,000	1,528,000	1,428,000
Flightdeck/maintenance/system integration human factors	5,000,000	8,513,000	7,913,000
System safety management	6,063,000	7,000,000	6,500,000
Air traffic control/technical operations human factors	5,410,000	6,165,000	6,165,000
Aeromedical research	8,467,000	9,538,000	9,038,000
Weather program	15,031,000	17,976,000	14,976,000
Unmanned aircraft systems research	17,635,000	8,422,000	18,420,000
NextGen—Alternative fuels for general aviation	7,000,000	5,792,000	7,000,000
Commercial Space Transportation Security		2,953,000	2,473,000
Economic competitiveness:			
NextGen—Wake turbulence	8,541,000	8,609,000	7,759,000
NextGen—Air ground integration human factors	8,000,000	8,575,000	6,675,000
NextGen—Weather technology in the cockpit	4,048,000	4,059,000	3,509,000
NextGen Information Security		1,000,000	1,000,000
Commercial Space Transportation Safety	2,000,000		
Environmental sustainability:			
Environment and energy	16,074,000	15,013,000	16,013,000
NextGen—Environmental research aircraft technologies, fuels, and metrics	25,823,000	26,174,000	27,174,000
Mission support:			
System planning and resource management	2,100,000	2,788,000	2,368,000
William J. Hughes Technical Center	3,445,000	3,412,000	3,412,000

RESEARCH, ENGINEERING, AND DEVELOPMENT—Continued

	Fiscal year—		Committee recommendation
	2016 enacted	2017 estimate	
Total	166,000,000	167,500,000	176,002,000

Advanced Materials/Structural Safety.—The Committee is encouraged by the capabilities that stitched unitized composites can provide to the aerospace industry. Therefore, the Committee recommendation includes \$9,409,000 for Advanced Materials and Structural Safety, an increase of \$2,000,000 over the fiscal year 2016 enacted level. This increase over the fiscal year 2016 enacted level is provided for the FAA to work with public and private partners who provide leading-edge research, development and testing of composite materials and structures.

Unmanned Aircraft Systems [UAS] Research—Center of Excellence.—The Committee recognizes the valuable role of the Center of Excellence in advising the FAA as it attempts to address a host of research challenges associated with the integration of UAS into the National Airspace System. The Committee recommendation includes \$18,420,000 for UAS research, an increase of \$9,998,000 above the budget request and \$785,000 more than the fiscal year 2016 enacted level. Of the funds provided for UAS research, \$10,000,000 is directed to support the expanded role of the Center of Excellence in areas of UAS research, including cybersecurity, 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 to study appropriate safety standards for UAS and to develop and validate certification standards for such systems. The Committee notes that even with this additional funding, private sector contributions to the Center will likely continue to outmatch Federal investment.

Unmanned Aircraft Systems Research—Test Sites.—The Committee notes that integration of UAS into the National Airspace System remains a national priority with the potential to increase public safety and bring economic benefits to a wide range of industries. Of the amount provided for UAS research, the Committee expects UAS research to be conducted as part of the Center of Excellence to be performed at, a minimum of, one of the FAA-designated UAS test sites, to evaluate different counter UAS technologies and develop recommendations for securing data links, including GPS and control links, that could drive UAS engineering standards development. The Committee also directs the FAA's William J. Hughes Technical Center to use these test sites in conducting its research and operational tests. The funding provided for the Tech Center may be used to support the center's research activities and operational tests conducted at the test sites.

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 \$1,208,000 above the budget request and equal to the fiscal year 2016 enacted level.

Environmental Sustainability.—The Committee recommendation includes a total of \$43,187,000 for research related to environ-

mental sustainability, which is \$2,000,000 above the budget request and \$1,290,000 above the fiscal year 2016 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 directs the FAA to conduct research and development on the design, testing, and implementation of a UAS Traffic Management [UTM] system in the National Airspace to ensure the safety, reliability, security, and accountability of small UAS operation. The Committee further directs FAA to participate in partnership with the ongoing UTM work conducted by the National Aeronautics and Space Administration, the FAA’s Pathfinder projects, and the FAA’s Assure program as part of the Center for Excellence.

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
	2016 enacted	2017 estimate	
Resources from the Airport and Airway Trust Fund:			
Limitation on obligations	\$3,350,000,000	\$2,900,000,000	\$3,350,000,000
Liquidation of contract authorization	3,600,000,000	3,500,000,000	3,750,000,000

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 \$3,350,000,000 for Grants-in-Aid for airports for fiscal year 2017. The recommended limitation on obligations is equal to the enacted level for fiscal year 2016, and \$450,000,000 more than the budget request. Under the request, large commercial airports no longer receive formula grants from the program, but they would be allowed to raise their passenger facility charges to finance capital improvements. The Committee notes that an increase to passenger facility charges was considered as part of the debate over the current FAA authorization bill. That increase, however, was not included in the final legislation. The Committee, therefore, recommends a funding level that would fund capital improvements at all airports that support our Nation's air transportation system.

In addition, the Committee recommends a liquidating cash appropriation of \$3,750,000,000 for Grants-in-Aid for Airports. The recommended level is \$250,000,000 more than the budget estimate and \$150,000,000 more than the fiscal year 2016 enacted level. This appropriation is sufficient to cover the liquidation of all obligations incurred pursuant to the limitation on obligations set forward in the bill.

Finally, the Committee recommendation includes a rescission of any contract authority that would be created under section 48112 in fiscal year 2017. This rescission would not affect the baseline set by the Congressional Budget Office.

Administrative Expenses.—The Committee recommends \$107,691,000 to cover administrative expenses. This funding level

is equal to the budget request and \$591,000 more than the fiscal year 2016 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 2016 enacted level.

Airport Technology.—The Committee recommends \$31,375,000 for Airport Technology Research. This funding level is equal to the budget request and \$375,000 more than the fiscal year 2016 level.

Small Community Air Service Development Program [SCASDP].—The Committee recommends \$10,000,000. This funding level is \$5,000,000 more than the fiscal year 2016 enacted level. The budget request included no funds for this program for fiscal year 2017.

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.

General Aviation Runways.—The Committee instructs FAA to give greater consideration to projects at public-use airports that will relocate existing general aviation runways that do not meet current FAA safety standards related to runway/taxiway separation distances, safety area and object free area requirements, and obstruction standards, especially in cases where the existing runway has deteriorated such that it is at the end of its service life and rehabilitation is no longer cost effective.

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 2017.

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 allows all airports experiencing the required level of boardings through charter and scheduled air service to be eligible for funds under 49 U.S.C. 47114(c).

Section 117 requires approval from the Assistant Secretary for Administration of the Department of Transportation for retention bonuses for any FAA employee.

Section 118 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 119 prohibits funds in this act for salaries and expenses of more than nine political and Presidential appointees in the Federal Aviation Administration.

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

Section 119D 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 119E 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 2017.

Section 119F modifies the Federal share for a primary non-hub airport located in a public lands State within 15 miles from the border of another public lands State to use the greater of the two State's Federal share.

Section 119G directs the FAA to develop a joint plan and carry out research with NASA and the Departments of Energy and Agriculture facilitating research in aviation jet fuel areas and encourages Federal agencies that are signatories to Farm to Fly 2 to collaborate with each other in the leadership and funding of research at the center.

Section 119H clarifies the eligibility of unmanned aircraft system test sites.

Section 119I allows for the exchange of passenger facility charges between airports to meet the terms and conditions of a transfer agreement.

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 \$41,794,100,000 is provided for the activities of the Federal Highway Administration in fiscal year 2017. The recommendation is \$7,275,000,000 less than the budget request and \$1,305,900,000 less than the fiscal year 2016 enacted level. The recommendation does not include funding for the 21st century clean transportation plan investments, but does rescind \$2,211,000,000 in unused contract authority. The following table summarizes the Committee's recommendations:

	Fiscal year —		Committee recommendation
	2016 enacted	2017 estimate	
Federal-aid highways program obligation limitation	\$42,361,000,000	\$43,266,100,000	\$43,266,100,000
Contract authority exempt from the obligation limitation	739,000,000	739,000,000	739,000,000
21st century clean transportation plan investments .....	.....	7,500,000,000	.....
Rescission of unused contract authority .....	.....	-2,436,000,000	-2,211,000,000
Total	43,100,000,000	49,069,100,000	41,794,100,000

LIMITATION ON ADMINISTRATIVE EXPENSES

(HIGHWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

Limitation, 2016	\$429,000,000
Budget estimate, 2017	435,795,000
Committee recommendation	435,795,000

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 \$435,795,000 for administrative expenses of the agency, of which \$2,500,000 is for administrative expenses of the Appalachian Regional Commission in accordance with section 104 of title 23,

United States Code. This limitation is equal to the budget request and \$6,795,000 more than the fiscal year 2016 enacted level.

FEDERAL-AID HIGHWAYS
(LIMITATION ON OBLIGATIONS)
(HIGHWAY TRUST FUND)

Limitation, 2016	\$42,361,000,000
Budget estimate, 2017	43,266,100,000
Committee recommendation	43,266,100,000

PROGRAM DESCRIPTION

The Federal-aid highway program provides financial support to States and localities for 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 2017 obligations to \$43,266,100,000, which is equal to the budget request, excluding the 21st century clean transportation investments, and \$905,100,000 more than the fiscal year 2016 enacted level for the Federal-aid highway program. This funding level is consistent with current funding levels under the most recent authorization law, the Fixing America's Surface Transportation [FAST] Act. 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.

Autonomous Vehicles.—The Committee is aware of the potential impact of autonomous vehicles on all segments of the economy, and suggests the Secretary conduct studies to assess the economic effects of these vehicles. The Department is encouraged to use funds authorized to carry out section 503(b) and 503 (c) of title 23, United States Code to commission the Transportation Research Board of the National Academies of Sciences to conduct a study on the cost benefit impact of multimodal autonomous self-driving vehicles. The Committee suggests that the study focus on impact of autonomous vehicles on motor carriers, ports, transit, and related industries, and on the so-called crash economy that includes the insurance and healthcare industries.

Job Order Contracting.—The Committee directs FHWA, within 30 days of enactment of this act, 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.

Corrosion Prevention.—The Committee directs FHWA to conduct a study comparing the cost effectiveness of industry-recognized corrosion prevention worker certifications on federally funded corro-

sion prevention bridge and overpass projects. The study shall compare no less than twelve currently obligated projects preserving the structure of bridges using corrosion prevention and mitigation systems, including at least six projects that utilize an industry recognized corrosion prevention worker standard and no less than six similar currently obligated projects that do not use an industry recognized worker standard. The study shall include a comparison of the time to complete projects, initial quality control reports, and budgetary overruns. FHWA shall submit the results from its study in a report to the House and Senate Committees on Appropriations no more than 2 years after enactment of this act.

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 the Geosynthetic Reinforced Soil Integrated Bridge System Program. The Committee encourages the Secretary to complete cost studies of geosynthetic-reinforced soil abutments/walls and to distribute reports to State DOTs, 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.

Planning for Better Commutes.—The Committee recognizes the role that employers and the private sector can play in expanding options for commuters. The Committee directs FHWA to continue its efforts related to technical assistance for metropolitan planning organizations [MPOs] to improve planning engagement with employers and the private sector, and to explore innovative ways to mitigate congestion.

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.

Highway Guide Signs Font.—In early 2016, the FHWA notified State transportation agencies of its intention to rescind approval for the use of an alternate font on highway guide signs. The decision appears to have been made without any public consideration or input, immediately impacting an estimated 26 States that have been given prior approval for alternate font use as a safe way to communicate with the traveling public. In order to fully consider the impact of this decision, FHWA is directed to suspend enforcement of action terminating interim approval of this alternate font for highway guide signs until the agency provides opportunity for

public comment on this matter, and documents the safety and cost implications of this decision for affected States. FHWA is directed within 30 days after enactment of this act to brief the House and Senate Committees on Appropriations regarding the process it will undertake to receive public comment and further research this matter.

Border Infrastructure.—Section 1437 of the FAST Act provided border State departments of transportation new opportunities to dedicate resources to infrastructure in the border region, including at our Nation's critical border crossings and the roadway network often tasked with facilitating high volume commercial or passenger traffic. However, many projects within the land port of entry environment tend to fall outside traditional Federal planning requirements, which largely focus on resource needs for "on-system" infrastructure, including Interstates and the National Highway System. To ensure States are equipped to take on a more thorough and complete project selection process for resources dedicated under the provisions of section 1437 or otherwise allocated to the qualified border region projects, the Committee directs FHWA not less than 45 days of enactment of this act to provide guidance to States that identifies best practices across border State transportation agencies for considering and selecting projects within the range of eligible uses, at land port of entry.

Environmental Reviews.—The Committee recognizes the Department's efforts to implement the administratively related streamlining provisions included in the FAST Act. The Committee encourages the Department to continue its efforts to implement these changes nationally, and recognizes the efforts made by the Administration to work cooperatively with other Federal agencies and with the State governments, including its work with the State of Utah for a regional transportation, land use, natural resource and economic solution. The Committee encourages the Department to continue participating in the streamlined facilitation of the environmental impact processes for regional and national transportation projects in conjunction with multiple Federal agencies, diverse public and private interests including State and local governments and public interest groups.

Dynamic Highway Message Signs.—The Committee believes it is essential to use all effective means to remind motorists of current traffic safety laws and safe driving practices. One available low-cost tool is the dynamic highway message signs that are in place on major roads throughout the country. The Committee commends States currently using these signs, some in creative ways, to deliver safe driving messages. In order to further take advantage of this communication system, the Committee directs FHWA to coordinate with NHTSA, State departments of transportation, and State highway safety offices, to increase State participation in the use of dynamic highway message signs to help save lives and prevent injuries. A particular focus should be to assure that these signs maximize important and effective national safety emphasis campaigns that are also supported by national paid media, such as “Drive Sober or Get Pulled Over”, “Click It or Ticket”, and National Distracted Driving Awareness Month, in order to create a multiplier effect for the ongoing investment in these campaigns. The signs can also be effective in warning caregivers about the dangers of leaving young children alone in vehicles during the hot weather months. The Committee further directs FHWA to report to the House and Senate Committees on Appropriations within 120 days of enactment of this act on the number of motorists exposed to dynamic highway message signs on a daily basis, the extent to which States use such signs to support safety activities, possible impediments to using such signs for traffic safety, and plans for broader deployment of such signs.

State Apportionments.—The following table shows the expected obligation limitation provided to each State under the Committee's recommended funding level:

FEDERAL-AID HIGHWAY PROGRAM OBLIGATION LIMITATION

	Fiscal year—		Committee recommendation
	2016 enacted	2017 estimate	
Formula Programs			
Alabama	\$718,193,418	\$734,106,078	\$734,106,078
Alaska	453,571,291	463,600,423	463,600,423
Arizona	689,276,768	704,623,520	704,623,520
Arkansas	479,215,508	489,814,257	489,814,257
California	3,413,411,372	3,488,766,125	3,488,766,125
Colorado	496,238,608	507,202,747	507,202,747
Connecticut	464,764,375	475,064,913	475,064,913
Delaware	156,917,461	160,385,014	160,385,014
District of Columbia	151,196,174	154,542,947	154,542,947
Florida	1,793,513,693	1,833,252,518	1,833,252,518
Georgia	1,216,877,969	1,243,960,726	1,243,960,726
Hawaii	153,423,443	156,808,517	156,808,517
Idaho	270,912,348	276,911,555	276,911,555
Illinois	1,347,592,985	1,377,414,613	1,377,414,613
Indiana	879,470,562	898,990,495	898,990,495
Iowa	465,298,970	475,606,951	475,606,951
Kansas	357,802,906	365,729,026	365,729,026
Kentucky	629,032,323	642,968,189	642,968,189
Louisiana	634,550,564	648,561,596	648,561,596
Maine	171,136,207	174,918,814	174,918,814
Maryland	569,712,716	582,317,695	582,317,695
Massachusetts	573,705,651	586,445,248	586,445,248
Michigan	997,792,873	1,019,877,126	1,019,877,126
Minnesota	604,304,634	617,663,548	617,663,548
Mississippi	447,647,643	457,548,275	457,548,275
Missouri	876,358,184	895,739,463	895,739,463
Montana	379,981,225	388,383,353	388,383,353
Nebraska	273,727,580	279,790,090	279,790,090
Nevada	344,238,874	351,855,485	351,855,485
New Hampshire	156,557,427	160,023,005	160,023,005
New Jersey	943,518,427	964,461,918	964,461,918
New Mexico	340,020,446	347,539,606	347,539,606
New York	1,592,003,170	1,627,212,411	1,627,212,411
North Carolina	987,932,334	1,009,807,940	1,009,807,940
North Dakota	230,006,417	235,091,606	235,091,606
Ohio	1,216,610,017	1,243,449,331	1,243,449,331
Oklahoma	600,405,162	613,707,231	613,707,231
Oregon	463,004,294	473,241,333	473,241,333
Pennsylvania	1,554,665,862	1,589,080,502	1,589,080,502
Rhode Island	202,671,917	207,152,256	207,152,256
South Carolina	633,948,635	647,993,466	647,993,466
South Dakota	259,758,519	265,534,977	265,534,977
Tennessee	782,891,123	800,199,870	800,199,870
Texas	3,269,713,792	3,342,114,445	3,342,114,445
Utah	328,873,330	336,156,562	336,156,562
Vermont	188,181,637	192,340,798	192,340,798
Virginia	943,257,497	964,107,697	964,107,697
Washington	642,273,878	656,493,056	656,493,056
West Virginia	413,826,350	422,992,496	422,992,496
Wisconsin	712,577,597	728,359,430	728,359,430
Wyoming	232,000,764	237,121,473	237,121,473
Subtotal	36,704,564,920	37,517,030,716	37,517,030,716
Allocated programs	5,250,644,793	5,334,321,057	5,334,321,057
Sections 154 and 164 Penalties	382,356,953	391,314,893	391,314,893

FEDERAL-AID HIGHWAY PROGRAM OBLIGATION LIMITATION—Continued

	Fiscal year —		Committee recommendation
	2016 enacted	2017 estimate	
High Risk Rural Roads Special Rule	23,433,334	23,433,334	23,433,334
Total	42,361,000,000	43,266,100,000	43,266,100,000

LIQUIDATION OF CONTRACT AUTHORIZATION
(HIGHWAY TRUST FUND)

Appropriations, 2016	\$43,100,000,000
Budget estimate, 2017	44,005,100,000
Committee recommendation	44,005,100,000

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 \$44,005,100,000. The recommended level is equal to the budget request and \$905,100,000 more than the fiscal year 2016 enacted level. This level of liquidating authority is necessary to pay outstanding obligations from various highway accounts pursuant to this and prior appropriations acts.

RESCISSION

(HIGHWAY TRUST FUND)

Appropriations, 2016	
Budget estimate, 2017	-\$2,436,000,000
Committee recommendation	-2,211,000,000

PROGRAM DESCRIPTION

The Federal-aid highway program currently has over \$24 billion in unobligated balances of contract authority. The FAST Act rescinds \$7.569 billion in unobligated balances of apportioned contract authority in fiscal year 2020. The FAST Act rescission encompasses most apportioned funds except: Appalachian Development Highway System Program, Coordinated Border Infrastructure Program, Safe Routes to School Program, Highway Safety Improvement Program, Railway-Highway Grade Crossings Program, Surface Transportation Program funds that are suballocated by population, and old set-asides for safety. The rescission amounts for each State and each program within such States are calculated based on unobligated balances of contract authority for programs subject to the rescission.

COMMITTEE RECOMMENDATION

The Committee recommends a rescission of \$2,211,000,000. The recommended level is \$225,000,000 less than the budget request and \$2,211,000,000 more than the fiscal year 2016 enacted level. The bill requires the rescission to be applied consistent with the rescission in the FAST Act.

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 allows State DOTs to repurpose certain highway project funding to be used within 50 miles of its original designation.

Section 125 requires 60-day notification for any grants for a project under 23 U.S.C. 117.

Section 126 identifies a certain route as a high priority corridor on the national highway system and designates it as an Interstate route.

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 \$644,200,000 for obligations and liquidations from the Highway Trust Fund. This level is \$150,000,000 less than the request and \$63,800,000 more than the fiscal year 2016 enacted level. The recommendation does not include any funding for the 21st century clean transportation plan investments.

	Fiscal year—		Committee recommendation
	2016 enacted	2017 estimate	
Motor Carrier Safety Operations & Programs	267,400,000	277,200,000	277,200,000
Motor Carrier Safety Grants	313,000,000	367,000,000	367,000,000
21st century clean transportation plan investments		150,000,000	
Total	580,400,000	794,200,000	644,200,000

MOTOR CARRIER SAFETY OPERATIONS AND PROGRAMS
 (LIQUIDATION OF CONTRACT AUTHORIZATION)
 (LIMITATION ON OBLIGATIONS)
 (HIGHWAY TRUST FUND)

Limitation, 2016	\$267,400,000
Budget estimate, 2017	277,200,000
Committee recommendation	277,200,000

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 \$277,200,000 for FMCSA's Operations and Programs. The recommendation is \$9,800,000 more than the fiscal year 2016 enacted level and equal to the budget request. Of the total limitation on obligations, \$9,180,000 is for research and technology.

Bus Lease and Interchange Rule.—On March 16, 2016, FMCSA announced it was extending the compliance date for its final rule concerning the lease and interchange of passenger carrying motor vehicles [Docket No. FMCSA-2013-0103], based on issues raised in numerous petitions for reconsideration. The Committee is pleased by this action, and directs FMCSA to expeditiously complete its review and modify the rule to resolve the issues raised, and ensure the rule appropriately targets unsafe passenger carriers without unduly interfering in compliant business operations. The Committee is confident FMCSA can resolve all outstanding issues prior to January 2018; however, if it is unable to effect a modification of the rule within this time period, the Committee expects FMCSA to grant an additional extension, until the rule can be modified.

Heavy Vehicle Speed Limiters.—A coalition of trucking industry and safety advocates petitioned the Department in 2006 to initiate a rulemaking mandating all class 7 and 8 trucks to have their top speeds electronically limited to no more than 65 miles per hour. NHTSA finally granted this petition in 2011 and has been developing a proposed rulemaking with FMCSA that would consider new Federal Motor Vehicle Safety Standards for the installation of speed limiting devices. The agency has stated that the rulemaking would have minimal costs and decrease fatal crashes, but continues to delay publication of the proposed rule. The Committee directs the Department to issue its proposed rule by April 28, 2016.

High-Risk Carriers.—Under FMCSA regulations, carriers identified as high risk must have a compliance review conducted within 1 year. In fiscal year 2015, the Committee provided additional resources to improve the agency's capacity to better target high risk carriers and to conduct better oversight of carriers operating under a consent decree. In fiscal year 2014, FMCSA met this requirement for only 84 percent of the mandatory carriers due to resources being diverted for the Enhanced Investigation Techniques initiative. The Committee expects the number of mandatory high risk inspections to increase with the improved staff training and enhanced IT systems. 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 mandatory carriers by April 15, 2017 for the preceding fiscal year.

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.

Windshield Mounted Safety Technologies.—The Committee is aware of current FMCSA regulations that limit the ability of commercial motor carriers to voluntarily mount vehicle safety technologies on windshields. Due to the significant safety benefits brought about by certain types of windshield mounted technologies, the Committee directed the DOT, in Senate Report 114–75, to move forward in prescribing regulations to permanently allow the use of such technologies. Congress later codified this directive into law in section 5301 of the FAST Act. The Committee is eager to see the implementation of section 5301 and is hopeful that the Department will meet the deadline set out in law. Accordingly, the Committee directs FMCSA to provide an update on the status of this effort within 30 days of enactment of this act.

MOTOR CARRIER SAFETY GRANTS
 (LIQUIDATION OF CONTRACT AUTHORIZATION)
 (LIMITATION ON OBLIGATIONS)
 (HIGHWAY TRUST FUND)

Limitation, 2016	\$313,000,000
Budget estimate, 2017	367,000,000
Committee recommendation	367,000,000

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.

MOTOR CARRIER SAFETY GRANTS
 COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations and authority to liquidate an equal amount of contract authorization of \$367,000,000 for motor carrier safety grants. The recommended limitation is \$54,000,000 more than the fiscal year 2016 enacted level and equal to 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)	\$292,600,000
High priority activities program	42,200,000
Commercial motor vehicle operator grants program	1,000,000
Commercial driver's license program implementation program	31,200,000

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 makes a technical correction to the hours of service provision in section 133 of division L of title I of the Consolidated Appropriations Act, 2016, Public Law 114-113. If the 34-hour restart rule in effect on June 30, 2013, is restored, then drivers who use the 34-hour restart may not drive after being on duty more than 73 hours in a 7-day period.

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 \$891,347,000, including both budget authority and limitations on the obligation of contract authority. This funding is \$289,925,000 less than the President's request and \$22,315,000 more than the fiscal year 2016 enacted level. The recommendation does not include any funding for the 21st century clean transportation plan investments.

The following table summarizes Committee recommendations:

	General fund	Highway trust fund	Total
Appropriation 2016	\$152,800,000	\$716,232,000	\$869,032,000
Budget estimate, 2017		1,181,272,000	1,181,272,000
Committee recommendation	160,075,000	731,272,000	891,347,000

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 2016	\$152,800,000	\$142,900,000	\$295,700,000
Budget estimate, 2017		395,900,000	395,900,000
Committee recommendation	160,075,000	145,900,000	305,975,000

COMMITTEE RECOMMENDATION

The Committee provides \$305,975,000 for Operations and Research, which is \$89,925,000 less than the President’s budget request and \$10,275,000 more than the fiscal year 2016 enacted level. Of the total amount recommended for Operations and Research, \$160,075,000 is derived from the general fund and \$145,900,000 is derived from the Highway Trust Fund. For vehicle safety research, the Committee recommendation includes \$23,510,000 for rulemakings, \$18,494,000 for enforcement, and \$38,100,000 for research and analysis. For highway safety research and development, the Committee recommendation includes \$56,143,000 for highway safety programs, and \$42,993,000 for the National Center for Statistics and Analysis. The recommendation fully funds the annualization of staff provided in fiscal year 2016, but does not include funding for any new positions.

Autonomous Vehicles.—The Committee believes that the development of autonomous vehicles and automated technologies can significantly reduce roadway fatalities and improve mobility options, particularly to rural America. The recommendation includes not less than \$6,600,000 for vehicle electronics and emerging technologies and directs NHTSA to use these resources to ensure that potentially life-saving autonomous vehicle technologies with proven safety benefits can be safely integrated into vehicles available to the public. Within the funds provided, the Committee directs the agency to also reduce cybersecurity risks associated the vehicle’s electronic and communications systems. The Committee is also concerned that the Department not create regulatory burdens to the safe integration of autonomous vehicles and encourages the Department to take into consideration the variations in rural infrastructure, such as unmapped, gravel, and snow-covered roads, wildlife encounters, and other situations unique to rural roads.

Office of Defects Investigations [ODI].—The Committee is disappointed that in spite of additional resources and repeated promises of improvement, the agency continues to stumble from one recall crisis to another. In fact, an OIG report issued this February, “Additional Efforts Are Needed To Ensure NHTSA’s Full Implementation of OIG’s 2011 Recommendations”, found that NHTSA lacks sufficient controls for full compliance with recommendations issued in 2011 and has yet to execute a formal training program for ODI staff. For example, while NHTSA told the OIG that it would document justifications for exceeding investigation timeliness goals, over 70 percent of delayed investigations reviewed did not include such justifications. NHTSA also agreed to establish a procedure to store and retain pre-investigation records to better ad-

dress potential safety concerns, but 42 percent of the pre-investigation documents reviewed were not included in ODI's case management system. The OIG also issued a 2015 report, "Inadequate Data and Analysis Undermine NHTSA's Efforts To Identify and Investigate Vehicle Safety Concerns", which included 17 recommendations to improve ODI's processes for collecting and analyzing vehicle safety data and for determining which potential safety issues warrant investigation. NHTSA anticipates completing these recommendations in fiscal year 2016. The Committee directs NHTSA shall to fully and consistently implement all OIG recommendations from the 2011, 2015, and 2016 reports. Further, the Committee directs the OIG to continue to assess NHTSA's progress in implementation of these recommendations and report to the Committee within 90 days of enactment of this act on the agency's progress to resolve these issues.

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 recent 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.—Removing drivers from the road who are under the influence of drugs and alcohol is key to reducing highway crashes and fatalities. As States adopt new laws regarding marijuana, they and the Federal Government are challenged to understand the risk of marijuana-impaired driving, how to accurately measure drug impaired driving, and how to set uniform regulations regarding impairment. The Committee has advocated for NHTSA to advance its work on drug impaired driving by expanding public education, data collection, the development of standard practices for drug toxicology testing, and guidelines for post-accident drug testing and reporting. In fiscal year 2015, the Committee also directed GAO to study strategies that the NHTSA, the Office of National Drug Control Policy, States, and local law enforcement have used to detect and reduce drug impaired driving. GAO found that a lack of a clear link between impairment and drug concentrations in the body makes it difficult to define drug impairment, and highlighted the lack of public awareness and inadequate data available to set standards. Subsequently, section 4008 of the FAST Act required the Secretary to conduct a study of marijuana-impaired driving to develop standards for impairment and assess technologies for measuring driver impairment within 1 year. In exe-

cuting this requirement, the Committee also directs NHTSA to develop criteria for roadside drug testing.

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.

Motorcoach Safety.—The Committee is concerned by DOT’s inability to meet the deadlines required for roof strength of motorcoaches, anti-ejection rules, or avoidance measures for motorcoaches as required by MAP-21. The Committee urges the agency to finalize anti-ejection and crash avoidance rulemaking in fiscal year 2017 and directs NHTSA to submit a report to the House and Senate Committees on Appropriations within 6 months of the date of enactment of this act on the status of those efforts. Section 32704 of MAP-21, required NHTSA to conduct research on the causes of motorcoach fires, prevention and mitigation and determine whether there was a need to issue fire prevention standards within 3 years. While NHTSA released its research, the agency has not yet made a decision about whether or not to issue prevention and mitigation standards. NHTSA should move forward with this determination to fully meet the requirements of the law.

HIGHWAY TRAFFIC SAFETY GRANTS
(LIQUIDATION OF CONTRACT AUTHORIZATION)
(LIMITATION ON OBLIGATIONS)
(HIGHWAY TRUST FUND)

Limitation, 2016	\$573,332,000
Budget estimate, 2017	585,372,000
Committee recommendation	585,372,000

PROGRAM DESCRIPTION

The most recent surface authorization, the FAST Act, reauthorizes the Sec. 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 \$585,372,000 for the highway traffic safety grant programs funded under this heading. The recommended limitation is equal to the budget estimate and \$12,040,000 above the fiscal year 2016 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)	252,300,000
National Priority Safety Programs (section 405)	277,500,000
High Visibility Enforcement Program	29,500,000
Administrative Expenses	26,072,000

Drunk Driving Prevention.—NHTSA has partnered with leading automobile manufacturers in the Automotive Coalition for Traffic Safety [ACTS] 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. To date, progress has been significant, including the identification of two competing technological approaches which were demonstrated at DOT headquarters in June 2015. 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 recommends \$5,312,000 for continuation of this research in fiscal year 2017 and encourages NHTSA to take steps in fiscal year 2017 to accelerate the program, including field tests of the research vehicles.

Testing for Drug Impairment.—The FAST Act reauthorizes the Impaired Driving Countermeasure Grants to States, which allow for a number of activities including the purchase of equipment and training for the detection of drugs and alcohol in drivers. The Committee directs NHTSA to include activities related to roadside drug testing, including the purchase and training in the use of instrumented drug testing devices, such as oral fluid and blood testing at the roadside, where shown to be accurate and reliable, as allowable activities under this section.

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.

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

April 18, 2016 (8:48 p.m.)

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, 2016	\$199,000,000
Budget estimate, 2017	213,298,000
Committee recommendation	208,500,000

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 \$208,500,000 for Safety and Operations for fiscal year 2017, which is \$4,798,000 less than the budget request and \$9,500,000 more than the fiscal year 2016 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.

While there have been several high profile incidents involving passenger trains in the past year, the Committee remains confident that the passenger rail system is safe. In fact, according to the FRA's Office of Safety Analysis, calendar year 2015 actually saw the lowest rate of total accidents/incidents per million passenger train miles in the last several years. That being said, even one passenger train incident is one too many, and as such, the recent incidents underscore the need for continued safety improvements. The Committee believes it is essential that all stakeholders—railroads management, unions, and regulatory agencies—work together in a collaborative process to promote railroad safety and prevent future accidents. The Committee maintains its commitment to prioritizing passenger rail safety and the increase in funding supports the annualization of 32 safety personnel provided in fiscal year 2016, as well as additional safety initiatives detailed below.

Safe Transport of Energy Products [STEP].—The Committee’s recommendation includes funding to support FRA’s efforts to improve the safe transport of energy products. The STEP initiative supports crude oil safety inspectors, crude oil route safety managers, and tank car quality assurance specialists, tank car research, as well as supports increased mileage of a dedicated Automated Track Inspection Program vehicle on routes with energy products traffic.

Automated Track Inspection Program.—The Automated Track Inspection Program [ATIP] provides track geometry information, as well as other track-related performance data, to assess compliance with Federal Track Safety Standards. The data collected under ATIP is used by FRA inspectors and by railroads to ensure proper track maintenance and to assess track safety trends within the industry. The Committee supports FRA’s budget request to expand the use of ATIP vehicles, including autonomous ATIP vehicles, to support the inspection of crude oil routes.

Nationwide Bridge Inventory.—The Committee’s recommendation includes \$500,000 for FRA to create a Web-based portal to collect electronic data from railroads on the number and condition of railroad bridges. This database should document information including the age of bridges and the last date of inspection, and the Committee urges FRA to target its inspections to the areas of highest risk.

Small Business Participation Study.—The Committee urges FRA to complete a nationwide disparity and availability study on the use of small business concerns owned and controlled by socially and economically disadvantaged individuals and veteran-owned small businesses in publicly funded intercity rail passenger transportation projects.

Gulf Coast Working Group.—The Committee urges FRA to complete the evaluation of restoration of intercity rail passenger service as required by the FAST Act.

RAILROAD RESEARCH AND DEVELOPMENT

Appropriations, 2016	\$39,100,000
Budget estimate, 2017	53,500,000
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 \$13,400,000 less than the budget request and \$1,000,000 more than the fiscal year 2016 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, 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 conformance assessments in order to improve railroad safety culture. The Committee's recommendation includes \$2,000,000 to further the Short Line Safety Institute's mission, including continued efforts to improve the safe transportation of crude oil and other hazardous materials by rail.

Tank Car Research.—The Committee's recommendation includes \$2,000,000 to conduct tank car research activities related to STEP in partnership with PHMSA and DOE.

Intelligent Railroad Systems.—The Committee's recommendation includes \$1,000,000 for university research and development in collaboration with FRA to advance the goals and objectives of an Intelligent Railroad System through conversion of the Intelligent Transportation Systems technology for highways in an effort to serve as a resource for developments in track mapping and inspections, train and railcar tracking, and grade crossing safety. The impacts of recent rail closures in Central Appalachia, including West Virginia, highlights the need to advance research that would help States retain and attract major rail activity.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING PROGRAM

The Railroad Rehabilitation and Improvement Financing [RRIF] program was established by Public Law 109-178 to provide direct loans and loan guarantees to State and local governments, Government-sponsored entities, and railroads. Credit assistance under the program may be used for rehabilitating or developing rail equipment and facilities. The Committee maintains bill language specifying that no new direct loans or loan guarantee commitments may be made using Federal funds for the payment of any credit premium amount during fiscal year 2017 with the exception of permissions granted under section 152 of this act.

The Committee directs FRA to continue to provide a summary of loan activity for the preceding fiscal years in its fiscal year 2018 budget justification. At a minimum, FRA should detail the number of loans pending and issued, and the processing time for these loans.

CONSOLIDATED RAIL INFRASTRUCTURE AND SAFETY IMPROVEMENTS GRANTS

Appropriations, 2016 ¹	\$50,000,000
Budget estimate, 2017 ²	
Committee recommendation	50,000,000

¹ Funded under Railroad Safety Grants.

² Requested as mandatory funding from the transportation trust fund.

PROGRAM DESCRIPTION

The Consolidated Rail Infrastructure and Safety Improvements [CRISI] Grants provide support for projects authorized in section 11301 of Public Law 114-94 that improve rail safety. While the Committee is sympathetic to the need for funding for projects that improve the efficiency and reliability of passenger and freight rail transportation systems, under current budget constraints the Committee is committed to prioritizing projects that improve railroad safety.

COMMITTEE RECOMMENDATION

The Committee recommends \$50,000,000 for the CRISI Grants. The budget request provides funding under a new \$3,700,000,000 Rail Service Improvements program that would be supported by mandatory resources and would require enactment of a new comprehensive surface transportation act, ignoring current law under the FAST Act. The recommendation does not include funding for the 21st century clean transportation plan investments.

The Committee included \$50,000,000 in Rail Safety Grants in fiscal year 2016. With the recently enacted authorization bill supporting these efforts under CRISI, the Committee provides \$25,000,000 for section 24407(c)(1) of title 49 United States Code; and \$25,000,000 for section 24407 (c)(5), (c)(6), (c)(7), and (c)(10). Funding for projects eligible under section 24407 (c)(6) and (c)(7) is limited to projects that improve railroad safety.

FEDERAL-STATE PARTNERSHIP FOR STATE OF GOOD REPAIR GRANTS

Appropriations, 2016	
Budget estimate, 2017 ¹	
Committee recommendation	20,000,000

¹ Requested as mandatory funding from the transportation trust fund.

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 \$20,000,000 for the Federal-State Partnership for State of Good Repair Grants. The budget request provides funding under a new \$2,300,000,000 Current Passenger Rail Service program that would be supported by mandatory resources and would require enactment of a new comprehensive surface transportation authorization act, ignoring current law under the FAST Act. The recommendation does not include funding for the 21st century clean transportation investments plan.

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 directs FRA to take into consideration the needs of the entire national rail network when awarding funding for this program.

RESTORATION AND ENHANCEMENT GRANTS

Appropriations, 2016	
Budget estimate, 2017 ¹	
Committee recommendation	15,000,000

¹ Requested as mandatory funding from the transportation trust fund.

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 \$15,000,000 for Restoration and Enhancement Grants. The budget request provides funding under a new \$3,700,000,000 Rail Service Improvements program that would be supported by mandatory resources and would require enactment of a new comprehensive surface transportation authorization act, ignoring current law under the FAST Act. The recommendation does not include funding for the 21st century clean transportation plan investments. The Committee recommends \$5,000,000 for section 2408 of title 49, United States Code, and \$10,000,000 for capital grants for restoration and initiation of intercity passenger rail service.

THE NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

Appropriations, 2016	\$1,390,000,000
Budget estimate, 2017 ¹	
Committee recommendation	1,420,000,000

¹ Requested as mandatory funding from the transportation trust fund.

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 \$1,420,000,000 for Amtrak, which is \$30,000,000 more than the fiscal year 2016 enacted level. The budget request would shift funding for Amtrak into a new \$2,300,000,000 Current Passenger Rail Service program that would be supported by mandatory resources and would require enactment of a new comprehensive surface transportation authorization ignoring current law under the FAST Act. The recommendation does not include funding for the 21st century clean transportation plan investments. The Committee understands that FRA and Amtrak are working to complete the necessary changes to comply with the new grant structure created in

the FAST Act and that the division of funds between the Amtrak grants represents the best estimate at the time of enactment of this act.

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 2017. The Corporation shall continue to submit a budget request for fiscal year 2018 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 report requirements.

ADA Compliance.—The Committee continues to believe that compliance with the requirements of the Americans with Disabilities Act [ADA] is essential to ensuring that all people have equal access to transportation services. Amtrak reports that it has some degree of ADA responsibility at 365 stations, that it has provided mobile lifts at the 97 stations that have less than 7,500 riders annually, and that approximately 190 of the remaining 268 stations will need some type of set-back level boarding solution. Many of the platforms in these stations are owned by freight railroads and reconciling the requirements of existing freight traffic with the needs of passengers is a complex challenge. The Committee encourages Amtrak to use its funds to address compliance requirements that are the responsibility of other parties at the stations it serves where the work involved is not more than 10 percent of the cost of all ADA compliance work at that station, and where doing so would expedite completion of its compliance efforts and be a more efficient use of resources than compelling those parties to act. With the level of funding recommended by the Committee, Amtrak intends to advance construction at a total of 50 stations and intends to advance planning and design requirements for another 99 stations. By the end of the fiscal year 2016, Amtrak expects to complete work on a total of 60 stations.

Food and Beverage.—In 2013, Amtrak announced a plan to eliminate food and beverage losses on its system. In response to this announcement, the Committee required Amtrak to report on its savings initiatives in fiscal years 2015 and 2016, and the Committee is encouraged by the contents of those reports. Subsequently, 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 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 2016 savings with Amtrak projections.

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.

Promoting Rail and Airport Connections.—The Committee continues to support efforts to improve intercity passenger rail connections at commercial airports that are adjacent to the mainline of the NEC and not currently served by Amtrak, and directs FRA, in coordination with Amtrak, to complete the study required in Public Law 114–113 on the feasibility of establishing service at such airports by December 31, 2016. The assessment of feasibility should be a robust addition to previous efforts considering how intercity passenger rail service may complement existing or planned commuter passenger rail service at such stations and contain thorough analysis of the projected ridership and revenue levels, impacts on network service levels and performance, operating and capital costs, and local economic impacts associated with any service options.

NORTHEAST CORRIDOR GRANTS TO THE NATIONAL RAILROAD
PASSENGER CORPORATION

The Committee recommends \$345,000,000 for Northeast Corridor Grants to Amtrak. The funding level provided includes no more than \$5,000,000 for use of the Northeast Corridor Commission established under section 24905 of title 49, United States Code.

Northeast Corridor Infrastructure Needs.—The Committee acknowledges that the NEC has a state of good repair backlog of more than \$28,000,000,000. This includes several key components of electrical and signal systems that date back to the 1930s as well as critical bridges and tunnels that are more than 100 years old. According to the NEC Commission, the loss of the NEC for a single day could cost the country \$100,000,000 in added congestion, productivity losses, and other transportation impacts.

NATIONAL NETWORK GRANTS TO THE NATIONAL RAILROAD PASSENGER
CORPORATION

The Committee recommends \$1,075,000,000 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.

Long-Distance State of Good Repair.—The Committee recognizes the important role rail corridors, such as the Great Northern Corridor, play in maintaining connectivity for both freight and passengers on the national rail network. Additionally, the Committee

recognizes the strain placed on rail infrastructure by aging equipment. The Committee urges FRA and Amtrak to work with local communities and partners to upgrade shared-use infrastructure on its long-distance 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.

Section 151 provides additional flexibility to FRA Restoration and Enhancement Grants for operating expenses.

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 \$12,332,434,043 is provided for FTA programs in fiscal year 2017. The recommendation is \$7,436,272,000 less than the budget request and \$575,227,404 more than the fiscal year 2016 enacted level. The recommendation does not include funding for the 21st century clean transportation investments plan.

	General fund	Highway trust fund	Total
Appropriation 2016	\$2,409,602,000	\$9,347,604,639	\$11,757,206,639
Budget estimate, 2017	150,000,000	19,618,706,043	19,768,706,043
Committee recommendation	2,598,728,000	9,733,706,043	12,332,434,043

ADMINISTRATIVE EXPENSES

Appropriations, 2016	\$108,000,000
Budget estimate, 2017 ¹	115,016,543
Committee recommendation	110,665,000

¹ Requested as a set-aside within Formula Grants.

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 \$110,665,000 from the general fund for the agency's salaries and administrative expenses. The recommended level of funding is \$4,351,543 less than the budget request, which assumed that FTA's administrative expenses would be provided as a set-aside within the Formula Grants account. The Committee recommendation is also \$2,665,000 above the fiscal year 2016 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, 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. In addition, FTA should notify the Committees 10 days before any project in the Capital Investment Grant program is given approval by FTA to advance to project development or engineering.

FORMULA GRANTS

(LIQUIDATION OF CONTRACT AUTHORITY)

(LIMITATION ON OBLIGATIONS)

	Obligation limitation (trust fund)
Appropriations, 2016	\$9,347,604,639
Budget estimate, 2017	9,733,706,043
Committee recommendation	9,733,706,043

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; growing States and high-density States formula grants; and positive train control 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 2017 to \$9,733,706,043. The recommendation is equal to the budget request and \$386,101,403 more than the fiscal year 2016 enacted level. The recommendation is also consistent with the currently authorized level under the FAST Act. The recommendation does not include funding for the 21st century clean transportation plan investments.

The Committee recommends \$10,800,000,000 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 2016	Fiscal year 2017	
			Administration proposal	Committee assumption
Transit Oriented Development	20005(b)	\$10,000,000	\$10,000,000	\$10,000,000
Planning Programs	5305	130,732,000	133,398,933	133,398,933
Urbanized Area Formula Grants	5307	4,538,905,701	4,629,683,814	4,629,683,814
Enhanced Mobility of Seniors and Individuals with Disabilities.	5310	262,949,400	268,208,388	268,208,388
Pilot Program for Enhanced Mobility	3006(b)	2,000,000	3,000,000	3,000,000
Formula Grants for Rural Areas	5311	619,956,000	632,355,120	632,355,120
Public Transportation Innovation	5312	28,000,000	28,000,000	28,000,000
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	2,507,000,000	2,549,670,000	2,549,670,000
Bus and Bus Facilities Grants	5339	695,800,000	719,956,000	719,956,000
Growing States and High Density States ...	5340	536,261,539	544,433,788	544,433,788
Positive Train Control .....	.....	.....	199,000,000	199,000,000
Total .....	.....	9,347,604,639	9,733,706,043	9,733,706,043

Transit Formula Allocations.—The Committee supports increased funding levels authorized by the FAST Act for bus and bus facility grants and encourages FTA to prioritize competitive funding under this program for small and rural systems.

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.

Positive Train Control.—The Committee recommendation includes \$199,000,000 to help commuter and intercity railroads implement Positive Train Control as authorized by the FAST Act. Section 3028 of the FAST Act outlines eligible recipients of these funds as entities that receive funds under chapter 53 of title 49, United States Code. The Committee therefore believes these funds are available to States that partner with Amtrak on State supported routes.

Low or No Emission Vehicles.—The Committee supports the FAST Act's inclusion of competitive grants for low or no emission buses and bus facilities into the section 3017 buses and bus facilities grant program. This change is aimed at ensuring that low or no emission vehicles or facilities financed under this program can be fully integrated into public transportation systems. The Committee encourages FTA to favorably consider grant applications focused on the cleanest technologies available in the transit bus market, including transit bus technologies and supporting facilities that have no tailpipe/point source emissions.

CAPITAL INVESTMENT GRANTS

Appropriations, 2016	\$2,177,000,000
Budget estimate, 2017 ¹	3,500,000,000
Committee recommendation	2,338,063,000

¹ Requested as mandatory funding from the transportation trust fund

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 section 5309 of title 49 of the United States Code 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 today, 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 \$2,338,063,000 for capital investment grants, which is \$161,063,000 more than the fiscal year 2016 enacted level, and \$1,161,937,000 less than the request. The Committee's recommendation includes \$1,209,790,000 to cover the cost of existing full funding grant agreements [FFGAs] in fiscal year 2017 and \$511,280,000 for new starts projects that the administration has recommended for FFGAs in its budget request. Of the new FFGA projects in the budget request, the Committee recommendation includes not less than \$250,000,000 for the three projects in California, \$125,000,000 for the project in Maryland, and \$100,000,000 for the project in Texas. In addition, \$332,850,000 is for core capacity projects, \$240,762,000 is for small starts projects, \$20,000,000 is for expedited project delivery, and \$23,381,000 is for oversight activities.

Increasing Costs of Transit Projects.—Not later than 6 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. The report shall compare practices both between various cities in the United States as well as to practices in other nations. The report should, if appropriate, make recommendations to DOT on steps it can take 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 U.S. 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, 2016	\$150,000,000
Budget estimate, 2017	150,000,000
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 equal to the budget request and the fiscal year 2016 enacted level. These grants are in addition to the funding local jurisdictions have committed to providing to WMATA.

The Committee is very frustrated with the lack of significant progress WMATA has made in fixing the system's operational and financial problems and implementing a culture of safety despite continued Federal support. This year marks the seventh anniversary of the deadly WMATA crash at the Fort Totten Station that killed nine people. This is the eighth installment of appropriated Federal dedicated funding authorized for WMATA.

The Committee is deeply troubled by the emergency cable inspection that shut down the entire system for more than 24 hours in March 2016, uncovering a significant number of damaged jumper cables and connector boots. It is especially troubling to learn that these dangerous equipment conditions continue to exist more than a year after the deadly Yellow Line Smoke Incident at L'Enfant Plaza Station in January 2015. The National Transportation Safety Board [NTSB] directed WMATA to fix this hardware in June 2015 following the incident.

The Committee commends the Secretary for his leadership and active engagement on improving the operation and management of WMATA. The Secretary has made improving WMATA's safety a top priority including directing the FTA to conduct a safety inspection of the metro system in March 2015. This audit examined WMATA's safety culture including safety procedures and protocols. The Secretary subsequently directed FTA to take over safety oversight of WMATA from the ineffective Tri-State Oversight Committee in October 2015. The FTA continues to serve in this temporary role while it waits for the jurisdictions to set up a more robust and independent oversight entity. In March 2016, the Secretary began another emergency safety inspection focused on red signal overruns, track integrity, and rail vehicle securement. This FTA inspection will likely result in additional mandated corrective actions for WMATA. Given the significant safety improvements that must still be made by the troubled metro system, the bill once

again requires the Secretary to approve grants provided under this heading to WMATA only after certifying that progress has been made to improve safety in the system.

Financial Management.—FTA reported material weaknesses and significant deficiencies in WMATA's internal financial controls in a 2014 audit. In response to these serious findings, FTA suspended WMATA's ability to automatically draw down its Federal grants. FTA will review and approve each WMATA request for reimbursement until these weaknesses are corrected and WMATA shows significant improvement. The bill requires the Secretary to approve grants provided under this heading to WMATA only after certifying that WMATA is making progress toward full implementation of the corrective actions identified in the 2014 financial audit.

The bill also directs the Secretary to provide these 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 requires that funds appropriated or limited by this act for specific projects not obligated by September 30, 2021, and other recoveries, be directed to projects eligible to use the funds for the purposes for which they were originally provided.

Section 162 allows funds appropriated before October 1, 2016, that remain available for expenditure to be transferred to the most recent appropriation heading.

Section 163 makes a technical correction to 49 U.S.C. 5303(r)(2)(C).

Section 164 rescinds any unobligated balances from funding provided in fiscal year 2012 or earlier from the job access and reverse commute program and makes them available for projects under 49 U.S.C. 5309(q).

Section 165 allows small transit operators to use urbanized area formula grants for operating assistance based on locally determined planning processes and requirements, subject to limitations.

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). SLSDC is a vital transportation corridor for the international movement of bulk commodities such as steel, iron, grain, and coal, serving the North American region that makes up one-quarter of the United States population and nearly one-half of the Canadian population. SLSDC is responsible for the operation, maintenance, and development of the United States portion of the Saint Lawrence Seaway [Seaway] between Montreal and Lake Erie.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

Appropriations, 2016	\$28,400,000
Budget estimate, 2017	36,028,000
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 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 equal to the budget request and \$7,628,000 more than the fiscal year 2016 enacted level.

The Committee directs SLSDC to continue to submit an annual report to the Senate and House Appropriations Committees, not later than April 30 of each year, 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, 2016	\$210,000,000
Budget estimate, 2017	211,000,000
Committee recommendation	275,000,000

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 \$275,000,000 for the MSP. This amount is \$64,000,000 more than the budget request and \$65,000,000 more than the fiscal year 2016 enacted level. The recommended appropriation is based upon the subcommittee's Defense allocation. A lack of funds to the authorized level should not be interpreted in any way to signify a lack of support for this critical National Security program. The bill includes language directing MARAD to divide the funding proportionally among the 60 ships in the program in order to maintain these important maritime jobs.

OPERATIONS AND TRAINING

Appropriations, 2016	\$171,155,000
Budget estimate, 2017	194,146,000
Committee recommendation	175,160,000

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 \$175,160,000 for Operations and Training at MARAD for fiscal year 2017 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 \$4,005,000 more than the fiscal year 2016 enacted level and \$18,986,000 less than the budget request.

MARITIME ADMINISTRATION

	Fiscal year 2017 Senate
U.S. Merchant Marine Academy	\$83,218,000
Academy Operations	65,218,000
Capital Improvements	15,000,000
Facilities Maintenance, Repair and Equipment	3,000,000
State Maritime Academies	34,600,000
SMA Direct Payments	3,000,000
Student Incentive Payments	2,400,000
Schoolship Maintenance and Repair	22,000,000
Fuel Assistance Payments	1,200,000
National Security Multi-Mission Vehicle Design	6,000,000
MARAD Operations	57,342,000
Headquarter Operations	49,142,000
Environment and Technology Grants	3,000,000
Marine Highways Grants	5,000,000
Total	175,160,000

Short Sea Shipping Program.—The Committee recommendation includes \$5,000,000 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 53-year-old training ship Empire State. The Committee is concerned that the budget request’s exclusion of funding for vessel design signaled a lack of interest in maritime education and addressing this urgent need. The Committee provides \$6,000,000 to complete vessel design, and conduct long-term planning activities for the incremental replacement of the current academy training 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 any future 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 rate of incidents of sexual assault and sexual harassment at the Academy. The most recent survey of sexual harassment and sexual assault from the 2014–2015 academic year shows a continuation of the disturbing results at the Academy seen in prior surveys. Despite 17.1 percent of female and 2 percent of male midshipmen reporting sexual assault on the survey, only one of the incidents was reported to Academy leadership.

It is imperative that senior leadership throughout the Department make improving conditions at the Academy a top priority. The Academy has made strides by hiring a new Sexual Assault Response Coordinator with relevant experience and knowledge to address these issues, but a change in culture must be made throughout the entire Academy. 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, 2017.

United States Merchant Marine Academy Capital Improvements Plan [CIP].—The Committee directs the Administrator to provide an annual report by March 31, 2017, 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 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 directs MARAD, in consultation with the Army Corps of Engineers, to conduct a survey of the dredging needs of small shipyards and to provide the results to the House and Senate Committees on Appropriations within 400 days of enactment of this act.

ASSISTANCE TO SMALL SHIPYARDS

Appropriations, 2016	\$5,000,000
Budget estimate, 2017	
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 \$5,000,000 more than the fiscal year 2016 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, 2016	\$5,000,000
Budget estimate, 2017	20,000,000
Committee recommendation	20,000,000

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 \$20,000,000 for MARAD's Ship Disposal program. This level of funding is \$15,000,000 more than the fiscal year 2016 enacted level and equal to the budget request. This level of funding is sufficient to meet the terms and conditions of the Suisun Bay Reserve Fleet settlement. The Committee recommendation includes \$8,000,000 for activities related to the decommissioning of *NS Savannah*. The total number of obsolete ships not yet under contract and awaiting disposal is down to 13. This is a historic low for the program.

MARITIME GUARANTEED LOAN PROGRAM [TITLE XI]

Appropriations, 2016	\$8,135,000
Budget estimate, 2017	3,000,000
Committee recommendation	5,000,000

¹The estimate does not reflect the proposed rescission.

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 \$5,000,000 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 \$2,000,000 more than the President's budget request and \$3,135,000 less than the fiscal year 2016 enacted level. The loan guarantee amount of \$2,000,000 in addition to unobligated balances currently available, is sufficient to meet the cost of all current active applications before the Department. The Committee directs the agency to process all applications expeditiously and continue to proactively monitor all guaranteed loans that may be at risk of default. The Committee recognizes the importance that the title XI program provides for the advancement of shipbuilding, aiding the U.S.-flag fleet, and sustainment of jobs for this critical sector of our national defense.

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

(PIPELINE SAFETY FUND)

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2016	\$21,000,000
Budget estimate, 2017	23,688,000
Committee recommendation	23,207,000

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 \$23,207,000 for this account, of which \$1,500,000 shall be transferred to the Office of Pipeline Safety for Information Grants to Communities. The Committee's recommendation is \$481,000 less than the budget request and \$2,207,000 more than the fiscal year 2016 enacted level.

HAZARDOUS MATERIALS SAFETY

Appropriations, 2016	\$55,619,000
Budget estimate, 2017	68,249,000
Committee recommendation	57,619,000

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 \$57,619,000 for hazardous materials safety, of which \$7,570,000 shall remain available until September 30, 2019. The amount provided is \$10,630,000 less than the administration's budget request and \$2,000,000 more than the fiscal year 2016 enacted level. The Committee's recommendation does not provide new FTE.

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 an advanced notice of proposed rulemaking on expanding the applicability of comprehensive oil spill response plans to rail carriers in July 2014. The Committee notes with disappointment that to date, despite additional resources provided by the Committee and direction in the Consolidated Appropriations Act of fiscal year 2016, PHMSA has not initiated a rulemaking. The Committee directs PHMSA to initiate a rulemaking to expand the applicability of comprehensive oil spill response plans to rail carriers no later than June 30, 2016, and to issue a final rule no later than December 18, 2016.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

Appropriations, 2016	\$146,623,000
Budget estimate, 2017	174,943,000
Committee recommendation	149,959,000

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 \$149,959,000 for the OPS, consistent with the SAFE PIPES Act as approved by the Senate. The amount is \$3,336,000 more than the fiscal year 2016 enacted level and \$24,984,000 less than the budget request. Of the funding provided, \$20,288,000 shall be derived from the Oil Spill Liability Trust Fund and \$129,671,000 shall be derived from the Pipeline 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.

Seismic Safety.—The Committee is concerned that insufficient attention has been paid to the seismic safety of pipelines, particularly

those transporting natural gas and petroleum, that cross fault lines. The Committee directs PHMSA to provide a briefing to the House and Senate Committees on Appropriations not later than 60 days after the day of enactment of this act regarding the number of both interstate and intrastate pipelines that cross faults that move at least 5 millimeters per year, existing Federal regulations governing pipeline seismic safety, and the potential for installing automatic shut-off valves that can be coordinated with a future earthquake early warning system.

EMERGENCY PREPAREDNESS GRANTS
(EMERGENCY PREPAREDNESS FUND)

Appropriations, 2016	\$28,318,000
Budget estimate, 2017	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 2016 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, 2016	\$87,472,000
Budget estimate, 2017	90,152,000
Committee recommendation	93,550,000

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 \$93,550,000 for activities of the Office of the Inspector General, which is \$3,398,000 more than the President's budget request and \$6,078,000 more than the fiscal year 2016 enacted level.

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

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 the 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.—The primary relationship between the Committee and HUD exists via the Departmental budget office. This relationship is an absolute necessity in structuring the annual appropriations act. It facilitates an effective sharing of a wide range of budgetary and cost information. The Committee retains the right to call upon all offices and agencies within the Department, but the primary connection between the two entities exists through the budget office. The Committee cautions HUD that section 405 of the Appropriations Act governs the creation of new offices and policies. Additionally, the Committee expects that all offices within HUD will work with the budget office to provide timely and accurate information to the Committee.

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 2017, 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 2018 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.

Grant Awards and Congressional Notification.—HUD is reminded that appropriated funds are critical investments that support communities across the Nation. HUD's grant programs give State and local governments, public housing agencies, nonprofit organizations, tribal entities, and other key housing development and service providers the resources to build and preserve quality affordable housing, spur local economies, and make communities more stable. The Committee is concerned that the Department continues to use archaic systems and processes for grant notifications, causing delays, inefficiencies, and administrative burdens on staff. Therefore, the Committee urges HUD to consult with the Department of Transportation and other Federal agencies on their Congressional notification process.

Congressionally Mandated Reports.—The Department is reminded that directives and reports mandated in the House and Senate appropriations acts and accompanying reports are not op-

tional 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.

Office of Inspector General Semiannual Report to Congress.—The Committee believes the Department can undertake additional actions to increase accountability and transparency, which will improve oversight and ensure Federal resources are not wasted or abused. The Committee reminds HUD that for fiscal year 2015, the Office of Inspector General [OIG] identified nearly \$2,000,000,000 of HUD resources that could be put to better use. The Committee encourages HUD to respond to both the Inspector General and the House and Senate Committees on Appropriations on actions already taken, and planned future action, to address such findings, within 30 days of issuance of each OIG semiannual report.

Lead-Hazard Control and Remediation.—The Centers for Disease Control and Prevention [CDC] estimate that 535,000 American children under 6 years of age are affected by lead poisoning. This preventable condition can result in children having reduced IQs and developing behavioral problems and learning disabilities. According to HUD, 70 percent of lead poisoning cases in the United States are the result of exposure to lead-based paint hazards in the home. This exposure usually stems from the presence of lead-based paint in homes built prior to 1978.

Over the last decade, the Committee has provided more than \$1,000,000,000 for initiatives that address lead-based paint hazards in our Nation's housing stock. These resources have helped to improve the condition of 78,032 homes and the lives and health outcomes of 278,000 people. These funds were primarily used to address lead-based paint hazards in homes that were owned or occupied by low and very-low income families with children.

However, the continued presence of lead-based paint hazards in HUD-assisted housing has only been fully revealed in recent news reports. These reports raise concerns that HUD has insufficient oversight to ensure that public housing agencies and property owners comply with regulations regarding inspections for and remediation of lead-based paint hazards. Furthermore, the Committee believes that HUD has failed to appropriately respond to the CDC's decision in 2012 to strengthen its blood lead level standard for children under 6 years old. HUD's blood lead level standard, which prescribes the level at which an environmental intervention must be performed in a unit, has not been changed since 1999. As a result, HUD's outdated standard permits children to live in homes that place them at risk of permanent neurological damage.

To address these concerns, the bill and accompanying report include a deadline for the implementation of a new regulation that strengthens HUD's blood lead level standard, and a series of reforms and investments to address lead-based paint hazards in HUD-assisted housing and low-income housing in the private sec-

tor. The Committee includes reforms to current policies, an expansion of HUD's oversight and enforcement capacity, and additional funding for Public Housing Agencies [PHAs] and low-income homeowners to address lead-based paint hazards in the home.

EXECUTIVE OFFICES

Appropriations, 2016	\$13,800,000
Budget estimate, 2017	14,479,000
Committee recommendation	30,608,000

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, the Departmental Enforcement Center, and the Office of Small and Disadvantaged Business Utilization.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$30,608,000 for this account, which is \$16,808,000 more than the fiscal year 2016 enacted level and \$16,129,000 more than the budget request. Of the total amount provided, no less than \$16,148,000 shall be for the Departmental Enforcement Center. 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 eight offices funded under this heading.

Departmental Enforcement Center.—The Committee is troubled by the results of the Inspector General's February 2016 evaluation of the Departmental Enforcement Center [DEC]. The evaluation determined that when utilized, the DEC can effectively address issues related to poor performing and noncompliant grantees. However, the evaluation also determined that the DEC's current location within the OGC has limited its ability to work with program offices, and as a result, has seriously undermined the overall effectiveness of the DEC to successfully implement risk-based monitoring and enforcement of grantees. In response, the Committee directs the DEC to be removed from the OGC's organizational structure and report directly to the Deputy Secretary, consistent with its original intent and creation in 1997. The Committee further notes that the Department concedes that the Memoranda of Understanding [MOUs] between the DEC and program offices are overly restrictive and will review them with a goal of modification or elimination. The Committee directs the Department to report to the House and Senate Committees on Appropriations within 60 days after enactment of this act on the result of the reviews.

Circumvention of the Nomination Process.—The Committee remains troubled by the administration's willful circumvention of the Appointments Clause of the Constitution which in Article II, section 2, clause 2 states, "and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose Appointments

are not herein otherwise provided for, and which shall be established by Law.” Specifically, the Committee notes the appointments last year of the Principal Deputy Assistant Secretaries for the Offices of Community Planning and Development, Housing, and Public and Indian Housing.

While this position has existed at other Federal agencies, it is new to the Department, and comes at a time when the Assistant Secretary position in these offices has been vacant for an extended period of time. The position of Assistant Secretary of Housing/Federal Housing Administration Commissioner has been vacant since October 24, 2014; the position of Assistant Secretary for Public and Indian Housing has been vacant since June 30, 2014; and the position of Assistant Secretary for Community Planning and Development has been vacant the longest, since May 18, 2012. The Committee is incredulous that the administration has elected to maintain the vacancy of these three mission critical positions and points to the administration’s decision to redirect a nominee, whose nomination was presented at the end of the 113th Congress, to a Principal Deputy Assistant Secretary position in lieu of re-nominating the individual during the 114th Congress as a reflection of the clear disregard of the Appointments Clause.

The Committee strongly encourages HUD and the administration to rethink the appointment of Principal Deputy Assistant Secretaries in the offices of Public and Indian Housing, Community Planning and Development, and Housing in the absence of incumbent Assistant Secretaries or putting forth nominations for those positions. While the Committee does not expressly forbid this practice, the Committee has reduced amounts included in the Committee’s recommendation by amounts equal to the salary and benefits of a Principal Deputy Assistant Secretary for offices where the position of Assistant Secretary is not filled or for which a nomination for that position is not currently pending before the Senate Committee on Banking, Housing, and Urban Affairs or has been reported by that Committee to the Senate.

ADMINISTRATIVE SUPPORT OFFICES

Appropriations, 2016	\$559,100,000
Budget estimate, 2017	520,062,000
Committee recommendation	503,852,000

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 \$503,852,000 for this account, which is \$55,248,000 less than the fiscal year 2016 enacted level and \$16,210,000 less than the budget request.

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.

Funds are made available as follows:

	Amount
Office of the Chief Human Capital Officer	\$41,641,000
Office of Administration	202,823,000
Office of the Chief Financial Officer	53,451,000
Office of the Chief Procurement Officer	19,130,000
Office of Field Policy and Management	52,568,000
Office of Departmental Equal Employment Opportunity	3,891,000
Office of the General Counsel	79,053,000
Office of Strategic Planning and Management	5,147,000
Office of the Chief Information Officer	46,148,000

Office of the General Counsel [OGC].—The Committee recommendation includes \$79,053,000 for this office, which is \$16,148,000 less than the budget request. This decrease is associated with the transfer of the Departmental Enforcement Center out of the OGC organizational structure.

Office of the Chief Financial Officer [OCFO].—The Committee commends the work of the Appropriations Law Division in the OCFO and encourages the Department to maximize its use of this valuable resource. The Committee reminds the Department of its intent that all appropriations law issues be referred to and addressed by such division. HUD 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, 2016	\$205,500,000
Budget estimate, 2017	220,932,000
Committee recommendation	220,500,000

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 \$220,500,000 for this account, which is \$432,000 less than the budget request and \$15,000,000 more than the fiscal year 2016 enacted level. The Committee recommendation supports existing personnel, and reflects the establishment of a Working Capital Fund in fiscal year 2016 for shared service costs

The Committee directs HUD to prioritize the hiring of staff to fill critical positions in the following areas: staff for the management and oversight of Moving-to-Work PHAs; financial analysts for the Housing Choice Voucher program; and additional staff for the Office of Policy, Programs and Legislative Initiatives to create efficiencies in program operations.

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.

Small Public Housing Agencies.—The Committee recognizes the growing demand placed on small 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 requirements and develop opportunities to achieve new efficiencies in management and operations for small public housing agencies.

Central Office Cost Center Fees.—In 2014, the Office of Inspector General [OIG] released an audit of public housing operating and capital fund central office cost center [COCC] fees. The audit raised concerns about these fees and HUD's oversight of them. The OIG recommended that the Department: eliminate the asset management fee, revise the asset management policy to "re-federalize" the fees paid into the COCC, and create policies and procedures for the assessment and monitoring of the fees. HUD disputed the recommendations and has been working with the OIG to resolve these issues. As a result of these discussions and HUD's demonstration of the need that PHAs have for the asset management fee, OIG agreed not to pursue their recommendation to eliminate asset management fees. In addition, HUD will initiate rulemaking to re-federalize fees paid into the COCC with a goal of implementing a final rule by no later than December 2017. The Committee has decided to take additional action and directs the Department to adhere to the "Uniform Administrative Requirements, Cost Principles, and

Audit Requirements for Federal Awards,” requirements of 2 CFR 200, and to notify the House and Senate Committees on Appropriations quarterly during fiscal year 2017 of any waivers of 2 CFR 200 it requests from the Office of Management and Budget. The Committee shares concerns expressed by HUD’s Inspector General that HUD has failed to fully evaluate its fee for service model for public housing operating and capital funds. Accordingly, and consistent with the June 2014 Office of Inspector General report, HUD is directed to evaluate this model to gauge whether it is actually increasing the overall efficiency and effectiveness of administering the program and that the fee structure is reasonable. The Department is further directed to include any necessary program changes from this evaluation as part of its fiscal year 2019 congressional justifications.

COMMUNITY PLANNING AND DEVELOPMENT

Appropriations, 2016	\$104,800,000
Budget estimate, 2017	110,259,000
Committee recommendation	110,000,000

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 \$110,000,000 for the staffing within this office, which is \$259,000 less than the budget request and \$5,200,000 more than the fiscal year 2016 enacted level. The recommended level of funding will support additional FTE focused on grant oversight and monitoring to help address backlog of grants and audit findings as well as shared service costs to be funded through the working capital fund established in fiscal year 2016. The Committee’s recommendation does not include the Department’s request for additional staff for the Rental Assistance Demonstration.

The Committee directs HUD to prioritize the hiring of staff to support 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.

Promise Zones.—Since 2014, the Department has competitively made Promise Zone designations. 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 encourages the Department to support these Promise Zone designations, and their Promise Zone Partnership Agreement commitments for their full duration.

HOUSING

Appropriations, 2016	\$375,000,000
Budget estimate, 2017	393,148,000
Committee recommendation	393,000,000

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 \$393,000,000 for staffing in the Office of Housing, which is \$148,000 less than the budget request and \$18,000,000 more than the fiscal year 2016 enacted level and reflects the establishment of a working capital fund in fiscal year 2016 for shared service costs.

POLICY DEVELOPMENT AND RESEARCH

Appropriations, 2016	\$23,100,000
Budget estimate, 2017	24,500,000
Committee recommendation	24,500,000

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 infor-

mation 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 \$24,500,000 for this account, which is equal to the budget request and \$1,400,000 more than the fiscal year 2016 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 outcomes 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, 2016	\$72,000,000
Budget estimate, 2017	74,235,000
Committee recommendation	74,235,000

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 \$74,235,000, which is equal to the budget request and \$2,235,000 more than the fiscal year 2016 enacted level.

OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES

Appropriations, 2016	\$7,000,000
Budget estimate, 2017	7,826,000
Committee recommendation	8,075,000

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 \$8,075,000 for this account, which is \$249,000 more than the budget request and \$1,075,000 more than the fiscal year 2016 enacted level.

The Committee is concerned that the Office of Lead Hazard Control and Healthy Homes is not providing the Offices of Housing and Public and Indian Housing with the necessary oversight and assistance to effectively implement lead-related regulations. While these Offices are responsible for the oversight of their grantees, the Lead Office is responsible for ensuring compliance with the Lead Safe Housing and Lead-Based Paint Disclosure Rules through its Enforcement Division. The Committee's recommendation does not fund the request for additional FTEs for the Programs, and Policy and Standards Divisions, and instead directs these funds, plus the additional funding above the request, be used to increase the FTE in the Lead Programs Enforcement Division from 5 to 10. This increase in resources will expand HUD's capacity to conduct enforcement actions in Section 8 and Section 9 properties, as well as provide additional technical assistance and training.

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, 2016. 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 2016.

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 2017, 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 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.

Further, prior to centralizing either furniture or space renovation, the Committee directs the Department to deliver a comprehensive, multi-year real property improvement plan which details all planned space realignments, capital improvements, maintenance requirements, and other costs associated with carrying out HUD's most recent strategic plan; including any elements of the General Service Administration [GSA] study on the Weaver Building that HUD plans to include as part of its Reimbursable Work Agreement with GSA.

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.

HUD shall include in its annual operating plan a detailed outline of its plans for transferring budgetary resources to the WCF in fiscal year 2017.

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.

PUBLIC AND INDIAN HOUSING

TENANT-BASED RENTAL ASSISTANCE

Appropriations, 2016	\$19,628,525,000
Budget estimate, 2017	20,854,000,000
Committee recommendation	20,431,696,000

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, and Housing and Urban Development Veterans Supportive Housing [HUD-VASH] programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$20,431,696,000 for fiscal year 2017, including \$4,000,000,000 as an advance appropriation to be made available on October 1, 2017. This amount is \$422,304,000 less than the budget request and \$803,171,000 more than the fiscal year 2016 enacted level.

The Committee recommends \$18,355,000,000 for the renewal costs of Section 8 vouchers, which is \$92,000,000 less than the budget request and \$673,549,000 more than the fiscal year 2016 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. 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.

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. According to the Department of Veterans Administration, a number of diverse communities across the country have been able to announce an end to veterans homelessness, including: Lynn, Massachusetts; Mobile, Alabama; Montgomery County, Maryland; Gulfport and Biloxi, Mississippi; Houston, Texas; Las Vegas, Nevada; and New Orleans, Louisiana; as well as the State of Connecticut and the Commonwealth of Virginia. These successes are the result of hard work, and effective collaboration, and are aspirational for the rest of the country. However, since 2010, veterans' homelessness has only declined by 36 percent nationally. For this reason, the Committee again rejects the budget proposal to prematurely end funding for new VASH vouchers and includes \$50,000,000 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 in high-cost areas.

The Committee also recognizes the importance of the on-going pilot to expand the HUD-VASH program to American Indian veterans living in tribal areas. Therefore, the Committee recommendation includes \$7,000,000 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 anticipates that most of this funding will be needed to renew previously provided assistance. To the extent funds remain after previously-awarded assistance has been renewed, the remaining funds may be used to award new assistance based solely on need and administrative capacity. The Committee notes that examples of a lack of administrative capacity include entities with: open monitoring and audit findings from the Department or HUD's Inspector General; an inability to maintain accurate reporting of financial records; a lack of willingness to work with the Office of Native American Programs regional offices, and; excessive unexpended Indian Housing Block Grant balances and current enforcement action regarding lack of progress on balances. Given the importance of reducing homelessness for veterans in Indian country, the Committee directs the Department to update the House and Senate Committees on Appropriations within 180 days of enactment of this act on the progress of this pilot.

Administrative Fees.—The Committee recommends \$1,768,696,000 for administrative fees, which is \$308,304,000 less than the budget request and \$118,696,000 more than the fiscal year 2016 enacted level.

Lead-Based Paint.—Lead exposure and poisoning can have a significant impact on the development of children under the age of 6. Yet, HUD is unable to verify what actions the more than 700,000 private landlords and property owners who participate in the program are taking to identify and address lead-based paint hazards in the more than 2 million housing units across the country. The Committee is extremely concerned that HUD lacks the necessary oversight and quality assurance of lead and routine physical inspections to determine whether lead-based paint hazards are present in these homes, particularly in units where there are children under the age of 6. The Committee is further concerned that HUD is unable to identify which units or quantify how much of the housing choice voucher stock meet the standards currently set-forth in HUD's physical inspection and lead-based paint hazard regulations. This information is essential to understanding the resource and health challenges faced by HUD, PHAs, and housing choice voucher residents.

The Committee believes that the Department has the statutory authority to collect and analyze data on lead-based paint hazards in housing choice voucher units, and apply better quality assurance measures on routine physical inspections. While current HUD housing quality standards require that the physical condition of housing choice voucher units be free of health hazards, including lead-based paint, HUD's regulatory standards lack consistency and

scientific rigor. The Committee notes that HUD's Housing Quality Standard [HQS] regulations limit lead inspections in housing choice voucher units to a visual review of chipped or deteriorated paint. Meanwhile, under the Uniform Physical Condition Standard [UPCS] regulations, public housing units are subject to more rigorous inspection standards, such as risk assessments, which require scientific testing of paint and dust samples found in the home. The Committee directs HUD to establish and implement a process that improves data collection and analysis of actions PHAs are taking to comply with lead-based paint regulations in housing choice voucher units by March 31, 2017, and report semi-annually to the House and Senate Committees on Appropriations on this progress. At a minimum, this report should include the steps HUD has taken to ensure PHAs and landlords are in statutory and regulatory compliance, as well as the number and location of units that are not in compliance with current inspections and lead-based paint regulations. The Committee also directs the Department to identify and report on the incidences and prevalence of lead-based paint hazards in housing choice voucher units. The Committee recognizes that States with the oldest housing stock will have more homes with lead-based paint, and notes that the mere presence of lead-based paint, where properly contained, should not preclude such units from participating in the housing choice voucher program.

In order to improve communication with PHAs on lead-safe housing, the Committee directs the Department to issue clarifying guidance explaining the importance of lead-safe housing and the changes the Department is undertaking to align standards with CDC and improve its processes. The Committee recognizes that some PHAs are already effectively applying lead-safe standards, and directs HUD to identify and disseminate best practices on making, and keeping, units lead safe. In addition to disseminating best practices, the Department is directed to provide training on lead-safe housing issues targeted to PHA maintenance and property management staff. Finally, the Committee strongly encourages PHAs to work closely with tenants to improve their awareness of lead-based paint hazards in the home.

Tenant Protection Vouchers.—The Committee recommendation includes \$110,000,000 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 \$110,000,000 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. The Committee is concerned that FUP vouchers are underutilized as a housing strategy to assist at-risk youth and that PHAs and local public child welfare agencies have had limited success in developing effective partnerships. According to a May 2014 report from HUD's Office of Policy Development & Research, youth only comprise about 14 percent of the total program participants. 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 recognizes the current timeline of 18-months for youth vouchers is inadequate and administratively impracticable. In response, the Committee includes a provision permitting FUP vouchers to be used by youth who have left, or will shortly leave, foster care, to be used for up to 36 months or longer if the youth is participating in a family self-sufficiency program. The Committee also recognizes the need to expand youth eligibility for FUP vouchers and includes a provision increasing the age range of eligible youth to those who are 18 to 24, and who have left foster care at age 14 or older, or will leave foster care within 90 days and are homeless or at risk of becoming homeless. 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.

The Committee is also concerned about how and when families and youth are being referred to receive FUP assistance. The Committee directs HUD to work with the Department of Health and Human Services' Administration on Children and Families [ACF] to develop guidance and training materials necessary to improve connections between local agencies, increase collaboration, improve programs, goals, and supportive housing models that align at the local level. Further, HUD is directed to identify specific statutory or regulatory barriers either within the FUP program or child welfare service programs that limit individuals' access to services and case management that can help improve outcomes for at-risk youth. The Committee directs HUD to report to the House and Senate Committees on Appropriations 180 days after enactment of this act on the status and results of these efforts.

Family Self-Sufficiency.—In fiscal year 2015, the Committee provided flexibility to HUD to improve connections between vouchers serving youth exiting foster care and the Family Self-Sufficiency program. The Committee remains interested in the implementation of this housing and services model, and looks forward to continued updates from the Department.

Housing Mobility Demonstration.—The Committee recommendation includes \$11,000,000 to implement a housing mobility demonstration. This demonstration is designed to help housing choice voucher residents move to lower-poverty areas and expand their access to jobs, better schools, and economic opportunity. A growing body of research highlights how moving to higher opportunity areas can have significant and positive long-term earnings and college attainment outcomes for children, and thereby make inroads at ad-

addressing generational poverty. However, many low-income residents face significant barriers to achieve or access this opportunity. Low-income families, including voucher holders, tend to be concentrated in high-poverty neighborhoods where schools may be under resourced, transportation is limited, and well-paying jobs may be scarce. However, there is very little evidence on ways housing and service providers can effectively counsel families on their options to move to low-poverty areas, or limit the barriers that prevent low-income families from moving to low-poverty areas.

The recommended funding level will allow PHAs to test new strategies that enable families to successfully move to, and remain in, lower-poverty areas. The Committee expects HUD to use this demonstration to identify regulatory and administrative barriers to housing mobility and cost-effective strategies to facilitate and promote mobility. These funds may be used to deliver mobility services to families, including pre- and post-move counseling, rent deposits, as well as to offset the administrative costs of operating a mobility program.

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 not included a rescission from the Housing Certificate Fund in fiscal year 2017, consistent with the President's request. 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
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2016	\$1,900,000,000
Budget estimate, 2017	1,865,000,000
Committee recommendation	1,925,000,000

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 \$1,925,000,000 for the Public Housing Capital Fund, which is \$60,000,000 more than the budget request and \$25,000,000 more than the fiscal year 2016 enacted level.

Of the amount made available under this account, \$35,000,000 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 \$10,000,000 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. 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 partner with these entities to help identify ways residents living in public housing can connect to broadband infrastructure, technical assistance, digital literacy training, and electronic devices that provide access to, and allow adoption of, high-speed Internet.

Flexibility To Meet Pressing Needs.—In an effort to achieve an appropriate balance between flexibility and accountability, the Committee has included a provision permitting housing authorities to establish and maintain replacement reserves. Establishing and maintaining replacement or capital reserves is common practice in real estate, and in fact, they are required for projects in HUD multifamily programs. However, the existing obligation deadlines for public housing capital funds prevent the establishment of such reserves. This limits the ability of PHAs to save for planned capital projects necessary to maintain housing in good condition.

The Committee expects the Department to move quickly to set up the rules and requirements for capital reserves so that PHAs can utilize this new tool to address the significant backlog of capital needs and better plan for future capital requirements. This should include how HUD will ensure that funds are being saved for and spent on needed capital projects.

Additionally, in 1998, Congress included provisions in the Quality Housing and Work Responsibility Act [QHWRA] to provide PHAs with the tools required to access capital markets to address substantial capital needs. QHWRA added section 30 to the U.S. Housing Act of 1937, authorizing PHAs "to mortgage or otherwise grant a security interest in any public housing project or other property of the public housing agency." As a result of section 30, HUD created the Public Housing Mortgage Program [PHMP]. The PHMP allows PHAs to place a mortgage or other encumbrance on public housing properties where the subject property is owned by the PHA. The Committee understands however that the PHMP is not widely utilized due to HUD guidance that prohibits a first lien position of dwelling units. The Committee understands that this stipulation impedes PHAs' ability to utilize the program. The Committee is concerned that HUD's guidance with respect to section 30 may actually be preventing the intended outcomes by limiting PHAs' ability to access capital markets. The Committee directs the Department to report within 90 days of enactment of this act to the House and Senate Committees on Appropriations regarding the utilization of PHMP, specifying existing program impediments, the Department's plan to address those impediments, and if the PHMP can be a useful tool to address public housing capital needs.

The Committee further notes that public housing is the only project-based rental assistance program that HUD administers that provides capital and operating funds through separate funding streams. The current structure presents restrictions that are difficult to implement and regulate, and underscores the isolation of public housing properties from mainstream real estate financing and management practices. A merger of these two programs has the potential to simplify the public housing program and reduce the administrative burden on PHAs that own and manage these properties. The Committee directs the Department to submit to the House and Senate Committees on Appropriations within 180 days of enactment of this act an evaluation of the benefits and potential concerns of merging the operating and capital funds into a single public housing account.

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 also includes language this year 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 is deeply troubled by reports of deplorable living conditions found in

some HUD-subsidized properties across the country. The scope of this issue spans geographic regions, highlights systemic problems, and calls into question the effectiveness of HUD oversight, and the Real Estate Assessment Center's [REAC] inspections of HUD-assisted housing. At the Committee's March 10, 2016 hearing on HUD's budget request for fiscal year 2017, the Department acknowledged the need to improve REAC inspection protocols and expressed its commitment to improving its processes. These efforts include: proposing changes to civil monetary penalties; reducing the time it takes to issue tenant protection vouchers to tenant living in unsuitable living conditions; and the creation of an internal working group that will review and provide recommendations on how the inspection process can be improved.

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. However, the Committee notes that those actions do not improve the quality of the inspection protocols.

Similarly, while the Committee is supportive of efforts to quickly issue tenant-protection vouchers, the issuance of these vouchers is a tacit acknowledgement that the Department has failed to ensure units are maintained as decent, safe and sanitary. Additionally, 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 has been apprised of the action items developed by HUD's inspection working group and is underwhelmed by the results. The Committee is disappointed that the Department has not taken this opportunity to develop a broader Departmental strategy that includes, for example, a review of whether a reverse auction is the best procurement practice for this line of business or address improvements to the oversight of inspections. The Committee is particularly disappointed that despite acknowledging that issues impacting the health of residents, including mold, do not trigger a sufficient subtraction of points to the inspection score, and the need to adjust the scoring system, those actions have not been identified by the working group as issues to address.

The Committee understands that HUD is in the midst of hiring additional staff within REAC to increase quality assurance of physical inspections; continuing work on implementing a single inspection protocol for public housing and voucher units, including the review of voucher standards; and developing notices to address inspection changes. Rather than direct additional requirements and changes at this time, the Committee expects the Department to move swiftly to implement previously identified deficiencies in physical condition inspection protocols. The Committee further directs the Department to solicit comments from stakeholders, including tenants, to identify ways the Department can improve its inspection protocols and oversight. The Committee will continue to closely monitor the Department's efforts and progress and directs the Department to submit to the House and Senate Committees on Appropriations within 60 days of enactment of this act a report

identifying how HUD is improving the inspection process and related protocols, including quality assurance of inspections, identified actions yet to be implemented, the status of actions undertaken, and a timeline for completion of all actions.

Lead-Based Paint.—In 2010, Abt. Associates reported on capital needs in public housing and found that approximately 62,000 public housing units required lead-based paint abatement. Yet, HUD is unable to verify what actions the more than 3,100 public housing agencies are taking to identify and address lead-based paint hazards in the more than 1 million public housing units across the country. The Committee is extremely concerned that HUD lacks the necessary oversight and quality assurance of lead and routine physical inspections to determine whether lead-based paint hazards are present in these homes, particularly in units where there are children under the age of 6. The Committee is further concerned that HUD is unable to identify which units or quantify how much of the public housing stock meet the standards currently set forth in HUD's physical inspection and lead-based paint hazard regulations. This information is essential to understanding the resource and health challenges faced by HUD, PHAs, and public housing residents.

The Committee believes that the Department has the statutory authority to collect and analyze data on lead-based paint hazards in public housing units, and apply better quality assurance measures on routine physical inspections. While current HUD housing quality standards require that the physical condition of housing choice voucher units be free of health hazards, including lead-based paint, HUD inadequately performs quality assurance and oversight measures to enforce this requirement. The Committee notes that HUD's Lead-Safe Housing Rule requires PHAs to conduct a lead inspection and risk assessment in all public housing units that pre-date 1978, and where a child under the age of 6 currently or is expected to reside. These units are subject to rigorous inspection standards that require scientific testing of paint and dust samples found in the home, and where necessary, abating or performing interim controls to make the unit livable and safe for these children. Under the Uniform Physical Condition Standard [UPCS] regulations, PHAs must maintain verification that this work has been performed, and at the time of routine physical inspection, provide the inspector with proof that a Lead-Based Paint Inspection was conducted, and where necessary, that a Lead-Based Paint Disclosure Form has been signed by the PHA and the resident. However, PHAs are not required to store this documentation at the property, and inspectors are only verifying the presence of documentation—there is no regulatory requirement to verify the content or findings of lead-based paint inspections or, where necessary, steps PHAs have taken to address any lead-based paint hazards. The Committee is concerned that UPCS does not require inspectors to verify that a public housing unit has been evaluated for, and to the extent necessary, made safe of lead-based paint hazards in accordance with lead-based paint regulations. The Committee is further dismayed that HUD does not analyze the lead-based paint section from the inspection checklist to determine a PHA's compliance with lead-based paint regulations and, where necessary, identify and

provide the necessary oversight to ensure they become compliant. The Committee directs HUD to establish and implement a process that improves data collection and analysis of actions PHAs are taking to comply with lead-based paint regulations in public housing units by March 31, 2017, and report semi-annually to the House and Senate Committees on Appropriations on this progress. At a minimum, this report should include the steps HUD has taken to ensure PHAs are in statutory and regulatory compliance, as well as the number and location of units that are not in compliance with current inspections and lead-based paint regulations. The Committee also directs the Department to identify and report on the incidences and prevalence of lead-based paint hazards in public housing units. The Committee also directs the REAC to provide monthly updates to the public housing program offices, in the field and headquarters, on UPCS inspections conducted in public housing that do not meet the lead-based paint documentation requirements outlined in HUD's regulation.

As HUD amends its blood lead level standards to align with the CDC's standards, HUD anticipates more than 1,500 public housing units, where children under the age of 6 reside, will require an environmental intervention. The Committee recommendation includes \$25,000,000 to help PHAs address this new regulatory requirement. This funding shall be competitively awarded to PHAs to evaluate and reduce lead-based paint hazards in public housing units, which may include lead inspections, risk assessments, interim controls, and abatements.

In order to improve communication with PHAs on lead-safe housing, the Committee directs the Department to issue clarifying guidance explaining the importance of lead-safe housing and the changes the Department is undertaking to align standards with CDC and improve its processes. The Committee recognizes that some PHAs are already effectively applying lead-safe standards, and directs HUD to identify and disseminate best practices on making, and keeping, units lead safe. In addition to disseminating best practices, the Department is directed to provide training on lead-safe housing issues targeted to PHA maintenance and property management staff. Finally, the Committee strongly encourages PHAs to work closely with tenants to improve their awareness of lead-based paint hazards in the home.

PUBLIC HOUSING OPERATING FUND

Appropriations, 2016	\$4,500,000,000
Budget estimate, 2017	4,569,000,000
Committee recommendation	4,675,000,000

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 \$4,675,000,000 for the public housing operating fund, which is \$106,000,000 more than the budget request and \$175,000,000 more than the fiscal year 2016 enacted level.

The Committee has included provisions providing PHAs with the ability to establish capital reserves. The Committee notes that many PHAs have taken steps to achieve operational savings by improving energy efficiency or otherwise reducing expenses, and has included a provision that establishes a utility conservation pilot that incentivizes a reduction in public housing utility consumption and costs, and provides PHAs with the ability to reinvest such savings in their properties and operations.

The Committee also recognizes that PHAs face administrative and regulatory burdens and it reiterates support for regulatory and administrative relief that result in cost savings, while still maintaining effective and meaningful oversight.

Over-income Residents in Public Housing.—The Committee believes that public housing assistance should go to those that truly need it. A July 2015 HUD OIG report found that more than 25,000 public housing families have incomes above the income limits, which raises concern that current processes do not ensure that public housing funds are meeting their intended purpose. The Committee strongly encourages the Department to update its rules related to over-income public housing residents to ensure there is a process in place to identify over-income residents and that they are transitioned out of public housing, where appropriate.

CHOICE NEIGHBORHOODS INITIATIVE

Appropriations, 2016	\$125,000,000
Budget estimate, 2017	200,000,000
Committee recommendation	80,000,000

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 \$80,000,000 for the Choice Neighborhoods initiative. This amount is \$45,000,000 less than the fiscal year 2016 enacted level and \$120,000,000 less than the budget request. Of the total amount provided, no more than \$5,000,000 may be used for planning, including planning and action, grants. Choice Neighborhoods seeks to build on the HOPE VI program by expanding the types of eligible grantees and allowing funding to be used on HUD-owned or assisted housing, as well as the surrounding community. However, the Committee notes that the work to replace distressed public housing is far from complete. Therefore, the Committee has included language that stipulates that not less than \$48,000,000 of the funding provided shall be awarded to projects where PHAs are the lead applicant. The goal of Choice Neighborhoods is to replace distressed housing as a way to improve communities and the lives of residents. Therefore, HUD should not limit applicants to a narrowly defined set of neighborhoods since it may prevent the replacement of eligible and worthy public or assisted housing projects that are outside such designated neighborhoods from competing for funding.

The Committee also notes that successful community planning brings together multiple partners and funding sources that aid in the implementation of that plan. The Committee includes language this year directing that implementation grants may only be awarded to applicants who have previously been awarded planning grants. The Committee believes this will incentivize communities to engage in robust planning efforts before taking on transformation initiatives, while also ensuring the Department awards funds to those proposals that are most likely to result in successful implementation.

Inherent in 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. The Committee has been encouraged by the ability of Choice Neighborhood grantees to leverage significant resources with their grant awards. In addition, the Committee urges HUD to identify successful partnership strategies that can not only be utilized by future Choice Neighborhood grantees, but can also serve as models for traditional public housing and HUD-assisted housing program providers that want to improve services for their residents.

FAMILY SELF-SUFFICIENCY

Appropriations, 2016	\$75,000,000
Budget estimate, 2017	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 2017, an amount equal to the fiscal year 2016 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. Beginning in fiscal year 2015, the Committee included language to expand the program so that it could 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 piloting FSS at select project-based Section 8 properties. The Committee expects that through this pilot, HUD will identify best-practices and limitations to implementation, and take those lessons learned into consideration, before issuing a notice or guidance to take the program to scale.

As HUD continues to work to streamline and expand the program, the Committee also expects HUD to identify best practices in the field that are successfully improving outcomes for residents. The Committee encourages HUD to consider best practices for how to increase participation, improve alignment between eligible uses of funding and milestones, and incorporate financial education into the program design.

INDIAN BLOCK GRANTS

Appropriations, 2016	\$710,000,000
Budget estimate, 2017	780,000,000
Committee recommendation	714,000,000

Note: The amounts for fiscal year 2016 enacted and the budget request include amounts funded or requested in the Community Development Fund for the Indian Community Development Block Grant program.

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.

This account also funds the Indian Community Development Block Grant Program, as authorized under title I of the Housing and Community Development Act of 1974, as amended. These funds are awarded on a competitive basis to Indian tribes for the funding of tribal community development needs.

COMMITTEE RECOMMENDATION

To increase the transparency around funding for Native Americans, the Committee recommendation provides for both the Indian Housing Block Grant and Indian Community Development Block Grant programs under a single heading.

The Committee recommends a total of \$648,500,000 for the Indian Housing Block Grant [IHBG] and Title VI Loan Guarantee programs, of which \$646,500,000 is for IHBG formula grants and \$2,000,000 is for credit subsidy to support a Title VI guaranteed loan level not to exceed \$17,857,142. The recommended level of funding is \$4,000,000 more than the amount provided in fiscal year 2016 and \$51,500,000 below the budget request.

The recommendation also includes \$60,000,000 for the Indian Community Development Block Grant [ICDBG] program. The recommended level of funding is equal to the amount provided in fiscal year 2016 and \$20,000,000 below the budget request. Recognizing the tremendous needs in Indian Country and the limited resources available to address these challenges, the Committee includes a new provision this year 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 are 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 U.S. Census Amer-

ican Community Survey for 2006–2010, 8.1 percent of homes on American Indian reservations and off-reservation trust land are overcrowded, compared to 3.1 percent of households nationwide. The number of households on reservation lands with severe housing costs that spend more than 50 percent of their income on housing has risen 46 percent over the past decade.

The Committee believes the housing goals for American Indians and Alaska Natives established in the NAHASDA, including section 802, remain a priority. The housing programs authorized in NAHASDA serve communities who are disproportionately low income, more likely to experience homelessness or overcrowded living conditions and unable to utilize traditional lending sources. The programs have 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 Department 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 \$5,500,000 for technical assistance needs in Indian country to support both the IHBG and ICDBG programs. The Committee directs that these technical assistance funds be administered by PIH and not be merged with the broader Community Compass initiative administered by the Office of Policy Development and Research. 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.

Oversight Plan.—Within 30 days of enactment of this act, the Committee directs HUD to submit a fiscal year 2017 oversight plan for the funds under this heading to the House and Senate Committees on Appropriations.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

	Program account	Limitation on guaranteed loans
Appropriations, 2016	\$7,500,000	\$1,190,476,190
Budget estimate, 2017	5,500,000	1,341,463,415

	Program account	Limitation on guaranteed loans
Committee recommendation	6,500,000	1,585,365,854

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 \$6,500,000 in program subsidies to support a loan level of \$1,585,365,854. This subsidy amount is \$1,000,000 less than the fiscal year 2016 enacted subsidy level and \$1,000,000 more than the budget request. Included in the Committee's recommendation is \$1,000,000 to assist tribes and tribally designated housing entities to construct rental housing for law enforcement, healthcare, educational, and other skilled workers. The development of this rental stock is critical to enable tribes to attract and retain professionals in these fields who are often missing in Indian country due to the lack of existing rental housing and the distances between tribal lands and available housing. The Committee is concerned that the Department has failed to submit a report to the House and Senate Committees on Appropriations, as previously directed, on how HUD has utilized the funding provided for administrative contract expenses including management processes and systems. The Committee is equally troubled that in addition to failing to submit the required information, the Department has also failed to use such funds to address critical systemic management and oversight shortcomings despite having over \$2.6 million in unobligated balances for this purpose. While the Committee believes this program is important to helping meet housing needs in Indian country, the lack of action by the Department compels the Committee to direct the Office of Inspector General to undertake a review of the management and oversight of the section 184 loan program, including related information technology systems, and to report its finding to the House and Senate Committees on Appropriations within 120 days of enactment of this act.

NATIVE HAWAIIAN HOUSING BLOCK GRANT

Appropriations, 2016	
Budget estimate, 2017	
Committee recommendation	\$500,000
	5,000,000

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 for housing and housing-related assistance, in order to develop, maintain, and operate affordable housing for eligible low-income Native Hawaiian families.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,000,000 for the Native Hawaiian Housing Block Grant Program, which is \$5,000,000 more than the fiscal year 2016 enacted level and \$4,500,000 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. Meanwhile, the median value of an owner-occupied home in Hawaii was \$495,400, compared to \$173,200, nationwide making access to affordable housing extremely challenging for residents of the isolated, ocean-locked State.

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. These challenges have impeded the Department of Hawaiian Homelands' ability to advance the traditional model of single housing family community developments. The Committee is 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, 2016	\$335,000,000
Budget estimate, 2017	335,000,000
Committee recommendation	335,000,000

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.

Since 1990, by statute, 90 percent of formula-appropriated funds are distributed to qualifying States and metropolitan areas on the basis of the number of AIDS cases and incidence of AIDS reported to the Centers for Disease Control and Prevention by March 31 of the year preceding the fiscal year. 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 \$335,000,000 for the Housing Opportunities for Persons With AIDS [HOPWA] program. This level of funding is equal to the President's budget request and the fiscal year 2016 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.

HOPWA Formula Modernization.—The Committee recommendation once again includes a change to the HOPWA formula requested in the President's budget and part of the administration's comprehensive National HIV/AIDS Strategy. Currently, 55 percent of the statutorily required cumulative AIDS cases used to determine the formula program represent deceased individuals. The Committee recommendation seeks to distribute funding more equitably to reflect the HIV epidemic's impact among communities with highest burden of HIV cases while addressing the increasingly disproportionate impact of HIV on communities of poverty and color.

The formula modernization requires that 75 percent of the formula funds be distributed to cities with population greater than 500,000 and with more than 2,000 persons living with HIV, and the remaining 25 percent distributed to States and metropolitan statistical areas based on fair market rents (to account for high housing costs in certain areas) and area poverty indexes (to account for high-poverty areas lacking services). The Committee is aware of concerns in certain communities that would receive substantial reduction in funding as a result of the formula modernization, and has included language to prevent any grantee from losing more than 5 percent or gaining more than 10 percent of the average share of the total formula allocation of the previous fiscal year. The Committee directs HUD to prioritize any competitive funding avail-

able, after renewing all competitive expiring contracts, to grantees that lose funding due to the formula modernization.

COMMUNITY DEVELOPMENT FUND

Appropriations, 2016	\$3,000,000,000
Budget estimate, 2017	2,800,000,000
Committee recommendation	3,000,000,000

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 \$200,000,000 more than the budget request and equal to the fiscal year 2016 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 Committee urges CDBG grantees to consider funding eligible activities and projects that increase access to transit and intercity passenger rail options for persons of low and moderate income.

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.

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.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

	Program account	Limitation on guaranteed loans
Appropriations, 2016	\$300,000,000
Budget estimate, 2017	\$300,000,000
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 2016 enacted level and 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.

The Committee notes that in November 2015, HUD issued the necessary rules to implement a fee-based structure for this program. The Committee expects HUD to ensure that a financing structure is in place by the beginning of the fiscal year so that this important program remains available to communities. In addition, HUD must provide communities with information and any technical assistance needed to successfully utilize the program.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriations, 2016	\$950,000,000
Budget estimate, 2017 ¹	950,000,000
Committee recommendation	950,000,000

¹ Includes \$10,000,000 for the Self-Help and Assisted Homeownership Opportunity Program

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 2016 enacted level. The amount is equal to the budget request, but the budget also proposes to fund a \$10,000,000 Self-Help and Assisted Homeownership Program [SHOP] program out of this account, which the Committee has rejected. The recommendation does not include the requested statutory changes to the HOME program. The Committee encourages the Department to work with the authorizing committee on these statutory changes to the program.

Affordable Housing Needs.—The Committee notes the substantial gains made by HOME in increasing the supply and affordability of housing for low-income families. According to the March 2016 HOME National Production Report, since 1992 States and localities have used \$26 billion in HOME funds to leverage an additional \$117 billion 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. The Committee stresses the importance of HUD working with communities that are seeking Federal resources to directly assist low-to-moderate income homeowners with improving and renovating their homes to maintain property values and create sustainable, livable, attractive, and safe neighborhoods. 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 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, 2016	\$55,700,000
Budget estimate, 2017	
Committee recommendation	54,000,000

PROGRAM DESCRIPTION

The Self-Help and Assisted Homeownership Opportunity Program is comprised of the Self-Help Homeownership 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, and funds the rehabilitation and modifications of homes for Veterans that are low-income and disabled as authorized by section 1079 of Public Law 113-291. These programs help to develop the capacity of nonprofit community development organizations to carry out community development and affordable housing projects.

COMMITTEE RECOMMENDATION

The Committee recommends \$54,000,000 for the Self-Help and Assisted Homeownership Program, which is \$1,700,000 less than the fiscal year 2016 enacted level, and \$54,000,000 more than the request. The Committee rejects the administration's proposal to shift a portion of the funding for these activities to the HOME program, and make the section 4 program activities an eligible activity of funds transferred from various programs to the Office of Policy Development and Research. The Committee supports leaving this heading as a standalone account and opposes efforts to shift these funds into other accounts. 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 million for a program to rehab and modify housing for Veterans that are low-income and disabled. The Committee notes that funding for technical assistance is being provided under the Office of Policy Development and Research and directs funds available for section 4 to 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 Available [NOFA], the Committee directs HUD to define an eligible national organization as a nonprofit entity that has on-going 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.

HOMELESS ASSISTANCE GRANTS

Appropriations, 2016	\$2,250,000,000
Budget estimate, 2017	2,664,000,000
Committee recommendation	2,330,000,000

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 \$2,330,000,000 for Homeless Assistance Grants in fiscal year 2017. This amount is \$334,000,000 less than the President's request, and \$80,000,000 more than the fiscal year 2016 enacted level.

As part of the Committee recommendation, at least \$2,013,000,000 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 \$250,000,000 for the emergency solutions grants program [ESG].

The Committee supports HUD's efforts to leverage existing housing resources, such as Section 8 vouchers, to serve the homeless. The Committee also supports replacing existing, underperforming projects with new permanent supportive housing projects. Therefore, if funds remain available in this account after meeting renewal demands and funding ESG, HUD may use it for new projects, provided that such projects are targeted to areas with the greatest need, as measured by homeless data.

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 \$40,000,000 to

continue implementation of comprehensive approaches to serving homeless youth

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.

HUD shall inform the House and Senate Committees on Appropriations no later than 45 days after enactment of this act, how the Department will strategically align within the Performance Partnership Pilot program. This shall also include: (1) the amount and source of funding the Department will allocate to the pilot; (2) the Department's role in grantee criteria and selection processes, and; (3) the Department's role in oversight and accountability for its contributions. Not later than 15 days after pilots have been announced, the Department shall brief the Committees on the scope of each pilot project, including goals, objectives and intended outcomes, and an outline of specific metrics that will be used to evaluate and determine the effectiveness of the pilot project and its outcomes.

Annual Homeless Assessment Report.—AHAR is a result of Congressional directives beginning in 2001, that charged 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 in 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 by August 29, 2017. 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 2018 budget justification. This should include estimated costs of renewing permanent supportive housing.

HOUSING PROGRAMS

RENTAL ASSISTANCE DEMONSTRATION

Appropriations, 2016	
Budget estimate, 2017	\$50,000,000
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 2016 enacted level and \$46,000,000 less 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 includes the following proposals to facilitate additional conversions of HUD-assisted properties: (1) increases the current unit cap on Public Housing conversions to 250,000; (2) eliminates the deadline of September 30, 2018, for submission of RAD applications; (3) enables Section 202 PRAC properties to convert to Section 8 contracts; (4) promotes the preservation of multifamily properties in high-cost areas; (5) 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 (6) protects tenants' right to continue occupancy under second component conversions.

PROJECT-BASED RENTAL ASSISTANCE

Appropriations, 2016	\$10,620,000,000
Budget estimate, 2017	10,816,000,000
Committee recommendation	10,901,000,000

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, sub-

ject 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 Americans. 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 \$10,901,000,000 for the annual renewal of project-based contracts, of which up to \$235,000,000 is for the cost of contract administrators. The recommended level of funding is \$281,000,000 more than the amount provided in fiscal year 2016 and is \$85,000,000 more than the budget request. The Committee's recommendation rejects the administration's proposed change to the medical deduction calculation, which results in the increased funding above the requested level.

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 believes that fair and open competition is the best way to ensure that the taxpayer receives the greatest benefit for the costs incurred. The Committee directs 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.

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 maintain their properties in accordance with HUD standards, they should be held accountable. The Committee is deeply troubled by recent reports of properties across the country experiencing a level of physical deficiencies so severe as to be indicative of systemic failures within the Department's oversight and inspection processes. Neither residents nor taxpayers are well served when poor conditions are allowed to con-

tinue. It is inexcusable that residents are ever placed into substandard housing with serious violations, but it is doubly offensive when the taxpayers are subsidizing these unfit units. While there is a tension between holding property owners responsible and ensuring tenants do not lose their housing, HUD has tools at its disposal to hold owners accountable without putting tenants at risk.

To ensure continued attention to this issue, the Committee recommendation strengthens a general provision that requires HUD to take specific steps to ensure that physical deficiencies in properties are quickly addressed, and requires the Secretary to take explicit actions if the owner fails to maintain them. These actions include imposing civil money penalties, working to secure a different owner for the property, or transferring the Section 8 contract to another the property. The Committee wants to preserve critical project-based Section 8 contracts, and believes this goal can be achieved while holding property owners accountable for their actions.

The Committee expects HUD to continue to move quickly to identify problem properties and owners and find an appropriate remedy. The Committee directs HUD 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 money penalties are imposed, contracts are transferred to another property, or ownership is transferred. The Committee expects that with increased enforcement, and improved inspection protocols, the number of troubled properties will be reduced.

HOUSING FOR THE ELDERLY

Appropriations, 2016	\$432,700,000
Budget estimate, 2017	505,000,000
Committee recommendation	505,000,000

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 [PRAC] to support operational costs for such units. Tenants living in section 202 supportive housing units can access a variety of community-based services to keep living independently in the community and age in place.

COMMITTEE RECOMMENDATION

The section 202 program provides nearly 400,000 federally assisted, privately owned affordable housing units for the elderly. The Committee recommends an appropriation of \$505,000,000 for the section 202 program. This level is \$72,300,000 more than the level provided in fiscal year 2016 and equal to the budget request. The

Committee recommendation includes \$427,000,000 in new appropriations in addition to carryover balances and residual receipts to fully fund all annual project-rental assistance contract renewals and amendments, and \$75,000,000 for service coordinators and the continuation of existing congregate service grants.

HOUSING FOR PERSONS WITH DISABILITIES

Appropriations, 2016	\$150,600,000
Budget estimate, 2017	154,000,000
Committee recommendation	154,000,000

PROGRAM DESCRIPTION

This account provides funding for housing for the 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 rental assistance to support operational costs. Since fiscal year 2012, HUD has transitioned to expanding capacity by providing project rental assistance to State housing financing agencies or other appropriate entities that 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 \$154,000,000 for the section 811 program. This level is equal to the budget request and is \$3,400,000 more than the fiscal year 2016 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 a new competition for project rental assistance to State housing finance agencies.

HOUSING COUNSELING ASSISTANCE

Appropriations, 2016	\$47,000,000
Budget estimate, 2017	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 nonprofit 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 the fiscal year 2016 enacted level. These funds will help to provide individuals and families across the country with sound advice to make better informed housing decisions. Specifically, it will support competitive counseling grants and training activities. Housing counseling organizations provide a wide variety of counseling services, including those to assist with preventing foreclosure and homelessness. In addition, the administrative contract support funding includes resources for financial audits and technical assistance.

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 multiyear NOFAs, contingent on annual appropriations. This should result in administrative savings for HUD and its grantees.

RENTAL HOUSING ASSISTANCE

Appropriations, 2016	\$30,000,000
Budget estimate, 2017	20,000,000
Committee recommendation	20,000,000

PROGRAM DESCRIPTION

This account provides amendment funding for housing assisted under a variety of HUD housing programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$20,000,000 for HUD-assisted, State-aided, noninsured rental housing projects, consistent with the budget request. This amount is \$10,000,000 less than the fiscal year 2016 enacted level. The Committee recommendation includes a provision to allow the conversion of these projects to Section 8, 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, 2016	\$10,500,000
Budget estimate, 2017	11,500,000
Committee recommendation	10,500,000

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 the Federal standards, and fees are charged to producers to cover the costs of administering the act.

COMMITTEE RECOMMENDATION

The Committee recommends \$10,500,000 to support the manufactured housing standards programs, of which the full amount of \$10,500,000 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 \$1,000,000 less than the budget request and equal to the fiscal year 2016 enacted level.

The Committee continues language allowing the Department to collect fees from program participants for the dispute resolution and installment programs 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. The Committee expects the Department to move forward with this authority.

The Committee has not provided additional funding for this program, as an increase in funding would not reflect or correspond with this decline in production.

FEDERAL HOUSING ADMINISTRATION

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

	Limitation on direct loans	Limitation on guaranteed loans	Administrative contract expenses
Appropriations, 2016	\$5,000,000	\$400,000,000,000	\$130,000,000
Budget estimate, 2017	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, 2016	\$5,000,000	\$30,000,000,000
Budget estimate, 2017	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 2017, consistent with prior years.

The Committee is aware of concerns that deficiencies in establishing conveyable conditions for FHA insured foreclosed properties are inhibiting the ability to provide proper maintenance for these properties. To alleviate these concerns, the Committee directs the Government Accountability Office to examine the operating effectiveness and efficiency of the Federal Housing Administration in reaching determinations of conveyable conditions on foreclosed properties and report its findings to the House and Senate Committees on Appropriations no later than September 29, 2017.

The FHA is responsible for facilitating mortgages for individuals and families for whom home ownership may not be possible using private sector financing without FHA backing. Typically, these groups include those who do not have the resources to make a down payment in the amount required by private financiers and those with less sound credit history. In order to review if FHA is still primarily serving credit-worthy yet lower income individuals, the Committee directs the Department to report within 180 days to the House and Senate Committees on Appropriations on the number of loans that FHA insured in the past two years, including the value of the home, the income-level of the recipient, the location of the home, and the average home price at the time in the area of the country.

The Committee does not include authority for HUD to charge a fee to provide additional funds for FHA's administrative costs as requested in the budget request. However, the Committee supports the goal of improving FHA's system automation, risk management and quality control efforts and has included resources within the Department's information technology funds for this purpose.

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, 2016	\$500,000,000,000	\$23,000,000
Budget estimate, 2017	500,000,000,000	23,000,000
Committee recommendation	500,000,000,000	23,000,000

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 2016 enacted level. The bill allows Ginnie Mae to use \$23,000,000 for salaries and expenses. This is equal to the fiscal year 2016 enacted level and the budget request. The Committee directs the Department to report to the House and Senate Committees on Appropriations within 120 days of enactment of this act on the retention rates for staff in mission critical positions within GNMA. This report should identify those positions, industry average retention rates where possible, and, if the report determines retention in mission critical positions is adversely affecting the ability of GNMA to carry out its oversight role, possible solutions to boost retention including but not limited to pay bands.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Appropriations, 2016	\$85,000,000
Budget estimate, 2017 ¹	185,000,000
Committee recommendation	90,000,000

¹ Includes \$120,000,000 by transfer.

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 \$90,000,000 for research, technology, and community development activities in fiscal year 2017. This level is \$5,000,000 more than the fiscal year 2016 enacted level and \$95,000,000 less than the budget request.

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 strongly encourages the Department to continue funding local rent surveys of areas affected by changing economic conditions and natural disasters.

Fair Market Rents [FMRs] 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 recommends that HUD designate funding for additional local surveys for communities where the data used by HUD does not accurately reflect the market.

Of the activities proposed in the budget, the Committee recommends \$41,500,000 for market surveys, \$5,700,000 for research support and dissemination, \$600,000 for data acquisition, \$1,000,000 for housing finance studies, \$1,000,000 for research partnerships, \$200,000 for housing technology. In addition, the Committee includes up to \$40,000,000 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 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: \$3,000,000 for evaluation of the expansion of the Moving-to-Work demonstration; \$1,350,000 for phase 3 of a pre-purchase counseling demonstration; \$6,000,000 for continued evaluation of rent reform; \$200,000 for multidisciplinary research teams; \$300,000 for an expanded analysis of the family options study; and \$3,000,000 for an evaluation of the housing choice voucher mobility demonstration. While the Committee recommendation includes funding for phase 3 of the pre-purchase counseling demonstration, the Committee will not fund future additions and directs the Department to seek alternative sources of funding for this demonstration should it wish to pursue additional research beyond fiscal year 2017. HUD shall include details on its allocation of these resources in its operating plan.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

Appropriations, 2016	\$65,300,000
Budget estimate, 2017	70,000,000
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 \$4,700,000 less than the budget request and equal to the 2016 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. The Committee is disappointed in the lack of detail in the fiscal year 2017 congressional budget justification in comparison to previous years and directs the

Department to provide specific details on any new initiatives in future justifications.

Group Homes, Local Land Use, and the Fair Housing Act.—The Committee is aware that HUD is in the process of updating the 1999 Joint Statement on Group Homes, Local Land Use, and the Fair Housing Act. The Committee stresses the importance of HUD coordinating with the Department of Justice to complete this process in a timely manner. The Committee recognizes the importance of clarifying the role of State or local government in defining zoning ordinances, licensing and registration requirements regarding group homes.

Affirmatively Furthering Fair Housing [AFFH].—In 2016, HUD will require 22 CDBG grantees to submit the first fair housing assessments under the new AFFH rule. In fiscal year 2016, Congress expressed its support for implementation of AFFH by providing HUD with increased funding to hire additional staff and to provide technical assistance to grantees for compliance and implementation efforts associated with this rule. The Committee is concerned that communities conducting the assessment receive no certification from HUD that they have effectively assessed or met their fair housing obligations under the Fair Housing Act. HUD is directed to consider modifying its AFFH process to provide written approval of grantees' assessments of fair housing, while ensuring there is no substantial delay in approving consolidated plans. HUD is developing modified tools and templates for PHAs and communities that choose to provide regional analysis and the Committee encourages the Department to further develop streamlined tools for small entitlement CDBG grantees.

Disparate Impact.—The Supreme Court recently upheld the doctrine of disparate impact in *Texas Department of Housing and Community Affairs v. The Inclusive Communities Project, Inc.*, which serves as the basis of HUD's "Implementation of the Fair Housing Act's Discriminatory Effects Standard" rulemaking. A U.S. District Court has also ruled that HUD failed to adequately consider insurance industry concerns in its rule and remanded the rule to HUD for further consideration. The Committee expects HUD to take action expeditiously in response to the Court's remand.

OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES

Appropriations, 2016	\$110,000,000
Budget estimate, 2017	110,000,000
Committee recommendation	135,000,000

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 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 1.m.)

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 \$135,000,000 for lead-based paint hazard reduction and abatement activities for fiscal year 2017. Of the amount provided, \$20,000,000 is for the Healthy Homes Initiative and \$55,000,000 is for the Lead Hazard Reduction Demonstration Program. This amount is \$25,000,000 more than the President's budget request and the fiscal year 2016 enacted level. This increased funding level will support lead-based paint hazard reductions in over 1,750 additional units, providing safer homes for over 6,200 low and very-low income families or individuals with children under the age of 6.

Blood Lead Level Rule.—In fiscal year 2014, the Committee expressed concern regarding the exposure of children to lead-based paint hazards and noted that a heightened standard for blood lead levels had recently been adopted by the Centers for Disease Control and Prevention [CDC] in 2012. As a result of this new standard, the CDC now estimates that 535,000 American children under 6 years of age are affected by lead poisoning. Exposure to lead can have severe, lasting consequences for children under the age of 6 due their ongoing neurological development. The resulting harms can include reduced IQ, behavioral problems, and learning disabilities. HUD's blood lead level standard, however, has not been updated since 1999, allowing for children's blood lead levels to be three to four times higher than the CDC standard before requiring an environmental intervention. The Committee is extremely concerned that children are living in conditions in assisted housing that have been scientifically-proven to result in lifelong neurological damage. The Committee directs HUD to finalize regulatory action to update its standard for requiring an environmental intervention and adopt the blood lead levels currently advised by the CDC within 90 days after the enactment of this act.

HUD estimates that this regulatory action will require an additional 6,100 environmental interventions in public and HUD-assisted housing units. This change could place additional cost burdens on public housing agencies, which are already unable to meet their deferred capital needs and do not have their administrative funding needs met either. The Committee has provided an additional \$25,000,000 in the Public Housing Capital Fund account to allow PHAs to meet this new regulatory requirement.

Grantee Coordination.—Funds received by States and local governments under the Lead Hazard Reduction Demonstration and the Lead-Based Paint Hazard Control grant programs 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.

Oversight and Enforcement of Lead-Based Paint Regulations.—The Committee is concerned that HUD lacks an appropriate level of oversight and enforcement of its lead-based paint regulations. Respective program offices within HUD are responsible for ensuring that grantees are in compliance with lead-based paint regulations, while the Office of Lead Hazard Control and Healthy Homes enforces lead-based paint regulations and provides technical assistance to HUD offices and grantees. The Committee directs GAO to review HUD's policies, procedures, and processes for oversight to ensure that public housing agencies comply with lead-based paint regulations within 1 year after the date of the enactment of this act. The report shall: (1) analyze existing Federal programs for addressing lead-based paint hazards in dwellings receiving Federal housing assistance; (2) determine whether gaps exist in compliance and enforcement of HUD's lead-based paint regulations; (3) identify existing partnerships with public housing agencies (including State housing finance agencies) and public health agencies in addressing lead-based paint hazards and determine whether those partnerships can be replicated and enhanced with better data collection, analysis, and dissemination among stakeholders; and (4) examine the appropriateness and efficacy of existing HUD protocols on reducing or abating lead-based paint hazards and whether they are aligned with accepted environmental health practices to ensure the best and appropriate health outcomes and reduce further exposure.

INFORMATION TECHNOLOGY FUND

Appropriations, 2016	\$250,000,000
Budget estimate, 2017	286,000,000
Committee recommendation	273,000,000

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 \$273,000,000 for the Information Technology Fund for fiscal year 2017, which is \$13,000,000 less than the budget request and \$23,000,000 more than the fiscal year 2016 enacted level.

The Committee has been very 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. The Committee recognizes HUD's effort to better integrate systems, but there is still more work to be done, and IT system integration should remain a top priority for the Department.

Next Generation Management System [NGMS].—The Committee recommendation includes \$10,000,000 for development, modernization, and enhancement activities to deploy a replacement for the Voucher Management System and the Public Housing Information Center systems. The public housing and housing choice voucher programs serve more than 3 million households and accounts for more than \$24,000,000,000 in annual expenditures. NGMS is part of a systematic approach to improve existing business processes in the areas of program and financial management, and budget execution for PIH's housing choice voucher and public housing programs. The system enhancements that result from the initiative will be more robust, comprehensive, secure, and reliable. Although the tools can be effective, they are limited in their ability to be enterprise IT solutions. This initiative will automate business processes to improve the way HUD collects, analyzes and uses information and will: reduce PHA reporting burdens; provide improved support for PHA cash disbursements based on payee-level data; establish greater transparency to external stakeholders, including the OIG; and will end PIH's reliance on an annual \$1,300,000 contract with a third-party vendor to process more than 7,000 applications, with continual cost increases. The Department is directed to submit a spend plan for approval for these funds to the House and Senate Committees on Appropriations prior to obligating more than 10 percent of these funds.

Federal Housing Administration [FHA] Modernization.—The Committee recommendation includes \$13,000,000 for development,

modernization, and enhancement activities of the IT systems of the FHA. The IT systems currently supporting critical FHA business processes consist of complex, aging IT systems with COBOL-based mainframe applications. These legacy systems were assembled as business needs surfaced over the last 30 years, without the benefit of an architectural plan that could provide the adaptability needed to meet regulatory and industry standards over time. Today, FHA operations require data to move between numerous touch points through hundreds of interfaces, resulting in an environment that has become increasingly complex, costly, and difficult to maintain. The Committee recommendation supports the continued planning, design, and execution for requirements focused on Counterparty Management, Portfolio Analysis, Borrower/Collateral Risk Management/Fraud Monitoring and Infrastructure/Application Modernization. This investment will replace obsolete applications, reduce infrastructure costs, reduce fragmentation of legacy systems, and leverage shared data components in support of multiple housing programs. The Department is directed to submit a spend plan for approval for these funds to the House and Senate Committees on Appropriations prior to obligating more than 10 percent of these funds.

Information Technology Consolidation and Streamlining.—The Committee recognizes that development of more sophisticated IT systems may come with higher costs associated with the additional capabilities. At the same time, HUD must also achieve savings by eliminating legacy systems and old servers. The Committee continues to direct HUD to be more diligent in identifying and achieving savings by retiring old systems and shutting off redundant and inefficient servers. In addition, the Committee urges HUD to continue to look for savings when it renews contracts to reduce the ongoing costs of operating and maintaining its IT systems. 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.

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.—Based on reports and briefings from GAO over the past few years, the Committee recognizes the progress HUD has made in its IT modernization planning efforts, and the focus must now be on its implementation and execution of plans and projects. The Committee emphasizes the importance of pursuing a strategic approach as HUD continues to improve its IT manage-
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ment. To this end, in order to monitor the Department's progress, the Committee instructed GAO in 2012 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.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2016	\$126,000,000
Budget estimate, 2017	129,000,000
Committee recommendation	129,000,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$129,000,000 for the Office of Inspector General. The amount of funding is equal to the budget request and \$3,000,000 above the fiscal year 2016 enacted level. The Committee directs the Inspector General to report to the House and Senate Committees within 120 days of enactment of this act on the management and oversight, including related information technology systems, of the Section 184 Loan Guarantee program.

Audit Reports.—The Committee requests that the Inspector General forward 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 which recommends significant budgetary savings.

First-in First-out Methods.—The Committee is aware that the Inspector General has been working with the Department to resolve concerns with the use of cumulative and first-in first-out [FIFO] methods to disburse and commit HOME funds in the Integrated Disbursement and Information System. The Committee is concerned that similar issues may be present in other programs. To address these concerns, the Committee directs the Inspector General to submit a report on which other, if any, programs administered by the Department use similar methods for the commitment, obligation and disbursement of funds to the House and Senate Committees on Appropriations within 60 days of enactment of this act.

GENERAL PROVISIONS—DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

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 clarifies the allocation of HOPWA funding for fiscal year 2006 and beyond.

Sec. 204. This section requires HUD to award funds on a competitive basis unless otherwise provided.

Sec. 205. This section allows funds to be used to reimburse GSEs and other Federal entities for various administrative expenses.

Sec. 206. This section limits HUD's spending to amounts set out in the budget justification.

Sec. 207. This section clarifies expenditure authority for entities subject to the Government Corporation Control Act.

Sec. 208. This section requires quarterly reports on all uncommitted, unobligated and excess funds associated with HUD programs.

Sec. 209. This section requires that the administration's budget and the Department's budget justifications for fiscal year 2018 be submitted in the identical account and sub-account structure provided in this Act.

Sec. 210. This section exempts Los Angeles County, Alaska, Iowa, and Mississippi from the requirement of having a PHA resident on the board of directors for fiscal year 2017. Instead, the public housing agencies in these States are required to establish advisory boards that include public housing tenants and section 8 recipients.

Sec. 211. This section exempts GNMA from certain requirements of the Federal Credit Reform Act of 1990.

Sec. 212. 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. 213. This section reforms certain section 8 rent calculations as related to athletic scholarships.

Sec. 214. This section provides allocation requirements for Native Alaskans under the Indian Housing Block Grant program.

Sec. 215. This section eliminates a cap on Home Equity Conversion Mortgages for fiscal year 2017.

Sec. 216. This section requires HUD to maintain section 8 assistance on HUD-held or owned multifamily housing.

Sec. 217. This section clarifies the use of the section 108 loan guaranteed program for nonentitlement communities.

Sec. 218. This section allows PHAs with less than 400 units to be exempt from management requirements in the operating fund rule.

Sec. 219. 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.

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Sec. 220. 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. 221. The section requires the Secretary to publish all notices of funding availability that are competitively awarded on the Internet.

Sec. 222. This section limits attorney fees and requires the Department to submit a spend plan to the House and Senate Committees on Appropriations.

Sec. 223. This section allows the Secretary to transfer up to 10 percent of funds or \$4,000,000, 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. 224. This section allows the Disaster Housing Assistance Programs to be considered HUD programs for the purpose of income verification and matching.

Sec. 225. This section requires HUD to take certain actions against owners receiving rental subsidies that do not maintain safe properties.

Sec. 226. This section places limits on PHA compensation.

Sec. 227. This section extends the HOPE VI program until September 30, 2017.

Sec. 228. This section requires the Secretary to provide the Committee with advance notification before discretionary awards are made.

Sec. 229. This section prohibits funds to be used to require or enforce the Physical Needs Assessment.

Sec. 230. This section prohibits funds being used to implement the Homeowners Armed With Knowledge program.

Sec. 231. This section prohibits funds for HUD financing of mortgages for properties that have been subject to eminent domain.

Sec. 232. 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. 233. 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. 234. This section prohibits funds to be used for financial awards for employees subject to administrative discipline.

Sec. 235. 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. 236. This section allows program income to be used as an eligible match for 2015, 2016 and 2017 Continuum of Care funds.

Sec. 237. This section permits HUD to consolidate funds used to manage disaster recovery grants.

Sec. 238. This section modifies the Lead-Based Paint Poisoning Prevention Act to remove the "zero-bedroom dwellings" exclusion

and amends the Residential Lead-Based Paint Reduction Act to include "zero bedroom dwellings."

Sec. 239. This section allows PHAs to establish replacement reserves to address capital needs.

Sec. 240. This section makes changes to the family unification program.

Sec. 241. This section incentivizes measures to reduce energy and water consumption in public housing.

Sec. 242. This section repeals section 211 of the Department of Housing and Urban Development Appropriations Act, 2008.

Sec. 243. This section allows HUD to provide mobility counseling to housing choice voucher participants.

Sec. 244. This section modifies the Rental Assistance Demonstration included in Public Law 112-55.

Sec. 245. This section permits HUD to implement section 78001 of title LXXVIII of Public Law 114-94 through notice while undertaking the rulemaking process.

Sec. 246. This section permits HUD to renew a grant originally awarded as part of Public Law 110-252.

Sec. 247. This section permits HUD to provide 1 year transition grants under the continuum of care program.

TITLE III
INDEPENDENT AGENCIES

ACCESS BOARD

SALARIES AND EXPENSES

Appropriations, 2016	\$8,023,000
Budget estimate, 2017	8,190,000
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 \$167,000 more than the 2016 enacted level and equal to the President's fiscal year 2017 request.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

Appropriations, 2016	\$25,660,000
Budget estimate, 2017	27,490,000
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 assuring that vessel owners or operators establish financial responsibility to pay judgments for death or injury to passengers, or nonperformance of a cruise, on voyages from U.S. ports.

COMMITTEE RECOMMENDATION

The Committee recommends \$27,490,000 for the salaries and expenses of the FMC for fiscal year 2017. This amount is equal to the President's fiscal year 2017 budget request and \$1,830,000 more than the fiscal year 2016 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 oceanborne trade.

NATIONAL RAILROAD PASSENGER CORPORATION

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2016	\$24,499,000
Budget estimate, 2017	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 \$1,225,000 less than the fiscal year 2016 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, 2016	\$105,170,000
Budget estimate, 2017	106,000,000
Committee recommendation	106,000,000

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 \$106,000,000 for the National Transportation Safety Board, which is equal to the budget request and \$830,000 more than the fiscal year 2016 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, 2016	\$175,000,000
Budget estimate, 2017	140,000,000
Committee recommendation	135,000,000

PROGRAM DESCRIPTION

The Neighborhood Reinvestment Corporation was created by the Neighborhood Reinvestment Corporation Act (title VI of the Hous-

ing and Community Development Amendments of 1978, Public Law 95-557, October 31, 1978). Neighborhood Reinvestment Corporation now operates under the trade name, "NeighborWorks America." 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, 235 NeighborWorks organizations serve nearly 3,000 urban, suburban, and rural communities in 49 States, the District of Columbia, and Puerto Rico.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$135,000,000 for NeighborWorks for fiscal year 2017. This amount is \$5,000,000 below the budget request and \$40,000,000 less than the fiscal year 2016 enacted level. The Committee has included funding solely to support NeighborWorks core programs, and 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.

National Foreclosure Mitigation Counseling Program (NFMC).—The Committee has not included any funding for this program. The Committee has been clear that NFMC, which was initially provided "one-time funding" in fiscal year 2008, was not intended to be a permanent program. National foreclosure rates continue to lower and have now dropped below 2007 levels. By not providing additional funding for NFMC, NeighborWorks will be able to utilize the \$4,000,000 provided in fiscal year 2015 to begin to wind-down and close out operations.

Mortgage Rescue Scams.—Since 2009, NeighborWorks has been working to raise awareness of mortgage rescue scams and help vulnerable homeowners access legitimate forms of assistance. This campaign targets at-risk communities and populations through public service announcements, public media, and the Internet. NeighborWorks is working with other partners, such as the Department of Justice and Federal Trade Commission to stop rescue scams. The Committee expects NeighborWorks to continue working with its partners to address this important issue.

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

SURFACE TRANSPORTATION BOARD

SALARIES AND EXPENSES

	Appropriation	Crediting offsetting collections
Appropriations, 2016	\$32,375,000	\$1,250,000
Budget estimate, 2017	42,401,000	1,250,000
Committee recommendation	37,000,000	1,250,000

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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 nonlicensing 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 \$37,000,000. This funding level is \$5,401,000 below the budget request and \$4,625,000 more than the fiscal year 2016 enacted level. Included in the recommendation is \$1,250,000 in fees, which will offset the appropriated funding. The Committee recommendation includes \$2,046,000 to make long overdue improvements to the agency’s information technology system that are necessary to inform the public of Board decisions and activities that impact the movement of people and goods across the country.

The STB Reauthorization Act of 2015, Public Law 114–110, increased the number of Board Members from three to five, and made the STB an independent agency separate from the Department of Transportation. The recommendation provides funding to support the salaries and expenses of the new Board Members and their associated staff and to make accommodations in the STB office space.

On-Time Performance and Preference.—The Committee is concerned by the STB’s notice of proposed rulemaking regarding passenger rail on-time performance [OTP] and policy statement regarding passenger rail preference over freight transportation. Both of these proposals break from legislative intent, as most passengers do not ride intercity trains from endpoint to endpoint and Federal law and industry practice have for decades given intercity passenger trains preference over freight transportation in using a rail line, junction, or crossing. The Committee urges the STB to measure OTP at all intermediate stations along a route, and not solely endpoint stations recognizing that some schedules may need adjustment to reflect the all station performance metric.

UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

OPERATING EXPENSES

Appropriations, 2016	\$3,530,000
Budget estimate, 2017	3,600,000
Committee recommendation	3,600,000

PROGRAM DESCRIPTION

The United States Interagency Council on Homelessness 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 United States Interagency Council on Homelessness [USICH]. This amount is equal to the budget request and \$70,000 more than the fiscal year 2016 enacted level. The bill includes language to amend the McKinney-Vento Homeless Assistance Act and extend USICH's sunset date until October 1, 2018, in addition to adjusting the Executive Director's salary from level V to level IV.

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 directs the USICH to continue to work 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 homeless-

ness among 19 Federal agencies, as well as State, local, nonprofit and philanthropic organizations. However, the Committee is 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 2018 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 2017 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.

Veterans Homelessness.—The Committee is concerned that some servicemembers, upon being discharged, may not fully be aware of their housing and supportive service options as veterans, and as a result, are vulnerable to homelessness. The Committee directs USICH to work with the Department of Defense and the Department of Veterans Affairs to evaluate and report to the House and Senate Committees on Appropriations within 120 days of enactment of this act on how the veteran transition process can be improved to better ensure that a servicemember's risk of homelessness upon being discharged is minimized to the extent possible, if not eliminated.

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

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 2017:

TITLE I—DEPARTMENT OF TRANSPORTATION

National Infrastructure Investments
Federal Aviation Administration
Maritime Administration
Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety

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 April 00, 2016, the Committee ordered favorably reported a bill (S. 0000) making appropriations for the Departments of Transportation, and Housing

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2016 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2017
 [In thousands of dollars]

Item	2016 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2016 appropriation	Budget estimate
TITLE I—DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses

