

FY 1990
House Report
OTB Copy
Transportation App

DEPARTMENT OF TRANSPORTATION AND RELATED
AGENCIES APPROPRIATIONS BILL, 1990

JULY 26, 1989.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. LEHMAN of Florida, from the Committee on Appropriations,
submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 3015]

The Committee on Appropriations submits the following report
in explanation of the accompanying bill making appropriations for
the Department of Transportation and related agencies for the
fiscal year ending September 30, 1990.

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SUMMARY OF THE BILL

The accompanying bill would provide \$11,878,249,569 in new budget (obligational) authority for the programs of the Department of Transportation and related agencies, an increase of \$1,865,703,000 over the \$10,012,546,569 requested in the budget. The amount recommended is \$960,748,000 more than the amount enacted to date in fiscal year 1989. The bill assumes that a total of \$300,000,000 will be provided for the Coast Guard in the Department of Defense Appropriations Act, 1990. This amount compares with \$256,300,000 provided by the Department of Defense Appropriations Act, 1989 and the Military Construction Appropriations Act, 1989.

Appropriations to liquidate contract authorizations totaling \$15,973,405,000 are recommended. The sum is \$38,405,000 more than the budget estimate and \$1,502,905,000 more than the \$14,470,500,000 appropriated for fiscal year 1989.

The Committee has also recommended limitations on obligations for a number of programs which are, for the most part, financed by multi-year contract authority in legislative acts. The total of the limitations on obligations for these programs is \$15,329,580,000. This is an increase of \$563,700,000 over the levels enacted for fiscal year 1989.

BILL HIGHLIGHTS

Selected major recommendations are:

(1) A 13.5 percent (+\$862,170,000) increase over the fiscal year 1989 level for Federal Aviation Administration programs (see page 30 for details)—this represents a 121.2 percent increase over the last 10 fiscal years (1981–1990) for FAA program;

(2) A total of \$3,846,000,000, including funds derived by transfer, for operations of the Federal Aviation Administration, an increase of \$389,400,000 over the fiscal year 1989 level;

(3) A provision providing for obligations of not to exceed \$12,463,500,000 for federal-aid highways, an increase of \$463,500,000 over the fiscal year 1989 limitation;

(4) The appropriation of \$1,928,000,000 for operating expenses of the Coast Guard;

(5) A continuation of funding for the existing urban mass transportation formula grant program at a level of \$1,775,000,000 (including \$70,000,000 in section 9(B) funds), an increase of \$100,000,000 over the fiscal year 1989 level;

(6) The appropriation of \$615,000,000 for Grants to the National Railroad Passenger Corporation (Amtrak);

(7) A provision providing for obligations of not to exceed \$1,500,000,000 for airport development and planning grants;

(8) The appropriation of \$1,732,000,000 for facilities and equipment of the Federal Aviation Administration, an increase of \$347,472,000, or 25 percent, over the fiscal year 1989 appropriation;

(9) A provision providing for obligations of not to exceed \$1,070,000,000 for the discretionary grants program of the Urban Mass Transportation Administration, excluding funding for section 9(B) formula grants;

(10) The appropriation of \$185,000,000 for the research, engineering, and development activities of the Federal Aviation Administration;

(11) An appropriation of \$100,000,000 for construction of the Washington, D.C. metrorail system; and

(12) A provision limiting Essential Air Service subsidies only to those communities that meet certain criteria (see pages 12-14 for details).

TABULAR SUMMARY

The following table summarizes the amounts provided for fiscal year 1989 as well as the amounts recommended in the bill for fiscal year 1990 in comparison with the budget estimates:

COMPARATIVE STATEMENT OF TOTAL OBLIGATIONAL AUTHORITY

	Fiscal year 1989 enacted	Fiscal year 1990 estimates	Recommended in the bill	Bill compared with fiscal year 1990 estimates
TITLE I—DEPARTMENT OF TRANSPORTATION				
Office of the Secretary:				
New budget (obligational) authority	\$94,942,000	\$70,757,000	\$77,957,000	+\$7,200,000
Limitations on obligations				
Subtotal	94,942,000	70,757,000	77,957,000	+7,200,000
Coast Guard:				
New budget (obligational) authority	¹ 3,068,516,000	3,450,430,000	² 3,125,530,000	-324,900,000
Limitations on obligations	30,000,000	15,000,000	30,000,000	+15,000,000
Subtotal	¹ 3,098,516,000	3,465,430,000	² 3,155,530,000	-309,900,000
Federal Aviation Administration:				
New budget (obligational) authority	4,892,263,000	6,043,000,000	5,753,000,000	-290,000,000
Limitations on obligations	1,400,000,000	1,350,000,000	1,500,000,000	+150,000,000
Subtotal	6,292,263,000	7,393,000,000	7,253,000,000	-140,000,000
Federal Highway Administration:				
New budget (obligational) authority	166,229,000	32,190,000	180,210,000	+148,020,000
Limitations on obligations	12,069,405,000	11,380,000,000	12,533,105,000	+1,153,105,000
Subtotal	12,235,634,000	11,412,190,000	12,713,315,000	+1,301,125,000
National Highway Traffic Safety Administration:				
New budget (obligational) authority	98,650,000	106,705,000	104,000,000	-2,705,000
Limitations on obligations	126,000,000	128,500,000	126,000,000	-2,500,000
Subtotal	224,650,000	235,205,000	230,000,000	-5,205,000
Federal Railroad Administration:				
New budget (obligational) authority	666,186,000	61,409,000	705,645,000	+644,236,000
Limitations on obligations				
Subtotal	666,186,000	61,409,000	705,645,000	+644,236,000
Urban Mass Transportation Administration:				
New budget (obligational) authority	2,014,882,000	42,000,000	2,026,809,000	+1,984,809,000
Limitations on obligations	1,140,000,000	1,523,000,000	1,140,000,000	-383,000,000
Subtotal	3,154,882,000	1,565,000,000	3,166,809,000	+1,601,809,000
Saint Lawrence Seaway Development Corporation:				
New budget (obligational) authority	11,100,000	11,788,000	11,750,000	-38,000
Limitations on obligations				
Subtotal	11,100,000	11,788,000	11,750,000	-38,000
Research and Special Programs Administration:				
New budget (obligational) authority	24,100,000	27,389,000	27,125,000	-264,000
Limitations on obligations				
Subtotal	24,100,000	27,389,000	27,125,000	-264,000
Office of the Inspector General:				
New budget (obligational) authority	29,000,000	32,475,000	32,100,000	-375,000
Limitations on obligations				
Subtotal	29,000,000	32,475,000	32,100,000	-375,000
Title I—Department of Transportation:				
Total new budget (obligational) authority	¹ 11,065,868,000	9,878,143,000	² 12,044,126,000	+2,165,983,000
Total limitations on obligations	14,765,405,000	14,396,500,000	15,329,105,000	+932,605,000
Subtotal, obligational authority	¹ 25,831,273,000	24,274,643,000	² 27,373,231,000	+3,098,588,000
TITLE II—RELATED AGENCIES				
Architectural and Transportation Barriers Compliance Board:				
New budget (obligational) authority	1,891,000	2,000,000	1,950,000	-50,000
Limitations on obligations				

COMPARATIVE STATEMENT OF TOTAL OBLIGATIONAL AUTHORITY—Continued

	Fiscal year 1989 enacted	Fiscal year 1990 estimates	Recommended in the bill	Bill compared with fiscal year 1990 estimates
Subtotal	1,891,000	2,000,000	1,950,000	- 50,000
National Transportation Safety Board:				
New budget (obligational) authority.....	25,360,000	25,967,000	26,600,000	+ 633,000
Limitations on obligations.....				
Subtotal	25,360,000	25,967,000	26,600,000	+ 633,000
Interstate Commerce Commission:				
New budget (obligational) authority.....	43,115,000	44,689,000	43,860,000	- 829,000
Limitations on obligations.....	475,000	475,000	475,000	
Subtotal	43,590,000	45,164,000	44,335,000	- 829,000
Department of the Treasury: Rebate of Saint Lawrence Seaway Tolls:				
New budget (obligational) authority.....	10,700,000	10,084,000	10,050,000	- 34,000
Limitations on obligations.....				
Subtotal	10,700,000	10,084,000	10,050,000	- 34,000
Washington Metropolitan Area Transit Authority:				
New budget (obligational) authority.....	51,663,569	51,663,569	51,663,569	
Limitations on obligations.....				
Subtotal	51,663,569	51,663,569	51,663,569	
Title II—Related Agencies:				
Total new budget (obligational) authority	132,729,569	134,403,569	134,123,569	- 280,000
Total limitations on obligations.....	475,000	475,000	475,000	
Subtotal, obligational authority	133,204,569	134,878,569	134,598,569	- 280,000
TITLE III—GENERAL PROVISIONS				
New budget (obligational) authority.....	- 24,796,000			
Limitations on obligations.....				
Subtotal.....	- 24,796,000			
Department of Transportation and Related Agencies:				
Total new budget (obligational) authority.....	¹ 11,173,801,569	10,012,546,569	² 12,178,249,569	+ 2,165,703,000
Total limitations on obligations	14,765,880,000	14,396,975,000	15,329,580,000	+ 932,605,000
Total, obligational authority	¹ 25,939,681,569	24,409,521,569	² 27,507,829,569	+ 3,098,308,000

¹ Includes additional \$256,300,000 provided by the Department of Defense Appropriations Act, 1989 and the Military Construction Appropriations Act, 1989.

² Includes additional \$300,000,000 to be provided in the Department of Defense Appropriations Act, 1990.

COMMITTEE HEARINGS

The Committee has conducted extensive hearings on the programs and projects provided for in the Department of Transportation and Related Agencies Appropriations Bill for fiscal year 1990. These hearings are contained in seven published volumes totaling 7,499 pages. The Committee received testimony from officials of the executive branch, Members of Congress, officials of the General Accounting Office, state and local government officials, and private citizens.

The bill recommendations for fiscal year 1990 have been developed after careful consideration of all the information available to the Committee.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 1990, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), as amended, with respect to appropriations contained in the accompanying bill, the terms "program, project, and activity" shall mean any item for which a dollar amount is contained in appropriations Acts (including joint resolutions providing continuing appropriations) or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference. This definition shall apply to all programs for which new budget (obligational) authority is provided, as well as to discretionary grants, Urban Mass Transportation Administration, and interstate transfer grants-highways, Federal Highway Administration. In addition, the percentage reductions made pursuant to a sequestration order to funds appropriated for facilities and equipment, Federal Aviation Administration, and for acquisition, construction, and improvements, Coast Guard, shall be applied equally to each "budget item" that is listed under said accounts in the budget justifications submitted to the House and Senate Committees on Appropriations as modified by subsequent appropriations Acts and accompanying committee reports, conference reports, or joint explanatory statements of the committee of conference.

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

IMMEDIATE OFFICE OF THE SECRETARY

Appropriation, fiscal year 1989 to date	\$1,071,000
Budget estimate, fiscal year 1990	¹ 1,090,000
Recommended in the bill.....	1,090,000
Bill compared with:	
Appropriation, fiscal year 1989	+19,000
Budget estimate, fiscal year 1990.....	.....

¹ Proposed for consolidation into a single salaries and expenses account.

The Immediate Office of the Secretary has the primary responsibility to provide overall planning, direction, and control of departmental affairs.

The Committee recommends an appropriation of \$1,090,000 for this office, consisting of \$1,025,000 for personnel compensation and benefits to support 14 staff years, and \$65,000 for other costs.

IMMEDIATE OFFICE OF THE DEPUTY SECRETARY

Appropriation, fiscal year 1989 to date	\$464,000
Budget estimate, fiscal year 1990	¹ 521,000
Recommended in the bill.....	470,000
Bill compared with:	
Appropriation, fiscal year 1989	+6,000
Budget estimate, fiscal year 1990.....	-51,000

¹ Proposed for consolidation into a single salaries and expenses account.

The Immediate Office of the Deputy Secretary has the primary responsibility to assist the Secretary in the overall planning, direction and control of departmental affairs.

The Committee recommends an appropriation of \$470,000 for this office, consisting of \$437,000 for personnel compensation and benefits to support 9 staff years, and \$33,000 for other costs.

OFFICE OF THE GENERAL COUNSEL

Appropriation, fiscal year 1989 to date	\$6,000,000
Budget estimate, fiscal year 1990	¹ 6,120,000
Recommended in the bill.....	6,250,000
Bill compared with:	
Appropriation, fiscal year 1989	+ 250,000
Budget estimate, fiscal year 1990.....	+ 130,000

¹ Proposed for consolidation into a single salaries and expenses account.

The Office of the General Counsel provides legal services to the Office of the Secretary and coordinates and reviews the legal work of the Chief Counsels' offices of the operating administrations.

The Committee recommends an appropriation of \$6,250,000 for this office, consisting of \$6,170,000 for personnel compensation and benefits to support 100 staff years, and \$80,000 for other costs. The recommended staffing level reflects the transfer of 3 staff years from the Office of the Assistant Secretary for Public Affairs to handle FOIA activities.

Rulemaking delays.—The Committee is disturbed by the findings of a recent GAO report documenting cases where key NHTSA highway safety regulatory proposals were delayed for extended periods of time at the Office of the Secretary and OMB levels. The Committee does not believe that OST and OMB personnel possess the requisite technical and scientific backgrounds to make substantive judgements on these proposals. Such reviews should be limited in scope and of short duration. The Committee is putting the General Counsel's office on notice that it is expected to tighten up its regulatory oversight responsibility to ensure that major rulemaking decisions are made in a timely fashion. Should additional cases of lengthy bureaucratic OST or OMB delays come to the Committee's attention, resource requirements will be adjusted accordingly.

OFFICE OF THE ASSISTANT SECRETARY FOR POLICY AND INTERNATIONAL AFFAIRS

Appropriation, fiscal year 1989 to date	\$7,950,000
Budget estimate, fiscal year 1990	¹ 8,742,000
Recommended in the bill.....	8,595,000
Bill compared with:	
Appropriation, fiscal year 1989	+ 645,000
Budget estimate, fiscal year 1990.....	- 147,000

¹ Proposed for consolidation into a single salaries and expenses account.

The Office of the Assistant Secretary for Policy and International Affairs is responsible for developing and reviewing policies and plans for domestic and international transportation, and conducting independent safety reviews on the effectiveness of departmental safety programs.

The Committee recommends an appropriation of \$8,595,000 for this office, consisting of \$8,425,000 for personnel compensation and benefits to support 142 staff years, and \$170,000 for other costs. This includes funds for 8 of the 14 staff years requested for the Office of Safety Review (current onboard staffing level). The Com-

mittee has not approved the request to merge 18 staff years into this office from the Office of Essential Air Service.

National bicycle program manager.—The Committee notes the substantial growth in the popularity of bicycling, both as a means of transportation and recreation, in recent years. It is estimated that more than half of all adults bicycled during the last 12 months, and more than 2.5 million people commute to work by bicycle. In light of this trend the Committee directs the Department of Transportation to review its current staffing levels devoted to federal and local bicycling programs. The Committee recommends that at least one full time staff person be appointed to oversee a national bicycle program. This program manager would coordinate the Secretary of Transportation's efforts with FHWA, NHTSA, and UMTA to develop a national plan for the promotion of bicycle ridership and safety.

OFFICE OF THE ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS

Appropriation, fiscal year 1989 to date	\$2,241,000
Budget estimate, fiscal year 1990	¹ 2,285,000
Recommended in the bill.....	2,290,000
Bill compared with:	
Appropriation, fiscal year 1989	+49,000
Budget estimate, fiscal year 1990.....	+5,000

¹ Proposed for consolidation into a single salaries and expenses account.

The Office of the Assistant Secretary for Budget and Programs is responsible for developing, reviewing, and presenting budget resource requirements for the Department to the Secretary, Congress, and OMB.

The Committee recommends an appropriation of \$2,290,000 for this office, consisting of \$2,245,000 for personnel compensation and benefits to support 36 staff years, and \$45,000 for other costs.

OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS

Appropriation, fiscal year 1989 to date	\$2,265,000
Budget estimate, fiscal year 1990	¹ 2,309,000
Recommended in the bill.....	2,300,000
Bill compared with:	
Appropriation, fiscal year 1989	+35,000
Budget estimate, fiscal year 1990.....	-9,000

¹ Proposed for consolidation into a single salaries and expenses account.

The Office of the Assistant Secretary for Governmental Affairs is responsible for coordinating all Congressional, intergovernmental, and consumer activities of the Department.

The Committee recommends an appropriation of \$2,300,000 for this office, consisting of \$2,270,000 for personnel compensation and benefits to support 44 staff years, and \$30,000 for other costs.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Appropriation, fiscal year 1989 to date	\$24,300,000
Budget estimate, fiscal year 1990	¹ 25,889,000
Recommended in the bill.....	24,700,000
Bill compared with:	
Appropriation, fiscal year 1989	+400,000

Budget estimate, fiscal year 1990.....	-1,189,000
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¹ Proposed for consolidation into a single salaries and expenses account.

The Office of the Assistant Secretary for Administration is responsible for coordinating, overseeing or conducting various accounting, procurement, personnel management, and ADP operations of the Department.

The Committee recommends an appropriation of \$24,700,000 for this office, consisting of \$9,700,000 for personnel compensation and benefits to support 168 staff years, and \$15,000,000 for other costs. Major reductions include \$112,000 for 2 staff years, \$518,000 for rental payments to GSA, \$500,000 for contracts, and \$37,000 for administrative costs.

OFFICE OF THE ASSISTANT SECRETARY FOR PUBLIC AFFAIRS

Appropriation, fiscal year 1989 to date	\$1,455,000
Budget estimate, fiscal year 1990	¹ 1,472,000
Recommended in the bill.....	1,290,000
Bill compared with:	
Appropriation, fiscal year 1989	-165,000
Budget estimate, fiscal year 1990.....	-182,000

¹ Proposed for consolidation into a single salaries and expenses account.

The Office of the Assistant Secretary for Public Affairs is responsible for news releases, articles, fact sheets, briefing materials, publications, and audio-visual materials of the Department.

The Committee recommends an appropriation of \$1,290,000 for this office, consisting of \$1,252,000 for personnel compensation and benefits to support 25 staff years, and \$38,000 for other costs. The recommended staffing level reflects the transfer of 3 staff years to the Office of General Counsel to handle FOIA activities.

EXECUTIVE SECRETARIAT

Appropriation, fiscal year 1989 to date	\$824,000
Budget estimate, fiscal year 1990	¹ 840,000
Recommended in the bill.....	835,000
Bill compared with:	
Appropriation, fiscal year 1989	+11,000
Budget estimate, fiscal year 1990.....	-5,000

¹ Proposed for consolidation into a single salaries and expenses account.

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

The Committee recommends an appropriation of \$835,000 for this office, consisting of \$829,000 for personnel compensation and benefits to support 20 staff years, and \$6,000 for other costs.

CONTRACT APPEALS BOARD

Appropriation, fiscal year 1989 to date	\$440,000
Budget estimate, fiscal year 1990	¹ 488,000
Recommended in the bill.....	450,000
Bill compared with:	
Appropriation, fiscal year 1989	+10,000
Budget estimate, fiscal year 1990.....	-38,000

¹ Proposed for consolidation into a single salaries and expenses account.

The Contract Appeals Board provides an independent forum for considering all contract-related claims by or against a contractor involving any element of the Department.

The Committee recommends an appropriation of \$450,000 for this office, consisting of \$427,000 for personnel compensation and benefits to support 6 staff years, and \$23,000 for other costs.

OFFICE OF CIVIL RIGHTS

Appropriation, fiscal year 1989 to date	\$1,305,000
Budget estimate, fiscal year 1990	¹ 1,315,000
Recommended in the bill.....	1,315,000
Bill compared with:	
Appropriation, fiscal year 1989	+10,000
Budget estimate, fiscal year 1990.....	.....

¹ Proposed for consolidation into a single salaries and expenses account.

The Office of Civil Rights is responsible for advising the Secretary on civil rights and equal opportunity matters.

The Committee recommends an appropriation of \$1,315,000 for this office, consisting of \$1,279,000 for personnel compensation and benefits to support 23 staff years, and \$36,000 for other costs.

OFFICE OF COMMERCIAL SPACE TRANSPORTATION

Appropriation, fiscal year 1989 to date	\$585,000
Budget estimate, fiscal year 1990	¹ 805,000
Recommended in the bill.....	645,000
Bill compared with:	
Appropriation, fiscal year 1989	+60,000
Budget estimate, fiscal year 1990.....	-160,000

¹ Proposed for consolidation into a single salaries and expenses account.

The Office of Commercial Space Transportation is responsible for licensing and regulating commercial space launches by the United States private sector.

The Committee recommends an appropriation of \$645,000 for this office, consisting of \$610,000 for personnel compensation and benefits to support 12 staff years, and \$35,000 for other costs. This is an increase of 2 staff years over the fiscal year 1989 level.

OFFICE OF ESSENTIAL AIR SERVICE

Appropriation, fiscal year 1989 to date	\$1,727,000
Budget estimate, fiscal year 1990	¹ 1,105,000
Recommended in the bill.....	1,127,000
Bill compared with:	
Appropriation, fiscal year 1989	-600,000
Budget estimate, fiscal year 1990.....	+22,000

¹ Proposed for consolidation into Office of the Assistant Secretary for Policy and International Affairs at one-third the fiscal year 1989 staffing level to carry out functions remaining after proposed termination of EAS program.

The Office of Essential Air Service is responsible for administering the essential air service subsidy program.

The Committee recommends an appropriation of \$1,127,000 for this office, consisting of \$1,087,000 for personnel compensation and benefits to support 18 staff years, and \$40,000 for other costs. The recommended reduction of 11 staff years from the current level is

commensurate with the 60 percent reduction in the "Payments to air carriers" appropriation.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

Appropriation, fiscal year 1989 to date	\$3,915,000
Budget estimate, fiscal year 1990	¹ 3,500,000
Recommended in the bill.....	3,500,000
Bill compared with:	
Appropriation, fiscal year 1989	-415,000
Budget estimate, fiscal year 1990.....	.....

¹ Proposed for consolidation into a single salaries and expenses account.

The Office of Small and Disadvantaged Business Utilization is responsible for promoting small and disadvantaged business participation in the Department's procurement and grant programs.

The Committee recommends an appropriation of \$3,500,000 for this office, consisting of \$862,000 for personnel compensation and benefits to support 16 staff years, \$38,000 for other costs, and \$2,600,000 for the Minority Business Resource Center.

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	¹ (\$54,542,000)
Budget estimate, fiscal year 1990	(56,481,000)
Recommended in the bill.....	¹ (54,857,000)
Bill compared with:	
Appropriation, fiscal year 1989	(+ 315,000)
Budget estimate, fiscal year 1990.....	(-1,624,000)

¹ Total amount appropriated as separate accounts.

The bill provides a total program level of \$54,857,000 for the salaries and expenses of the various offices comprising the Office of the Secretary. The Committee has not approved the requested merger of these separate salaries and expenses appropriations.

Transfer authority.—The bill includes a general provision (section 341) allowing the Secretary to transfer funds between Office of the Secretary appropriations up to a maximum of 4 percent of the total amount provided to each office.

Office of the Secretary reorganization.—The Committee reiterates its concern about overly fragmented and top heavy organization structures within the various offices of the Office of the Secretary. There is also a need to remove operational organizations from this staff organization. The Committee expects these issues to be resolved in the coming year.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

Appropriation, fiscal year 1989 to date	\$5,600,000
Budget estimate, fiscal year 1990	8,126,000
Recommended in the bill.....	6,200,000
Bill compared with:	
Appropriation, fiscal year 1989	+ 600,000
Budget estimate, fiscal year 1990.....	-1,926,000

This appropriation finances those research activities and studies concerned with planning, analysis, and information development needed to support the Secretary's responsibilities in the formulation of national transportation policies. The program is carried out

primarily through contracts with other federal agencies, educational institutions, nonprofit research organizations, and private firms.

The bill provides \$6,200,000 to be distributed as follows:

Personnel compensation and benefits.....	\$2,310,000
(Policy office staff years).....	(26)
(Commercial space office staff years)	(10)
Planning, research, and development contracts	3,750,000
Other costs	140,000

Of the funds available for planning, research and development contracts, the Committee has included the following amounts:

Transportation policy and planning.....	\$1,500,000
Commercial space	2,250,000

Contractor Priorities.—Of the funds provided for planning, research, and development contracts in fiscal year 1990, the Committee directs that not less than 50 percent be obligated for contracts with historically black colleges or economically and socially disadvantaged contractors.

Research Initiatives.—The Committee has received a report entitled Transportation-Related Sleep Research that was prepared by the Office of the Secretary. The report notes that safety is a top priority of the Department of Transportation and enumerates a number of initiatives that could take place in the areas of data collection, scientific research, and public awareness to document, understand and reduce the number of sleep/fatigue related transportation mishaps. The Committee urges the Department to give careful consideration to the findings in this report in developing future departmental research initiatives.

WORKING CAPITAL FUND

	<i>Limitation</i>	<i>Appropriation</i>
Appropriation, fiscal year 1989 to date	(\$130,350,000)	\$3,200,000
Budget estimate, fiscal year 1990	(144,400,000)	6,150,000
Recommended in the bill	(131,000,000)	4,500,000
Bill compared with:		
Appropriation, fiscal year 1989	(+ 650,000)	+ 1,300,000
Budget estimate, fiscal year 1990	(− 13,400,000)	− 1,650,000

The working capital fund finances common administrative services that are centrally performed in the interest of economy and efficiency in the Department. Charges for services rendered are set at rates that return in full all operating expenses, including a normal reserve for accrued annual leave and depreciation of equipment. The fund is reimbursed by the offices being served.

The bill includes language limiting fiscal year 1990 obligations of the Department of Transportation working capital fund to \$131,000,000. This is \$13,400,000 below the budget request.

In addition, an appropriation of \$4,500,000 is provided to continue implementation of the Departmental Accounting and Financial Information System.

PAYMENTS TO AIR CARRIERS

Appropriation, fiscal year 1989 to date	\$31,600,000
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Budget estimate, fiscal year 1990
Recommended in the bill.....	12,400,000
Bill compared with:	
Appropriation, fiscal year 1989	-19,200,000
Budget estimate, fiscal year 1990.....	+12,400,000

The bill provides \$12,400,000 to continue the Essential Air Service (EAS) program in fiscal year 1990. No new funds were requested for this program. In addition, the bill includes language restricting EAS payments *only* to those communities the subsidies for which meet the following criteria:

(1) are equal to or lower than Amtrak's fiscal year 1988 per passenger subsidy of \$25 per passenger; or

(2) are more than 100 miles away from an alternative service airport; or

(3) are in the State of Alaska or the Commonwealth of the Northern Marianas.

This would provide service to the following communities (according to the most recent available DOT data):

FISCAL YEAR 1990 SUBSIDIZED EAS POINTS

Subsidized point	Miles between EAS community and alternate service airport	Average daily EAS enplanements	Total subsidy ¹	Subsidy per passenger
Under \$25 per passenger:				
Merced, CA	38	26.5	\$310,521	\$18.7
Cortez, CO.....	57	15.9	138,210	13.9
Hays, KS (K.C. hub)	94	.....	122,159	22.0
Battle Creek, MI	20	20.8	159,080	² 12.0
Iron Mountain, MI.....	47	16.3	182,799	17.9
Fort Leonard Wood, MO.....	87	17.6	168,983	15.3
Clovis, NM	100	9.8	133,651	21.8
Hobbs, NM.....	72	10.4	85,690	13.2
Santa Fe, NM.....	59	18.0	132,314	11.7
Massena, NY.....	137	14.1	166,289	18.8
Ogdensburg, NY.....	127	15.9	166,289	16.7
Plattsburgh, NY	77	17.7	166,289	15.0
Saranac Lake/Lake Placid, NY.....	125	11.1	166,289	23.9
Watertown, NY	70	26.9	166,289	9.9
Rocky Mount/Wilson, NC.....	54	69.2	180,492	4.2
Oil City/Franklin, PA.....	55	33.6	128,504	³ 6.1
Huron, SD	91	9.6	108,938	18.1
Cedar City, UT	54	12.8	167,482	19.0
Danville, VA	46	41.8	217,856	³ 8.3
Ephrata/Moses Lake, WA.....	64	11.2	164,336	23.4
Beckley, WV.....	59	44.4	55,123	³ 2.0
Clarksburg/Fairmont, WV.....	34	9.4	128,830	21.9
Morgantown, WV	75	16.3	128,830	12.6
Princeton/Bluefield, WV.....	96	47.6	55,123	³ 1.9
More than 100 miles from alternate service airport:				
Page, AZ.....	137	13.5	177,443	21.0
Blythe, CA.....	103	2.5	354,336	226.4
Lamar, CO.....	120	3.8	176,251	102.7
Dodge City, KS.....	156	7.6	176,251	51.4
Garden City, KS	209	13.5	176,251	28.9
Goodland, KS.....	190	2.7	176,251	144.6
Liberal, KS/Guymon, OK	162	9.0	176,251	43.4
Glasgow, MT	282	4.9	168,229	54.9
Glendive, MT	222	2.9	131,515	72.5
Havre, MT.....	113	2.9	190,495	105.0
Lewistown, MT.....	108	1.7	190,495	179.0

FISCAL YEAR 1990 SUBSIDIZED EAS POINTS—Continued

Subsidized point	Miles between EAS community and alternate service airport	Average daily EAS enplanements	Total subsidy ¹	Subsidy per passenger
Miles City, MT.....	146	3.6	131,515	58.4
Sidney, MT.....	128	7.1	315,815	71.1
Wolf Point, MT.....	222	4.2	168,229	64.0
Chadron, NE.....	104	1.8	222,727	197.6
Norfolk, NE.....	111	3.8	218,079	91.7
North Platte, NE.....	138	5.1	274,222	85.9
Scottsbluff, NE.....	176	7.7	274,222	56.9
Ely, NV.....	188	7.3	359,194	78.6
Williston, ND.....	128	16.4	315,815	30.8
Pierre, SD.....	159	18.4	371,165	32.2
Paris, TX.....	105	2.1	228,799	174.0
Moab, UT.....	110	3.0	172,930	92.1
Vernal, UT.....	171	5.9	203,784	55.2
Alaska service: (42 communities).....			3,015,557	
No. Marianas service: Rota.....			430,410	
Total Appropriation.....			12,400,000	

¹ Reflects rates in effect as of June 15, 1989.

² Estimated. Carrier selected but service not begun.

³ Carrier is providing more service to this community than is being subsidized. Subsidy per passenger calculation includes total passengers carried on all flights, both subsidized and nonsubsidized.

The Committee's recommendation would continue service to 48 of the 110 points in the continental United States that were subsidized in fiscal year 1989. The Department of Transportation estimates that to continue the full program in fiscal year 1990 as presently authorized would cost between \$33,000,000 and \$45,000,000 depending on the extent to which higher service levels are provided.

The Committee has endeavored to scale this program back to meet the air service needs of communities that are long distances from alternate service airports or have demonstrated the ability to use this service (as measured by the relatively low subsidies per passenger). The Committee believes that limiting the per passenger subsidies for this program to the fiscal year 1988 per passenger subsidy paid for Amtrak service is a fair and equitable standard for judging the utility of the service provided.

COAST GUARD

SUMMARY OF FISCAL YEAR 1990 PROGRAM

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

The Committee recommends a total program level of \$3,155,530,000 for the activities of the Coast Guard in fiscal year 1990. This is \$309,900,000 less than the budget request, and \$47,747,000 more than the fiscal year 1989 program level.

The following table summarizes the fiscal year 1989 program levels, the fiscal year 1990 program requests, and the Committee's recommendations:

Program	Fiscal year 1989 program level	Fiscal year 1990 program request	Recommended in the bill
Operating expenses	¹ \$2,122,383,000	\$2,252,200,000	² \$2,228,000,000
Acquisition, construction, and improvements.....	³ 445,300,000	682,300,000	383,800,000
Alteration of bridges	⁴ 13,500,000	2,330,000	2,330,000
Retired pay	410,800,000	420,800,000	420,800,000
Reserve training	67,000,000	73,800,000	71,800,000
Research, development, test, and evaluation.....	18,800,000	19,000,000	18,800,000
Boat safety	⁵ 30,000,000	⁵ 15,000,000	⁵ 30,000,000
Total.....	3,107,783,000	3,465,430,000	3,155,530,000

¹ Includes \$140,000,000 in services in kind from the Department of Defense Appropriations Act, 1989; \$70,500,000 derived by transfer, and reflects reduction of \$233,000 in accordance with Sec. 347 of P.L. 100-457.

² Includes \$300,000,000 in the Department of Defense Appropriations Bill, 1990.

³ Includes \$50,300,000 in the Military Construction Appropriations Act, 1989 and excludes \$9,500,000 transferred to other accounts.

⁴ Includes \$5,000,000 derived by transfer.

⁵ Limitation on obligations.

OPERATING EXPENSES

	<i>Appropriation</i>	<i>Appropriation plus DOD</i>
Appropriation, fiscal year 1989 to date	¹ \$1,912,116,000	¹ (\$2,118,116,000)
Budget estimate, fiscal year 1990	2,252,200,000	(2,252,200,000)
Recommended in the bill	1,928,000,000	(2,228,000,000)
Bill compared with:		
Appropriation, fiscal year 1989	+15,884,000	(+109,884,000)
Budget estimate, fiscal year 1990	-324,200,000	(-24,200,000)

¹ An additional \$4,500,000 was provided by transfer.

The Committee recommends an appropriation of \$1,928,000,000, including \$30,000,000 to be derived from the boat safety account, for operating expenses of the Coast Guard. The Committee recommendation assumes that an additional \$300,000,000 will be made available for Coast Guard military readiness and drug interdiction activities in the fiscal year 1990 Department of Defense Appropriations Bill. The Department of Defense Appropriations Act, 1989, provided \$206,000,000 for similar purposes. The amount recommended, together with the additional \$300,000,000, will provide for a total program level of \$2,228,000,000. Although this is \$24,200,000 less than the budget estimate, it represents an increase of \$109,884,000 over the comparable fiscal year 1989 level.

This appropriation provides funds for the operation and maintenance of multipurpose vessels, aircraft, and shore units strategically located along the coasts and inland waterways of the United States and in selected areas overseas. Operating expenses are appropriated for the following categories:

(1) *Search and Rescue*.—The Coast Guard maintains a nationwide system of boats, aircraft, cutters, and rescue coordination centers on 24-hour alert.

(2) *Aids to Navigation*.—To ensure safe passage, a network of aids to navigation is maintained. Loran navigation stations are operated in the United States and abroad to serve the needs of the armed services as well as civilian marine and air commerce. Administrative oversight is exercised over the construction, maintenance, and operation of bridges across navigable waters of the United States.

(3) *Marine Safety*.—The Coast Guard ensures compliance with various federal statutes and regulations pertaining to the merchant marine industry, operates a boat safety standards program, and is responsible for the safety and security of U.S. ports and waterways.

(4) *Marine Environmental Protection*.—The Coast Guard is responsible for preventing damage to the marine environment and enhancing environmental quality.

(5) *Enforcement of Laws and Treaties*.—The Coast Guard enforces international agreements and federal laws on the high seas and waters over which the United States exercises jurisdiction, including fisheries violations, drug smuggling, illegal immigration, hijacking/theft of vessels, and other unlawful activities.

(6) *Marine Science and Ice Operations*.—Marine science activities, including the International Ice Patrol, are carried out on a cooperative basis with other government agencies. Ice operations are conducted to support the requirements of Coast Guard programs and other agencies to facilitate commerce.

(7) *Military Readiness*.—The Coast Guard operates as a service of the Navy in time of war or national emergency at the direction of the President.

The Committee expects the amount recommended, together with the funding contained in the fiscal year 1990 Department of Defense Appropriations Bill, to be sufficient to provide for the full budget request of 37,048 military positions and 4,632 civilian positions. These levels represent a decrease of 37 military and an increase of 56 civilian positions from the comparable fiscal year 1989 levels.

The recommended reduction of \$24,200,000 includes the following program changes:

GSA rent (freeze)	-\$4,875,000
Use of Customs forfeiture fund	-5,000,000
Travel (limit increase to 3.6 percent instead of 5.6 percent)	-2,400,000
Land based aerostats (slippage in operational date)	-5,250,000
Other slippages in commissioning new equipment and facilities	-1,675,000
Shore facility rehabilitation (limit increase to 3.6 percent instead of 6 percent)	-4,500,000
Vessel identification system (allows \$4,500,000 of requested \$5,000,000)	-500,000
Total	-24,200,000

The Committee recommendation assumes increased reimbursements from the Customs forfeiture fund. The Anti-Drug Abuse Act of 1988 gives the Coast Guard and Customs Service equal access to this fund for expenses related to seized property, including investigative costs, costs associated with the inventory, security, maintenance and sale of the property, compensation to informers, and satisfaction of liens against the property. As the following testimony by the Inspector General indicates, the Coast Guard should be

making a greater effort to receive proper reimbursements from this fund:

Mr. LEHMAN. How much does Customs owe to the Coast Guard, in your judgment? And do you believe the Coast Guard is aggressive in seeking reimbursement?

Mr. MELCHNER. The last Coast Guard bill was for \$2.4 million, \$1.4 out of the Seventh District and a million out of the Eighth District. The Coast Guard has only been reimbursed \$300,000 of these claims, so they're still short \$2.1 million for FY 1987.

In FY 1987 the Customs Service transferred about \$52 million from the Forfeiture Fund to the General Treasury Fund. So there was a significant amount of resources moved. I'm not certain how much good it would do to get those resources back into the 1987 Coast Guard appropriations because they have expired. I don't know that it would give them any more assets.

The Coast Guard should be more aggressive in billing the fund for proper expenses. I can't believe that there are just two Coast Guard districts, the seventh and eighth, who have expenditures that are appropriately charged to that fund. But the general attitude has been, if we're not going to get any money out of it, why go through all the effort of sending the bills in?

The Committee has reduced by one-half the \$10,500,000 increase requested for the operation of Caribbean land-based aerostats based on testimony that these systems will be operational for only three quarters rather than the six quarters assumed in the budget request.

The Committee has also limited the increases for travel and shore facility rehabilitation to 3.6 percent.

DRUG INTERDICTION

The bill includes language requiring that not less than \$567,000,000 of operating expense funds be used for drug interdiction activities. This is in keeping with the Committee's continuing commitment to such activities. The Coast Guard's interdiction activities mainly revolve around marijuana shipments, since the Drug Enforcement Administration estimates that about 60 percent of the marijuana consumed in the United States is smuggled in by sea. In addition, in recent years Coast Guard seizures of cocaine have increased at a significant rate. A breakdown of Coast Guard contraband seizures follows:

COAST GUARD DRUG SEIZURES

	Fiscal year						
	1982	1983	1984	1985	1986	1987	1988
Vessels seized	185	145	223	184	147	152	143
Marijuana on vessels (lbs)	3.53M	2.24M	2.80M	1.86M	1.75M	1.22M	619K
Marijuana adrift (lbs)	61K	61K	62K	94K	92K	78K	26K
Cocaine (lbs)	40	55	1,932	5,890	7,495	12,930	14,635
Hashish (lbs)	35K	1	30K	0	2K	2	0
Hash oil (gal)	7	0	28	0	35	13	52
Arrests	1,048	709	1,056	724	646	568	372

Note: The above statistics represent Coast Guard seizures only. In addition, in fiscal year 1988 the Coast Guard assisted in the seizure of 73 vessels, 110,541 pounds of marijuana, 24,365 pounds of cocaine, and in the arrest of 156 individuals.

The fiscal year 1988 figures for vessels seized includes 61 seizures under the Zero Tolerance program.

As the table indicates, the amount of marijuana seized by the Coast Guard in fiscal year 1988 was about 50 percent less than in 1987 and 82 percent less than in the peak year of 1982. Conversely, seizures of cocaine have increased from 40 pounds in 1982 to over

14,600 pounds in 1988. The Coast Guard regards the lower amount of marijuana seized as an indication that they have been successful in reducing maritime shipments of this substance. However, other data collected by the National Institute on Drug Abuse (NIDA), that are summarized in the following table, indicate that neither the increased amount of cocaine seizures nor the continuing efforts to interdict marijuana shipments seem to have had any noticeable effect on reducing the availability of these substances in the United States:

TRENDS IN PERCEIVED AVAILABILITY OF DRUGS, HIGH SCHOOL SENIORS

[Percentage saying drug would be "Fairly easy" or "Very easy" for them to get]

	Class of—				
	1984	1985	1986	1987	1988
Marijuana.....	84.6	85.5	85.2	84.8	85.0
Amyl & butyl nitrites.....	NA	NA	NA	23.9	25.9
LSD.....	30.6	30.5	28.5	31.4	33.3
PCP.....	NA	NA	NA	22.8	24.9
Some other psychedelic.....	26.6	26.1	24.9	25.0	26.2
Cocaine.....	45.0	48.9	51.5	54.2	55.0
"Crack".....	NA	NA	NA	41.1	42.1
Cocaine powder.....	NA	NA	NA	52.9	50.3
Heroin.....	19.9	21.0	22.0	23.7	28.0
Some other narcotic (including methadone).....	32.1	33.1	32.2	33.0	35.8
Amphetamines.....	68.2	66.4	64.3	64.5	63.8
Barbiturates.....	51.9	51.3	48.3	48.2	47.8
Tranquilizers.....	54.5	54.7	51.2	48.6	49.1
Approx. N =	(3,260)	(3,274)	(3,077)	(3,271)	(3,231)

Note.—NA indicates data not available. Answers were: (1) Probably impossible, (2) Very difficult, (3) Fairly difficult, (4) Fairly easy, and (5) Very easy.

The Committee continues to be deeply concerned that the Coast Guard's drug interdiction activities have been only marginally effective in combating illegal drug use. As the following table indicates, in fiscal year 1988 the cost per seizure was over \$432,000, an increase of 35 percent from fiscal year 1986.

CG DRUG SEIZURE RESULTS (CUTTERS ONLY)

	Fiscal year:		
	1986	1987	1988
Cutter drug law enforcement costs.....	\$34.5M	\$34.6M	\$25.9M
Seizures.....	108	87	60
Pounds marijuana.....	1,542K	862K	483K
Pounds cocaine.....	3,636	6,616	6,382
Cost per seizure.....	\$319,600	\$397,600	\$432,400
Cost per pound marijuana.....	\$22	\$40	\$54
Cost per pound cocaine.....	\$9,500	\$5,200	\$4,100

Note.—The cost estimates above are based on Coast Guard cutter operating costs for seizures made where cutters were the primary units effecting the seizure. Actual operating costs for cutter fleet apportioned by the amount of time spent on drug law enforcement activities are the basis for the costs shown. Personnel expenses and depreciation of assets are excluded.

In spite of the increased cost per seizure, the Committee believes that drug interdiction is important, and should be continued. However, other activities such as obtaining the cooperation of foreign governments to eradicate drugs at the source, reducing demand

through educational programs, stepping up domestic law enforcement efforts, and prosecuting and penalizing drug users and traffickers to the full extent of the law must also be fully supported and managed in a coordinated fashion.

Most officials believe that the long-term solution to the U.S. drug problem rests in demand reduction, not supply reduction. Sources of supply will continue to be available until there is a significant decrease in the demand for narcotics and dangerous drugs. The Committee continues to be concerned that the level of federal effort in the demand reduction areas is not commensurate with that provided for drug interdiction and other supply reduction activities.

For example, the following table shows the federal budget for drug abuse activities for fiscal years 1987 through 1990:

FEDERAL DRUG LAW ENFORCEMENT AND ABUSE SUMMARY

[Budget authority in millions]

	Fiscal years—			
	1987	1988	1989	1990 (Budget estimate)
Drug interdiction	\$1,441.4	\$1,043.0	\$1,534.1	\$1,589.3
(Coast Guard)	(553.0)	(509.8)	(628.9)	(685.4)
Other law enforcement.....	1,638.6	1,774.4	2,306.5	3,029.6
Subtotal, law enforcement	3,080.0	2,817.4	3,840.6	4,618.9
Drug abuse prevention	532.9	604.8	940.8	1,086.7
Drug abuse treatment.....	413.4	400.3	621.0	735.3
Subtotal, prevention and treatment.....	946.3	1,005.1	1,561.8	1,822.0
Total, drug funds.....	4,026.3	3,822.5	5,402.4	6,440.9

Source: Department of Transportation.

The Committee believes that future efforts to increase funding for drug abuse prevention activities should emphasize demand reduction.

In the past, the Committee has expressed concern about the lack of program performance measures regarding the Coast Guard's drug interdiction activities. There does not appear to be any clear correlation between the level of expenditures devoted to interdiction and the price and purity of illegally imported drugs. The Commandant acknowledged, in testimony before the Committee, that the Coast Guard still has not developed meaningful performance measures. The Committee continues to believe that the Coast Guard should establish measurable and attainable goals for the agency's drug interdiction efforts.

WAPPINGER CREEK BRIDGE

The Committee directs the Coast Guard to designate the Wappinger Creek Bridge in New Hamburg, New York a fixed structure under 33 CFR 117.813.

PUGET SOUND VESSEL TRAFFIC SERVICE

The Committee directs that the Coast Guard study the feasibility of expanding the Puget Sound vessel traffic service to the Port of Olympia, including an analysis of advanced VTS technology as well as existing technology. The Committee is aware of blind spots within the existing Puget Sound VTS, particularly in the 1,500 yard stretch in Rosario Strait between Blakely Island and Cypress Island. The study should also discuss the relative hazards of these radar blind spots and make recommendations for improving safety in these areas and any other high traffic regions not presently subject to radar coverage. This study should be submitted to the Committee by February 1, 1990.

PASSIVE ACOUSTIC SURVEILLANCE TECHNIQUES

The Committee believes that modern anti-submarine warfare techniques that employ passive acoustic systems may present an important opportunity to the Coast Guard for improving its ability to perform its law enforcement mission. The Committee encourages the Coast Guard to investigate the surveillance advantages that may be derived from such equipment, which include the ability to detect and locate surface ships without the use of radar and to detect surface contacts beyond radar range. The Committee also is interested to know if the use of such equipment could actually reduce operating costs since surveillance could be accomplished by vessels at anchor without the need for routine air surveillance or by shore facilities. The Committee requests the Coast Guard to undertake a comprehensive review of the potential for integrating passive acoustic systems into its law enforcement tactics and activities and report to Congress on the costs and benefits of so doing. Such review should include an analysis of the comparative operating and capital costs of conducting surveillance by existing means versus passive acoustic systems and analyze the potential for both enhancing and replacing existing and planned radar systems with passive acoustic systems. The Committee expects to receive this report no later than January 15, 1990.

ANTI-SUBMARINE WARFARE READINESS

The Committee requests a report on the current state of readiness of designated Coast Guard units to perform their anti-submarine warfare mission. Such report shall discuss current ASW training standards, techniques, and requirements, the current state of readiness of Coast Guard personnel, and estimates of the necessary capital and operating costs associated with filling any deficiencies. This report also shall discuss the cost effectiveness of using on board ASW trainers to meet Coast Guard ASW training needs.

GENERAL PROVISION

The bill includes a new general provision (Sec. 330) that would prohibit funds to plan, finalize, or implement regulations that would establish a vessel traffic safety fairway less than five-miles-wide between the Santa Barbara traffic separation scheme and the San Francisco traffic separation scheme. On April 27, 1989, the De-

partment published a notice of proposed rulemaking that would narrow the originally proposed five-mile-wide fairway to two one-mile-wide fairways separated by a two-mile-wide area where offshore oil rigs could be built if Lease Sale 119 goes forward. Under this revised proposal vessels would be routed in close proximity to oil rigs because the two-mile-wide non-fairway corridor could contain drilling rigs at the edge of the fairways. The Committee is concerned that this rule, if implemented, could increase the threat of offshore oil accidents off the California coast. Accordingly, the Committee is recommending a prohibition on the implementation of this regulation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

Appropriation, fiscal year 1989 to date	¹ \$395,000,000
Budget estimate, fiscal year 1990	682,300,000
Recommended in the bill.....	383,800,000
Bill compared with:	
Appropriation, fiscal year 1989	-11,200,000
Budget estimate, fiscal year 1990.....	-298,500,000

¹ Does not include an additional \$50,300,000 appropriated for shore facilities in the Military Construction Appropriations Act, 1989.

The bill includes \$383,800,000 for the capital acquisition, construction, and improvement programs of the Coast Guard for vessels; aircraft; command, control, and communications and related systems; shore facilities; family housing; aids to navigation; and administration and survey and design.

The total program level of \$429,200,000 includes \$133,700,000 for vessels; \$189,000,000 for aircraft; \$13,200,000 for command, control, and communications and related systems; \$62,800,000 for shore facilities and \$30,500,000 for administration.

VESSELS

The Committee recommends a program level of \$133,700,000 for vessels to be distributed as follows:

	Budget estimate	Amount recommended
Polar icebreaker acquisition.....	\$244,000,000	\$1,500,000
Polar icebreaker improvements	1,300,000	1,300,000
378-foot high endurance cutter renovation and modernization (FRAM)	97,000,000	¹ 97,000,000
378-foot high endurance cutter weapons modernization	10,000,000	² 10,000,000
210-foot medium endurance cutter major maintenance availability (MMA)	8,000,000	8,000,000
180-foot buoy tender replacements.....	3,200,000	3,200,000
180-foot buoy tender service life extension project (SLEP)	3,200,000	3,200,000
Motor lifeboat replacements.....	5,800,000	5,800,000
Cutter boat replacements	2,600,000	2,600,000
Barge replacements.....	1,100,000	1,100,000
Total, vessels.....	376,200,000	133,700,000

¹ Of which \$35,400,000 shall be derived from prior year funds previously reserved for the following projects: \$17,000,000 (Anti-Drug Abuse Act of 1988) for the installation of APS-125 or APS-138 radar system; \$10,000,000 (Coastal Defense Augmentation Account) for prototype ASW equipment; \$5,900,000 Island Class patrol boat contract underrun; \$2,500,000 AN/APG-66 radar contract underrun.

² To be derived from prior year funds previously reserved for CDAA prototype ASW system.

Polar icebreaker replacement.—The Committee has deferred without prejudice the \$244,000,000 request to procure a new polar icebreaker. The Coast Guard estimates the acquisition cost for this

new vessel to be approximately \$330,000,000 and the annual operating cost about \$7,000,000. The new icebreaker would have significantly greater research capability than the Coast Guard's existing two polar icebreakers. However, the new vessel would be able to break only 4.5 feet of ice continuously at a speed of 3 knots while each of the two existing vessels is able to break 6 feet of ice continuously at that speed.

The Committee believes that a number of uncertainties need to be addressed adequately before an investment of this size can be justified. Chief among these is the need to reconcile plans of the two largest projected users of this vessel to acquire their own ice-capable vessels. The National Science Foundation, which has been the largest single user (nearly 50 percent), is proceeding with plans to obtain its own vessels to perform research in the Antarctic and Arctic. In addition, the Navy has long-range plans to obtain a vessel for its Arctic research needs. There also exist disagreements between the Coast Guard and NSF over key needs. For example, the Coast Guard justifies its icebreaker needs partially on the premise that a backup icebreaker is required during the resupply of NSF's McMurdo station in case the primary icebreaker becomes stuck in heavy ice. The NSF, which must pay for the backup services, believes a backup icebreaker is unnecessary.

It also appears that historical usage does not justify the currently established requirement of 4 Coast Guard icebreakers. According to the GAO, the Coast Guard is having difficulty filling excess capacity for its two existing icebreakers.

These issues, and others, raise serious questions about the number and type of icebreakers that are needed. For instance, according to the GAO, the type of icebreaking that will be required by the NSF has changed since the 1984 interagency justification studies were done. The GAO suggests that the type of icebreaker required by the Coast Guard may be more in line with its existing icebreakers—with higher icebreaking capability and little or no scientific research capability. In any event, the Committee believes that the cost of any scientific capability that is added to the vessel design that solely supports the mission of the NSF (or any other agency) should be borne by that agency.

The Committee believes these issues deserve full and careful review by a neutral third party within the administration. The appropriate method for addressing these issues is the report to Congress on polar icebreaking needs that was mandated by the Coast Guard Authorization Act of 1988. That report was due on October 1, 1988, but has yet to be submitted. It is the Committee's understanding that disagreement between the Coast Guard and NSF is the primary reason for its delay.

The Committee is concerned about the difficulty the administration is having in resolving these issues, which have existed for several years. Without such resolution and without the President's report, the Committee cannot evaluate the merits of funding a new polar icebreaker. Consideration of funding in future years will be contingent on the President's submission of the required icebreaker report that fully discusses and resolves the issues raised in GAO testimony on this issue. The bill includes \$1,500,000 to support any

redesign work that may become necessary due to changed requirements.

Motor lifeboat replacement.—Although the bill includes \$5,800,000 for the construction of 5 pre-production motor lifeboats as requested, the Committee is concerned by the findings in a March 17, 1989 Inspector General report that raised serious questions about the design of this boat. The IG report contained the following excerpt:

. . . Navy officials stated that they have serious doubts about the overall suitability of the 47-foot MLB design, because the vessel will roll excessively and will not be self-righting in all cases. Navy officials believe that there are major flaws in the basic 47-foot MLB design. The Navy noted the following problems with the MLB preliminary design:

Rolling will be excessive in extremely rough seas and severely impact the ability of the coxswain (pilot) to navigate the vessel during rescue operations from the flying bridge. Roll acceleration calculations show that in heavy sea conditions, the crew on the flying bridge will "be reduced to simply holding on."

Stability calculations under conditions where the pilot house is flooded show that the vessel will not self-right. Differences in the Navy and the Coast Guard's stability calculations need to be identified and resolved, because the MLB prototype contract does not require that the vessel be tested under these conditions.

MLB design lacks continuous longitudinal structure in critical hull areas which may result in long-term cracking problems. Because such cracking problems may not develop during the prototype and preproduction testing period, operational limitations may be required for the entire MLB fleet at a later date.

Design of the hull recess area for extracting survivors from the water will not be functional for its intended purpose. This will adversely impact the ability of the crew to effectively recover survivors from the water.

MLB design provides no skeg to protect the propellers during shallow water operations.

In addition to the Navy's concerns, the OIG Engineering Advisor believes that cognizant Coast Guard officials did not adequately address the special problems associated with working with aluminum during the MLB procurement process. Navy officials agreed with the OIG Engineering Advisor that working with aluminum is more difficult than steel and requires a greater level of quality control in structural detailing and welding to ensure the construction of a quality vessel. This is particularly important for this vessel, because the MLB will primarily be operating in heavy weather and surf conditions.

In view of these comments, the Committee directs that none of these funds be made available until after the Inspector General submits a written certification to the House and Senate Appropriations Committees that all design problems discussed in the March 17 report have been addressed satisfactorily in the prototype operation, test and evaluation process. The Inspector General is expected to consult with the Department of the Navy in making this determination.

210-foot cutter major maintenance availability.—The Committee is concerned about the large cost increases associated with the 210-foot cutter MMA project. The total estimated cost of this program has increased by 44 percent over two years. Testimony indicates that cost escalation is especially pronounced at one of the two shipyards performing this work. The MMA cost of the first vessel was \$28,600,000 at this shipyard versus \$18,000,000 at the other shipyard. This could result in excess costs of \$90-\$100,000,000 if all nine of the remaining "B" class cutters are rehabilitated at this facility. The Committee understands that the Department has reviewed its options under its MMA contract and plans to move the project to the Coast Guard Yard. The Committee supports this deci-

sion. The Coast Guard should ensure that future contracts of this type are structured similarly.

AIRCRAFT

The sum of \$189,000,000 is recommended for aircraft, to be distributed as follows:

	Budget estimate	Amount recommended
HU-25 (Falcon jet) spare parts.....	\$25,000,000	\$20,000,000
HU-25 (Falcon jet) engine improvements.....	1,600,000	1,600,000
HU-25 (Falcon jet) television sensors.....	8,100,000	.....
HH-65 (Dolphin helicopter) spares provisioning.....	18,100,000	18,100,000
HH-65 (Dolphin helicopter) engine improvements.....	10,200,000	10,200,000
HH-60 (MRR helicopter) replacements.....	132,000,000	132,000,000
TALON shipboard helicopter tiedown.....	7,100,000	7,100,000
Total.....	202,100,000	189,000,000

Dolphin helicopter engine replacement.—The Committee is deeply disturbed by the extremely poor performance of the Dolphin helicopter LTS-101 engines manufactured by Textron-Lycoming. The Coast Guard has taken delivery of 96 Dolphin helicopters between 1984 and 1989. Severe engine problems have been experienced since the inception of the program, resulting in very low availability rates and high maintenance costs that are becoming prohibitive.

Testimony indicates that: (1) two in-flight engine failures have occurred in the first 180,000 hours of operation; (2) one emergency landing was required that resulted in the total loss of the aircraft; (3) fleet availability rates are currently 49 percent against a goal of 71 percent; (4) engine overhauls are required every 300 hours versus the original forecast of one every 2,400 hours; and (5) engine overhaul costs are running at \$333 per aircraft flight hour versus the original planned cost of \$112 per aircraft flight hour.

The Committee has reluctantly included \$28,300,000 in the bill for additional engine modifications and spares provisioning for these engines. Much of this cost is unplanned expense related to poor engine performance. In view of this history, and pessimistic testimony from the Coast Guard about future improvement, the Committee directs the Coast Guard to prepare a comprehensive report to Congress that assesses past LTS-101 engine performance; compares the operating and capital costs of satisfactorily modifying the LTS-101 engine to meet all Coast Guard requirements versus reengining these aircraft with the Army T-800 engine or other commercially available engines; and presents recommendations on how to proceed. Such report shall be submitted to Congress no later than January 1, 1990.

Falcon jet active-gated televisions.—The Committee has deleted funds requested to purchase two AGTV systems and spares. Prototype testing of the AIREYE system has shown that the AGTV component of this system has severe reliability problems due to humidity and design deficiencies. Testimony does not provide assurance that such problems can be overcome.

COMMAND, CONTROL, AND COMMUNICATIONS

The Committee recommends a program level of \$13,200,000 for command, control, and communications and related systems. These funds are to be distributed as follows:

	Budget estimate	Amount recommended
HC-130 forward looking airborne radar.....	\$4,900,000	\$4,900,000
Global positioning system installation.....	1,600,000	1,600,000
SARSAT local user terminals.....	2,600,000	2,600,000
Aircraft repair and supply center computer replacement.....	1,500,000	1,500,000
Distributed computing system.....	1,900,000	1,900,000
Portable intelligence collection system.....	700,000	700,000
Total.....	13,200,000	13,200,000

SHORE FACILITIES/AIDS TO NAVIGATION

The bill includes \$62,800,000 for the following shore facility and aids to navigation projects:

	Budget estimate	Amount recommended
Tacoma, WA vessel traffic system.....		\$4,000,000
Minor shore construction projects.....	\$8,100,000	7,500,000
Underground storage tank cleanup.....	1,000,000	1,000,000
Clearwater, FL SEUS station improvements.....	5,100,000	5,100,000
Seattle, WA support center renovation, pier 35 construction.....	1,200,000	1,200,000
Elizabeth City, NC clinic replacement.....	3,200,000	3,200,000
Kodiak, AK fuel farm containment construction.....	1,900,000	1,900,000
Petaluma, CA replacement water line.....	2,400,000	2,400,000
Cape May, NJ beach erosion control.....	3,400,000	3,400,000
Public family quarters.....	7,600,000	10,000,000
Ketchikan, AK base renovation.....	4,900,000	4,900,000
Palm Beach, FL new station.....	3,200,000	3,200,000
Rodanthe, NC station replacement.....	3,600,000	3,600,000
Southport, NC rebuild station.....	3,000,000	3,000,000
Greenville, MS moorings relocation.....	2,200,000	2,200,000
East Tawas, MI rebuild station.....	2,200,000	2,200,000
Aids to navigation projects.....	6,700,000	6,000,000
Program slippages/design changes.....		-2,000,000
Total.....	59,700,000	62,800,000

Tacoma, WA vessel traffic service.—The bill includes \$4,000,000 to extend coverage of the Puget Sound vessel traffic service radar system from Seattle to Tacoma, Washington (to include Commencement Bay).

Public family quarters.—The Committee has added \$3,400,000 above the budget request to accelerate Coast Guard efforts to address the problem of inadequately housed families. Testimony indicates that housing problems are most severe in the 1st, 7th, and 17th districts, and the Committee expects these additional funds to be focused on those areas.

ADMINISTRATION

The sum of \$30,500,000 is recommended for acquisition, construction, and improvements program administration, including \$25,800,000 for personnel support and related costs and \$4,700,000 for survey and design work. This is \$600,000 less than the budget estimate, and \$2,200,000 more than the current fiscal year. The Committee has approved the requested personnel levels of 387 military and 230 civilian positions. These represent increases of 57 military and 6 civilian positions from the fiscal year 1989 levels.

CONTRACTOR WARRANTIES

The bill continues the language enacted for the past four fiscal years regarding written warranties for all contracts for major systems acquisitions of the Coast Guard. The language includes certain exceptions, such as a waiver provision in the interest of national defense. The Committee intends that this provision apply to the prime contractor in any procurement amounting to more than \$25,000,000. The guarantee should specify that the system conforms with the Government's performance requirements and at the time it is provided to the United States is free from all defects in materials and workmanship. The guarantee also should state that in the event of a failure, the contractor will bear the cost of all work, including repairing or replacing all parts that are necessary, to achieve the specified performance.

ALTERATION OF BRIDGES

Appropriation, fiscal year 1989 to date	\$8,500,000
Budget estimate, fiscal year 1990	2,330,000
Recommended in the bill.....	2,330,000
Bill compared with:	
Appropriation, fiscal year 1989	-6,170,000
Budget estimate, fiscal year 1990.....	.....

The Coast Guard has the responsibility to order the alteration or removal of bridges that have become unreasonable obstructions to the waterborne commerce of the United States. This account provides for the federal government's share of the cost of such alteration or removal.

The sum of \$2,330,000 is recommended to continue the alteration of the Norfolk Southern Railroad bridge over the Mississippi River at Hannibal, Missouri. The Committee has been advised that there are sufficient unobligated funds available to complete the alteration of the Burlington-Northern Railroad bridge over the Willamette River, Portland, Oregon.

RETIRED PAY

Appropriation, fiscal year 1989 to date	\$410,800,000
Budget estimate, fiscal year 1990	420,800,000
Recommended in the bill.....	420,800,000
Bill compared with:	
Appropriation, fiscal year 1989	+10,000,000
Budget estimate, fiscal year 1990.....	.....

The Committee has approved the budget estimate of \$420,800,000 for retired pay of military personnel of the Coast Guard and the

Coast Guard Reserve. Also included are payments to members of the former lighthouse service and beneficiaries pursuant to the retired serviceman's family protection plan and survivor benefit plan, as well as payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act. The average number of personnel on the retired rolls is estimated to be 25,606 in fiscal year 1990, as compared with an estimated 25,130 in fiscal year 1989 and 24,528 in fiscal year 1988.

RESERVE TRAINING

Appropriation, fiscal year 1989 to date	\$67,000,000
Budget estimate, fiscal year 1990	73,800,000
Recommended in the bill.....	71,800,000
Bill compared with:	
Appropriation, fiscal year 1989	+4,800,000
Budget estimate, fiscal year 1990.....	-2,000,000

The bill includes \$71,800,000 for reserve training. This appropriation provides for the training of qualified individuals who are available for active duty in time of war or national emergency or to augment regular Coast Guard forces in the performance of peacetime missions. The program activities fall into the following categories:

Initial Training.—The direct costs of initial training for three categories of nonprior service trainees.

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

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

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

The amount recommended represents an increase of \$4,800,000 over fiscal year 1989 and will support a ready reserve of 18,000, including a selected reserve of 12,500. Approximately \$1,000,000 of this increase is for inflation and annualization of pay costs and \$2,200,000 reflects the transfer of the employer share of the FICA tax on reserve drill pay from "Operating expenses". In addition, the Committee has approved an increase of 400 positions for the selected reserve instead of the requested increase of 850 positions.

As has been stated in the past, the Committee believes that the augmentation training program is providing for a very efficient use of Coast Guard reserve personnel. Testimony indicates that during fiscal year 1990 an estimated 1.73 million man-hours of augmentation training will be performed in nearly all of the major operating activities of the regular Coast Guard such as port safety, search and rescue, boating safety, and a number of staff and support functions.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Appropriation, fiscal year 1989 to date	\$18,800,000
Budget estimate, fiscal year 1990	19,000,000
Recommended in the bill.....	18,800,000
Bill compared with:	
Appropriation, fiscal year 1989 .....	.....
Budget estimate, fiscal year 1990.....	-200,000

The bill includes \$18,800,000 for the basic and applied scientific research, development, test, and evaluation projects necessary to maintain and expand the technology required for the Coast Guard's operational and regulatory missions. This amount is \$200,000 less than the budget estimate and the same as the fiscal year 1989 appropriation.

The following table summarizes the fiscal year 1989 appropriation, the fiscal year 1990 budget estimate, and the Committee recommendation:

	Fiscal year 1989 appropriation	Fiscal year 1990 budget estimate	Recommended in the bill
Search and rescue	\$1,050,000	\$775,000	\$775,000
Aids to navigation	1,950,000	1,415,000	1,415,000
Marine safety	1,120,000	1,140,000	1,140,000
Marine environmental protection	490,000	150,000	150,000
Enforcement of laws and treaties	520,000	1,700,000	1,700,000
Defense readiness	619,000	1,320,000	1,320,000
Command, control and communications	3,070,000	2,650,000	2,650,000
Personnel support	750,000	700,000	700,000
Marine vehicles	1,300,000	1,450,000	1,300,000
Multi-mission	650,000	550,000	550,000
RDT&E support and operations	1,781,000	1,550,000	1,500,000
Personnel compensation	5,500,000	5,600,000	5,600,000
Total	18,800,000	19,000,000	18,800,000

The amount recommended will provide for 42 military and 71 civilian positions. These are the same levels as proposed in the budget request.

OFFSHORE OIL POLLUTION COMPENSATION FUND

(LIMITATION)

Limitation, fiscal year 1989 to date	(\$60,000,000)
Budget estimate, fiscal year 1990	(60,000,000)
Recommended in the bill	(60,000,000)
Bill compared with:	
Limitation, fiscal year 1989	(.....)
Budget estimate, fiscal year 1990	(.....)

The Outer Continental Shelf Lands Act Amendments of 1978 require the Coast Guard to perform additional marine safety and environmental protection missions on the outer continental shelf. Title III of the Act establishes a fund to pay compensation for damages, including cleanup, resulting from oil pollution associated with activity on the outer continental shelf. Fund receipts are obtained from the collection of a fee on outer continental shelf oil.

The bill includes the requested language providing authority to borrow from the Secretary of the Treasury if appropriations are not adequate to meet fund obligations. The bill also includes language limiting fiscal year 1990 obligations under the fund to a maximum of \$60,000,000, the same as the fiscal year 1989 level.

DEEPWATER PORT LIABILITY FUND

(LIMITATION)

Limitation, fiscal year 1989 to date.....	(\$50,000,000)
Budget estimate, fiscal year 1990	(50,000,000)
Recommended in the bill.....	(50,000,000)
Bill compared with:	
Limitation, fiscal year 1989.....	(.....)
Budget estimate, fiscal year 1990.....	(.....)

The deepwater port liability fund provides for the settlement, without fault, of claims for cleanup costs and damages incurred as a result of oil spills from deepwater port activities. Prior to September 25, 1984, fund receipts were obtained from fees on oil transiting deepwater port facilities. As of that date, the Deepwater Port Act Amendments of 1984 suspended the fee unless the fund balance falls below \$4,000,000. The fund balance is currently \$4,700,000.

The bill includes language providing authority to borrow from the Secretary of the Treasury and limiting total fund obligations to \$50,000,000 in fiscal year 1990.

BOAT SAFETY

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AQUATIC RESOURCES TRUST FUND)

Appropriation, fiscal year 1989 to date	(\$30,000,000)
Budget estimate, fiscal year 1990	(15,000,000)
Recommended in the bill.....	(30,000,000)
Bill compared with:	
Appropriation, fiscal year 1989	(.....)
Budget estimate, fiscal year 1990.....	(+15,000,000)

A liquidating cash appropriation of \$30,000,000 is recommended for the recreational boating safety program as authorized by the Federal Boat Safety Act of 1971, as amended, and Public Law 98-369 (Deficit Reduction Act of 1984). This is the same as the fiscal year 1989 level.

The Internal Revenue Code of 1954, as amended, and the Federal Boat Safety Act of 1971, as amended, provide for the transfer of highway trust fund revenue derived from the motor boat fuel tax, excise taxes on sport fishing equipment, and import duties on fishing tackle and yachts to the aquatic resources trust fund. The Secretary of the Treasury estimates the amounts to be so transferred and appropriations are authorized from the fund for recreational boating safety assistance and other programs as specified by law.

LIMITATION ON OBLIGATIONS

The bill also includes language limiting fiscal year 1990 obligations under this program to \$30,000,000. This limitation is \$15,000,000 more than the budget estimate. Obligations under this program are incurred primarily to help enforce boating safety laws and to expand boating education programs.

FEDERAL AVIATION ADMINISTRATION

SUMMARY OF FISCAL YEAR 1990 PROGRAM

The Federal Aviation Administration (FAA) is responsible for the safety and development of civil aviation and the evolution of a national system of airports. Most of the activities of the FAA will be funded with direct appropriations in fiscal year 1990. The grants-in-aid for airports program, however, will be financed under contract authority with the program level established by a limitation on obligations contained in the accompanying bill.

The total recommended program level for FAA for fiscal year 1990 amounts to \$7,263,000,000, including a \$1,500,000,000 limitation on the use of contract authority. This is \$862,170,000 more than the fiscal year 1989 level, and \$140,000,000 less than the budget request. The following table summarizes the fiscal year 1989 program levels, the fiscal year 1990 program requests and the Committee's recommendations:

Program	Fiscal year 1989 program level	Fiscal year 1990 program request	Recommended in the bill
Headquarters administration.....	¹ \$36,492,000		
Operations.....	² 3,418,974,000	³ \$3,933,000,000	³ \$3,846,000,000
Facilities and equipment.....	1,384,184,000	1,955,000,000	1,732,000,000
Research, engineering, and development.....	⁴ 159,945,000	165,000,000	185,000,000
Airport emergency relief.....	100,000		
Grants-in-aid for airports.....	⁵ 1,400,000,000	⁵ 1,350,000,000	⁵ 1,500,000,000
Aircraft loan guarantee defaults.....	1,135,000		
Total.....	6,400,830,000	7,403,000,000	7,263,000,000

¹ Reflects reduction of \$108,000 in accordance with sec. 347 of P.L. 100-457 (Consultant Services).

² Includes \$10,000,000 derived by transfer and \$417,000 carryover funds, and reflects reduction of \$1,443,000 in accordance with sec. 347 of P.L. 100-457 (Consultant Services).

³ Includes \$10,000,000 derived by transfer.

⁴ Reflects reduction of \$55,000 in accordance with sec. 347 of P.L. 100-457 (Consultant Services).

⁵ Limitation on obligations.

AVIATION ACCIDENT RATES

The 1988 fatal accident rate of U.S. scheduled air carriers operating under 14 CFR 121, i.e., operations involving large passenger aircraft and all-cargo aircraft, was 0.020 per 100,000 aircraft hours. This represents a significant decrease from the 0.030 rate in 1987. Although the fatal accident rate has fluctuated up and down during the past 10 years, the 1979 rate of 0.060 fatal accidents per 100,000 aircraft hours has decreased by more than 66 percent to 0.020 in 1988. The scheduled air carrier accident rate of 0.444 per 100,000 departures in 1988 was lower than the 0.460 recorded in 1987. It should be noted that the Pan American Airlines accident in Lockerbie, Scotland was the result of an act of sabotage and is therefore not included in the rate calculations. Nonscheduled air carriers did not have a fatal accident in 1988 compared to one fatal accident in 1987 with one fatality.

Commuters—scheduled carriers operating smaller airplanes on short haul or regional routes under 14 CFR 135—had an accident rate in 1988 of 0.942 per 100,000 aircraft hours, which was almost half the 1987 rate of 1.791. The number of fatal scheduled commuter accidents in 1988 was two, which equals the lowest number of

fatal accidents in the past decade. The 21 fatalities in 1988 is the fourth lowest total in the past decade.

On-demand air taxi accidents (small aircraft operating in non-scheduled service) increased for the first time in three years to 103 in 1988 compared to 98 in 1987. The 58 fatalities in 1988 were 6 less than in 1987. The accident rate of 3.56 per 100,000 aircraft hours was slightly higher than the 3.41 rate of 1987. The 1.00 fatal accident rate was slightly below the 1.01 recorded in 1987.

In 1988, for the fourth consecutive year, general aviation recorded fewer than 3,000 accidents and under 1,000 fatalities. There were 2,357 total accidents in 1988, 450 of them fatal, and 796 fatalities. This produced respective total and fatal accident rates of 8.03 and 1.53 per 100,000 aircraft hours. The total accident rate decreased 5 percent, but the fatal accident rate increased 3 percent compared with 1987.

The Committee recognizes that there are factors other than accidents and fatalities that need to be considered in determining the safety of our aviation system. These other factors include items such as controller operational errors, runway incursions, near midair collisions, and pilot deviations. The Committee also recognizes that aviation accidents and fatalities vary from year to year and that some classes of air carriers may have significantly different fatality levels for the current calendar year.

The following table summarizes aviation accidents, fatalities, and rates for U.S. air carriers and general aviation for 1988:

ACCIDENTS, FATALITIES AND RATES—AIR CARRIERS AND GENERAL AVIATION 1988

[Preliminary data]

	Accidents		Total fatalities	Aircraft hours flown	Departures	Per 100,000 aircraft hours		Per 100,000 departures	
	Total	Fatal				Total	Fatal	Total	Fatal
Air carriers operating under 14 CFR 121:									
Scheduled ¹	33	3	285	10,199,000	7,200,000	0.314	0.020	0.444	0.028
Nonscheduled	2	0	0	534,800	288,800	0.374	0.000	0.693	0.000
Air carriers operating under 14 CFR 135:									
Scheduled ²	19	2	21	2,018,000	2,800,000	0.942	0.099	0.679	0.071
Nonscheduled	103	29	58	2,890,000	⁴	3.56	1.00	.....	.....
General Aviation ³	2,357	450	796	29,350,000	⁴	8.03	1.53	.....	.....

¹ One suicide/sabotage accident excluded from total and fatal accident rates.

² Rates are based on all accidents, including those involving operators not reporting traffic data to the Research and Special Programs Administration (RSPA).

³ Includes all operations other than those conducted under 14 CFR 121 or 14 CFR 135.

⁴ Data not available.

OPERATIONS

	Appropriation	By transfer
Appropriation, fiscal year 1989 to date	¹ \$3,410,000,000	(\$10,000,000)
Budget estimate, fiscal year 1990	3,923,000,000	(10,000,000)
Recommended in the bill	3,836,000,000	(10,000,000)
Bill compared with:		
Appropriation, fiscal year 1989	+426,000,000	(.....)
Budget estimate, fiscal year 1990	-87,000,000	(.....)

¹ An additional \$36,600,000 was provided under "Headquarters administration".

The sum of \$3,846,000,000, including \$10,000,000 to be derived by transfer, is recommended for the operations activities of the Federal Aviation Administration. This includes \$816,500,000 to be derived from the airport and airway trust fund and represents an increase of \$389,400,000 over the total amount appropriated for similar activities, including Headquarters administration, in fiscal year 1989.

This appropriation provides funds for the operation, maintenance, communications, and logistical support of the air traffic control and air navigation systems. It also covers the administrative and managerial costs for the FAA's regulatory, airports, medical, and engineering and development programs.

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

The following table summarizes the fiscal year 1989 appropriation, fiscal year 1990 budget estimate and Committee recommendation:

FAA OPERATIONS APPROPRIATIONS

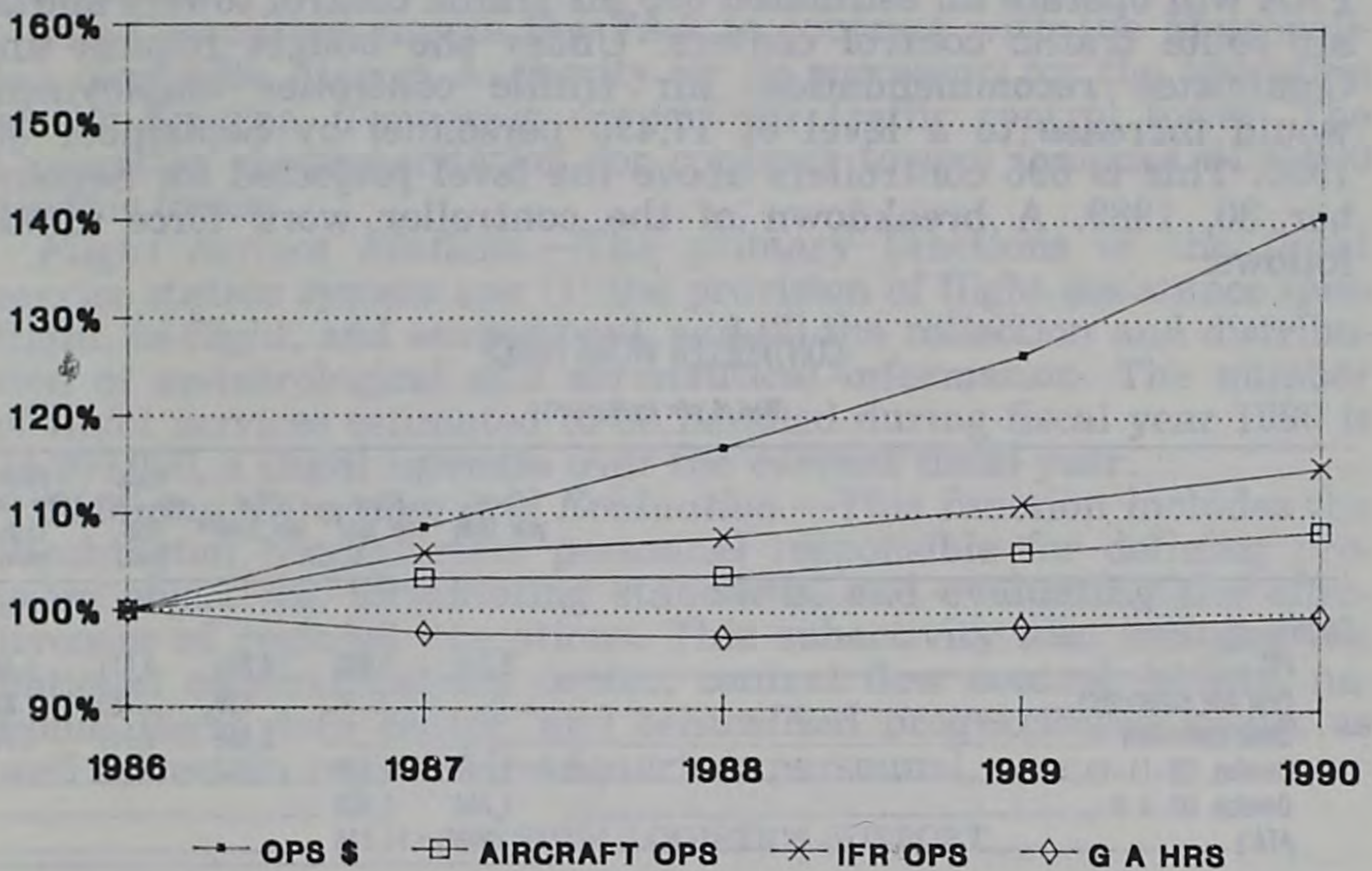
	Fiscal year 1989	Fiscal year 1990 budget estimate	Recommended in the bill
Operation of air traffic control system.....	\$1,554,703,000	\$1,746,914,000	\$1,722,576,000
(Positions)	(27,150)	(28,026)	(27,954)
NAS system logistics support.....	191,582,000	220,268,000	205,765,000
(Positions)	(1,481)	(1,561)	(1,521)
Maintenance of air traffic control system.....	658,008,000	729,305,000	718,774,000
(Positions)	(10,454)	(10,454)	(10,454)
Leased telecommunications services.....	236,784,000	273,414,000	268,073,000
Administration of aviation standards program.....	371,269,000	431,632,000	426,383,000
(Positions)	(6,059)	(6,791)	(6,754)
Development direction.....	13,900,000	16,323,000	15,492,000
(Positions)	(136)	(143)	(143)
Administration of airports program.....	32,953,000	36,708,000	36,525,000
(Positions)	(472)	(515)	(515)
Direction, staff and supporting services.....	113,250,000	129,383,000	125,342,000
(Positions)	(946)	(1,067)	(1,067)
Human resource management.....	236,525,000	309,092,000	288,429,000
(Positions)	(1,256)	(1,460)	(1,376)
Headquarters administration.....	¹ (36,492,000)	29,961,000	28,641,000
(Positions)	(520)	(397)	(397)
Total, operations.....	² 3,408,974,000	3,923,000,000	3,836,000,000
(Total positions)	(48,474)	(50,414)	(50,181)

¹ Separate appropriation.

² Includes \$417,000 carryover and reflects \$1,443,000 reduction pursuant to Section 347 of P.L. 100-457 (consultant services).

Under the Committee recommendation, funding for operations activities, including headquarters administration, would increase by more than 11 percent over the fiscal year 1989 level. This recommendation continues the recent trend of large increases for these activities. Since fiscal year 1986, the growth in constant dollars of this appropriation has exceeded the growth in the major FAA workload activity measures. The following chart shows the comparative growth of the Operations appropriation (constant dollars) and several commonly used aviation activity measures:

COMPARATIVE RATES OF GROWTH: 1986-1990
FAA FUNDING VS OTHER MEASURES



OPERATION OF AIR TRAFFIC CONTROL SYSTEM

The Committee recommends \$1,722,576,000 and 27,954 positions for the operation of a national system of air traffic control and flight service facilities. The operation of these facilities is designed to assure the safety, reliability and regularity of flight operations. During fiscal year 1990 it is expected that this system will control a daily average of 175,350 landings and takeoffs and 130,700 instrument rule flights, and will provide an estimated 121,100 daily flight services. The system currently handles a daily average of more than 1,300,000 revenue passengers.

The Committee recommendation represents an increase of \$167,873,000 over fiscal year 1989 and includes the following amounts:

Annualization, inflation and other nondiscretionary changes minus program reductions.....	\$126,670,000
Air traffic controller staff increase (695 positions).....	16,078,000
Flight service station staff increase (28 positions).....	2,125,000
Other air traffic personnel increases (75 positions).....	2,240,000
Contract towers.....	3,000,000
Pay demonstration project and other program increases.....	17,760,000
Total.....	167,873,000

The major functions under this activity are as follows:

Air Traffic Control Centers and Towers.—The major elements of this function include the operation of air route traffic control centers, terminal radar approach control facilities, airport traffic control towers, and certain ancillary facilities. In fiscal year 1990, the FAA will operate an estimated 399 air traffic control towers and 24 air route traffic control centers. Under the budget request and Committee recommendation, air traffic controller employment would increase to a level of 17,495 personnel by September 30, 1990. This is 695 controllers above the level projected for September 30, 1989. A breakdown of the controller work force (CWF) follows:

CONTROLLER WORK FORCE

[End of year employment]

	Fiscal year 1986	Fiscal year 1987	Fiscal year 1988	Fiscal year 1989 (Esti- mate)	Fiscal year 1990 (Esti- mate)
Centers:					
FPL.....	3,743	3,980	4,254	4,611	5,465
First line supervisors.....			739	785	813
Other controllers.....			2,452	2,262	1,760
Develop. GS-11-13.....	1,207	1,170			
Develop. GS-5-9.....	1,744	1,860			
ATA's.....	826	775			
Total.....	7,520	7,785	7,445	7,658	8,038
Towers:					
FPL.....	5,785	5,818	5,604	6,221	7,260
First line supervisors.....			1,260	1,237	1,257
Other controllers.....			2,127	1,684	940
Develop. GS-11-13.....	507	394			
Develop. GS-5-9.....	303	762			
ATA's.....	688	674			
Total.....	7,283	7,648	8,991	9,142	9,457,
Total:					
FPL.....	9,528	9,798	9,858	10,832	12,725
First line supervisors.....			1,999	2,022	2,070
Other controllers.....			4,579	3,946	2,700
Develop. GS-11-13.....	1,714	1,564			
Develop. GS-5-7.....	2,047	2,622			
ATA's.....	1,514	1,449			
Total.....	14,803	15,433	16,436	16,800	17,495

Note: The table above reflects the redefinition of CWF beginning October 1, 1987 (fiscal year 1988). Beginning with fiscal year 1988 data, a new definition is used for CWF. Specifically, the new definition of CWF now includes first-line supervisors and traffic management coordinators and excludes air traffic assistants and FAA Academy trainees.

The bill includes a \$3,000,000 increase over fiscal year 1989 for the contract tower program. The Committee directs the FAA to report on the status of the VFR Level I air traffic control tower contract program, including how it could be extended to other appropriate facilities. The Committee believes that this program has provided significant aviation safety benefits at a reduced cost to the federal government, as well as important economic development for participating communities. This report should address how the FAA will continue to operate those towers currently in the program and how the program might be expanded to include towers that remain closed following the 1981 PATCO strike and current non-federal towers determined by the FAA to qualify for contract operations.

The Committee directs the FAA to contract with the Metropolitan Nashville Airport Authority (or its successor) for the operation of the Smyrna, Tennessee Airport air traffic control tower. The Committee recommendation for contract towers includes \$150,000 for this tower.

Flight Service Stations.—The primary functions of the flight service station system are: (1) the provision of flight assistance (pre-flight, in-flight, and emergency), and (2) the collection and distribution of meteorological and aeronautical information. The number of flight services estimated to be handled during fiscal year 1990 is 44,200,000, a slight increase over the current fiscal year.

Planning, Direction, and Evaluation.—This function includes the Washington headquarters personnel responsible for defining program objectives, formulating standards, and evaluating the effectiveness of regional operations. This subactivity also includes the national communications center, central flow control facility, national flight data center, and centralized programming group, as well as certain regional headquarters personnel.

NAS SYSTEM LOGISTICS SUPPORT

The Committee recommends \$205,765,000 and 1,521 positions for the NAS system logistics support activity. This activity includes: (1) supply support for the National Airspace System and certain agency aircraft, and (2) agency-wide procurement, contracting and management of property, transportation, plant services and administrative services.

The Committee recommendation is \$14,183,000 more than the fiscal year 1989 level. This increase includes the following amounts:

Annualization, inflation and other nondiscretionary changes minus program reductions.....	\$13,440,000
Exchange and repair program staff increase (24 positions).....	446,000
Procurement staff increase (16 positions)	297,000
	<hr/>
Total.....	14,183,000

MAINTENANCE OF AIR TRAFFIC CONTROL SYSTEM

The Committee recommends \$718,774,000 and 10,454 positions for the maintenance of air traffic control and air navigation systems facilities. This activity provides for the direct maintenance services,

including direction and engineering related to the operation and maintenance of the National Airspace System.

The amount recommended is \$60,766,000 more than the fiscal year 1989 level. This increase includes the following amounts:

Annualization, inflation and other nondiscretionary changes minus program reductions.....	\$45,472,000
Emergency repairs to structures and grounds.....	4,000,000
Pay demonstration project and operational support costs.....	11,294,000
Total.....	60,766,000

The Committee has approved the field maintenance staffing level proposed in the budget request. As the following table indicates, field maintenance end-of-year employment would increase by 100 personnel:

FIELD MAINTENANCE STAFFING

	FY 1986 (actual)	FY 1987 (actual)	FY 1988 (actual)	FY 1989 (estimate)	FY 1990 (estimate)
Full time permanent positions.....	9,277	9,278	9,278	9,278	9,278
End of year employment.....	8,306	8,667	8,646	8,800	8,900

The bill includes language similar to that enacted for fiscal years 1987, 1988 and 1989 prohibiting funds to initiate a demonstration program to test contractor maintenance of certain FAA facilities and equipment. Based on the experience to date with the controller training and automation support contracts, the Committee does not believe the FAA should be increasing the agency's reliance on outside contractors.

LEASED TELECOMMUNICATIONS SERVICES

The bill includes \$268,073,000, an increase of \$31,289,000 over the fiscal year 1989 level, for the leased telecommunications services of all operational and administrative FAA facilities. The recommended increase includes the following amounts:

Annualization, inflation and other nondiscretionary changes minus program reductions.....	\$27,240,000
Operational support items deferred in fiscal year 1989.....	4,049,000
Total.....	31,289,000

As has been stated in previous reports, the Committee believes that additional management efficiencies are possible in leased telecommunications services. The Committee expects the FAA to continue to work toward reducing these costs and to reflect the savings achieved in future budget justifications.

ADMINISTRATION OF AVIATION STANDARDS

The Committee recommends \$426,383,000 and 6,754 positions for administration of the aviation standards activity. The programs included under this activity are as follows:

	Fiscal year 1989 program level	Fiscal year 1990 request	Recommended in the bill
Aircraft certification	\$47,000,000	\$52,611,000	\$52,111,000
Certification and inspection of aircraft operation and maintenance.....	172,911,000	211,607,000	210,934,000
Records servicing and analysis.....	4,087,000	4,170,000	4,170,000
Flight program and management of FAA aircraft.....	67,525,000	71,044,000	69,664,000
Planning, direction and evaluation	17,219,000	22,668,000	20,813,000
Civil aviation security	32,262,000	36,730,000	36,730,000
Medical program	18,075,000	17,311,000	16,770,000
Aviation safety	12,190,000	15,491,000	15,191,000
Total.....	371,269,000	431,632,000	426,383,000

The Committee recommendation represents an increase of \$55,114,000 over fiscal year 1989. This increase includes the following amounts:

Annualization, inflation and other nondiscretionary changes minus program reductions.....	\$19,074,000
Safety inspectors and support staff (400 positions)	16,136,000
Attorneys and legal support staff (100 positions)	2,436,000
New systems implementation headquarters staff (10 positions).....	350,000
Aircraft certification staff (60 positions)	1,600,000
Project SMART	1,601,000
Aviation safety analysis system.....	4,075,000
Civil aviation security staff (120 positions).....	3,800,000
Security training.....	222,000
Other essential increases.....	5,820,000
Total.....	55,114,000

Aviation safety inspectors.—The budget request and the Committee recommendation would provide for increases of 174 general aviation inspector positions and 126 air carrier inspection positions. These new positions will increase the total number of aviation inspectors to 2,798 positions, an increase of 1,188 positions or 74 percent since fiscal year 1985, when the Committee, together with the Aviation Subcommittee of the Committee on Public Works and Transportation, requested a GAO review of FAA's air carrier inspection activities. The aviation safety inspector work force is distributed as follows:

AVIATION SAFETY FIELD INSPECTORS AND SUPPORT PERSONNEL

	Fiscal year 1988 actual		Fiscal year 1989 estimated		Fiscal year 1990 estimated	
	Authorized positions	End-of-year employment	Authorized positions	End-of-year employment	Authorized positions	End-of-year employment
General aviation inspectors	1,279	1,221	1,453	1,380	1,627	1,546
Air carrier inspectors.....	919	872	1,045	993	1,171	1,112
Total, aviation safety inspectors.....	2,198	2,093	2,498	2,373	2,798	2,658
Support personnel	495	429	595	565	695	660
Total.....	2,693	2,522	3,093	2,938	3,493	3,318

Note: Positions and employment as shown in budget justification.

Standardization of enforcement actions.—In 1985 the FAA began a program to conduct uniform, national inspections of air carriers using aircraft carrying more than 30 passengers. While the FAA had conducted inspections of such airlines previously, this program

was its first attempt at a standardized inspection program to compare the compliance posture of these major airlines. The Committee understands that this national inspection program has been quite successful. In addition, the FAA has recently implemented a number of other programs to provide a greater degree of standardization in the interpretation and enforcement of its rules. These efforts are commendable. However, the FAA has not attempted to standardize the nature and extent of corrective action required of an airline when it is found to be in non-compliance with FAA regulations or directives.

When the FAA discovers possible non-compliance during an inspection of an airline, it usually proceeds with two actions. First, non-compliance may lead to some sort of enforcement action to deter future non-compliance. In addition, the FAA usually insists that the airline take immediate corrective action to ensure the continued safety of the airline's passengers. The Committee understands that this required corrective action has varied considerably from one carrier to another, even though the areas of non-compliance were quite similar.

For example, national inspections have revealed similar problems with airworthiness directive compliance at several airlines. After the FAA inspection team discovered this problem at one airline, it was required to conduct a complete physical inspection of all its airplanes to ensure that all applicable airworthiness directives had been accomplished. When similar documentation problems were discovered at another airline, it was only required to conduct a comprehensive review of all its airworthiness directive records. Finally, when an inspection revealed the same type of documentation problem at a third airline, the FAA failed to require any systemwide corrective action by the carrier. The Committee is not aware of any significant differences in the inspection findings or the operations of these three airlines that would justify this wide variation in required corrective action.

The Committee is concerned about this lack of standardization for two reasons. First, of course, is the possibility that the passengers of some airlines may not benefit from the high level of safety that all airlines should provide. In addition, the Committee is also concerned that this disparate treatment may result in the unfair treatment of some carriers, and that as a result, other carriers may gain an unfair competitive advantage.

Accordingly, the Committee directs the FAA to report to the House and Senate Committees on Appropriations, not later than 60 days after enactment, on the results of the national inspections conducted at each airline since 1985, and the corrective action that was required in response to each significant finding of noncompliance.

Civil aviation security staffing.—The Committee has also approved the budget request for 120 additional civil aviation security positions. These additional positions will provide for an expanded federal air marshal program, support enhanced foreign airport assessments and support the agency's drug enforcement effort.

DEVELOPMENT DIRECTION

The Committee recommends \$15,492,000 and 143 positions for the planning, direction, development, monitoring, and coordination of the FAA's research, development, engineering, test, and evaluation program, excluding the portion relating to aviation medical research. The Committee has approved only annualization, inflation, and other nondiscretionary cost increases.

ADMINISTRATION OF AIRPORTS PROGRAM

The bill includes \$36,525,000 and 515 positions for administration of the airports program. The airports program covers the identification, planning, development, and safety certification of the nation's system of public airports.

The amount recommended represents a \$3,572,000 increase over fiscal year 1989. This increase is comprised of the following amounts:

Annualization, inflation and other nondiscretionary changes minus program reductions.....	\$1,322,000
Airports staff (40 positions).....	1,000,000
Airport capacity planning and development projects.....	1,250,000
	<hr/>
Total.....	3,572,000

The Committee has approved the budget request for an additional 40 positions to improve airport system planning and expects increased emphasis to be placed on airport capacity enhancement efforts. The Committee believes that without additional personnel to manage these efforts, development of new airport capacity and application of new technology cannot keep pace with demand, resulting in increased air traffic delays. Of the 40 additional positions recommended, 26 positions should be expressly dedicated to work on airport capacity enhancements. Four of these positions are for the airport capacity program office and the remaining 22 positions should be allocated to the regions based on the number of capacity constrained airports in each region. The FAA is directed to report to the Committee by January 31, 1990, on the number of positions created in each region and the number of those positions filled as of that date.

Airport capacity projects.—The bill includes an increase over fiscal year 1989 of \$1,250,000 to continue airport capacity planning and development projects under the auspices of the airport capacity program office. Airport capacity task forces have studied Atlanta, Detroit, St. Louis, San Francisco, Memphis, Miami, Boston, Phoenix, Salt Lake City, Kansas City, Washington-Dulles, Seattle, and Orlando airports. More than 200 airport capacity projects have been identified by the task forces including new runways, new airspace procedures, new systems and equipment, and other improvements. The Committee believes these task forces are important in optimizing airport capacity and minimizing flight delay.

Sacramento airspace management study.—Within the funds recommended the Committee directs the FAA to study the airspace management in the Sacramento, California region. The Sacramento Metropolitan Airport has been identified by the FAA as one of the airports that could encounter capacity problems by the year

2000. This study will permit the FAA to develop a plan to accommodate the growth in the Sacramento area without creating an adverse impact on the region.

DIRECTION, STAFF, AND SUPPORTING SERVICES

The Committee recommends \$125,342,000 and 1,067 positions for those administrative and housekeeping costs that support the operating programs of the agency. Included in this activity are costs for administrative payrolls, communications, administrative supplies, and certain other support items. The amount recommended is \$4,041,000 less than the budget estimate, but \$12,092,000 more than the fiscal year 1989 level. The Committee has approved the requested 24 new positions for chief counsel's regulatory and enforcement activities. The Committee has also approved the transfer from headquarters administration of 97 positions for the office of chief counsel.

HUMAN RESOURCE MANAGEMENT

The bill includes \$288,429,000 and 1,376 positions for the human resource management activity. This activity includes administration of FAA employee recruitment, compensation (including federal employees' compensation program payments and unemployment compensation), training, and labor-management relations programs. The amount recommended is \$51,904,000 more than the fiscal year 1989 level and is comprised of the following increases:

Annualization, inflation and other nondiscretionary increases	\$18,664,000
Centralized training initiatives (95 positions)	14,700,000
Mid-American aviation resource consortium	3,400,000
Recruitment (18 positions)	2,000,000
Air traffic controller screening (2 positions).....	1,040,000
Enhance FAA relationships with industry and academic institutions	2,700,000
Out-of-agency training for aviation safety inspectors.....	5,000,000
Expanded training for new hires.....	4,400,000
Total.....	51,904,000

The Committee recognizes the need for the FAA to improve the agency's recruitment, screening, and training programs and is recommending significant funding increases in each of these areas. For the agency's centralized training initiative, a total increase of \$14,700,000 is recommended to implement those initiatives with the highest benefit-cost ratios. The Committee has also approved increases of \$1,040,000 for the air traffic controller screening program, which has a 2.0 benefit-cost ratio and \$2,700,000 for the academic and industrial ties program, which has a benefit-cost ratio of 2.7. In addition, the Committee expects the FAA to continue the agency's commitment to establish the Mid-American aviation resource consortium in Minnesota and North Dakota. The bill includes \$3,400,000 under this heading and \$3,000,000 under the "Facilities and equipment" appropriation for staff and equipment in Minnesota and equipment for the center for aerospace science at the University of North Dakota.

HEADQUARTERS ADMINISTRATION

The bill includes \$28,641,000 and 397 positions for the headquarters administration activities of the FAA. This is \$1,320,000 less than the budget estimate. The activities to be financed under this activity are as follows: executive direction, communications control, public affairs, planning and policy, accounting, budget, civil rights, international aviation, and management and data systems.

TRUST FUND SHARE OF OPERATIONS

As previously indicated, \$816,500,000 or about 21 percent of the Operations appropriation will be derived from the airport and airway trust fund. In the past, the Committee has expressed concern about the subsidy aviation users have received from the general taxpayers because of the so-called "penalty clause" (Sec. 506(c) of the Airport and Airway Improvement Act of 1982). The Congressional Budget Office concludes that the penalty clause has resulted in general fund overpayments of FAA expenses and excess general fund interest payments to the trust fund totalling \$5,300,000,000 since 1982. This is 78 percent of the airport and airway trust fund's uncommitted balance, and is the major reason why the CBO made the following conclusion in its December 1988 study of the trust fund:

The current accumulated surplus in the aviation trust fund is illusory. While this surplus appears to indicate that private-sector users have paid more in taxes than they have received in services, the opposite is, in fact, the case. The uncommitted balance in the trust fund has developed, ironically, because private-sector users of the aviation system have received more in capital and operating spending than they have paid in taxes.

This point also was discussed in the following testimony on May 11, 1989 of the Assistant Director of the Congressional Budget Office before the Senate Appropriations Committee:

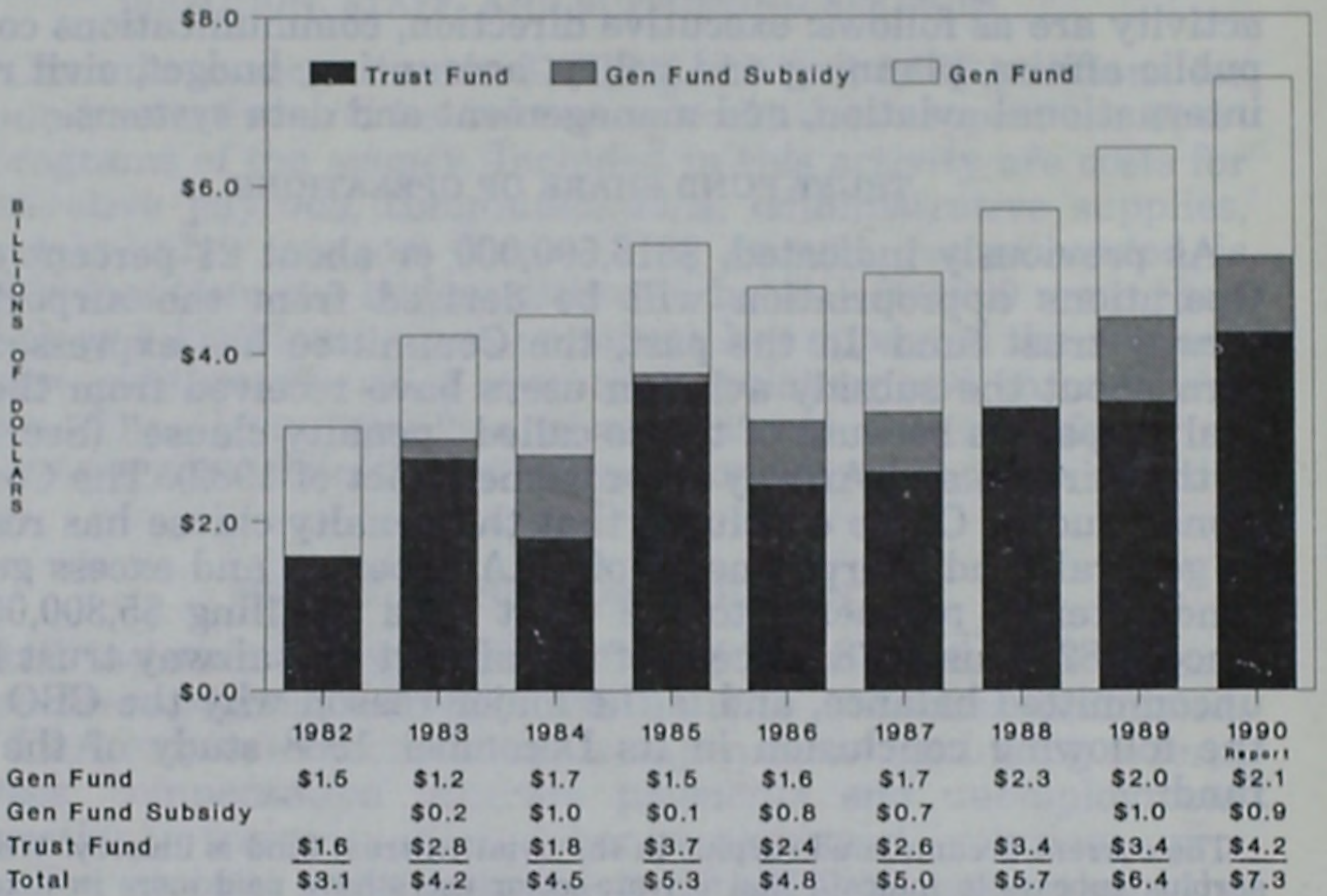
The Airport and Airway Trust Fund is particularly affected by provisions of law that restrict the level of trust fund financing of operations expenditures for the Federal Aviation Administration. These provisions tie the level of funding to the obligation limits for airport grants and the appropriations for capital and research expenditures. Generally speaking, the closer these appropriations are to their authorized levels, the greater the trust fund financing of operations. Largely because of technical problems in the modernization of the airway system, appropriations for capital expenditures have lagged behind authorizations. The result has been a low proportion of FAA spending being debited to the trust fund and an accompanying rise in its accumulated surplus.

* * * * *

Total federal outlays for aviation programs have far outstripped aviation excise tax revenue, but the portion of this spending debited to the trust fund has been less than the tax revenue, thereby resulting in accumulating surpluses.

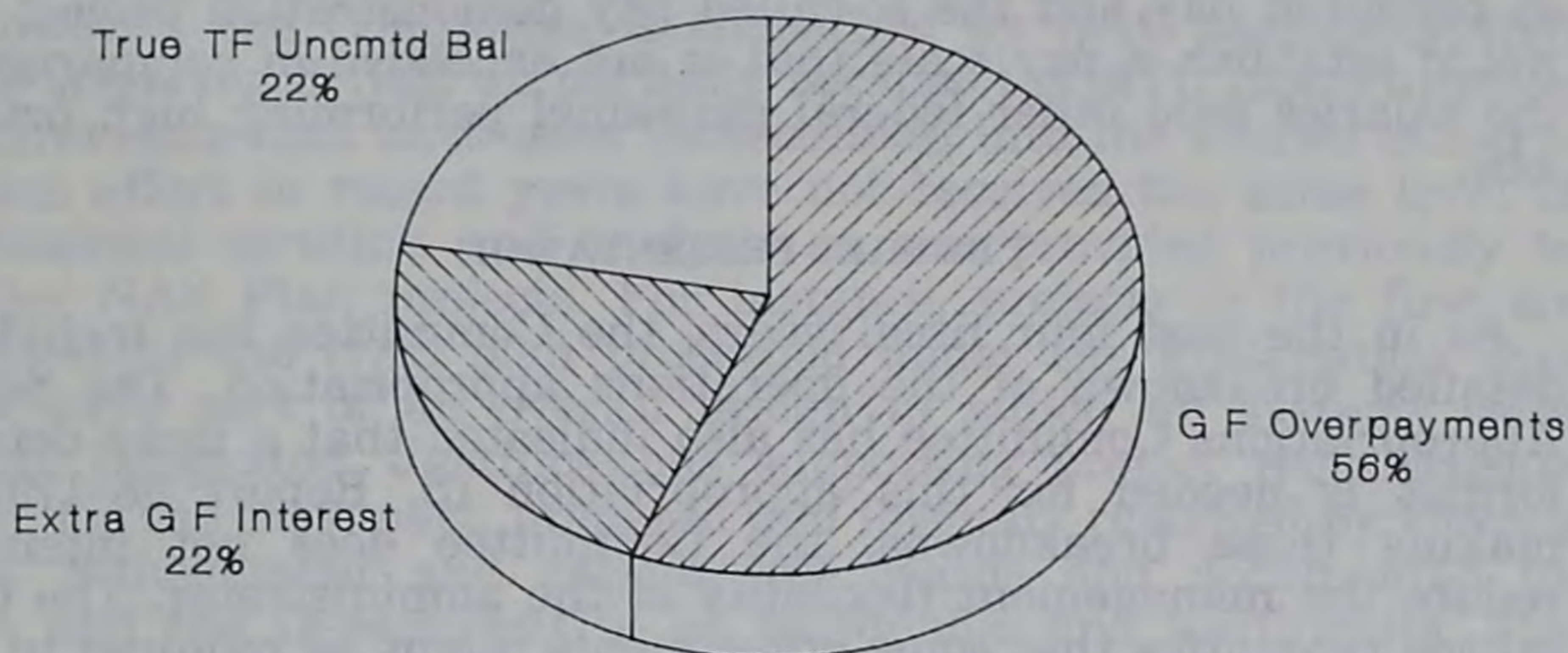
Any fair representation of the aviation trust fund financing situation cannot overlook the very large over-payments of FAA costs that general taxpayers have been forced to make due to the penalty clause. The following charts show the annual general fund subsidy and the general fund overpayments as a percentage of the uncommitted trust fund balance:

FEDERAL AVIATION ADMINISTRATION
(PROGRAM LEVEL)



DATA SOURCE: Congressional Budget Office

AIRPORT AND AIRWAY TRUST FUND UNCOMMITTED BALANCE (as of Sep 30, 1989)



TOTAL: \$6.8 Billion

"GF Overpayments" equals amount of general fund payments (\$3.8 billion) of 1982-1989 FAA appropriations that are over and above authorized amounts. Such overpayments are due to the "penalty clause" (Section 506(c) of the Airport and Airway Improvement Act of 1982 as amended).

"True TF Uncmtd Bal" equal what the actual trust fund balance would be (\$1.5 billion) if the full authorized trust fund share of 1982-1989 FAA appropriations were paid.

"Extra GF Interest" equals the amount of extra general fund interest payments (\$1.5 billion) that have been made to the trust fund between 1982 - 1989 due to inflated trust fund balance caused by trust fund underpayment of FAA appropriations.

DATA SOURCE: Congressional Budget Office.

Some of the Committee's past concerns about increasing general fund support of the total FAA budget were alleviated by actions of the Committee on Ways and Means to suspend the tax "trigger" for one year and to leave a portion of the revenue attributable to this suspension in the general fund, rather than transferring it to the trust fund.

AIR TRAFFIC CONTROLLER PAY CLASSIFICATION

The Committee is aware that the Department has undertaken an evaluation of the present pay system for air traffic controllers. According to the Department, this study proposes a system that would base controller pay on individual controllers' knowledge, skills, responsibilities, authority, and complexity of work operations. The Committee believes that such a system-wide reclassification, which would require legislative action, is a more appropri-

ate method than the piecemeal approach that has been followed in recent years. This current approach has resulted in annual compensation of nearly \$100,000 for some controllers. This is substantially above the current Executive Level V rate and the salaries of other federal personnel performing many high priority jobs, such as Assistant Secretaries and NIH doctoral-level scientists.

The Committee expects that any proposed new pay system would also result in the elimination of the existing pay supplements, such as premium pay and the so-called pay demonstration project, and would establish a pay scale that is not excessive in comparison to the salaries paid other federal personnel performing high priority jobs.

BUDGET PRESENTATION

As in the past four fiscal years, the Committee has included a detailed breakdown of the operations appropriation. The Senate Appropriations Committee has also indicated that a more detailed format is needed for this appropriation (S. Report 98-179). In making these breakdowns, the Committee does not intend to reduce the management flexibility of the administrator. The Committee recognizes that some adjustments might be required to deal with currently unanticipated problems. The Committee, however, expects that, to the greatest extent possible, the recommended allocations will be followed and that any variations from these levels will be discussed in advance with the House and Senate Committees on Appropriations. The Committee also expects to receive quarterly reports on the obligations incurred for each activity under the operations appropriation.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 1989 to date	\$1,384,528,000
Budget estimate, fiscal year 1990	1,955,000,000
Recommended in the bill.....	1,732,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+347,472,000
Budget estimate, fiscal year 1990.....	-223,000,000

The Committee recommends an appropriation of \$1,732,000,000 for the installation of new equipment and the construction and modernization of facilities for the federal airway system. This represents a 25 percent increase over the amount provided in fiscal year 1989.

This account is the principal means for implementing the comprehensive National Airspace System (NAS) Plan to modernize and improve air traffic control and airway facilities through the year 2000. This account also finances major capital investments required by other agency programs, experimental research and development facilities, and other improvements to enhance the safety and capacity of the airspace system.

REVIEW OF ATC MODERNIZATION NEEDS

The Committee received testimony from the General Accounting Office this year estimating total ATC modernization costs for the

period between 1981 and the year 2000 to be \$27 billion. This compares to estimates of \$10-15 billion when the original NAS Plan was authorized in 1981. The Committee strongly supports ATC modernization, as evidenced by its recommendation to provide an increase of 25 percent or nearly \$350 million in the Facilities and Equipment appropriation over fiscal year 1989. The Committee foresees even higher funding requirements in the years ahead for this effort, and plans to continue to meet those needs.

However, the Committee is concerned by GAO testimony that costs are being driven up partially because the ATC modernization requirements that have been incorporated into the overall modernization effort in recent years have not received the same level of professional scrutiny and analysis as was provided previously to earlier NAS Plan projects. For instance, projects in the first six chapters of the NAS plan proceeded under the explanation that they were part of an overall design in which all systems were highly integrated. Justifications supporting project requirements were, for the most part, prepared and formally reviewed by various FAA management and engineering boards and documented by FAA and the Department to be reasonable and worthwhile. The Committee understands that "non-NAS Plan" improvements have not undergone the same level of scrutiny.

The Committee is persuaded that the NAS Plan and "non-NAS Plan" projects defined in FAA's fiscal year 1989 and 1990 budget requests are both part of the same air traffic control modernization effort. Until FAA subjects all of these requirements to the same rigorous review and common justification process, meaningful priorities based on consistent estimates of their costs, benefits, and schedules cannot be determined. This lack of fiscal and systems engineering discipline also could produce FAA commitments to out-year funding requirements that no reasonable growth rate in the F&E and Operations appropriations can accommodate.

The Committee strongly urges the FAA to return to a more disciplined process of evaluating its future needs and requirements.

NATIONAL AIRSPACE SYSTEM PLAN FIELD IMPLEMENTATION

Last year, the Committee pointed out the need for the FAA to determine its staffing requirements for NAS implementation, and its plans for allocating parts of this requirement to contractors. The Committee directed the FAA to address those critical issues in a Field Implementation Plan. This plan was submitted in March 1989. The Committee finds this plan to be a significant step forward for planning the orderly and timely implementation of NAS equipment. However, this plan has several deficiencies that require additional work. Chief among these is the need to clarify and refine the resource estimates for NAS implementation. The GAO testified at this year's hearing that FAA's new management information systems are capable of estimating required resources and that its initial projections show that the resources needed to implement NAS will be substantial. The Committee believes these resource requirements should be refined and formalized into the overall NAS Plan budget plan so that future priorities can be set.

The field implementation plan also fails to clearly define the roles and responsibilities of the contractors that will be involved with implementation. As a result, FAA cannot show how much of the previously noted resource requirements its contractors will fill, nor how long they will be required. Additionally, the GAO testified that FAA's confusion concerning contractor roles has led to a slow start for its Technical Services Support Contractor (TSSC). Although NAS equipment has been stored by FAA due to a lack of installation personnel, as of early this year 6 of the 9 FAA regions had failed to provide the TSSC with any work. FAA needs to clearly define contractor responsibilities and provide this information to its regional offices. The definition of contractor roles is of paramount importance if FAA is to accurately estimate its own resources for NAS implementation.

The Committee expects to be provided by February 1990 with a complete projection for the next five years of the in-house and contractor resources required to implement NAS projects, together with any projected resource shortfall and FAA's plans to address that shortfall. In addition, the Committee requires identification of the categories of skills that FAA is buying under these contracts and a comparison of the costs of hiring contractors versus additional federal employees for these job categories.

NAS PLAN STATUS

The following table indicates the implementation plan and cost estimates for the 11 major system acquisitions for the NAS Plan, based on data supplied by the FAA and GAO:

Program	1981 implemen- tation dates	1983 implemen- tation dates	Current implemen- tation dates	Note	Project completion date	Estimated total program cost (in millions)
Advanced automation system.....	1988	1990	1993	(¹)	2000	\$4,300
Voice switching and control system.....	1988	1989	1991	(²)	1995	730
Host computer	1985	1986	1987	(³)	1988	296
Microwave landing system.....	1983	1985	1989	(⁴)	1991	1,100
Central weather processor.....	1985	1990	1990	(⁵)	1996	123
Flight service automation system.....	1983	1984	1990	(⁵)	1994	366
Radar microwave link	1983	1985	1986	(⁶)	1992	284
Long-range radar.....	1987	1988	1992	(⁷)	1994	349
Airport surveillance radar (ASR-9).....	1985	1985	1988	(⁸)	1992	473
Mode S	1986	1986	1990	(⁸)	1994	467
Aircraft fleet conversion.....	1983	1983	1988	(⁹)	1989	85

¹ Delayed due to performance problems with design competition contractors and revised requirements.

² Implementation affected by underestimation of design problems incurred by both firms in design-competition phase.

³ Delay due to contractor performance in design-competition phase.

⁴ Delay due to contractor performance problems.

⁵ Delay due to underestimation of software development requirement.

⁶ Program approval was received late from OST, more competitive bids were received than anticipated.

⁷ Program delayed due to funding shortfalls and delayed initiation. (Note: OST cited delay in consummating FAA/USAF agreement on number of systems and cost share.)

⁸ Implementation delayed due to contractor performance problems.

⁹ Program delayed due to late application changes and late submission of KDM #4 to OST.

GAO ACCESS TO NEEDED INFORMATION

Since 1983, the Committee has relied on the General Accounting Office to provide information on FAA's progress in the planning, management and use of the NAS plan. GAO's reviews of FAA's

ATC modernization program are conducted at the Committee's direction, and, as such, provide an important independent perspective that is considered during annual appropriations deliberations. Therefore, it is both regrettable and disturbing that the Committee must, once again, remind FAA and DOT that it expects their full cooperation in providing GAO with any requested information it deems necessary.

In particular, the Committee understands that discussions are underway between the FAA and its Systems Engineering and Integration Contractor (SEIC) that could result in curtailing and censoring the extent and level of information made available to the GAO. Because of the breadth and analytical nature of their activities, the SEIC and its subcontractors are frequently the best sources of information on project justification, funding and status. While the Committee understands the FAA's need for procedures governing GAO, OMB, and other oversight agency access to SEIC data and analyses, it is concerned that recent agency actions could be obstructive in nature. Efforts on the part of the FAA and the Department to restrict access to contractor-developed tools, data bases, and other sources of information needed by the GAO is counterproductive to Congressional purposes in creating and funding these capabilities. While the Committee does not object to contractors notifying FAA officials of requests made by GAO and other oversight agencies, it rejects any agency attempt aimed at either denying access to contractor analytical products submitted in fulfillment of an FAA request, or revising data or analyses requested of the contractor before they are provided to oversight agencies.

F&E FUNDING DISTRIBUTION

The \$1,732,000,000 appropriation for facilities and equipment is to be distributed as follows:

	Fiscal year 1989 actual	Fiscal year 1990 budget estimate	Recommended in the bill
Air route traffic control centers	\$559,563,100	\$776,671,800	\$761,080,000
Airport traffic control towers	422,180,000	608,946,900	422,982,000
Flight service facilities	48,830,000	44,000,000	35,000,000
Air navigation facilities	130,360,500	113,597,400	132,455,000
Housing, utilities, and miscellaneous	200,453,785	301,606,900	273,388,000
Aircraft and related equipment	9,856,500	11,591,000	12,591,000
Development, test, and evaluation	12,940,000	24,990,000	24,990,000
Personnel compensation, benefits, and travel		73,596,000	73,596,000
Total program level	1,384,183,885	1,955,000,000	1,736,082,000
minus slippages			-4,082,000
Total appropriation	1,384,183,885	1,955,000,000	1,732,000,000

AIR TRAFFIC CONTROL CENTERS

The bill includes \$761,080,000 for facilities, equipment, and improvements of air route traffic control centers. These funds are distributed as follows:

Long range radar program	\$39,048,000
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<i>Long range radar sites:</i>	<i>Operational date</i>
FAA Aeronautical Center	Oct 1992
Mill Valley, CA ¹	Nov 1992
Makah, WA ¹	Nov 1992
Oceana, VA ¹	Dec 1992
Lake Charles, LA ¹	Jan 1993
Paso Robles, CA ¹	Mar 1993
Crescent City, CA ¹	Mar 1993
Jedburg, SC ¹	Apr 1993
Mt. Santa Rosa, Guam ²	May 1993
Tyndall, FL ²	May 1993
Salem, OR ²	June 1993
Gibbsboro, NJ ²	Jul 1993
Ellington, TX ²	Jul 1993
Watford City, ND ²	Aug 1993
Cross City, FL ²	Aug 1993
Slidell, LA ²	Aug 1993
Fort Fisher, NC ²	Sep 1993
Bucks Harbor, ME	Oct 1993
El Paso, TX	Oct 1993
Phoenix, AZ	Nov 1993
Richmond, FL	Dec 1993
Nashwauk, MN	Dec 1993
Lakeside, MT	Jan 1994
Mt. Kaala, MT	Feb 1994
Sonora, TX	Feb 1994
Whitehouse, FL	Mar 1994
Riverhead, NY	Mar 1994
Silver City, NM	Mar 1994
Empire, MI	Apr 1994
Finely, ND	May 1994
Utica, NY	May 1994
Mica Peak, WA	Jun 1994
Kenai, AK	Jul 1994
Mt. Laguna, CA	Jul 1994
Malmstrom, MT	Jul 1994
Patrick, FL	Aug 1994
Odessa, TX	Sep 1994
Fort Lonesome, FL	Sep 1994
North Truro, MA	Oct 1994
Oilton, TX	Nov 1994

¹ Funded in fiscal year 1989

² Funded in fiscal year 1990.

Radar microwave link replacement/expansion/networking	\$15,000,000
Next generation weather radar (NEXRAD)	5,808,000
ATC radar facilities improvements	4,977,000
<i>ATCRBS equipment:</i>	
Aspen (Eagle), CO	
<i>RML equipment:</i>	
Scurry, TX	
Advanced Automation System (AAS)	\$365,000,000
En route software development/support	11,000,000
ODAPS/EARTS software	3,700,000
Aeronautical data link	6,800,000
En route automation improvements	5,000,000
Central weather processor	9,177,000
NADIN II	11,170,000
ATC center improvements/modernization	38,000,000
Data multiplexing network	7,725,000
Communications facilities consolidation/networking	2,000,000
En route communications/control facilities	8,860,000
Traffic management system	17,700,000
Voice switching and control system	184,850,000

Critical communications expansion	11,890,000
High capacity voice recorders	8,375,000
Air-ground radio frequency interference elimination	5,000,000

Voice switching and control system (VSCS).—VSCS is intended to provide a computer-controlled voice system for both ground-to-ground and air-to-ground communications that is flexible, expandable, and highly reliable. It will be deployed at 23 air traffic control centers and is expected to serve up to 430 positions at each center. Currently, two contractors (AT&T and Harris) are designing and developing prototype systems. In November 1989, FAA plans to award a production contract to one of these contractors. VSCS is critical to FAA's plans to modernize the air traffic control system because it will provide communications for new controller workstations currently being developed under the advanced automation system. Because the new workstations are designed to work with VSCS, they cannot be fully tested or used until VSCS is operational. VSCS has encountered continuing difficulties. Total project cost estimates have more than tripled, from \$258,000,000 to nearly \$800,000,000 and the program has encountered schedule slippages of up to 6 years.

The General Accounting Office has raised concerns about the adequacy of the testing that FAA intends to conduct on the prototype VSCS systems prior to awarding a production contract. Due to schedule pressures, the FAA has changed its earlier test plans and now intends to rely primarily upon the results of each offeror's factory acceptance tests as a basis for selection. The element of risk in this complex, software-intensive communications system is substantial. Delays and cost growth experienced thus far attest to the technical difficulties involved.

The Committee shares GAO's concern about the consequences to key NAS Plan programs, including the advanced automation system, should the chosen VSCS fail to operate satisfactorily under actual field conditions. Additional safeguards against this risk are required. The Committee recognizes the importance of adherence to schedule, and does not seek to delay the VSCS procurement. However, before this contract is awarded, the Secretary is directed to provide a written certification to the Committee that the testing and analysis conducted prior to award has been adequate to mitigate satisfactorily the risks identified by the GAO. The Secretary must at a minimum ensure that (1) the test objectives, plans and methodologies are sufficient in scope and comparable between both vendors; (2) the test results are evaluated on the same basis; and (3) these results are supplemented by qualitative risk analyses to compensate for the lack of complete system testing.

The Committee recognizes that some of the fiscal year 1990 funds for this project will be required to complete the VSCS testing and development activities described above.

Advanced automation system (AAS).—The bill includes \$365,000,000 to continue the multi-year \$3,600,000,000 AAS procurement contract. The AAS is the centerpiece of the ATC modernization effort, and will provide the ability to handle safely the growing air traffic projected beyond the year 2000. It is also expected to provide significant productivity improvements for air traffic controllers.

In August 1984, the FAA awarded two competitive contracts for AAS design and development, costing a total of \$700,000,000. In July 1988, an acquisition contract was awarded and then suspended temporarily pending resolution of a protest. The protest was denied in October 1988. This 3½ month delay has produced a \$45,000,000 claim from the AAS contractor.

The Committee notes that the additional risk reduction activities that the Committee requested the FAA to perform prior to contract award appear to have had a material effect on the Contract Appeals Board's decision to uphold the contract award and forego additional costly delays from potential litigation.

During fiscal year 1990, hardware and software development for the peripheral adapter module (PAM) and initial sector suite system (ISSS) will continue, design and development of the terminal advanced automation system (TAAS) and area control computer complex (ACCC) will continue, modification to the AAS contract will be made for AERA 2 development, and site design and preparation for ISSS installation will begin.

Radar microwave link replacement/expansion/networking.—The Committee has reduced the \$19,803,000 RML request to \$15,000,000. Testimony indicates that cumulative obligations for this account will total approximately \$234,000,000 by the end of fiscal year 1990. Available appropriations (including the \$15,000,000 provided in fiscal year 1990) will total approximately \$258,000,000.

AIRPORT TRAFFIC CONTROL TOWERS

The bill includes \$422,982,000 for airport traffic control tower facilities and equipment. These funds are distributed as follows:

Terminal doppler weather radar	\$107,000,000
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These hazardous weather detection radars will replace the modified NEXRAD systems being procured as an interim system for installation at high activity airports, which will eventually be re-deployed to enroute use.

<i>TDWR Locations:</i>	<i>Operational date</i>
FAA Tech Center, NJ ¹	10/92
FAA Aero Center, OK ¹	1/93
Fort Lauderdale, FL ¹	1/93
Detroit, MI ¹	6/93
Charlotte, NC ¹	6/93
Houston (Hobby), TX ¹	6/93
New York (La Guardia), NY ¹	7/93
Kansas City, MO ¹	7/93
Washington (National), VA ¹	7/93
Cincinnati (International), KY ¹	8/93
Philadelphia, PA ¹	8/93
Raleigh-Durham, NC ¹	8/93
West Palm Beach, FL ¹	9/93
Phoenix, AZ ¹	9/93
Dallas (Love Field), TX ¹	9/93
Salt Lake City, UT ¹	10/93
Cleveland, OH ¹	10/93
Washington (Dulles), VA ¹	10/93
Louisville, KY ²	11/93
Dayton, OH ²	11/93
Baltimore, MD ²	11/93
Boston, MA ²	12/93
Nashville, TN ²	12/93

San Juan, Puerto Rico ²	12/93
Andrews Air Force Base, MD ²	1/94
Chicago (O'Hare), IL ²	1/94
Atlanta, GA ²	1/94
Miami, FL ²	2/94
Dallas-Fort Worth, TX ²	2/94
Denver, CO ²	2/94
Orlando, FL ²	3/94
Tampa, FL ²	3/94
Houston International, TX ²	3/94
Saint Louis, MO ²	4/94
Pittsburgh, PA ²	4/94
Minneapolis, MN ²	4/94
Memphis, TN ²	5/94
Newark, NJ ²	5/94
New Orleans, LA.....	5/94
New York (JFK), NY.....	6/94
Columbus, OH.....	6/94
Tulsa, OK.....	6/94
Indianapolis, IN.....	7/94
Milwaukee, WI.....	7/94
Chicago (Midway), IL.....	7/94
Wichita, KS.....	8/94
Oklahoma City, OK	8/94

¹ Funded in fiscal year 1989.

² Funded in fiscal year 1990.

MODE-S.....	\$25,000,000
Terminal radar improvements.....	8,100,000

ASR Relocations:

Fresno, CA
Lake Charles, LA
Abilene, TX

Video Mappers:

Portland, OR
Boise, ID

Radar Remoting to Satellite Towers (D-BRITE):

Lancaster, PA
Portland, ME
Lawrence, MA
New Bedford, MA

Airport surveillance radars (ASR-9).....	\$10,000,000
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ASR-9 Locations:

Charlottesville, VA
Nantucket, MA
Gainesville, FL
Missoula, MT

Terminal NEXRAD installation.....	\$11,735,000
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Interim Doppler weather radar to provide better detection of hazardous aviation weather conditions at terminal locations; will be redeployed for en route use when new TDWR systems become operational (1992-1994).

Terminal NEXRAD locations:

Commissioning dates:

Andrews AFB/Washington National.....	6/91
Chicago O'Hare/Midway	9/91
Atlanta.....	9/92
Miami-Fort Lauderdale.....	12/92
Dallas-Fort Worth/Love Field	12/92

Denver.....	2/93
St. Louis.....	3/93
Tampa.....	4/93
Houston.....	6/93
Orlando.....	7/93
New York Kennedy/La Guardia.....	8/93
Pittsburgh.....	9/93
Minneapolis.....	10/93
New Orleans.....	11/93
Memphis.....	12/93
Newark.....	1/94
FAA Technical Center.....	2/94

Parallel and converging runway monitors, Memphis, TN.....	\$13,500,000
Los Angeles Basin TRACON consolidation.....	19,200,000
Terminal area automation improvements.....	8,000,000
Mode C intruder.....	14,490,000
Dallas/Ft. Worth Metroplex expansion.....	53,000,000
ATC terminal software enhancements.....	3,000,000
Remote maintenance monitoring systems.....	23,700,000
Terminal ATC facility replacements.....	18,800,000

Tower replacements:

Montgomery, AL	Helena, MT
Chicago (O'Hare), IL	Roswell, NM
St. Louis, MO	Newark, NJ
New York (La Guardia), NY	

Tower/TRACON modernization.....	\$7,222,000
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Locations:

Addison, TX	Flint, MI
Longview, TX	Goodyear, AZ
Midland, TX	Deer Valley, AZ
Aspen, CO	Mesa, AZ
Colorado Springs, CO	Scottsdale, AZ
Oakland, CA	Niagara Falls, NY
San Diego (Miramar), CA	Portland, OR
San Luis Obispo, CA	Tampa, FL
Chantilly (Dulles), VA	Texarkana, AR
Enid, OK	Yakima, WA
Fargo, ND	Youngstown, OH
Baton Rouge, LA	Port Columbus, OH
Esler Field, LA	Santa Fe, NM

Integrated communications switching systems.....	\$9,435,000
Interim support plan.....	73,000,000
Terminal communications improvements.....	13,000,000
Tower communications system (TCS).....	2,000,000
New airport traffic control tower—Camarillo, CA.....	2,800,000

New Denver airport.—The Committee has deleted the entire \$102,152,300 request to initiate design and construction of FAA facilities and equipment at the proposed new Denver airport. The Committee received substantial testimony indicating that wide disagreements still exist between the City and County of Denver and the principal users over important details of the financial plan and construction timetable for this facility. The Committee cannot justify tying up a substantial amount of funds for an unknown length of time when other pressing capacity enhancements can be funded and implemented. The Committee will consider funding necessary facilities and equipment for this new airport either through a re-programming request or in future year budgets once a financial plan and construction timetable have been agreed to among the airport sponsor, users, and the FAA. Any future request should not

include TRACON construction funds unless such facility is integrated fully into the ACF consolidation plan.

Interim support plan.—The Committee has provided \$73,000,000 for the second year of funding for the interim support plan. While this is \$37,000,000 below the budget request, it is only \$11,667,000 below the two year total of \$223,166,000 that has been requested (reflecting recent action on reprogramming requests). The difference is comprised of a \$7,000,000 deletion for three proposed ASR sites that do not meet phase II benefit-cost criteria and a \$4,667,000 deletion for continued program slippages. The Committee is aware of growing safety problems at Medford/Jackson County, Oregon airport that justify the installation of an ASR-9 radar under the interim support plan. Funds are included in the bill for this purpose. The Committee directs the FAA to give priority consideration to the expeditious installation of ASR-9 equipment at this location.

Special surveillance system.—The Committee has deleted the \$14,000,000 request to acquire and maintain a three dimensional surveillance radar for the Los Angeles terminal control area. The Committee understands that a significant amount of development work must still be accomplished to integrate this system's software with other existing surveillance systems and to develop appropriate operational procedures. The Committee has therefore funded this project under the Research, engineering and development account.

Remote maintenance monitoring.—The Committee has deleted \$12,133,000 of the \$35,833,000 request to continue the installation of remote maintenance monitoring equipment on various pieces of NAS equipment. The Committee understands that an SEIC benefit-cost study found that retrofitting solid state ILS's with RMM equipment was not cost effective and that cost savings of \$60,000,000 may be achieved by reducing the retrofit portion of the RMM program. The Committee has deleted all retrofit funding from the fiscal year 1990 request pending final resolution of this issue. Including sums provided in this bill for RMM installation on new equipment and related system costs, the Committee has appropriated \$217,332,000 for this program since fiscal year 1982.

Radio tone control equipment.—The Committee has deleted the \$10,100,000 request for radio tone control equipment. These funds represent the final increment of the \$144,000,000 RCE program. Much of this equipment would be used in automated flight service stations. The Committee understands, however, that commercially available equipment may be equally effective at flight service stations and could save as much as \$57,000,000 in total RCE program costs. The Committee expects a report from the FAA no later than January 1, 1990 on the results of its value analysis of this project and a recommendation of how any savings should be applied. The Committee believes the FAA should give first priority to applying these potential savings to any Operations funding shortfall that may develop.

Transceiver replacement.—The Committee has deleted the \$6,375,600 request to replace obsolete emergency UHF and VHF transceiver equipment in towers and TRACONs. This is the first year of a \$130,000,000 program. The Committee understands that the current FAA procurement memorandum for this equipment is at variance with the FAA order specifying minimum transceiver

requirements and is not compatible with the rest of the NAS design. The Committee further understands that the SEIC value engineering group has identified this program as a potential candidate for reductions of as much as \$120,000,000. The Committee has deferred this program until it is satisfied that these issues have been resolved.

San Juan, Puerto Rico control tower.—The Committee has been made aware of problems associated with planned new construction at the Luis Muñoz Marín International Airport that will require construction of a new control tower. The FAA is requested to evaluate the merits of this project and report its findings to the Committee no later than January 1, 1990. Such report shall include Phase I and Phase II data, estimated cost, and any other pertinent data related to cost sharing, design, or operational concerns.

Saipan International Airport control tower.—The Committee is aware of the efforts being made to construct a control tower at Saipan International Airport. Unfortunately, this airport does not meet FAA tower establishment criteria while others that have yet to be fully funded do meet the qualifying criteria. The Committee also is aware that Japanese corporations have offered in the past to finance the construction of this facility. The Committee believes this to be a viable alternative and directs the FAA to fully cooperate with any interested parties who may want to finance this project.

Bozeman, MT control tower.—The Committee is concerned that unique geographical characteristics combined with the planned consolidation of flight service stations in the area may justify the need for the establishment of an air traffic control tower at Bozeman, Montana. The FAA is requested to review the feasibility of establishing a tower at this location and submit a report to the Committee on this subject by no later than January 1, 1990.

FLIGHT SERVICE FACILITIES

The bill includes \$35,000,000 for various improvements to and consolidations of flight service facilities. These funds are distributed as follows:

Flight service station modernization	\$11,000,000
VHF direction finder network	14,500,000
Flight service facility improvements	500,000
Direct user access terminal (DUAT) system.....	9,000,000

National weather graphics display system.—The Committee has deleted from the “flight service station modernization” account \$4,000,000 that would begin the first year of a multi-year procurement for a weather graphics display system. The Committee understands that this proposal could cost ten times more than updating a current system without significantly improving the FAA’s ability to provide weather graphics information. The Committee directs the FAA to keep in place the current interim weather graphics systems while GAO performs an analysis of the proposal for a new system. These interim systems are currently operating in 48 of the FAA’s 61 automated flight service station facilities and the remaining facilities are already scheduled to be outfitted. The current sys-

tems will continue in operation until Congress reviews the GAO study.

FSS consolidation.—The Committee also has deleted from the “flight service station modernization” account \$2,500,000 that is requested to continue to close flight service stations and consolidate these services into the Model 1 automated flight service stations. Testimony indicates that further consolidations have been deferred until after “Model 1 full capacity” is installed in the remaining AFSS’s. It is expected that this will delay most remaining consolidations by several years.

AIR NAVIGATION FACILITIES

The bill includes \$132,455,000 for air navigation facilities. These funds are distributed as follows:

VOR/DME facilities \$11,725,000

Locations:

- Marshalltown, IA
- Muscatine, IA
- Bauette, NM
- Burlington, WI
- Gaylord, MI
- Payson, AZ
- Concordia, KS
- Gorden, NE
- Hillview, IL
- Cedar Creek, TX
- Inyokern, CA

Nondirectional radio beacon facilities \$750,000
 Microwave landing system demonstration program 12,000,000
 Approach lighting system improvements 4,800,000
 Automated weather observing system 10,555,000
 Visual nav aids 6,500,000
 Instrument landing systems 23,275,000

New locations:

- Dallas/Ft. Worth, TX...
- Dallas/Ft. Worth, TX...
- Charlotte, NC.....
- Baltimore, MD.....
- Portland, OR.....
- Phoenix, AZ.....
- Nashville, TN.....
- Newark, NJ.....
- Raleigh-Durham, NC...
- Chadron, NE.....
- Murray-Calloway, KY..
- Gary, IN.....
- Waukegan, IL.....

Runway

- 35L
- 36L
- 18L
- 33R
- 10L
- 26R
- 13
- 11
- 05L
- 19
- 23
- 30
- 23

Replacements

- FAA Academy
- San Francisco
- Tulsa
- Atlanta.....
- Atlanta.....
- Atlanta.....
- Chicago O’Hare
- Chicago O’Hare
- Chicago O’Hare
- Chicago O’Hare
- Chicago O’Hare
- Chicago O’Hare
- Covington
- Tampa
- Salt Lake City
- Juneau, AK.....
- Sitka, AK.....
- Wrangell, AK.....

Runway

- 28R
- 35R
- 09R
- 08L
- 08R
- 14L
- 32L
- 22R
- 27L
- 27R
- 32R
- 36
- 36L
- 34L
- 08
- 11
- 09

Runway visual range equipment \$4,450,000

Locations:

- New York, NY.....
- Atlanta, GA.....

Runway

- Various (6)
- Various (7)

Chicago, IL	Various (4)	
Detroit, MI	Various (3)	
Denver, CO	26L	
Seattle, WA	34R	
Houston, TX.....	Various (5)	
Pittsburgh, PA.....	Various (4)	
Memphis, TN	Various (3)	
Louisville, KY.....	29	
Tampa, FL.....	18L	
Charlotte, NC.....	Various (4)	
Greensboro, NC	Various (2)	
Dallas/Ft. Worth, TX.....	Various (2)	
New Orleans, LA.....	Various (2)	
Baltimore, MD.....	33L	
Chantilly, VA.....	01L	
Philadelphia, PA.....	17	
Roanoke, VA.....	06	
Detroit (Willow Run), MI.....	23L	
Roanoke, VA.....	06	
Chamblee, GA.....	20L	
Nashville, TN (Metro).....	13	
Nashville, TN (Metro).....	21	
Greenville, MS.....	17L	
Kinston, NC	04	
N. Myrtle Beach, SC.....	23	
Owensboro, KY.....	35	
Tuscaloosa, AL	04	
Dallas (Love), TX.....	13R	
Houston (Hobby), TX.....	12R	
System capacity initiative.....		\$51,000,000
<i>New ILS locations:</i>	<i>Runway</i>	
Dayton, OH	6R	
Huntsville, AL.....	18R	
Miami, FL.....	9L	
Pittsburgh, PA.....	10C	
Portland, ME	11	
Portland, OR.....	10L	
Raleigh-Durham, NC.....	5R	
Raleigh-Durham, NC.....	23L	
Raleigh-Durham, NC.....	23R	
Richmond, VA	02	
St. Louis, MO	12L	
Syracuse, NY	14	
Worcester, MA.....	29	
<i>New RVR locations:</i>	<i>Number of systems</i>	
Baltimore, MD.....	(3)	
Chicago (MDW), IL	(2)	
Cincinnati, OH	(5)	
Harrisburg, PA.....	(2)	
Huntsville, AL.....	(2)	
Miami, FL.....	(6)	
Minneapolis, MN	(3)	
Norfolk, VA.....	(2)	
Philadelphia, PA.....	(1)	
San Antonio, TX	(1)	
Savannah, GA.....	(2)	
Syracuse, NY	(2)	
Tulsa, OK	(3)	
Washington (IAD), VA.....	(1)	
Airport approach landing aid facilities.....		\$3,500,000
Automated flight procedures development for terminal areas (IAPA)		3,900,000

Microwave landing system.—The Committee has deleted \$18,000,000 of the \$30,000,000 microwave landing system request that is related to the development and limited production of Category II/III MLS systems. The remaining \$12,000,000 is to be used solely to support the nine-part MLS demonstration program that has been developed jointly by the FAA and the user community. This program is intended to provide the FAA, airlines, and other users with information needed to establish a basis for a mutually supportable decision on future U.S. precision approach needs. This program includes the following major elements:

- (1) Analysis of available ILS frequencies for expansion of precision approach in the U.S.;
- (2) Evaluation of wide body curved or segmented approaches and other advanced technologies for precision approach;
- (3) Evaluation of advanced procedures in multi-airport environments;
- (4) General aviation/commuter capacity enhancement;
- (5) Comparison of MLS to ILS performance;
- (6) Assessment of MLS avionics installation costs;
- (7) Assessment of reduced MLS minima;
- (8) Development of DME/P interrogators; and
- (9) Category II/III flight demonstration.

This demonstration program was initiated in 1989 and will be completed by 1991. The Committee will not support procurement funds for Category II/III MLS systems until this demonstration program is completed.

System capacity initiative.—The Committee has added \$51,000,000 to the budget request to enhance system capacity in the short- and mid-term. These funds are to be used to install new instrument landing systems and runway visual range equipment at specified airports in addition to the ILSs and RVRs that are funded under the normal budget account. The Committee expects the FAA to give priority to the procurement and installation of these systems.

Lambert St. Louis International Airport lead-in light systems.—The Committee has added \$1,500,000 to the “visual nav aids” account for the installation of LDIN light systems for the LDA approaches to runways 17L and 30L at Lambert St. Louis International Airport. The FAA estimates annual delay savings from the installation of this equipment to be 5,600 hours annually or \$8,300,000.

Loran-C nonprecision approach.—The Committee directs the FAA to expedite the approval of Harriman West Airport in North Adams, Massachusetts, for a Loran-C non-precision approach.

Visual nav aids.—The Committee has deleted \$6,500,000 from the “visual nav aids” account related to medium intensity approach lighting system runway indicators (MALSR). The Committee understands that there are 113 locations where MALSR requirements for three separate NAS projects—MLS, ALSIP, and visual nav aids—overlap or have been counted more than once as requirements for different systems at the same location. There also is no FAA-wide MALSR system specification defining a baseline requirement common to all NAS projects. The Committee has deferred additional MALSR funding under this program until it is assured

that no procurement duplication exists and that a baseline MALSR requirement is developed in a consolidated procurement proposal.

Approach lighting system improvement program.—The Committee has deleted \$4,700,000 for the procurement of frangible structures to improve approach lighting systems. Over \$36,000,000 remains unobligated for this program from prior year appropriations—nearly 4 times the amount of the fiscal year 1990 ALSIP budget request. The Committee has provided the requested \$4,800,000 for ALSIP regional site work. It is expected that these funds will be used with prior year funds to significantly reduce the large backlog of ALSIP installation work.

TACAN antennas.—The Committee has deleted \$6,000,000 requested in the "VOR/DME" account to replace TACAN antennas. These antennas are operated and maintained solely for military use. The Committee encourages the FAA to seek all necessary TACAN funding from the Defense Department.

HOUSING, UTILITIES, AND MISCELLANEOUS FACILITIES

The bill includes \$273,388,000 for various housing, utilities, and miscellaneous projects. These funds are distributed as follows:

National radio communications system (NARACS).....	\$4,650,000
Airway facilities buildings and equipment.....	20,000,000
Airport cable loop systems.....	3,500,000
Computer-based instruction.....	7,595,000
Power systems.....	12,000,000
Fuel storage tank replacement.....	6,000,000
ADP facilities management (CORN).....	9,000,000
Automated command and control technology.....	10,000,000
Maintenance control centers.....	4,250,000
Purchase of land/easements.....	3,000,000
Airport datum monument program.....	1,500,000
Washington National airport hangar upgrades.....	1,250,000
Employee safety upgrades at towers.....	5,500,000
Systems engineering and integration.....	109,500,000
Air navigation/ATC support.....	8,000,000
Mike Monroney Aeronautical Center lease.....	7,191,000
Regional logistics support.....	6,000,000
Air navigation aids/ATC facility improvements.....	3,000,000
Frequency and spectrum engineering.....	1,815,000
Human resources management plan.....	1,000,000
Test equipment/PCB software.....	3,800,000
ATC simulators.....	13,000,000
Advanced design/management control contract support.....	6,000,000
Independent operational test and evaluation.....	1,440,000
Hazardous materials management.....	7,000,000
ATC part-task trainers.....	7,397,000
Aircraft and airmen registry.....	4,000,000
Contract support services.....	3,000,000
Mid-American resource consortium.....	3,000,000

ADP facilities management (CORN).—The Committee continues to be concerned about the FAA's Computer Resources Nucleus (CORN) project, which involves a major contract for general purpose, non-air traffic control ADP support. The total estimated cost for this contract is now approximately \$1,500,000,000, a tenfold increase since 1986. Under CORN, a single contractor would be responsible for providing, maintaining, and operating the computer facilities, equipment, software, and technical support to meet FAA's general purpose data-processing needs over the next 10

years. The contract is also scheduled to include options for providing data-processing services to other elements of the Department of Transportation.

The Committee is particularly concerned about the appropriateness of including an estimated \$619,000,000 in the contract for service options that have not been subject to a requirements analysis or feasibility study. In addition, the documentation for programs to be converted to the CORN system may not be complete and therefore may impede timely implementation of the contract. The Committee also notes that FAA's methodology for validating the reliability of the vendors' cost proposals has been questioned by the General Services Administration's Federal Systems Integration and Management Center (FEDSIM). Questions also have been raised about the cost effectiveness of pursuing the CORN approach versus upgrading the existing Common System and the appropriateness of restricting the RFP to a single hardware architecture.

In view of these concerns and the major cost and program implications of this project, the Committee directs the FAA and DOT to defer awarding the CORN contract until: (1) the Committee reviews the results of an ongoing General Accounting Office evaluation of CORN and the written FAA response to the GAO report; and (2) FAA and DOT officials subsequently discuss the project with the Committee to resolve any outstanding concerns. The bill includes \$9,000,000 for the CORN project which, together with \$15,000,000 in carryover funds, will be sufficient to implement this project if it is ultimately approved by the Committee.

Mid-American resource consortium.—The Committee has added \$3,000,000 to purchase equipment for the University of North Dakota's Center for Aerospace Science in support of the Mid-American Resource Consortium. Such funds shall be matched by state or university sources on a 50-50 basis.

Fuel storage tank replacement.—The Committee has deleted \$5,000,000 of the \$10,700,000 request to fund the third year of a multi-year program to replace fuel tanks at certain FAA facilities. This amount is comprised of \$3,000,000 that was to be reserved for unforeseen contingencies and \$2,000,000 to replace tanks at locations where no problems have been identified. Also, the Committee understands that the FAA is currently assessing its power program to determine where engine generators can be replaced by new battery technology. The Committee believes the FAA should await the results of its own analysis before requesting funds for replacement programs and contingency accounts involving sites where no environmental problems have been identified.

AIRCRAFT AND RELATED EQUIPMENT

The bill includes \$12,591,000 to replace, modernize and equip FAA aircraft. These funds are distributed as follows:

B-727 flight systems (avionics).....	\$2,500,000
TCAS II OT&E equipment.....	1,000,000
TCAS II airborne systems (13 systems).....	1,200,000
Visual contact lighting systems (62 systems).....	241,000
B-727 simulator retrofit.....	1,300,000
Turbojet training device.....	80,000
Turboprop training device.....	80,000
TCAS training device.....	80,000

CV-580 avionics/airframe upgrade.....	2,200,000
Electronic flight instrumentation (7 systems).....	2,910,000
B-727 long range fuel system.....	1,000,000

TCAS II operational test and evaluation equipment.—In fiscal years 1987, 1988, and 1989 the Committee approved funds to support testing of a prototype collision avoidance system known as TCAS II to reduce the incidences of near mid-air collisions in the National Airspace System. Proposed legislative changes to the Airport and Airway Safety and Capacity Expansion Act of 1987, Public Law 100-223, establish a schedule for the installation of TCAS II in certain civil aircraft that requires an operational evaluation program to be conducted beginning in the spring of 1990. In view of substantial safety benefits attainable from this system, the bill includes \$1,000,000 to provide for airborne data recorders to conduct the operational evaluation program.

DEVELOPMENT, TEST, AND EVALUATION

The bill includes \$24,990,000 for development, test, and evaluation activities. These funds are distributed as follows:

FAA technical center building lease.....	\$5,290,000
Atlantic City International Airport improvements.....	1,200,000
FAA technical center laboratory modernization.....	3,100,000
Target generator facility.....	13,000,000
Engineering support equipment.....	400,000
New ATC R&D laboratory.....	2,000,000

PERSONNEL COMPENSATION, BENEFITS, AND TRAVEL

The bill includes \$73,596,000 for personnel compensation, benefits, and travel to support the "facilities and equipment" account. These funds are distributed as follows:

Establishment/improvement of facilities.....	\$63,642,000
Flight inspection.....	1,566,000
Factory inspection and acquisition.....	6,767,000
Aeronautical center.....	1,621,000

F&E staffing.—This funding level will provide for the requested level of 1,368 positions and 1,326 staff years. This is an increase of 206 positions and 63 staff years over the fiscal year 1989 level.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 1989 to date.....	\$160,000,000
Budget estimate, fiscal year 1990.....	165,000,000
Recommended in the bill.....	185,000,000
Bill compared with:	
Appropriation, fiscal year 1989.....	+25,000,000
Budget estimate, fiscal year 1990.....	+20,000,000

The accompanying bill includes \$185,000,000 for research, engineering and development programs to improve the national air traffic control system and to increase its safety and capacity to meet the air traffic demands of the future. This appropriation also finances the research, engineering, and development needed to establish or modify federal air regulations. The following table shows the comparable amounts for fiscal years 1989 and 1990, including the amounts recommended in the bill:

	Fiscal year 1989 appropriation	Fiscal year 1990 budget estimate	Recommended in the bill
Air traffic control	\$89,252,000	\$93,725,000	\$107,725,000
(System)	(9,623,000)	(16,506,000)	(16,506,000)
(Beacon)	(1,799,000)	(2,793,000)	(2,793,000)
(Aircraft separation assurance)	(14,444,000)	(7,160,000)	(7,160,000)
(Communications)	(14,949,000)	(13,541,000)	(13,541,000)
(System capacity and airports)	(25,779,000)	(25,120,000)	(25,120,000)
(Terminal/tower control)	(100,000)	(.....)	(14,000,000)
(Technology)	(6,688,000)	(8,476,000)	(8,476,000)
(Support)	(4,567,000)	(5,442,000)	(5,442,000)
(Rotorcraft)	(6,146,000)	(3,810,000)	(3,810,000)
(Human systems and operations)	(5,157,000)	(10,592,000)	(10,592,000)
(Flight planning)	(.....)	(285,000)	(285,000)
Advanced computers	23,067,000	18,683,000	18,683,000
(Advanced automation)	(7,379,000)	(7,913,000)	(7,913,000)
(ATC automation)	(15,688,000)	(10,770,000)	(10,770,000)
Navigation	3,150,000	2,920,000	2,920,000
(Navigation)	(2,529,000)	(2,920,000)	(2,920,000)
(Approach and landing)	(621,000)	(.....)	(.....)
Aviation weather	12,878,000	13,287,000	13,287,000
Aviation medicine	6,097,000	6,513,000	6,513,000
Aircraft safety and aviation security	23,701,000	27,872,000	33,872,000
Environment	1,855,000	2,000,000	2,000,000
Total	160,000,000	165,000,000	185,000,000

AIR TRAFFIC CONTROL

The Committee recommends \$107,725,000, an increase of \$14,000,000 over the budget request, for the air traffic control activity. This activity applies existing technology to air traffic control problems to maintain the safe and efficient operation of the current system, and supports improvements to increase the system's productivity and capacity. This activity also includes programs designed to ensure that the airport/airway systems will meet the projected aviation requirements of the 1990s. Some of the major air traffic control programs funded in the bill include the operational testing of traffic alert and collision avoidance systems, continued development of a voice switching and control system, development of data link air/ground services, airport capacity research, satellite applications, and the overall systems engineering and direction for improving the air traffic control system.

Airport capacity research.—The Committee has approved the budget request of \$25,120,000 for airport capacity research. As stated last year, the Committee believes that insufficient attention and funding have been given to airport research and development for capacity improvements. A lack of airport capacity has already become one of the primary causes of aviation congestion and delay and threatens to become an increasing safety hazard and constraint on the national air transportation system. According to FAA estimates, 20 airports were seriously congested in 1987 and 47 additional airports will become seriously congested by the year 2000 unless their capacities are increased.

An industry task force on airport capacity improvements and delay reduction, established by the FAA in 1982, has identified a number of technological concepts which, if implemented, could pro-

vide short- and long-term capacity increases at the most congested airports. The recommended airport capacity funding is to pursue and accelerate high priority capacity projects, such as reducing required IFR spacing between parallel runways to 3,000 feet, reducing minimums for IFR operations to converging runways to near VFR minimums, establishing procedures for IFR operations to triple parallel runways, advancing terminal area automation and improved airport surface surveillance and guidance to reduce runway incursions, continuing airport/airspace planning model development, improving airport pavements, and continuing wake vortex research.

The Committee expects that future FAA budget requests will identify and justify research and development projects that are directly related to airport capacity under this heading. Other efforts that may have a peripheral impact on airport capacity enhancement should be requested separately. The Committee further directs the FAA to submit by December 31, 1989, an updated plan for carrying out the airport capacity projects. This plan should specify the proposed dates and funding required for operational implementation of each project.

Terminal/tower control.—The Committee has added \$14,000,000 under this account for the acquisition, installation, testing, and modification of a three dimensional radar system in the Los Angeles area. Funding for this system was requested under "Facilities and equipment". The Committee has been advised that the SEI contractor has expressed concern about the possible incompatibility of this system with the air traffic control automation specified in the NAS design. Nevertheless, the Committee believes this radar could make a valuable contribution if used throughout the country in a properly planned program. The modification and use of this radar could establish the extent, duration and frequency of aircraft violations of FAA transponder rules in heavily traveled terminal control areas throughout the country. This information could be used for the development of new flight paths or air traffic control procedures for controlled traffic, more fully using TCAS capabilities. The Committee believes it is more appropriate to address these issues as part of the research, engineering, and development program.

ADVANCED COMPUTERS

The Committee recommends the budget request of \$18,683,000 for the modernization of the air traffic control system in order to accommodate future air traffic demands. The amount recommended includes \$10,770,000 for air traffic control automation and \$7,913,000 for in-house costs associated with the advanced automation system. Additional funding is provided under "Facilities and equipment" for the acquisition phase of the advanced automation system.

NAVIGATION

The bill includes \$2,920,000 to modernize, expand, and improve the common navigation system facilities in the United States and in overseas areas where international agreements require U.S. par-

ticipation. The major programs included under this activity involve the continued evaluation of the Global Positioning System as a replacement for existing VOR/DME systems and navigation system engineering. The amount recommended is the same as the budget estimate and \$230,000 less than the fiscal year 1989 level.

AVIATION WEATHER

The bill includes \$13,287,000 to improve the acquisition, processing, dissemination, and display of aviation weather information. The funds are provided primarily to support the development of the next generation weather radar (NEXRAD), terminal Doppler weather radar, central weather processor, airborne wind shear sensor, and low level wind shear alert system programs. The amounts recommended for these programs are the same as the budget estimates.

AVIATION MEDICINE

The sum of \$6,513,000 is recommended for conducting aeromedical research to identify and eliminate those physiological and psychological factors that are harmful to personnel engaged in operating the air traffic control system or that may jeopardize flight safety. The amount recommended is the same as the budget estimate and \$416,000 more than the fiscal year 1989 appropriation.

AIRCRAFT SAFETY AND AVIATION SECURITY

The Committee recommends \$33,872,000 for aircraft safety and aviation security research. This is \$6,000,000 more than the budget estimate and \$10,171,000 more than the fiscal year 1989 level.

The amount recommended includes \$19,192,000 for the development and modification of regulations to promote flight safety of civil aircraft. The Committee has increased the funding for the Institute for Aviation Research at Wichita State University to a level of \$2,000,000 to expedite the development of a prototype electronic data base and automated system to identify civil aviation aircraft, track modifications, and distribute airworthiness material to the owner/operators.

The Committee recommendation includes \$14,680,000 for the development of systems and devices to prevent and deter sabotage in the civil air transportation system. The Committee supports efforts to introduce at selected airports new technologies for airport screening, including systems designed to detect any of a variety of explosives inside checked baggage. The national interest in such capabilities requires that any new screening equipment be effective, credible, reliable, and safe to employees and passengers, and not impose unrealistic burdens or delays on either the operators of the equipment or the travelling public. As these technologies move from the research and development phase to the operational phase, it will require extra effort by the Department to assure that these technologies are not discredited with regard either to their being an effective deterrent or to their being practical, workable and cost-effective in the real world of daily operations. It is clear that these objectives are most likely to be met if any requirements imposed by the Department on the procurement of new screening

technologies are structured and scheduled so as to provide for maximum competition among various designs and products. The Committee intends that the Department assure that any such requirement for procurement of new screening technologies be fully consistent with this clear public interest in competitive procurements.

The Committee received testimony regarding further promising technologies in explosive detection. The Committee has added \$5,600,000 to the Department's request for aviation security in order that any promising technology for screening checked or carry-on baggage may be fully investigated.

The Committee further notes that the Department imposed in December 1988 additional and extraordinary operational security requirements on U.S. airlines operating from 45 airports in Europe, the Middle East, and the Far East. Yet, despite the fact that approximately half of all U.S. citizens travelling abroad travel on foreign airlines, the Department failed to require the same measures of foreign airlines flying from those same airports to destinations in the United States. The Department clearly has the authority to require foreign airlines flying into the United States to meet the same security standards their U.S. competitors must meet on the same routes. The Committee believes the Department should assure that equal security requirements are imposed on all flights from a given foreign airport to the U.S. without regard to whether such flights are operated by a foreign or U.S. airline.

ENVIRONMENT

The bill includes \$2,000,000 for air pollution and noise control research, primarily associated with FAA's certification and enforcement requirements. The amount recommended is the same as the budget request, and \$145,000 more than the fiscal year 1989 appropriation.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

Appropriation, fiscal year 1989 to date	(\$1,150,000,000)
Budget estimate, fiscal year 1990	(1,166,000,000)
Recommended in the bill.....	(1,190,000,000)
Bill compared with:	
Appropriation, fiscal year 1989	(+ 40,000,000)
Budget estimate, fiscal year 1990.....	(+ 24,000,000)

The Committee recommends a liquidating cash appropriation of \$1,190,000,000, an increase of \$24,000,000 over the budget estimate, for grants-in-aid for airports. The recommended increase over the budget is to provide sufficient liquidating cash to cover the estimated fiscal year 1990 outlay impact of the increased obligation ceiling.

LIMITATION ON OBLIGATIONS

The bill includes a limitation on obligations for airport development and planning grants that are financed under contract authority. The limitation recommended for fiscal year 1990 is

\$1,500,000,000. This is \$100,000,000 more than the fiscal year 1989 level and \$150,000,000 more than the budget estimate. The Committee believes this increase is necessary to ensure that the airport component of our aviation system develops along with the airway portion. Both the Office of Technology Assessment and the FAA have indicated that airports will be the limiting factor to aviation growth if no actions are taken. The bill also includes language specifying that the \$100,000,000 increase shall be available only for airport capacity projects and airport access control systems. Within the obligation level recommended, the Committee urges that priority be given to grant applications involving the construction or further development of the following airports:

- Akron-Canton Regional Airport, Ohio.
- Alexander Hamilton Airport, Virgin Islands.
- Aurora Municipal Airport, Illinois.
- Austin Airport, Texas.
- Baer Field Airport, Indiana.
- Baltimore-Washington International Airport, Maryland.
- Bellingham International Airport, Washington.
- Birmingham Municipal Airport, Alabama.
- Bloomington-Normal Airport, Illinois.
- Bradley International Airport, Connecticut.
- Chandler Municipal Airport, Oklahoma.
- Chicago Midway Airport, Illinois.
- Chicago O'Hare International Airport, Illinois.
- Colorado Springs Municipal Airport, Colorado.
- Cyril E. King Airport, Virgin Islands.
- Decatur Airport, Illinois.
- Elkhart Municipal Airport, Indiana.
- Fort Lauderdale-Hollywood International, Florida.
- Gary Regional Airport, Indiana.
- Greater Buffalo International Airport, New York.
- Hull Airport, Texas.
- Johnstown-Cambria Airport, Pennsylvania.
- Louisville (Standiford Field), Kentucky.
- Louisville-Winston County Airport, Mississippi.
- Lynchburg Municipal Airport, Virginia.
- Metropolitan Nashville Airport, Tennessee.
- Miami International Airport, Florida.
- New Colorado Airport, Colorado.
- Opa Locka Airport, Florida.
- Orlando International Airport, Florida.
- Pearson Airpark, Washington (notwithstanding the normal grant assurance time requirement).
- Philadelphia International Airport, Pennsylvania.
- Portland International Airport, Oregon.
- Reading Municipal Airport, Pennsylvania.
- Red Bay Municipal Airport, Alabama.
- Richlands Airport, Virginia.
- Rowan County Airport, North Carolina.
- Sacramento Metropolitan Airport, California.
- Seattle-Tacoma International Airport, Washington.
- St. Lucie County International Airport, Florida.
- Stanly County Airport, North Carolina.
- Stewart International Airport, New York.
- Taos Municipal Airport, New Mexico.
- Tompkins County Airport, New York.
- Virginia Highlands Airport, Virginia.
- Water Valley Municipal Airport, Mississippi.
- Westmoreland County Airport, Pennsylvania.

UNDERUTILIZED AIRPORTS CASE STUDIES

The Committee recognizes the FAA's work in addressing the capacity problem at congested airports through the use of airport capacity task forces. These groups provide useful suggestions, many of which have been implemented, for the development of new procedures, new taxiways, new runways, etc., to increase the capacity of congested airports.

However, the Committee also believes that there is another important means of capacity enhancement that needs further study—the use of currently underutilized primary commercial airports to relieve congestion at major hubs. Evidence exists that there are a number of such airports which have, over the years, received federal assistance and which are strategically located to relieve congestion in the very near future at larger airports. Several such potential new connecting hub airports are identified in the FAA's airport capacity office 1988 Airport Capacity Enhancement Plan. Unfortunately, the FAA has not aggressively pursued the development and marketing of these underutilized facilities. Nor has there been a careful assessment of the willingness of the nation's airlines to support such a strategy for capacity enhancement.

Accordingly, the Committee directs the FAA to undertake case studies of airports that offer this possibility to determine the feasibility of developing and marketing these potential new connecting hub airports as another means of increasing capacity.

LOCAL CAPACITY SURCHARGE STUDY

The Committee was impressed by testimony concerning the enormous needs of airports for added capacity and other improvements which exceed the financial ability of the federal aviation account. Over \$3 billion in airport improvement program requests have been made by only 19 airports. In order for the Congress to explore all possible alternatives, the Committee directs the Secretary to conduct a study of innovative funding mechanisms and a review of the issues surrounding repeal of the federal prohibition against locally-imposed surcharges on airline passengers by airport operators for the purpose of providing needed airport capacity. This review shall include the recommendations of a select committee of 9 individuals chosen by the Secretary, including but not limited to representatives of airport executives, airport operators, and airlines (with equal representation between airports and airlines). A report is to be provided to the Congress within 180 days of enactment, including recommendations the select committee deems appropriate.

INSTRUMENT LANDING SYSTEMS

The Committee is concerned that the MLS procurement and delivery schedule may preclude providing service to communities that presently desire a more rapid provision of a precision landing capability. Because of this concern, the FAA is directed to allocate up to \$10,000,000 from the grants-in-aid for airports program for purchase or lease and installation of instrument landing systems and approach lighting for the following airports:

Brookley Airport, Alabama.
Connersville Airport, Indiana.

Elkhart Municipal Airport, Indiana.
 Goodwin Field, Arkansas (glideslope).
 Ogden Municipal Airport, Utah.

The bill includes language (sec. 331) permitting the transfer to the FAA of instrument landing systems which were purchased with airport improvement grant funds.

PART 150 NOISE STUDY

The Committee is concerned about the noise impact at Westover Metropolitan Airport, a joint-use airport in Chicopee, Massachusetts, and directs the Federal Aviation Administration to conduct a Part 150 noise study of Westover.

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

(LIMITATION ON BORROWING AUTHORITY)

Limitation, fiscal year 1989 to date.....	(\$50,000,000)
Budget estimate, fiscal year 1990	(57,000,000)
Recommended in the bill.....	(50,000,000)
Bill compared with:	
Limitation, fiscal year 1989.....	(.....)
Budget estimate, fiscal year 1990.....	(-7,000,000)

The Committee recommends language that permits the Secretary of Transportation to borrow up to \$50,000,000 from the Secretary of the Treasury to pay defaulted loans. This is the same as the fiscal year 1989 level and \$7,000,000 less than the budget estimate. According to the Office of Management and Budget and the Congressional Budget Office, the borrowing authority provided in appropriations Acts for this program is not new budget authority. Testimony indicates that FAA has paid approximately \$180,000,000 as a result of defaulted loans. The Committee believes that the FAA should encourage the parties involved to employ options such as rolling over the loan or extending the payment time to attempt to work out a potential default.

FEDERAL HIGHWAY ADMINISTRATION

SUMMARY OF FISCAL YEAR 1990 PROGRAM

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

Under the Committee recommendation, a total program level of \$14,131,315,000 would be provided for the activities of the Federal Highway Administration for fiscal year 1990. This is \$1,664,125,000 more than the budget estimate and \$537,406,000 more than the fiscal year 1989 level.

The following table summarizes the fiscal year 1989 program levels, the fiscal year 1990 program requests and the Committee's recommendations:

Program	Fiscal year 1989 program level	Fiscal year 1990 program request	Recommended in the bill
Highway safety research and development	\$6,080,000		\$6,080,000
Highway-related safety grants.....	¹ 9,405,000	¹ \$10,000,000	¹ 9,405,000
Railroad-highway crossings demonstration projects.....	7,560,000		15,000,000
Federal-aid highways.....	¹ 12,000,000,000	¹ 11,310,000,000	¹ 12,463,500,000
Other highway projects	128,864,000		126,940,000
Motor carrier safety	27,000,000	32,190,000	32,190,000
Motor carrier safety grants.....	¹ 60,000,000	¹ 60,000,000	¹ 60,200,000
Exempt programs	1,355,000,000	1,055,000,000	1,418,000,000
Total	13,593,909,000	12,467,190,000	14,131,315,000

¹ Limitation on obligations.

LIMITATION ON GENERAL OPERATING EXPENSES

Limitation, fiscal year 1989 to date.....	(\$217,350,000)
Budget estimate, fiscal year 1990	(228,246,000)
Recommended in the bill.....	(222,600,000)
Bill compared with:	
Limitation, fiscal year 1989.....	(+ 5,250,000)
Budget estimate, fiscal year 1990.....	(- 5,646,000)

This limitation provides for the salaries and expenses of the Federal Highway Administration required to conduct and administer the "Federal-aid highways" program and most other federal highway programs. The limitation also includes a number of contract programs, such as highway research and development, skill training, and minority business enterprise.

Administrative costs for highway-related safety grants are transferred to the limitation. In addition, the entire appropriation for highway safety research and development is transferred to and administered through this limitation.

The limitation recommended is \$5,250,000 more than the fiscal year 1989 level and \$5,646,000 below the budget request. The following table summarizes the fiscal year 1989 limitation, the fiscal year 1990 budget estimate, and the Committee's recommendation:

	Fiscal year 1989 limitation	Fiscal year 1990 budget estimate	Recommended in the bill
Personnel compensation and benefits.....	\$130,805,000	\$134,140,000	\$134,140,000
Working capital fund.....	9,792,000	10,340,000	10,340,000
Demonstration projects.....	2,856,000	2,959,000	2,959,000
Central support and other	41,906,000	45,652,000	43,779,000
National Highway Institute.....	1,361,000	1,361,000	1,361,000
Contract programs	30,630,000	33,794,000	30,580,000
R&D highways and highway safety.....		(19,314,000)	
R&D highways	(11,115,000)		(11,920,000)
Highway safety R&D.....	(5,350,000)		(6,080,000)
Minority business enterprise.....	(7,900,000)	(7,900,000)	(7,900,000)
Interjurisdictional trucking program	(350,000)	(150,000)	(150,000)
Truck and commodity survey	(250,000)	(250,000)	(250,000)
Rural transportation assistance.....	(3,700,000)	(3,700,000)	(3,700,000)
Historical artillery stables.....	(265,000)		
Highway use tax evasion project		(2,000,000)	

	Fiscal year 1989 limitation	Fiscal year 1990 budget estimate	Recommended in the bill
West Virginia feasibility study.....	(200,000)		
Central DFD laboratory.....		(45,000)	(45,000)
Western DFD laboratory.....		(435,000)	(435,000)
Virginia TSM study.....	(225,000)		
CDL trucking study.....	(250,000)		
Rock salt study.....	(225,000)		
Avenue of the Saints.....	(400,000)		
Intermodal exchange.....	(400,000)		
Kansas feasibility study.....			(100,000)
Reduction based on project delays.....			-559,000
Total.....	217,350,000	228,246,000	222,600,000

The Committee has not approved the \$2,000,000 request to support additional efforts by the states and the Internal Revenue Service for highway tax compliance enforcement activities. The Committee does not believe other agencies should have to reimburse IRS or the states for tax enforcement activities, particularly for an activity such as diesel tax enforcement from which the IRS estimates a return of nearly \$26 for each dollar spent.

The recommended reduction from the budget is also partly based on project delays and the availability of carryover funds in contract programs. Similar delays resulted in a \$6,133,000 carryover into fiscal year 1989. In addition, the Committee is recommending reductions of \$1,873,000 in GSA rental payments and \$1,314,000 in research and development. The Committee has added \$100,000 for a feasibility and environmental impact study of the expansion of the existing two lane highway between Wichita and Hutchinson, Kansas.

The Committee recommends a continuation of the current staffing level of 2,621 full-time permanent positions as proposed in the budget estimate.

Highway ramps, Ellis County.—The Committee urges the Federal Highway Administration to authorize the construction of on/off ramps on Interstate 45 at Crisp Road and FM 1181 in Ellis County, Texas.

Waiver of payback, San Francisco.—The Committee has determined that a parcel of land, bounded by Second, Third, Berry and King Streets, purchased as part of a withdrawn segment of I-280 in San Francisco, California, will be devoted to a public purpose including improved access to public transportation improvements, and therefore directs the Federal Highway Administration to grant a waiver of payback for the federal share of this property.

“Intelligent” vehicle-highway system program.—There is growing interest in the U.S. transportation industry—in the public and private sectors—in accelerating attention to development of a U.S. “intelligent” vehicle-highway system (IVHS) program to improve traffic flow and highway safety. In this regard, the Committee is awaiting the results of a comprehensive Department of Transportation report on IVHS, called for in the fiscal year 1989 conference report, which is to include recommendations to Congress for legislative and program actions.

A clear need exists now, however, to further test and demonstrate the potential near-term benefits of IVHS. The Federal Highway Administration's early efforts with states and private interests have been helpful. To assure continuation and expansion of such efforts, the bill provides that \$4,500,000 of the traffic operations research budget be allocated to IVHS demonstrations in fiscal year 1990.

Balance between state support for highways and mass transit.—The Committee is concerned that some states may be over-emphasizing funding for highways at the expense of an adequate funding commitment to mass transit. The Committee believes that dedicated state and local funding, or multi-year state and local funding commitments to support transit operating and capital budgets, are an important part of the mix of transit funding, particularly for the major transit properties where budgets are large and capital improvement needs are great. Therefore, the Committee directs the Department of Transportation to evaluate whether a balance between highway funding and transit funding may require in some cases that federal highway funds be conditioned on an adequate state funding commitment to mass transit, especially where the state must help support transit authorities serving urbanized areas with populations over 3,000,000.

HIGHWAY SAFETY RESEARCH AND DEVELOPMENT

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1989 to date	\$6,080,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	6,080,000
Bill compared with:	
Appropriation, fiscal year 1989 .....	.....
Budget estimate, fiscal year 1990.....	+6,080,000

The Committee recommends \$6,080,000 for the highway safety research and development efforts of the Federal Highway Administration. The research conducted under this program is used to support the safety standards established as a result of the Highway Safety Act of 1970. Major projects include accident analysis, safety criteria for traffic control signals, highway work zone traffic control, traffic barriers, improved safety of large trucks, and safety program support.

HIGHWAY-RELATED SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1989 to date	(\$10,000,000)
Budget estimate, fiscal year 1990	=(10,000,000)
Recommended in the bill.....	(9,405,000)
Bill compared with:	
Appropriation, fiscal year 1989	(-595,000)
Budget estimate, fiscal year 1990.....	(-595,000)

A liquidating cash appropriation of \$9,405,000 is recommended to assist states and localities in implementing the highway safety standards administered by the Federal Highway Administration.

These standards cover traffic control devices, highway surveillance, and the highway-related aspects of pedestrian safety.

LIMITATION ON OBLIGATIONS

The bill also limits fiscal year 1990 obligations under this program to \$9,405,000. This limit is \$595,000 less than the budget request and the same as the fiscal year 1989 level. Obligations under this program are incurred to develop systems, procedures, and manuals to assist highway agencies in the planning and implementation of safety improvements on highway facilities.

RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROJECTS

Appropriation, fiscal year 1989 to date	\$7,560,000
Budget estimate, fiscal year 1990	
Recommended in the bill.....	15,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+7,440,000
Budget estimate, fiscal year 1990.....	+15,000,000

The bill includes \$15,000,000 for railroad-highway crossings demonstration projects originally authorized by the Federal-Aid Highway Act of 1973, as amended. These projects involve the relocation of railroad lines from the central areas of cities, the elimination or protection of public ground-level highway crossings, and the construction of overpasses and underpasses. The purpose of the program is to alleviate community disruptions caused by railroad facilities located in the business and residential areas of the cities.

A summary of the funding status and estimated cost of these projects follows:

RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROJECTS
 Allocations, Obligations, and Estimated Costs
 As of March 31, 1989
 (Amounts in Thousands of Dollars)

CITY	SOURCE	TYPE OF PROJECT	FEDERAL FUNDS ALLOCATED	FEDERAL FUNDS OBLIGATED	ESTIMATED PROJECT COST	
					ALL FUNDING SOURCES	FEDERAL DEMO FUNDS ONLY
Elko, NV	73 Highway Act	Rail Relocation	\$ 42,530	\$ 42,530	\$ 44,800	\$ 42,530
Lincoln, NE	73 Highway Act	Grade Separations	19,767	19,065	37,000	30,900
Wheeling, WV	73 Highway Act	Rail Relocation	600(a)	84	600	600
Blue Island, IL	73 Highway Act	Grade Separation	230(a)	230	242	230
Carbondale, IL	73 Highway Act	Rail Relocation	26,520	22,458	92,000	87,400
Dolton, IL	73 Highway Act	Grade Separation	585(a)	585	616	585
E. St. Louis, IL	73 Highway Act	Grade Separations	8,661	6,356	32,300	30,700
Springfield, IL	73 Highway Act	Rail Relocation	21,506	9,880	34,000	32,300
New Albany, IN	73 Highway Act	Rail Relocation	2,326	2,326	2,600	2,326
Anoka, MN	73 Highway Act	Grade Separation	2,898	2,898	3,100	2,898
Brownsville, TX-- Matamoros, MI	73 Highway Act	Rail Relocation	9,945	5,670	39,000	37,000
Greenville, TN	73 Highway Act	Grade Separation	9,500	9,500	14,800	9,500
Lafayette, IN	74 Highway Amend.	Rail Relocation	23,563	13,991	94,200	44,300
Hammond, IN	74 Mass Tran Act	Rail Relocation	14,370	11,397	18,600	14,400
Metairie, LA	76 Highway Act	Consol./Gr. Sep.	1,702	1,450	19,000	16,500
Augusta, GA	76 Highway Act	Rail Relocation	11,057	10,216	128,900	101,500
Pine Bluff, AR	76 Highway Act	Consol./Gr. Sep.	10,353	8,342	19,900	18,900
Sherman, TX	76 Highway Act	Grade Separation	-0-(b)	-0-	-0-	-0-
Terre Haute, IN	77 Appro. Act	Grade Separation	6,000	5,473	5,600	5,500
TOTALS:			\$ 212,113(c)	\$ 172,451	\$ 587,458	\$ 478,069

(a) Demonstration aspects ineligible since project failed to meet the legislated deadline. The West Virginia allocation was made available, in accordance with Congressional advice, for Federal-aid system improvements.

(b) Withdrew from the demonstration program--project is being advanced with regular Federal-aid highway funds.

(c) In addition, \$500,000 was allocated for a rail relocation planning study in Bryan-College Station, Texas, to implement Section 354 of FY 1989 DOT appropriations act.

The recommended appropriation of \$15,000,000 is to be distributed as follows:

Augusta, Georgia	\$2,000,000
Springfield, Illinois	5,500,000
Brownsville, Texas	3,000,000
Lafayette, Indiana	4,500,000

Because of the limited funds available for these demonstration projects in relation to their total estimated cost, the Committee directs the Federal Highway Administration not to obligate any funds for right-of-way acquisition until a viable financing plan for construction of the project has been developed, unless specifically directed herein or in other Committee reports. The Committee recognizes that this requirement could necessitate adjustments to the above allocations. The Committee expects these adjustments, if required, to be accomplished through the normal reprogramming process.

FEDERAL-AID HIGHWAYS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1989 to date	(\$12,700,000,000)
Budget estimate, fiscal year 1990	(13,660,000,000)
Recommended in the bill	(13,660,000,000)

Bill compared with:

Appropriation, fiscal year 1989	(+960,000,000)
Budget estimate, fiscal year 1990.....	(.....)

The Committee recommends a liquidating cash appropriation of \$13,660,000,000 for the federal-aid highways program. This is the same as the budget request and \$960,000,000 more than the enacted fiscal year 1989 appropriation.

An estimated \$3,330,000,000 of the recommended liquidating cash appropriation is to continue the construction of the interstate highway system. The balance of the funds is primarily for payments to the states for interstate 4R, interstate substitutions, rural and urban transportation programs, safety construction programs, bridge replacement and rehabilitation, certain planning and research programs, emergency relief, and the administrative costs of the Federal Highway Administration as discussed under the limitation on general operating expenses.

FEDERAL-AID HIGHWAY PROGRAMS

Federal-aid highways and bridges are managed through a federal-state partnership.

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

There are almost four million miles of public roads in the United States and approximately 575,600 bridges. The Federal Government provides grants to states to assist in financing the construction and preservation of about 846,000 miles (22 percent) of these roads and about 275,000 (48 percent) of the bridges, which represent an extensive interstate system plus key feeder and collector routes. Highways eligible for federal aid carry about 81 percent of total U.S. highway traffic.

Federal-aid highway funds are made available through the following system-related programs:

Interstate Construction.—The designation of a 40,000-mile interstate system was authorized by Congress in 1944 to serve the needs of national defense, to link the nations' largest cities, and to connect with key Canadian and Mexican highways at suitable border points. Since 1944, the system has gradually been expanded, now encompassing 42,800 miles of designated routes. From December 31, 1987, to December 31, 1988, an additional 145 miles of the interstate system were opened to traffic. This brings the total number of miles opened to traffic as of December 31, 1988 to 42,004 or 98.1 percent of the total 42,800-mile system. In addition, another 790 miles were under construction or in right-of-way acquisition or preliminary engineering as of December 31, 1988, making a total of roughly 42,794 miles on which work was either completed or underway. The interstate system carries 22 percent of all traffic.

Interstate 4R.—The Federal-Aid Highway Act of 1976 first established the resurfacing, restoration, and rehabilitation (3R) program

as a means to preserve the approximately \$100,000,000,000 investment in the interstate system. The Federal-Aid Highway Act of 1981 provided for enhanced emphasis on preservation with a significant increase in authorized funding levels and added a fourth "R", reconstruction, as an eligible type of work.

Interstate Substitution.—The interstate substitution program originated with the Federal-Aid Highway Act of 1973. Under the provisions of that Act and later amendments, until September 30, 1983, uncompleted interstate routes that were not essential for completion of a unified, connected system could be withdrawn from the system under certain conditions. Funds equivalent to the cost of the withdrawn segment then are authorized to become available to construct substitute highway and/or mass transit projects in the area from which the route was withdrawn.

Primary Program.—The original federal-aid highway system program, established in the 1916 and 1921 Highway Acts, was the predecessor of the present federal-aid primary system program. The primary system, a network of connected rural arterial routes and their extensions into or through urban areas, includes those roads that are the most important to interstate, regional and state-wide travel. The slightly more than 257,000 miles of primary routes are owned and maintained by the states in most cases or by local units of government. These roads constitute about seven percent of the U.S. total, but carry 29 percent of our nation's traffic.

Secondary and Urban Programs.—The Federal-Aid Highway Act of 1944 established the system of federal-aid secondary roads as well as a specific category for extensions of the primary and secondary systems into urban areas. In 1970, a separate federal-aid urban system was established as a network of supplemental roads to serve local transportation needs. The secondary system, currently totaling about 400,000 miles, consists of many routes that are locally owned and maintained, as well as minor state routes. The urban system consists of about 244,000 miles of urban arterials and collectors—or about four percent of the U.S. total—and carries about 22 percent of total U.S. traffic. In the regular federal-aid primary, secondary, and urban programs, an additional 9,075 miles were improved during the period from April 30, 1988 to April 30, 1989. As of April 30, 1989, projects involving more than 425,500 miles had been completed at a cost of \$112,193,000,000. Contracts involving an additional 16,311 miles were authorized or underway.

Bridge Replacement and Rehabilitation Program.—This program provides for major rehabilitation as well as replacement of deficient bridges on any public road. A minimum of 15 percent up to a maximum of 35 percent must be spent on bridges off the federal-aid system. During fiscal year 1988, the states obligated \$1,300,000,000 of federal highway bridge replacement and rehabilitation program funds for 2,800 bridges. In addition, \$1,300,000,000 in other federal-aid funds were spent in 1988 for the replacement or rehabilitation of bridges.

Highway Construction Safety Programs.—Two highway construction programs are authorized to make physical safety improvements to roads and streets, the hazard elimination program and the railroad-highway crossings program. The hazard elimination program, established by section 168 of the Federal-Aid Highway

Act of 1978 (now codified in 23 U.S.C. 152), is aimed at correcting high hazard locations; eliminating roadside obstacles that are hazardous to motorists or pedestrians; improving signal and pavement marking; and installing traffic control or warning devices at high or potentially high accident locations. Section 203 of the Federal-Aid Highway Act of 1973 (now codified in 23 U.S.C. 130) established the railroad-highway crossings program to reduce or eliminate potential or existing conflicts between trains and highway vehicles.

Emergency Relief Program.—This program was established by the Hayden-Cartwright Act of 1934 and is now codified in 23 U.S.C. 125. Emergency funds are available through this program to repair roads and bridges damaged by natural disasters or catastrophic failures from external causes. Eligible facilities must be on the federal-aid highway system, including the interstate system, or federal roads. Normally each state is limited to receiving a maximum of \$100,000,000 per disaster. The funding source is the highway trust fund and the federal share is 100 percent for emergency repairs done in the first 90 days after a disaster and normal pro-rata for other necessary repairs.

HIGHWAY TRUST FUND FINANCING MECHANISM

The highway trust fund was originally established in the U.S. Treasury in accordance with provisions of the Highway Revenue Act of 1957, as amended (23 U.S.C. 12 note). It was extended by the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100-17) and recently modified by the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203). Amounts equivalent to taxes on gasoline, diesel fuel, special motor fuels, tires, tubes, tread rubber, commercial motor vehicles, truck use, lubricating oil, and parts and accessories for trucks, buses, etc., are designated by the Act to be appropriated and transferred from the general fund of the Treasury to the trust fund. These transfers are made at least monthly on the basis of estimates by the Secretary of the Treasury, subject to adjustments in later transfers based on the amount of actual tax receipts. Amounts available in the fund in excess of outlay requirements are invested in public debt securities and interest thereon is credited to the fund. There are also credited to the fund repayable advances from the general fund, as authorized and made available by law, to meet outlay requirements in excess of available revenues during a portion of a fiscal year, if necessary. The termination date of the trust fund's expenditure authority was extended to September 30, 1993, as a result of the Surface Transportation and Uniform Relocation Assistance Act of 1987, Public Law 100-17.

A predecessor act, the Surface Transportation Assistance Act (STAA) of 1982, established a mass transit account within the trust fund to be funded by one-ninth of the excise tax collections under sections 4041 and 4081 of the Internal Revenue Code (26 U.S.C.) imposed after March 31, 1983. The funds from this account are used for expenditures in accordance with section 21 (a) (2) of the Urban Mass Transportation Act of 1964, as amended. The remaining excise taxes collected are included in a highway account within the trust fund.

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

HIGHWAY TRUST FUND SPENDING VERSUS RECEIPTS

In recent years, there has been much discussion about alleged shortfalls in the amount spent by the Federal Government for highway programs compared to the amount of highway user taxes it collects. Charges have been made that highway spending has been set significantly below the level of taxes being collected in an effort to make the deficit smaller. A closer examination of expenditures and receipts shows that this is not the case.

As can be seen from the graph on page 77, total highway trust fund (highway account) outlays have equaled or exceeded trust fund receipts in every year since 1984. Because of this, the federal aid highway program has contributed roughly \$5.4 billion to the deficit during this time period. Part of the confusion over the status of the trust fund is the fact that an estimated \$9.8 billion cash balance will exist in the highway trust fund's highway account at the end of fiscal year 1989. Following is a description of this situation contained in a May 1989 GAO report.

According to FHWA, the balance in the Highway Account has often been misunderstood, with many believing that the balance represents excess cash that will not be needed to pay commitments. This view, however, is not an accurate portrayal of the Highway Account balance since these funds are, in fact, needed to pay outstanding commitments. It should also be noted that the Highway Trust Fund exists only as an accounting record. User taxes are actually deposited in the U.S. Treasury and amounts equivalent to these taxes are transferred to the Trust Fund, as needed.

How the Trust Fund functions becomes clearer when it is compared with an individual's charge account. For discussion purposes, assume that an individual has \$1,000 in cash from previous monthly paychecks but also has outstanding charges amounting to over \$1,500. In this case, the \$1,000 in cash cannot be considered excess because it is needed to pay the incoming charges. On the other hand, the individual is also not in a deficit situation since at the end of the month his or her \$900 paycheck will be available to help pay the outstanding charges. This scenario is repeated in each succeeding month. Thus, the cash the individual has on-hand plus a future paycheck helps to ensure there will be sufficient funds to pay all outstanding charges.

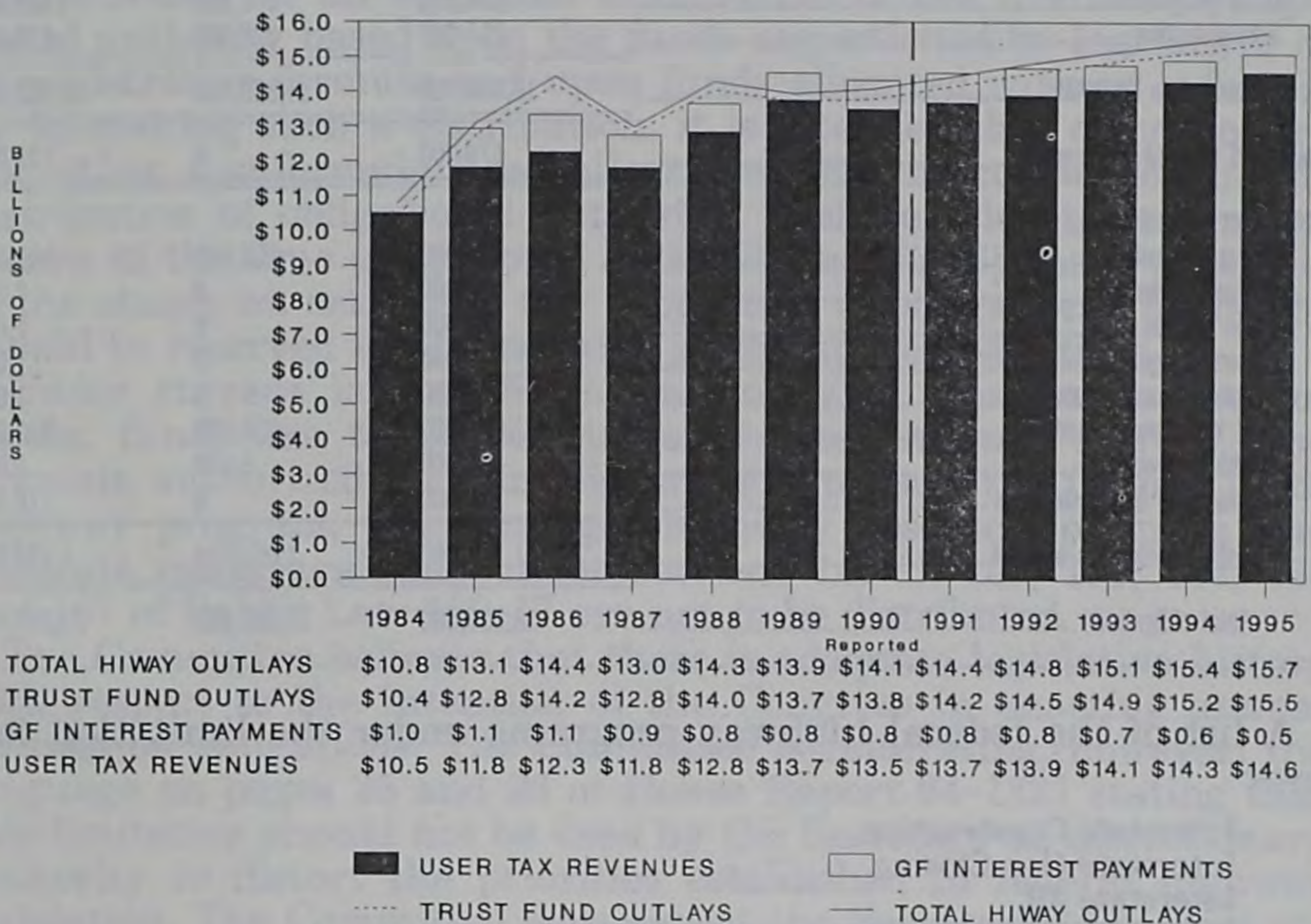
Similarly, according to FHWA Office of Policy Development data, the Highway Account had a balance of \$9 billion at the end of fiscal year 1988, which is analogous to the \$1,000 cash-on-hand. At the same time, these FHWA data show that unpaid commitments (charge account balance) amounted to almost \$31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

The Committee also notes that, according to the Congressional Budget Office, cumulative highway account tax receipts since 1957

are expected to total approximately \$205 billion and cumulative highway outlays are expected to total approximately \$209 billion by the end of fiscal year 1989. The principal reason for the current cash balance is due to the interest paid to the fund from the U.S. general Treasury. This intergovernmental transfer from the general fund to the trust fund has exceeded \$14 billion since the highway trust fund was established in 1957. Following is a chart of Federal highway spending compared to receipts for fiscal years 1984 to 1995. Fiscal year 1991 to 1995 spending estimates have been inflated according to CBO budget assumptions.

HIGHWAY OUTLAYS VS TRUST FUND REVENUES

Highway Trust Fund (Highway Account)



SOURCES: US DOT / CBO

LIMITATION ON OBLIGATIONS

The accompanying bill includes language limiting fiscal year 1990 federal-aid highway obligations to \$12,463,500,000, an increase of \$1,153,500,000 over the budget estimate and \$463,500,000 more than the fiscal year 1989 level. An additional \$1,418,000,000 is estimated to be obligated for federal-aid highway programs exempted from the obligation limitation in the bill. This compares with proposed exemptions in the budget request of \$1,055,000,000. The exemptions recommended in the bill are similar to the exemptions provided under current law.

Although the following table reflects an estimated distribution of obligations by program category, the bill includes a limitation only on the total federal-aid highways spending level.

FEDERAL-AID HIGHWAY PROGRAM

[In thousands of dollars]

	1989 estimated program obligations	1990 President's budget estimated obligations	1990 House bill estimated obligations
Subject to Limitation:			
Interstate	\$3,200,000	\$3,151,000	\$3,175,000
Interstate 4R.....	2,618,000	2,122,000	2,542,000
Interstate substitutions	550,000	510,000	650,000
Primary	2,000,000	1,855,000	2,000,000
Secondary	350,000	324,000	450,000
Urban	575,000	532,000	600,000
Bridge replacement	1,297,000	1,203,000	1,596,000
Safety	300,000	279,000	300,000
Federal lands.....	237,000	235,000	235,000
Other programs.....	656,000	871,000	687,000
Administration.....	217,000	228,000	228,000
Obligation limitation.....	12,000,000	11,310,000	12,463,500
Bonus, 2.5 percent of carryover	179,000	0	179,000
Not Subject to Limitation:			
Emergency relief	100,000	100,000	100,000
Bridge acceleration	10,000	0	2,000
Union Station	2,000	0	2,000
Wilson Bridge.....	2,000	0	1,000
Usable segments demo	3,000	0	1,000
85% minimum allocation	876,000	950,000	950,000
Alaska Highway	5,000	5,000	5,000
Section 149 demonstrations.....	178,000	0	178,000
Total—programs exempt.....	1,176,000	1,055,000	1,239,000
Total obligations	13,355,000	12,365,000	13,881,500

A list of the federal highway programs under the limitation follows:

- Interstate Construction.
- Interstate Gap Closing.
- Interstate 4R.
- Interstate Discretionary—Construction.
- Interstate 4R—Maryland.
- Interstate Discretionary—4R.
- Rail-Highway Crossings on Any Public Road.
- Hazard Elimination.
- Combined Road Plan.
- Consolidated Primary.
- Rural Secondary.
- Urban System.
- Highway Planning and Research.
- Metropolitan Planning.
- Public Lands.
- Indian Reservation Roads.
- Parkways and Park Highways.
- Forest Highways.
- Special Urban High Density.
- Special Bridge Replacement.
- Highway Bridge Replacement & Rehabilitation—Apportioned, Discretionary, and Talmadge Bridge.
- Franconia Notch.
- Bypass Highway Demonstration.
- Urgent Supplemental Bridges.
- Interstate Transfers—Apportioned and Discretionary.

Los Angeles Freight Transportation Demo, CA-131(a).
 Buhne Point Shoreline Erosion Demo, CA-131(c).
 E. Baton Rouge Interchange Congestion Demo, LA-131
 Louisville Primary Connector Accel, Demo, KY-131(e).
 Vermont Certification Demo—131(f).
 Devils Lake—Erosion Demo, ND-131(g)
 Bridge Over Intercoastal Waterway Demo, FL-131(h)
 Idaho Truck Safety/Railroad Elimin. Demo—131(i)
 Acosta Bridge—Florida.
 Administration.
 Studies (Sections 158, 159, 164, & 165 under P.L. 100-17).
 Demonstration Projects—149(d).
 Strategic Highway Research Program.
 Operation Lifesaver.

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

Under current law, sufficient authority is provided to prevent lapses, funds are to be redistributed after August 1, 1990, and amounts authorized for administrative expenses, the federal lands highway program, the strategic highway research program and amounts made available under sections 149(d), 158, 159, 164, 165 and 167 of Public Law 100-17 are not to be distributed.

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

The following table is the Committee's best estimate of fiscal year 1990 federal-aid highways obligational authority that will be made available to the states under the \$12,463,500,000 obligation limitation. These figures are subject to change when more accurate data become available. In addition, an estimated \$1,418,000,000 will also be obligated for federal highway programs exempted from the obligation limitation.

COMPARISON OF ACTUAL FISCAL YEAR 1989 OBLIGATION LIMITATION FOR FEDERAL-AID HIGHWAYS
WITH ESTIMATED LEVELS FOR FISCAL YEAR 1990

[Limitation in thousands]

State	Fiscal year 1989 actual	Estimates	
		Fiscal year 1990 President's budget	Fiscal year 1990 House allowance
Alabama	\$233,902	\$200,282	\$224,828
Alaska	139,824	125,047	140,372
Arizona	117,284	105,284	118,187
Arkansas	97,787	88,041	98,831
California	839,078	772,329	866,981
Colorado	169,358	149,518	167,842
Connecticut	241,235	267,658	300,460
Delaware	45,470	41,148	46,191
District of Columbia	98,682	73,826	82,874
Florida	378,732	280,756	315,164
Georgia	267,614	224,046	251,504
Hawaii	131,948	112,801	126,625
Idaho	72,536	59,337	66,609
Illinois	331,880	296,635	332,989
Indiana	173,051	155,294	174,326
Iowa	146,550	129,339	145,190
Kansas	126,397	110,981	124,582
Kentucky	146,553	130,813	146,845
Louisiana	244,280	172,083	193,172
Maine	53,322	49,553	55,626
Maryland	244,657	231,142	259,470
Massachusetts	316,953	733,847	823,784
Michigan	267,828	234,942	263,735
Minnesota	167,240	137,011	153,803
Mississippi	109,299	96,099	107,876
Missouri	211,554	189,918	213,194
Montana	97,587	87,199	97,886
Nebraska	87,627	77,665	87,183
Nevada	65,349	58,847	66,059
New Hampshire	49,052	44,015	49,409
New Jersey	272,009	285,141	320,087
New Mexico	94,752	84,445	94,794
New York	595,268	538,978	605,032
North Carolina	207,093	177,565	199,326
North Dakota	65,707	58,575	65,753
Ohio	318,119	285,830	320,860
Oklahoma	133,617	115,907	130,112
Oregon	113,343	104,843	117,692
Pennsylvania	439,797	403,818	453,308
Rhode Island	97,952	87,921	98,697
South Carolina	116,921	100,662	112,999
South Dakota	72,844	64,519	72,426
Tennessee	205,048	179,328	201,306
Texas	579,492	472,967	530,931
Utah	86,135	75,473	84,722
Vermont	49,141	44,399	49,840
Virginia	198,345	175,745	197,283
Washington	252,895	191,749	215,249
West Virginia	101,529	90,509	102,051
Wisconsin	146,084	126,940	142,497
Wyoming	73,620	65,704	73,757
American Samoa	381	342	384
Guam	381	342	384
Puerto Rico	51,698	46,808	52,545
Northern Marianas	381	342	384
Virgin Islands	381	342	384
Territories	10,372	9,310	10,451

COMPARISON OF ACTUAL FISCAL YEAR 1989 OBLIGATION LIMITATION FOR FEDERAL-AID HIGHWAYS
WITH ESTIMATED LEVELS FOR FISCAL YEAR 1990—Continued

[Limitation in thousands]

State	Fiscal year 1989 actual	Estimates	
		Fiscal year 1990 President's budget	Fiscal year 1990 House allowance
Subtotal.....	9,955,934	9,224,360	10,354,851
Administration.....	215,000	228,246	221,600
Federal lands.....	237,000	237,000	237,000
Allocation reserve.....	1,592,066	1,620,394	1,650,049
Total.....	12,000,000	11,310,000	12,463,500

The estimated limitations are based on estimated fiscal year 1990 apportionments as contained in FHWA Notice N4510.237 dated 8/30/89 and the allocation reserve is based on actual allocations used to compute the fiscal year 1989 limitation distributed by FHWA Notice N4520.97 dated 10/3/88.

Data needed to compute the actual distribution of the estimated fiscal year 1990 limitations is not available at this time; that is lapse of Interstate construction funds and actual fiscal year 1990 apportionable and allocation reserve information.

DISCRETIONARY BRIDGE ALLOCATIONS

Clark Bridge.—The Committee recognizes that the Clark Bridge over the Mississippi River at Alton, Illinois is in serious need of replacement. Since being designated as a priority candidate for discretionary bridge funds in the Surface Transportation Assistance Act of 1982, its sufficiency rating has dropped to one of the lowest of any bridge on the state system of highways. Emergency repairs have been made and will likely be required with increasing frequency until a replacement bridge is completed. These temporary repairs, while essential, are a waste of money. Replacement of the narrow, congested Clark Bridge is very important to the St. Louis regional transportation system and to the economy of the Alton area. In light of this, the Committee directs the Secretary to give priority to the Clark Bridge in the allocation of discretionary bridge funds.

Military Street Bridge.—The Committee has been advised of the serious need for replacement of the 75-year old Military Street Bridge in Port Huron, Michigan. The Military Street Bridge is an important link between the Port Huron business district and nearby interstate highway routes. Because of safety concerns over the deteriorating condition of the bridge, the Committee directs the Secretary to give priority to the Military Street Bridge in the allocation of discretionary bridge funds.

Walt Whitman Bridge.—The Committee has been advised that the Walt Whitman Bridge over the Delaware River between the state of New Jersey and Philadelphia, Pennsylvania is in serious need of repair and reconstruction. The Committee, recognizing the safety concerns about this bridge, directs the Secretary to give priority to the Walt Whitman Bridge in the allocation of discretionary bridge funds.

Ebey Slough Bridge.—The Committee is aware of the serious need for replacement of the bridge over Ebey Slough in Everett, Washington. The foundation structures are badly deteriorated and bolstered only by wooden supports. The Committee is concerned about the safety of this heavily used bridge which provides vital

service to the community and directs the Secretary to give priority consideration to it in allocating discretionary bridge funds.

Sanibel Bridge and Causeway.—The Committee is aware of the serious need for replacement of the Sanibel Bridge and Causeway, connecting the Lee County mainland with the City of Sanibel, Florida. The Sanibel Bridge and Causeway is the only access and hurricane emergency evacuation route between Sanibel and Captiva Islands and the mainland and is in a serious state of deterioration. The Committee directs the Secretary to give priority to this bridge in the allocation of discretionary bridge funds.

DISCRETIONARY I-4R ALLOCATIONS

The Committee received testimony about the severe congestion and potential safety hazards that exist at the I-25 and I-70 interchange in Denver, Colorado. According to the testimony, this is the most heavily traveled interchange in the state of Colorado. The Committee, therefore, directs the Secretary to give priority to the reconstruction of this interchange in the allocation of fiscal year 1990 discretionary I-4R funds.

INTERSTATE TRANSFER-HIGHWAYS

Section 103(e)(4) of title 23, United States Code, permits the Secretary of Transportation to approve the withdrawal of certain routes from the interstate system upon the joint request of the state governor and local governments concerned, if the Secretary finds that the routes are not essential to the completion of a unified and connected interstate system and if assurances are received that a toll road will not be constructed in the corridor of the route. Approval of a withdrawal request establishes eligibility for federal substitute project funding.

The withdrawal value is based on the federal cost to complete the withdrawn route as shown in the most recently approved interstate cost estimate at the time of the withdrawal approval, up to and including the 1983 interstate cost estimate. This base cost is adjusted according to the provisions of 23 U.S.C. 103(e)(4), as amended by section 107(c) of the STAA of 1982, to determine the withdrawal value. The total federal cost to complete substitute highway and transit projects is limited to each area's remaining withdrawal value after deduction of amounts obligated.

Substitution funds may be used for highway and/or transit projects serving the area from which the route was withdrawn (i.e., withdrawal area). Funds may be obligated for eligible substitution projects to the extent they have been allocated or apportioned for the withdrawal area. Withdrawal values are reduced by the amounts obligated on substitute highway and transit projects.

Through March 1989 a total of \$10,832,000,000 is estimated to have been obligated for interstate substitution projects. Of this amount, \$5,148,000,000 has been provided for substitute highway projects. The estimated remaining value of interstate substitute highway projects by urbanized area is as follows:

**ESTIMATED FEDERAL FUNDS REQUIRED TO COMPLETE INTERSTATE SUBSTITUTE HIGHWAY PROJECTS
AS OF SEPTEMBER 30, 1989**

State	Withdrawal area	¹ Estimated additional funds required to complete substitute highway projects
California.....	San Francisco	\$37,325,286
Colorado.....	Denver	51,562
Connecticut.....	Bolton to Killingly	205,134,034
	Hartford-New Britain.....	139,239,584
District of Columbia.....	Washington.....	60,834,334
Georgia.....	Atlanta.....	42,148,796
Illinois.....	Chicago.....	168,936,669
Indiana.....	Indianapolis.....	17,480,283
Iowa.....	Waterloo	77,972,016
Maryland.....	Baltimore.....	107,193,102
	Bowie to Millersville	35,988,712
	Washington.....	2,976,988
Massachusetts.....	Boston.....	26,348,978
	Fall River to Providence.....	5,066,097
Minnesota.....	Duluth.....	187,568
	Minneapolis-St. Paul.....	43,537
New Jersey.....	New York City.....	16,395,770
	New York to Trenton.....	121,986,151
New York.....	New York City.....	791,747,087
Ohio.....	Cleveland.....	36,043,759
Oregon.....	Portland.....	30,937,062
Pennsylvania.....	Pittsburgh.....	8,322,164
Rhode Island.....	Rhode Island.....	266,136,423
Tennessee.....	Memphis.....	98,467,163
Totals.....		2,296,963,125

¹ Amounts are in Federal funds.

For fiscal year 1990, \$740,000,000, less takedowns, will be made available for interstate transfer-highway projects. Of this amount, 75 percent will be distributed by statutory formula and 25 percent will be distributed on a discretionary basis. The Committee expects these funds to be allocated as follows:

INTERSTATE TRANSFER—HIGHWAY ALLOCATIONS

	Estimated formula	Discretionary	Total
California.....	\$8,838,375		\$8,838,375
Colorado.....	10,878	\$40,684	51,562
Connecticut.....	81,546,927		81,546,927
District of Columbia.....	14,402,472		14,402,472
Georgia.....	9,980,565		9,980,565
Illinois.....	40,003,845	90,000,000	130,003,845
Indiana.....	4,139,079		4,139,079
Iowa.....	18,465,405	39,000,000	57,465,405
Maryland.....	34,613,796	20,000,000	54,613,796
Massachusetts.....	7,435,113		7,435,113
Minnesota.....	54,390	176,715	231,105
New Jersey.....	32,769,975		32,769,975
New York.....	187,476,891		187,476,891
Ohio.....	8,533,791		8,533,791
Oregon.....	7,326,333	700,000	8,026,333
Pennsylvania.....	1,968,918	6,353,246	8,322,164
Rhode Island.....	63,016,254		63,016,254
Tennessee.....	23,316,993		23,316,993

INTERSTATE TRANSFER—HIGHWAY ALLOCATIONS—Continued

	Estimated formula	Discretionary	Total
Other.....	11,100,000	28,729,355	39,829,355
Total.....	\$555,000,000	\$185,000,000	740,000,000

The Committee recognizes that delays in some regions' projects could necessitate adjustments to the above allocations. The Committee expects these adjustments, if required, to be accomplished only through the normal reprogramming process.

The Committee directs that of the amount allocated to Pennsylvania, priority consideration should be given to completion of the Exton Bypass.

GENERAL PROVISIONS

Technical change.—The bill includes a technical change (Sec. 329) to section 149(a)(30) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 regarding a highway project in the state of Illinois.

Manassas battlefield park.—The bill (Sec. 332) would repeal Sec. 329 of the Department of Transportation and Related Agencies Appropriations Act, 1989.

California interchanges.—The bill includes language (Sec. 333) authorizing the Secretary to pay to the state of California the federal share of the fair market value of the right-of-way provided by local public agencies and incorporated into certain interchange projects.

RIGHT-OF-WAY REVOLVING FUND

(LIMITATION ON DIRECT LOANS)

(HIGHWAY TRUST FUND)

Limitation, fiscal year 1989 to date.....	(\$46,000,000)
Budget estimate, fiscal year 1990.....	(47,850,000)
Recommended in the bill.....	(42,500,000)
Bill compared with:	
Limitation, fiscal year 1989.....	(-3,500,000)
Budget estimate, fiscal year 1990.....	(-5,350,000)

The Federal-Aid Highway Act of 1968 authorized \$300,000,000 for the establishment of a right-of-way revolving fund. This fund is used to make interest free cash advances to the states for the purpose of purchasing right-of-way parcels in advance of highway construction and thereby preventing the inflation of land prices from causing a significant increase in construction costs.

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

tended the time limit indefinitely, if deemed necessary by the Secretary.

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

Repayments to the right-of-way revolving fund for fiscal years 1989 and 1990 are anticipated to offset obligations resulting in net obligations of zero in both years. The Committee does not expect program activity to exceed an obligation level equivalent to the obligation limitation of \$42,500,000 in fiscal year 1990. Because cash repayments to the right-of-way revolving fund are anticipated to be equal to outlays, a liquidating cash appropriation is not required for fiscal year 1990.

The Committee directs the Federal Highway Administration to make repayable right-of-way revolving fund loans to the state of Michigan for right-of-way acquisition in conjunction with the Urban Highway Corridor Demonstration Project in the M-59 corridor of \$15,000,000 and to the state of Virginia for right-of-way acquisition for Route 7100-029 of \$15,000,000. Loans shall be made to the extent that funds are available from previously committed but never loaned funds that have been recaptured from previous fiscal years. Long-term cost savings which in some cases exceed 100 percent of present land value can be expected on these right-of-way purchases. Loan repayment shall be adhered to as prescribed by the Federal Highway Administration right-of-way revolving fund program guidelines.

MOTOR CARRIER SAFETY

Appropriation, fiscal year 1989 to date	\$27,000,000
Budget estimate, fiscal year 1990	32,190,000
Recommended in the bill.....	32,190,000
Bill compared with:	
Appropriation, fiscal year 1989	+5,190,000
Budget estimate, fiscal year 1990.....	

This appropriation provides for the development and execution of motor carrier safety policies and programs in accordance with the Department of Transportation Act, the Interstate Commerce Act, the Hazardous Materials Transportation Act, the Surface Transportation Assistance Act, the Motor Carrier Safety Act of 1984 and the Motor Carrier Safety Act of 1986. These programs involve federal safety inspection and law enforcement authority over the highway operations of commercial interstate carriers.

The bill includes the requested appropriation of \$32,190,000 for these motor carrier safety activities. This is an increase of \$5,190,000 over the fiscal year 1989 level.

The Committee has also approved the requested staffing level of 633 full-time permanent positions. This would provide increases of 150 safety inspectors and 35 clerical support positions above the

fiscal year 1989 levels. The recommended appropriation is distributed as follows:

Motor carrier safety operations.—The Committee recommends \$30,908,000 for this activity, which is comprised principally of personnel and other related costs of field safety investigations and motor carrier safety regulatory and rulemaking functions. The inspections and investigations conducted under this activity are summarized in the following table:

	Fiscal Years—						1989 estimate
	1983	1984	1985	1986	1987	1988	
Number of driver/vehicle inspections.....	26,015	22,590	16,046	10,027	910	238	0
Number of safety audits/reviews.....	11,666	13,037	10,492	6,637	23,714	29,655	32,559
Number of investigations.....	1,511	1,731	2,316	2,590	¹ 885	919	1,160
Number of enforcement cases prosecuted and closed.....	461	474	739	529	568	956	951
Amount of fines collected.....	\$447,731	\$795,805	\$788,916	\$1,877,300	\$2,028,615	\$1,998,647	\$2,997,970

¹ Beginning in FY 1987, investigations without evidence are included in safety audits/reviews.

Motor carrier safety contract research.—The sum of \$1,282,000 is recommended for contract research designed to support federal motor carrier safety regulations and to improve the safety of operations of commercial motor vehicles and drivers. The amount recommended is the same as the budget request, but \$438,000 less than the fiscal year 1989 appropriation.

MOTOR CARRIER SAFETY ENFORCEMENT

The Committee is concerned about a recent Congressional Research Service (CRS) report on the safety and compliance record of the commercial motor carrier industry and the enforcement program of the Federal Highway Administration. The report indicates that the motor carrier industry is involved in over 500,000 accidents that result in more than 5,750 deaths and 160,000 injuries each year and that these high numbers continue despite increased funding to reduce the number and severity of motor carrier accidents. According to CRS, the Federal Highway Administration's policy of relying on voluntary compliance has proven to be ineffective and the agency's enforcement effort lacks the manpower, authorities, and policies needed to implement a comprehensive program. As previously stated, the Committee has approved the full budget request, including 150 additional safety inspectors, to strengthen the office of motor carrier safety's enforcement efforts, particularly in the area of hazardous materials transportation.

The Committee, however, agrees with the CRS that the addition of safety inspectors is not the only action required to ensure an effective national motor carrier safety program. The following conclusion in the CRS report is of particular concern to the Committee:

Based on a review of several hundred enforcement cases recently brought by FHWA, as well as visits to several motor carriers during FHWA safety and compliance reviews, one fundamental conclusion stands out: *Even within the constraints of its current resources and the constraints imposed by the Motor Carrier Safety Act of*

1984, FHWA could conduct a more vigorous enforcement program. In order to accomplish this objective, FHWA would have to spend less time educating the motor carrier industry and more time bringing enforcement actions against the numerous motor carriers that FHWA knows are not in compliance with the safety regulations. FHWA would also need to abandon its "freebie" practice and begin to bring more enforcement actions as the result of its first contacts with motor carriers, hazardous materials shippers, and drivers. Improved enforcement authorities, such as higher maximum penalties and minimum penalty amounts could increase the vitality of FHWA's enforcement program. A more vigorous FHWA enforcement posture could encourage the efforts of more carriers to learn about their safety responsibilities and could increase their willingness to comply voluntarily with Federal safety requirements.

Some of the actions that the CRS believes the Federal Highway Administration could take to improve its enforcement program include:

- prohibiting the transportation of certain hazardous materials by motor carriers that have an unsatisfactory safety rating;
- either taking an enforcement action or issuing a citation with a civil penalty for any serious documentable violation of Federal motor carrier safety or hazardous materials transportation regulations;
- spending more time on enforcement rather than educational activities;
- using existing authority to shut down the operation of motor carriers that are judged to be imminently hazardous;
- publishing and widely distributing the names of all motor carriers that have received an unsatisfactory safety rating, but only after due process is afforded the carrier;
- providing a quantitative or more informative safety rating to motor carriers;
- requiring the registration of all motor carriers subject to the agency's jurisdiction; and
- focusing the safety rating program on a specific group of designated carriers or carriers performing poorly on the road.

The Committee directs the Federal Highway Administration to report to the House and Senate Committees on Appropriations by February 1, 1990, on the improvement of the agency's enforcement program. This report should include the number of safety inspectors hired, the number of safety reviews conducted for each of the past five fiscal years as well as the estimates for fiscal years 1990 and 1991, the citations and civil penalties issued in each of the past five fiscal years, the basis for selecting carriers for compliance reviews, and the actions taken to implement the recommendations listed above. While recognizing the need for increased enforcement resources, the Committee does not intend to continue to provide such increases unless it can be demonstrated that they will result in a more effective national program.

MOTOR CARRIER SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1989 to date	(\$50,000,000)
Budget estimate, fiscal year 1990	(52,000,000)
Recommended in the bill.....	(52,000,000)

Bill compared with:

Appropriation, fiscal year 1989	(+2,000,000)
Budget estimate, fiscal year 1990.....	(.....)

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

The Committee has approved the budget request of \$52,000,000 in liquidating cash for this program.

LIMITATION ON OBLIGATIONS

The Committee is also recommending a \$60,200,000 limitation on obligations for motor carrier safety grants. This is \$200,000 more than the budget estimate and includes the following amounts:

	<i>Budget estimate</i>	<i>Recommended in the bill</i>
Basic grants to states.....	\$46,700,000	\$46,700,000
Commercial drivers license program	13,000,000	13,000,000
Program administration.....	300,000	300,000
Virginia enforcement project		200,000
Total	60,000,000	60,200,000

The Committee directs the Federal Highway Administration to make \$200,000 available to the Commonwealth of Virginia to hire, train, and equip additional inspectors in the northern Virginia region for the purpose of demonstrating the effect of increased motor carrier safety inspections on interstate highways in urban and suburban regions of the country. These funds are to be derived from prior year unobligated contract authority and in addition to, and not in place of, funds regularly distributed to the Commonwealth by formula under this program.

Not later than six months after the close of the fiscal year in which these funds become available, the Commonwealth shall report on the effect of increased motor carrier safety inspections on traffic safety in urban and suburban areas. Such report shall include the number of inspections conducted, violations discovered and other factors which indicate the effect of increased inspections.

BALTIMORE-WASHINGTON PARKWAY

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1989 to date	\$12,825,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	12,000,000

Bill compared with:

Appropriation, fiscal year 1989	-825,000
Budget estimate, fiscal year 1990.....	+12,000,000

An appropriation of \$12,000,000 is recommended in the bill for reconstruction of the Baltimore-Washington Parkway as authorized by the Federal-Aid Highway Act of 1970.

INTERMODAL URBAN DEMONSTRATION PROJECT

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1989 to date	\$8,550,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	10,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+1,450,000
Budget estimate, fiscal year 1990.....	+10,000,000

Section 124 of the Federal-Aid Highway Amendments of 1974 authorizes a demonstration project for the construction of a high density urban intermodal transportation connection between Franklin Avenue and 59th Street, South, in Minneapolis, Minnesota. This route provides the connecting link between the central business district and the Minneapolis-St. Paul International Airport. Funds for preliminary engineering and design were appropriated in fiscal years 1978 and 1985, respectively. The Committee is recommending \$10,000,000 to continue this project.

HIGHWAY SAFETY AND ECONOMIC DEVELOPMENT DEMONSTRATION PROJECTS

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1989 to date	\$8,550,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	12,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+3,450,000
Budget estimate, fiscal year 1990.....	+12,000,000

The Committee recommends \$12,000,000 to carry out highway projects that demonstrate the safety and economic benefits of widening and improving highways, as authorized by Public Law 99-500 and Public Law 99-591. As stated in the authorization, funds provided for these projects are exempt from any limitation on obligations for Federal-aid highways and highway safety construction programs.

HIGHWAY SAFETY IMPROVEMENT DEMONSTRATION PROJECT

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1989 to date	\$1,260,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	11,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+9,740,000
Budget estimate, fiscal year 1990.....	+11,000,000

The Committee recommends \$11,000,000 for the continuation of the highway safety improvement demonstration project as author-

ized by Public Law 99-500 and Public Law 99-591. These funds are intended to ease congestion on Sashabaw Road between Walton Blvd. and I-75 in Waterford and Independence townships in Michigan. This widening will in turn further ease congestion along Walton Blvd. As stated in the authorization, funds provided for these projects are exempt from any limitation on obligations for Federal-aid highways and highway safety construction programs.

HIGHWAY-RAILROAD GRADE CROSSING SAFETY DEMONSTRATION PROJECT

(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1989 to date	\$8,100,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	9,500,000
Bill compared with:	
Appropriation, fiscal year 1989	+1,400,000
Budget estimate, fiscal year 1990.....	+9,500,000

The Committee recommends \$9,500,000 to continue the highway-railroad crossing demonstration project as authorized by Public Law 99-500 and Public Law 99-591. As stated in the authorization, funds provided for these projects are exempt from any limitation on obligations for Federal-aid highways and highway safety construction programs.

HIGHWAY WIDENING DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date	\$1,800,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	2,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+200,000
Budget estimate, fiscal year 1990.....	+2,000,000

The Committee recommends \$2,000,000 for a highway widening demonstration project as authorized by Public Law 100-202. As stated in the authorization, funds provided for this project are exempt from any limitation on obligations for Federal-aid highways and highway safety construction programs.

BRIDGE IMPROVEMENT DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date	\$8,550,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	4,000,000
Bill compared with:	
Appropriation, fiscal year 1989	-4,550,000
Budget estimate, fiscal year 1990.....	+4,000,000

The bill includes \$4,000,000 for construction of the bridge improvement demonstration project. The federal share of this project is 80 percent.

HIGHWAY WIDENING AND IMPROVEMENT DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date	\$4,100,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	5,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+900,000
Budget estimate, fiscal year 1990.....	+5,000,000

The bill includes \$5,000,000 for continuation of the highway widening and improvement demonstration project. The federal share of this project is 80 percent.

HIGHWAY CAPACITY IMPROVEMENT DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date	\$900,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	100,000
Bill compared with:	
Appropriation, fiscal year 1989	-800,000
Budget estimate, fiscal year 1990.....	+100,000

The Committee recommends \$100,000 for a project on U.S. Highway 231 between U.S. Route 90 and the City of Campbellton in Jackson County, Florida, that demonstrates methods of expanding a two-lane segment of a U.S. highway to four lanes. Prior to construction of the project, the Secretary of Transportation shall approve the plans and specifications in the same manner as a federal-aid primary project and the project shall conform to applicable standards under section 109 of title 23, United States Code. The State of Florida may accelerate the project under the provisions of section 115 of title 23, United States Code. The federal share of this project is 80 percent.

CLIMBING LANE SAFETY DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date	\$450,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	2,500,000
Bill compared with:	
Appropriation, fiscal year 1989	+2,050,000
Budget estimate, fiscal year 1990.....	+2,500,000

The Committee recommends \$2,500,000 for the continuation of a climbing lane safety demonstration project on U.S. Route 15 in the vicinity of Tioga County, Pennsylvania. The federal share of this project is 80 percent.

INDIANA INDUSTRIAL CORRIDOR SAFETY DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date	\$1,000,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	2,400,000
Bill compared with:	
Appropriation, fiscal year 1989	+1,400,000
Budget estimate, fiscal year 1990.....	+2,400,000

The Committee recommends \$2,400,000 for the continuation of an industrial corridor safety demonstration project for an improved route between Wabash and Huntington, Indiana. The federal share of this project is 80 percent.

OKLAHOMA HIGHWAY WIDENING DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date	\$400,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	2,500,000
Bill compared with:	
Appropriation, fiscal year 1989	+2,100,000
Budget estimate, fiscal year 1990.....	+2,500,000

The Committee recommends \$2,500,000 for the continuation of a project to widen Oklahoma state route 53 from Interstate highway 35 to the entrance of the Ardmore Regional Industrial Airpark. The federal share of this project is 80 percent.

ALABAMA HIGHWAY BYPASS DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date	\$3,600,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	8,300,000
Bill compared with:	
Appropriation, fiscal year 1989	+4,700,000
Budget estimate, fiscal year 1990.....	+8,300,000

The Committee recommends \$8,300,000 to continue a highway bypass project in the vicinity of Jasper, Alabama. The federal share of this project is 80 percent.

KENTUCKY BRIDGE DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date	\$3,600,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	5,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+1,400,000
Budget estimate, fiscal year 1990.....	+5,000,000

The Committee recommends \$5,000,000 to continue the Glover Cary Bridge project in Owensboro, Kentucky. The federal share of this project is 80 percent.

VIRGINIA HOV SAFETY DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date	\$500,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	4,650,000
Bill compared with:	
Appropriation, fiscal year 1989	+4,150,000
Budget estimate, fiscal year 1990.....	+4,650,000

The Committee recommends \$4,650,000 to continue an HOV safety demonstration project on Interstate 66 in Virginia. The federal share of this project is 80 percent.

URBAN HIGHWAY CORRIDOR DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date	\$225,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	4,500,000
Bill compared with:	
Appropriation, fiscal year 1989	+4,275,000
Budget estimate, fiscal year 1990.....	+4,500,000

The Committee recommends \$1,500,000 to continue preliminary engineering, environmental studies, and right-of-way acquisition to demonstrate solutions to the problem in urban and suburban areas where a significant backlog of capacity problems as well as accident and development problems exist. M-59 in central Michigan is a prime example of this problem. The federal share of this project is 80 percent.

The Committee recommends that priority be given to the following sites in the M-59 Corridor:

M-59 at the Grand Trunk Railroad Intersection—right of way acquisition, design and engineering.

M-59 between Mound Road and I-94—right of way acquisition.

Rochester Road between M-59 and I-75—traffic study and preliminary engineering.

The bill also includes \$3,000,000 for a bicycle transportation demonstration project in Macomb County, Michigan. This project will run through Utica, Sterling Heights, Clinton Township, Harrison Township, and Mount Clemens. Consistent with the policy for new demonstration projects, the federal share for this project shall be 80 percent.

URBAN AIRPORT ACCESS SAFETY DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date	\$225,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	5,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+4,775,000
Budget estimate, fiscal year 1990.....	+5,000,000

The Committee recommends \$5,000,000 for the continuation of a project to improve and upgrade the access to Detroit Metropolitan Airport in southeast Michigan. The federal share of this project is 80 percent.

EBENSBURG BYPASS DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date .....	.....
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	13,740,000
Bill compared with:	
Appropriation, fiscal year 1989	+13,740,000
Budget estimate, fiscal year 1990.....	+13,740,000

The Committee recommends \$13,740,000 to construct the Ebensburg, Pennsylvania bypass to divert traffic from Route 219 in Ebensburg, Pennsylvania, to a 5.1 mile relocated segment as authorized by Public Law 100-17. The federal share of this project shall be 80 percent.

BRIDGE REHABILITATION DEMONSTRATION PROJECT

Appropriation, fiscal year 1989 to date .....	.....
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	\$350,000
Bill compared with:	
Appropriation, fiscal year 1989	+350,000
Budget estimate, fiscal year 1990.....	+350,000

The Committee recommends \$350,000 to complete essential repairs to the Chester Bridge which crosses the Mississippi River between the states of Missouri and Illinois. The Committee is advised that \$650,000 in state and local funding will also be made available for this project.

HIGHWAY DEMONSTRATION PROJECTS—PRELIMINARY ENGINEERING

Appropriation, fiscal year 1989 to date .....	.....
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	\$12,400,000

Bill compared with:

Appropriation, fiscal year 1989	+ 12,400,000
Budget estimate, fiscal year 1990	+ 12,400,000

The Committee recommends \$12,400,000 for preliminary engineering, environmental studies and right-of-way acquisition for highway demonstration projects. The amount recommended includes funds for the following projects:

Pennsylvania highway bypass demonstration projects	\$5,600,000
(Doylestown and Montgomeryville)	(1,600,000)
(Ligonier).....	(4,000,000)
Rural economic development demonstration project (Illinois 366 from US 24 to US 136)	1,600,000
New Mexico railroad overpass demonstration project (Las Vegas, New Mexico).....	1,500,000
Florida causeway tunnel project (Fort Lauderdale).....	1,000,000
Other projects.....	2,700,000
Total.....	12,400,000

Consistent with the policy for new demonstration projects, the federal share for these projects shall be 80 percent.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

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

NHTSA's programs currently are authorized under three major laws: (1) the National Traffic and Motor Vehicle Safety Act; (2) chapter 4 of title 23, United States Code; and (3) the Motor Vehicle Information and Cost-Savings Act (MVICS). The first law provides for the establishment and enforcement of safety standards for vehicles and associated equipment and the effectuation of supporting research, including the acquisition of required testing facilities and the operation of the National Driver Register (NDR). Discrete authorizations were subsequently established for the NDR under the National Driver Register Act of 1982.

Title 23 U.S.C. chapter 4 provides for coordinated national highway safety programs to be carried out with the states (section 402) together with supporting highway safety research, development, demonstration (section 403) and highway safety education and information (section 209) programs. An amendment to this law, enacted in October 1982, authorized a program of alcohol safety incentive grants to the states (section 408) to reduce traffic safety problems resulting from persons driving while under the influence of alcohol. The Anti-Drug Abuse Act of 1988 (Public Law 100-690) authorized a new drunk driving prevention program (23 U.S.C. 410) to make grants to states to implement and enforce drunk driving programs.

The third law (MVICS) provides for the establishment of low-speed collision bumper standards, consumer information activities, diagnostic inspection demonstration projects, and odometer regulations. An amendment to this law established the Secretary's re-

sponsibility, which was delegated to NHTSA, for the administration of mandatory automotive fuel economy standards.

SUMMARY OF FISCAL YEAR 1990 PROGRAM

The Committee recommends a total program level of \$230,000,000 for NHTSA programs and activities in fiscal year 1990. This is \$5,205,000 less than the spending levels proposed in the President's budget and \$5,350,000 more than the fiscal year 1989 program level.

The following table summarizes the fiscal year 1989 program level, the fiscal year 1990 program request, and the Committee recommendation:

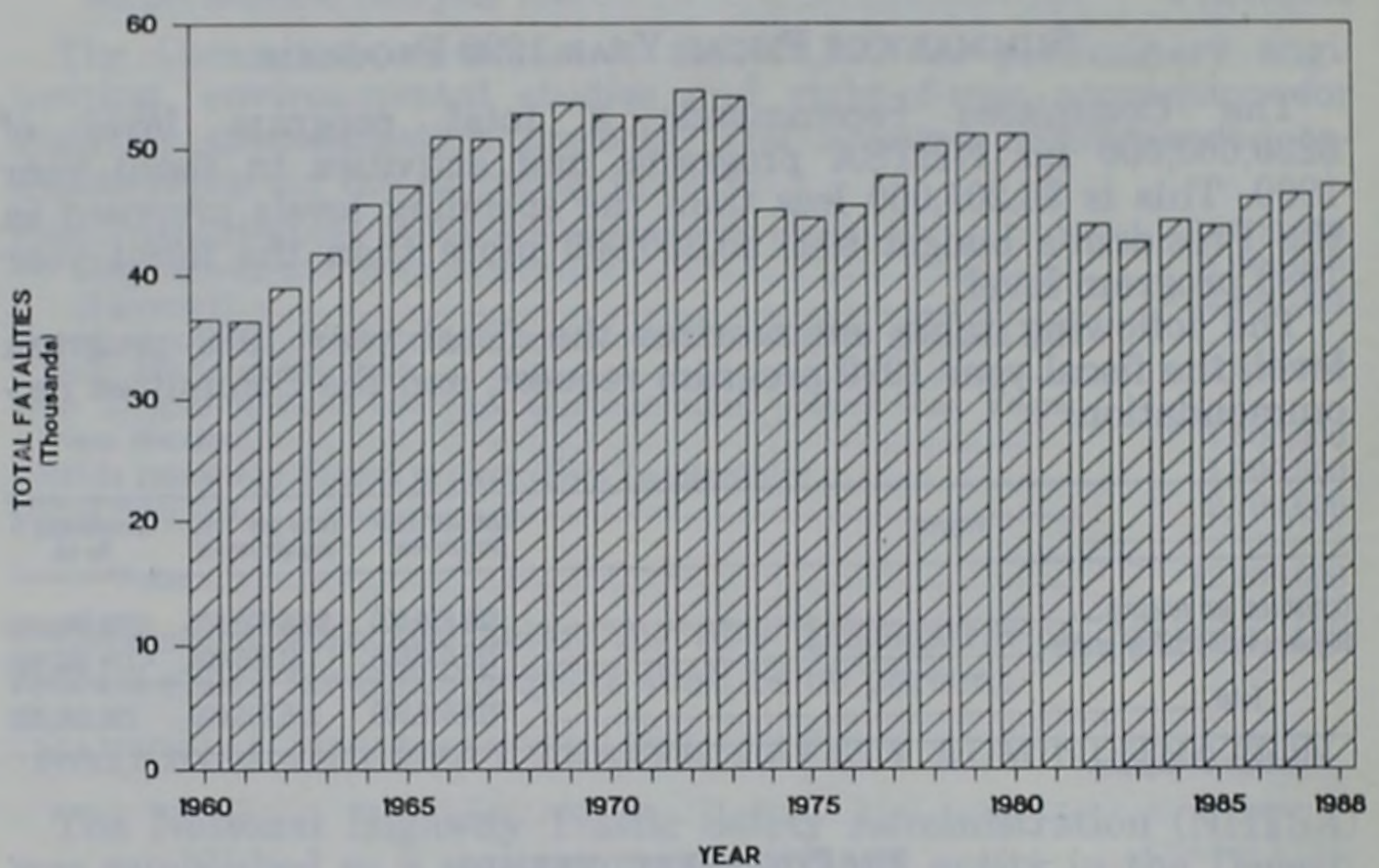
Program	Fiscal year 1989 program level	Fiscal year 1990 program request	Recommended in the bill
Operations and research.....	\$98,650,000	\$106,705,000	\$104,000,000
Highway traffic safety grants	¹ 126,000,000	¹ 128,500,000	¹ 126,000,000
Total.....	224,650,000	235,205,000	230,000,000

¹ Limitation on obligations.

TRAFFIC SAFETY TRENDS

In 1988, the nation experienced 703 additional highway fatalities above 1987. NHTSA's latest calculations show that 47,093 persons died on the nation's highways in 1988, compared to 46,390 in 1987. The 1988 figure is still more than 7,200 fewer fatalities than in the peak year of 1972. The following chart and table depict national traffic fatality levels since 1960 and state-by-state fatality levels for 1980, 1983, 1987 and 1988.

U.S. TRAFFIC FATALITIES BY YEAR



FATALITIES BY STATE

State	1988	1987	1983	1980	Percent Change 1987-1988
Alabama	1,023	1,111	930	940	-8
Alaska	97	76	150	88	28
Arizona	944	939	675	947	1
Arkansas	610	639	557	588	-5
California	5,390	5,504	4,573	5,496	-2
Colorado	497	591	646	709	-16
Connecticut	484	449	438	575	8
Delaware	160	146	110	153	10
District of Columbia	60	53	66	41	13
Florida	3,078	2,839	2,686	2,825	8
Georgia	1,653	1,599	1,296	1,508	3
Hawaii	148	139	141	186	6
Idaho	257	260	263	331	-1
Illinois	1,837	1,654	1,526	1,975	11
Indiana	1,101	1,055	1,016	1,166	4
Iowa	557	491	514	626	13
Kansas	483	491	411	595	-2
Kentucky	838	844	778	820	-1
Louisiana	925	826	933	1,219	12
Maine	255	232	224	265	10
Maryland	782	814	656	756	-4
Massachusetts	725	689	651	881	5
Michigan	1,704	1,602	1,314	1,750	6
Minnesota	612	530	555	848	15
Mississippi	722	756	715	695	-4
Missouri	1,103	1,045	911	1,175	6
Montana	198	234	286	325	-15
Nebraska	261	297	255	396	-12
Nevada	286	262	253	346	9

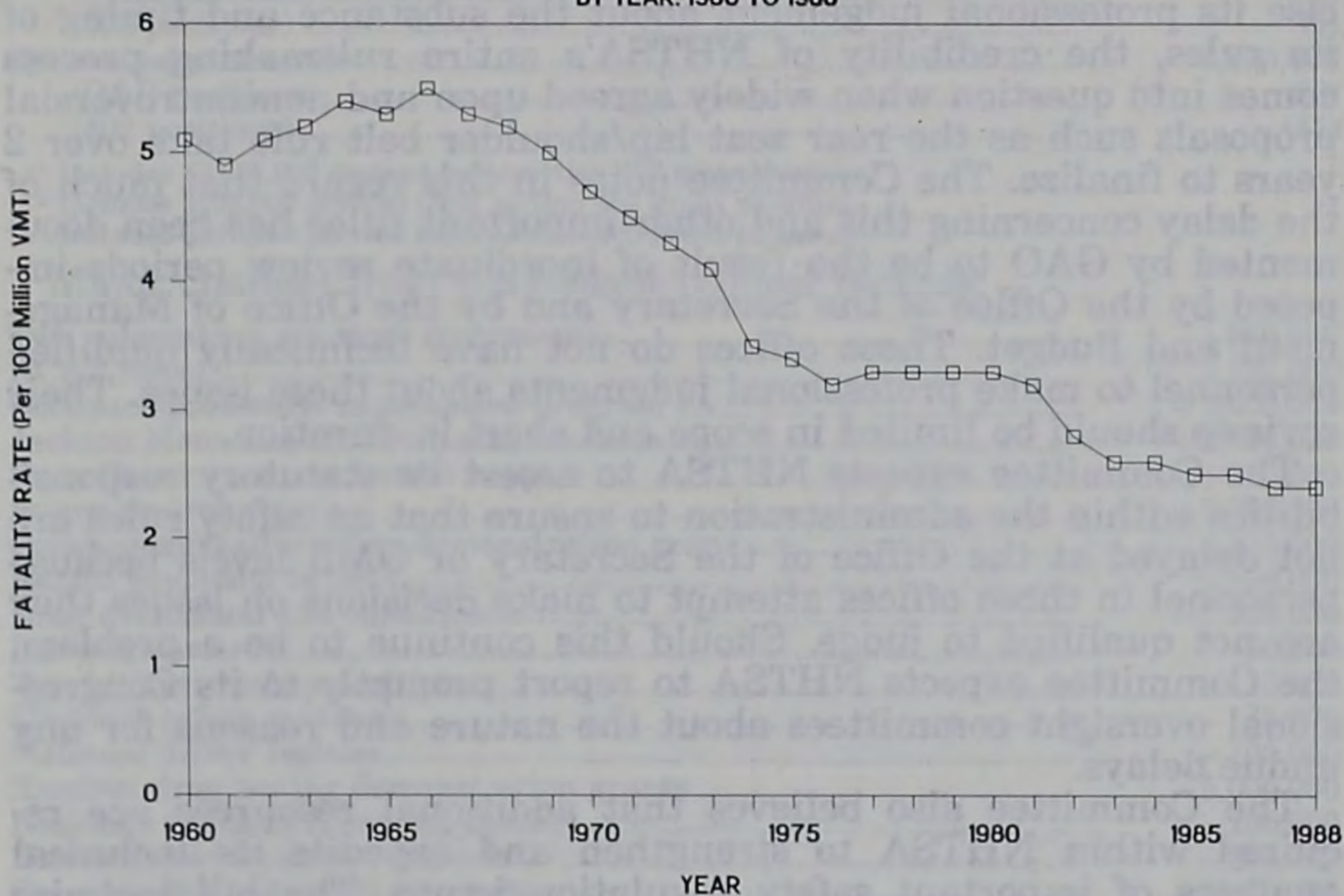
FATALITIES BY STATE—Continued

State	1988	1987	1983	1980	Percent Change 1987- 1988
New Hampshire.....	166	179	191	194	-7
New Jersey.....	1,051	1,023	932	1,120	3
New Mexico.....	487	568	531	606	-14
New York.....	2,255	2,339	2,077	2,610	-4
North Carolina.....	1,573	1,584	1,234	1,503	-1
North Dakota.....	104	101	116	151	3
Ohio.....	1,763	1,772	1,582	2,033	-1
Oklahoma.....	634	597	848	959	6
Oregon.....	677	619	550	646	9
Pennsylvania.....	1,931	1,987	1,721	2,089	-3
Rhode Island.....	125	113	100	129	11
South Carolina.....	1,034	1,086	844	852	-5
South Dakota.....	147	134	175	228	10
Tennessee.....	1,266	1,247	1,037	1,153	2
Texas.....	3,393	3,260	3,823	4,366	4
Utah.....	297	297	283	334	0
Vermont.....	129	119	94	137	8
Virginia.....	1,071	1,021	901	1,045	5
Washington.....	4778	780	698	971	0
West Virginia.....	460	471	425	523	-2
Wisconsin.....	807	797	725	972	1
Wyoming.....	155	129	173	245	20
U.S. Total.....	47,093	46,390	42,589	51,091	2

Although the total number of fatalities increased by 1.5 percent in 1988, the motor vehicle fatality rate remained at its all-time low of 2.4 per 100 million vehicle miles in 1988, as shown by the following graph.

U.S. TRAFFIC FATALITY RATE

BY YEAR, 1960 TO 1988



The Committee notes that even though the overall number of fatalities has increased by 1.5 percent, a wide variance continues to exist between the fatality trends found among different vehicle types. Data provided by NHTSA distributing 1986, 1987, and 1988 fatalities by category are presented in the following table:

OCCUPANT FATALITIES BY VEHICLE TYPE AND NON-OCCUPANT FATALITIES: 1986-88

Vehicle type	1986	1987	1988	Percent change 1986-1988
Passenger cars.....	24,944	25,132	25,802	+3
Light trucks/vans	7,317	8,058	8,306	+14
Motorcycles.....	4,566	4,036	3,661	-20
Heavy trucks.....	781	727	785	0
All other vehicles	626	612	624	0
Non-occupants (pedestrians and bicyclists).....	7,853	7,825	7,915	0
Total.....	46,087	46,390	47,093	+2

These data serve to reinforce the need for improved light truck and van safety standards. The Committee will continue to make light truck and van safety a funding priority until improved safety standards are issued.

RULEMAKING DELAYS

The Committee is concerned by the length of time it takes the agency to promulgate important highway safety rulemakings. A recent GAO report found that it takes NHTSA about 2 years on average to issue a final rule, although individual cases can vary significantly. Unfortunately, those variances are usually on the high side for significant safety rulemakings. Although the Committee believes the agency should have considerable discretion to exercise its professional judgement about the substance and timing of its rules, the credibility of NHTSA's entire rulemaking process comes into question when widely agreed upon and noncontroversial proposals such as the rear seat lap/shoulder belt rule take over 2 years to finalize. The Committee notes in this regard that much of the delay concerning this and other important rules has been documented by GAO to be the result of inordinate review periods imposed by the Office of the Secretary and by the Office of Management and Budget. These offices do not have technically qualified personnel to make professional judgments about these issues. Their reviews should be limited in scope and short in duration.

The Committee expects NHTSA to assert its statutory responsibilities within the administration to ensure that its safety rules are not delayed at the Office of the Secretary or OMB levels because personnel in those offices attempt to make decisions on issues they are not qualified to judge. Should this continue to be a problem, the Committee expects NHTSA to report promptly to its Congressional oversight committees about the nature and reasons for any undue delays.

The Committee also believes that additional resources are required within NHTSA to strengthen and expedite its technical analyses of important safety regulation issues. The bill includes

funds to support the addition of two engineers for the rulemaking office.

OPERATIONS AND RESEARCH
(INCLUDING HIGHWAY TRUST FUND)

Appropriations, fiscal year 1989 to date.....	¹ \$98,650,000
Budget estimates, fiscal year 1990.....	² 106,705,000
Recommended in the bill.....	³ 104,000,000
Bill compared with:	
Appropriations, fiscal year 1989.....	+ 5,350,000
Budget estimates, fiscal year 1990.....	- 2,705,000

¹ Of which \$30,751,000 is derived from the Highway Trust Fund.

² Of which \$31,772,000 shall be derived from the Highway Trust Fund.

³ Of which \$32,316,000 shall be derived from the Highway Trust Fund.

The bill specifies that \$71,684,000 shall be derived from federal funds and \$32,316,000 shall be derived from the highway trust fund.

The Committee recommends a total program level of \$108,900,000 for NHTSA operations and research in fiscal year 1990. This is \$2,705,000 less than the program level assumed in the budget request, and \$5,400,000 more than the fiscal year 1989 program level. These funds are to be distributed as follows:

Rulemaking.....	\$8,300,000
(O&R positions).....	(93)
Enforcement.....	13,075,000
(O&R positions).....	(101)
Highway safety.....	30,425,000
(O&R positions).....	(99)
(402 positions).....	(80)
Research and analysis.....	45,150,000
(O&R positions).....	(146)
Office of the administrator.....	3,125,000
(O&R positions).....	(39)
(402 positions).....	(7)
General administration.....	8,825,000
(O&R positions).....	(80)
(402 positions).....	(11)

¹ Includes \$3,651,000 derived from section 402 grant program.

² Includes \$302,000 derived from section 402 grant program.

³ Includes \$947,000 derived from section 402 grant program.

Major changes from the budget request include:

Two rulemaking positions (engineers).....	+ \$80,000
NCAP retest.....	+ 125,000
Occupant protection information program.....	+ 1,000,000
Jackson Memorial shock-trauma research.....	+ 2,000,000
Dade County trauma system support.....	+ 250,000
Injury control grants.....	+ 1,000,000
Community traffic safety demonstration grant.....	+ 175,000
Rental payments to GSA.....	- 550,000
Drug evaluation and classification.....	- 1,000,000
Incentive awards.....	- 50,000
Two highway safety positions.....	- 115,000
Highway safety contracts.....	- 185,000
National driver register.....	- 100,000
Random drug testing demonstration grants.....	- 5,000,000
National Accident Sampling System.....	- 100,000
Research and analysis contracts.....	- 225,000
General administration contracts.....	- 50,000

The Committee recommendations for selected major programs are described in the following paragraphs.

OCCUPANT PROTECTION INFORMATION PROGRAM

The bill includes a total of \$5,875,000 to continue the occupant protection information program in fiscal year 1990. In addition, \$17,000,000 is estimated to be made available to the states for this purpose under the state and community highway safety (section 402) program. The Committee reiterates its past program guidance that the Operations and Research funds should be used to support belt law enforcement and education initiatives. The Committee also expects that not less than \$3,000,000 of these funds shall be used for passive restraint education activities.

INJURY CONTROL GRANTS

Included within the research and analysis allocation is \$1,000,000 for injury control grants to be administered in cooperation with the Centers for Disease Control. A CDC injury control pilot program was begun in 1986 under NHTSA auspices in response to the recommendations of the National Research Council. A 1988 follow-up report of the NRC recommended that this program be made permanent under the purview of the Department of Health and Human Services. That report reads in part as follows: "Injury is probably the most underrecognized major public health problem facing the nation today, and the study of injury presents unparalleled opportunities for reducing morbidity and mortality and for realizing significant savings in both financial and human terms—all in return for a relatively modest investment."

In recognition of these potential benefits, the Committee provided \$21,000,000 for this activity in the fiscal year 1989 Departments of Labor, Health and Human Services, and Education Appropriations Act. A like amount has been reported by the Committee for fiscal year 1990. The Committee is pleased that this program has been made permanent and expects to see positive results.

The \$1,000,000 provided in this bill for fiscal year 1990 shall be used to continue CDC highway safety-related injury control projects. Of these funds, the Committee expects that \$300,000 shall be used for an injury control grant to promote education and public awareness of measures to prevent head and bodily injury, with particular emphasis on the use of helmets to prevent head injury from bicycle and motorcycle accidents.

LIGHT TRUCK AND VAN SAFETY INITIATIVE

The bill provides \$2,000,000 to continue important light truck and van safety research and analysis. This is the fourth year of a multi-year program to comprehensively overhaul light truck and van safety standards.

Following is a project-specific breakdown of all light truck and van safety R&D for fiscal years 1987, 1988, 1989, and 1990:

Accident Data Gathering and Analysis:

(1) Crashworthiness Problem Identification and Evaluation Studies using NASS, FARS, and State Data Files (1987, continuous)

(2) Maryland Single Vehicle Rollover Study (1988, 1989)

- (3) Analysis of Pickup Truck Rollover Frequency (1988)
- (4) Influence of Rear Axle ABS on Loss of Control and Rollover of Light Trucks (1989, 1990)
- (5) Analysis of Vehicle, Driver, and Roadway Factors (1988, 1989)

Vehicle Dynamics and Computer Simulation:

- (1) Computer Simulation to Define Requirements for Dynamic Rollover Test Device (1987, 1988)
- (2) Study of Occupant and Vehicle Kinematics during Rollover Events (1987, continuous)
- (3) Intermediate and Advanced Rollover Vehicle Models (1988, 1989)
- (4) High Camber Angle Tire Testing (1988, 1989)
- (5) Sensitivity Analysis of Tripped Rollover (1988)
- (6) Stability and Control Characteristics of Light Trucks and Vans (1988, 1989, 1990)
- (7) Effects of Light Truck and Roadside Characteristics on Rollover (1988)

Vehicle Test and Evaluation:

- (1) Vehicle Dynamic and Geometric Parameter Measurement (1987, 1988)
- (2) Survey of Existing Rollover Research and Test Facilities (1988, 1989)
- (3) Influence of Handling Properties on Rollover Rates (1988, 1989)
- (4) Directional and Rollover Stability of "High Lift" Vehicles (1988, 1989)
- (5) Collection and Testing of Force-Deflection Characteristics of Interior Components Including Steering Assemblies, A-Pillars, and Instrument Panels (1987, 1988, 1989)
- (6) Development of Side and Rollover Test Devices (1987, 1988)
- (7) Side Impact Testing to Develop and Evaluate Test Procedures and Safety Performance (1988, 1989, 1990)
- (8) Rollover Testing to Develop and Evaluate Test Procedures and Safety Performance (1988, 1989, 1990)
- (9) Investigation of Countermeasures for Improved Occupant Protection in Side and Rollover Crashes (1990)
- (10) Development of Improved Window Glazing and Evaluation of Door Latch Strength for Ejection Control (1987, 1988, 1989, 1990).

These efforts are designed to lead to a series of rulemakings regarding light truck and van braking, side impact, occupant protection, occupant containment, and other enhancements. The NHTSA submitted the following status report to the Committee during its fiscal year 1990 appropriation hearing on these actions:

LTV INITIATIVES

FMVSS No. 108 Lamps, Reflective Devices, and Associated Hardware—The agency is considering the requirement for high-mounted center stop lamps in light trucks. A decision is expected in 1989.

FMVSS No. 118 Power-Operated Window Systems—This standard was extended in June 1988 to include light trucks, and was effective in December 1988¹.

FMVSS No. 202 Head Restraints—An NPRM was issued in December 1988. A final rule is expected in Summer 1989.

FMVSS No. 204 Steering Control Rearward Displacement—A final rule was issued in November 1987, effective September 1, 1991.

FMVSS No. 208 Occupant Crash Protection—A final rule was issued in November 1987 which extended dynamic crash tests of safety belts to light trucks, effective September 1, 1991.

FMVSS No. 208 Occupant Crash Protection—On November 23, 1988 a NPRM was issued which proposed requiring rear seat lap/shoulder belts in light trucks, vans, utility vehicles, and small buses. A final rule is anticipated in Summer 1989.

FMVSS No. 208 Occupant Crash Protection—The agency is considering whether to require passive restraints in light trucks. A decision is expected in 1989.

FMVSS No. 214 Side Door Strength—An ANPRM was issued in August 1988. The next rulemaking action will be in Fall 1989. The issuance of the August 1988 notice was delayed due to the need for greater agency analysis than originally anticipated.

FMVSS No. 216 Roof Crush—An initial decision on rulemaking was delayed until the agency could test several vehicles and survey manufacturers. A decision on rulemaking is expected in Summer 1989.

49 CFR 571.3 Vehicle Classification—An NPRM was issued in October 1988 which proposed modification of the vehicle classification requirements. A final rule is expected in Summer 1989.

Stability and Control Related to Rollover Performance of Light Trucks—Research is being conducted to address this issue and most will be completed by late 1989. Rulemaking will be initiated upon completion of research.

¹ Revised.

Perhaps the most important of these rulemaking initiatives is to extend the current FMVSS 208 passive restraint requirements to light trucks and vans. NHTSA estimates that this would save between 1,200 and 1,500 lives per year. The Committee has received testimony indicating that the agency has sufficient data in hand to make a decision about the merits of this rule. Following is testimony from the fiscal year 1990 NHTSA appropriation hearing on April 13, 1989:

Mr. LEHMAN. For the last several years, this Committee has provided funds to accelerate your research and analysis activities necessary to improve their [light truck and van] safety. The largest single safety payoff in this area is extending the "208" passive restraint requirements to these vehicles. We were told last year that the reason this hasn't been done was your agency's view that this would impede the installation of automatic restraints in cars because auto makers lack the resources to install them in both cars and in light trucks/vans at the same time. Would you explain what your legal basis is for this rationale? What in your mandate allows you to use such justification as a reason for not proceeding with such a universally accepted safety improvement?

Mr. FELRICE. Mr. Chairman, as you stated, the agency's reason in the past has been that we were concerned that there wasn't sufficient capacity, particularly in the supplier industry, as the manufacturers decided to go to air bags in light trucks and vans.

The legal basis for that prior decision would have come under the practicability requirement in the statute, that all our safety standards must be practicable, and if there wasn't sufficient capacity or sufficient industry testing resources, then such a rule for light trucks may not have been practicable.

* * * * *

Mr. LEHMAN. Shouldn't this "industry capacity" issue more properly be considered in decisions about the timing or phase-in period that would be required as opposed to the basic merits of the requirement itself?

Mr. FELRICE. I think it really affects both, Mr. Chairman. Yes, it certainly does affect timing. But it only affects timing if we believe that at some point in the future there would, indeed, have been sufficient capacity to acquire automatic restraints.

Mr. LEHMAN. And wouldn't you agree that, under your approach, years could be lost in applying the "208" standard to light trucks and vans? Why can't the standard be promulgated now with a phase-in period to accommodate your industry capacity concerns?

Mr. FELRICE. Well, it could be, and I think the agency is reexamining this whole issue right now. As Secretary Skinner testified, he believes that light trucks and vans should certainly have the same level of protection as exists in passenger cars, and he believes that any additional standards applying to those vehicles should be issued sooner rather than later, and there is a serious reexamination of this going on.

Mr. LEHMAN. And, of course, you agree with the Secretary?

Mr. FELRICE. Absolutely, all the time. [Laughter.]

Mr. LEHMAN. Is there any doubt in your mind that "208" requirements should eventually be applied to light trucks and vans?

Mr. FELRICE. No doubt.

Mr. LEHMAN. Our interpretation of last year's testimony is that no additional major research tasks need to be performed to support extending passive restraint requirements to light trucks and vans. It appears that the research work done to support the original "208" rule can be used to support the light truck/van rule as well. Is that a correct interpretation? If not, what major research work needs to be done, how much will it cost, and what is your timetable for completing such work?

Mr. FELRICE. We really still believe that additional research, or any extensive research, is not required. The agency did issue, about a year and a half ago, a requirement that all light trucks and vans be dynamically tested to the exact same test procedure that exists for passenger cars under standard 208. The only difference is those vehicles can meet the injury requirements with manual belts instead of automatic restraints.

But once a vehicle can meet such a requirement, as is now on the books, there is really no reason that we know of why it couldn't meet that requirement with an automatic belt as compared to a manual belt.

The Committee agrees with the expressed philosophy that such important rulemaking action should be issued "sooner rather than later". The Committee expects NHTSA to expedite its consideration of this (and other) important rulemaking actions.

NEW CAR ASSESSMENT PROGRAM

The Committee allowance includes \$125,000 above the budget request in the rulemaking allocation to enhance the effectiveness, timeliness, and usefulness of the new car assessment program (NCAP). Specifically, NHTSA is directed to use these funds to retest, in the current year, up to five vehicles from those that had the highest dummy injury readings in the previous year's NCAP crash tests. The agency is given discretion to consider selecting such vehicles from the previous two years if necessary. The agency should select for retest the vehicles that had the highest dummy injury readings, based primarily on critical dummy injury measures, such as the head injury criterion and chest G's, and vehicle crash behavior (occupant compartment integrity, safety belt system performance, etc.). Previous NCAP testing has shown that manufacturers are capable of quickly modifying their vehicles to improve their performance in NCAP tests. Through this retesting activity, manufacturers will receive additional encouragement to make timely improvements to the crashworthiness and safety performance of their current model vehicles, rather than waiting for a major redesign of those vehicles. The Committee believes that consumers will benefit through improvements that enhance the frontal occupant protection capabilities of current model vehicles that did not perform well in NCAP crash tests.

COMMUNITY TRAFFIC SAFETY DEMONSTRATION PROJECT

Over the past several years, broad-based community traffic safety programs have begun to evolve as an outgrowth of single issue highway safety efforts involving drunk driving, safety belts or engineering improvements. Many of these projects have combined resources and focused on a more comprehensive approach to traffic safety. Based on the positive results achieved to date, the Committee has included an additional \$175,000 in the highway safety account to support the introduction of a broad-based, multiple-countermeasure community traffic safety program that can be used as a national model. The Committee believes Northern Virginia would be a suitable site for this project.

SHOCK-TRAUMA RESEARCH

This bill includes \$2,000,000 to support the development of a trauma research project within Jackson Memorial Hospital's new Trauma Medicine Center in Miami.

The new Trauma Medicine Center will offer the best possible patient care while creating a programmatic and research resource center that will serve as a model for future trauma centers around the nation, operate as an information bank for a national effort to improve highway safety, decrease the level of blunt trauma resulting from automobile use, and improve the outcome of accident victims. Apart from the clinical benefits, the information derived from a data collection/clinical program will be used by researchers and planners to determine the relationship of automobile and highway design to trauma, the effects of trauma on insurance premium rates, and other financial and design factors. Additionally, the diversity and volume of clinical cases will permit a rigorous and thorough training program for EMS providers and other trauma medicine practitioners.

FIELD OVERSIGHT

The Committee is concerned that NHTSA does not have adequate systems, processes, and controls in place to ensure effective communication of its policy objectives between headquarters and the field. Testimony indicates that only two people at the headquarters level are responsible for overseeing NHTSA's entire regional operations. This compares to a 30-person Office of State Program Assistance in the early 1980's. The Committee also received a report indicating that a NHTSA management directive requiring periodic, formal reviews of regional activities is no longer being enforced. The Committee believes that greater assurances are required that the regions, which administer 55 percent of the total NHTSA budget, are aware of and actively promote the most effective highway safety initiatives that implement national priorities and objectives. The Committee at present is not convinced that the policies and programs espoused in the budget and at budget hearings are well known to or fully promoted by regional personnel. In particular, the Committee believes that headquarters offices responsible for national highway safety programs should provide increased program direction, implementation guidance, and evaluation of regional and state programs to assure that national priorities are met. The Committee has deferred its consideration of the two additional positions requested for the headquarters highway safety office until it is assured that better headquarters-field linkages are developed and implemented.

ADVANCED DRIVING SIMULATOR

The Committee directs that any grant related to an advanced driving simulator should be done on a competitive basis.

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

Appropriation, fiscal year 1989 to date	(\$130,500,000)
Budget estimate, fiscal year 1990	(132,000,000)
Recommended in the bill.....	(132,000,000)
Bill compared with:	
Appropriation, fiscal year 1989	(+1,500,000)
Budget estimate, fiscal year 1990.....	(.....)

The Committee recommends \$132,000,000 to liquidate contract authorizations for state and community highway safety grants (section 402), school bus driver training grants (section 406), and alcohol safety incentive grants (section 408). This is the same as the budget request.

STATE AND COMMUNITY HIGHWAY SAFETY GRANTS
(LIMITATION ON OBLIGATIONS)

As in past years, the bill includes language limiting the obligations to be incurred under the state and community highway safety formula grant (section 402) program. For fiscal year 1990, the Committee recommends a limitation of \$115,000,000, the same as the budget request. Activities under this program are centered predominantly on efforts to control the drinking driver; increase traffic law enforcement; improve the quality of emergency medical services (principally through additional training of state and local personnel); and improve the collection and analysis of traffic accident data.

The recommended limitation is intended to continue current levels of support for state child restraint usage programs, emergency medical services programs, and alcohol countermeasure programs. Although the decisions on the allocation of these funds rest primarily with the states, the Committee expects NHTSA to encourage states to use their funds according to the following distribution:

Alcohol safety	\$39,000,000
Police traffic services	35,000,000
Emergency medical services	4,500,000
Traffic records	6,000,000
Occupant protection	17,000,000
Motorcycles	1,000,000
Other grants	7,600,000
Grant administration.....	4,900,000

Language is included in the bill limiting the funds available for federal grant administration costs to \$4,900,000. The bill also prohibits the use of state and community highway safety grant funds for construction, rehabilitation or remodeling costs, or for office furnishings and fixtures for state, local, or private buildings or structures.

ALCOHOL SAFETY INCENTIVE GRANTS

(LIMITATION ON OBLIGATIONS)

The bill includes language limiting obligations to be incurred under the alcohol safety incentive grant program to \$11,000,000 in fiscal year 1990. This is \$2,500,000 less than the budget request.

Funding for alcohol safety incentive grants is authorized by the Alcohol Traffic Safety Programs Act of 1982 (P.L. 97-364), which amends chapter 4 of title 23, United States Code, by adding a new section 408. These provisions authorized a 3-year program, beginning in fiscal year 1983, which provides incentive grants to states that implement (by legislation, regulation, or otherwise) effective programs to reduce the drunk driving problem. Whether a state qualifies for a basic grant in any fiscal year will be determined by its compliance with minimum criteria specified in the statute. Any state that complies with the minimum criteria and additional criteria which the Secretary of Transportation issued by regulation shall be eligible for a supplementary grant. A state may also qualify for a special grant if it implements penalties for "driving under the influence." A state may use the funds it receives under this program only for alcohol safety purposes. Projects in other highway safety areas eligible for funding under the regular section 402 program are not eligible for funding under this incentive grant program unless they are related to the alcohol traffic safety program.

Section 408 was amended in P.L. 100-17, which extended the period of eligibility from three years to five, and provided that the sums authorized shall remain available until expended. This means that individual states, already qualified and yet to be qualified, will have an additional two years of potential funding and that new states can qualify until such funds are expended.

FEDERAL RAILROAD ADMINISTRATION

SUMMARY OF FISCAL YEAR 1990 PROGRAM

The Federal Railroad Administration (FRA) is responsible for planning, developing, and administering programs to achieve safe operating and mechanical practices in the railroad industry. Grants to the National Railroad Passenger Corporation (Amtrak) and other financial assistance programs to rehabilitate and improve the railroad industry's physical plant are also administered by the FRA. The Committee recommends a total program level of \$705,645,000 for the activities of the Federal Railroad Administration for fiscal year 1990. This is \$644,236,000 more than the fiscal year 1990 program request, and \$29,482,000 more than the amounts provided for fiscal year 1989.

The following table summarizes the fiscal year 1989 program levels, the fiscal year 1990 program requests, and the Committee recommendations:

Program	Fiscal year 1989 program level	Fiscal year 1990 program request	Recommended in the bill
Office of the administrator.....	¹ ² \$24,952,000	\$15,180,000	\$14,400,000
Railroad safety.....	27,825,000	30,307,000	31,900,000

Program	Fiscal year 1989 program level	Fiscal year 1990 program request	Recommended in the bill
Railroad research and development.....	9,286,000	9,277,000	9,600,000
Northeast corridor improvement program.....	19,600,000		19,600,000
Grants to Amtrak.....	³ 584,000,000		615,000,000
Freightline rehabilitation.....	6,000,000		
Regional rail reorganization program.....		6,645,000	6,645,000
Conrail commuter transition assistance.....	4,500,000		5,000,000
Amtrak corridor improvement loans.....			3,500,000
Total.....	676,163,000	61,409,000	705,645,000

¹ Includes \$4,000,000 derived by transfer.

² Reflects reduction of \$23,000 in accordance with Sec. 347 of PL 100-457 (consultant services).

³ Excludes \$4,000,000 transferred to other accounts.

OFFICE OF THE ADMINISTRATOR

	<i>Appropriation</i>	<i>By Transfer</i>
Appropriation, fiscal year 1989 to date.....	\$20,975,000	(\$4,000,000)
Budget estimate, fiscal year 1990.....	15,180,000	(.....)
Recommended in the bill.....	14,400,000	(.....)
Bill compared with:		
Appropriation, fiscal year 1989.....	-6,575,000	(-4,000,000)
Budget estimate, fiscal year 1990.....	-780,000	(.....)

This account provides funds for executive direction and administration, policy support, passenger and freight services salaries and expenses, and contractual support. The Committee recommends an appropriation of \$14,400,000 and 196 positions to continue the office of the administrator and passenger and freight service assistance functions. This is \$780,000 less than the amount proposed in the budget request. These funds are to be distributed as follows:

	Fiscal year 1989 actual	Fiscal year 1990 estimate	Recommended
Salaries and expenses.....	\$12,077,000	\$13,164,000	\$12,975,000
(Positions).....	(197)	(196)	(196)
Contractual support.....	973,000	980,000	925,000
Washington Union Station.....	11,800,000		
Local rail service assistance.....			
Asset sale administration costs.....	125,000		
Alaska Railroad workers' compensation.....		1,036,000	
High speed rail technical assistance.....			500,000
Total program level.....	24,975,000	15,180,000	14,400,000
By transfer.....	-4,000,000		
Total appropriation.....	20,975,000	15,180,000	14,400,000

SALARIES AND EXPENSES/CONTRACTUAL SUPPORT

The Committee has provided \$12,975,000 for salaries and expenses to support the office of administrator and passenger and freight service assistance functions. Major changes from the budget request include reductions of \$110,000 for GSA rental payments, \$20,000 for incentive awards, \$50,000 for administrative costs, and \$55,000 for contractual support.

WASHINGTON UNION STATION

The Department of Transportation purchased title to Washington Union Station on November 1, 1988, by paying the sellers \$10,000,000 and by assuming the first deed of trust on the property (requiring payments of \$118,238 monthly or \$1,418,856 annually). This transaction was estimated to save the federal government \$33,000,000 over the life of the prior lease agreement. The bill includes language requested by the Department giving the administrator the authority to temporarily advance funds from other rail accounts for the first mortgage payments on the property until revenues from station rents and parking garage operations are sufficient to meet this monthly expense. The Committee expects such reimbursable agreements to provide for repayment with interest to the affected rail accounts.

LOAN GUARANTEES

The Committee also recommends continuation of a statutory limitation on new loan guarantee commitments under the Emergency Rail Services Act of 1970, as amended, and subsections 211(a) or 211(h) of the Regional Rail Reorganization Act of 1973, as amended.

ALASKA RAILROAD WORKERS' COMPENSATION

The Committee has denied the budget request of \$1,036,000 to reimburse the Department of Labor for annual workers' compensation payments made to former employees of the Alaska Railroad. The Committee believes these payments should continue to be made by the Labor Department without reimbursement, as is present practice.

SUPER HIGH-SPEED RAIL TECHNICAL ASSISTANCE

The bill includes \$500,000 to provide grants for up to 50 percent of the cost to states (or other designated entities) of contractual support needed to evaluate and verify the benefits and impacts of specific private sector high-speed rail proposals. These funds also may be used by the FRA to evaluate and verify the safety provisions incorporated into the system design and operating practices of super high-speed magnetic levitation systems that are proposed for deployment.

RAILROAD SAFETY

Appropriation, fiscal year 1989 to date	\$27,825,000
Budget estimate, fiscal year 1990	30,307,000
Recommended in the bill.....	31,900,000
Bill compared with:	
Appropriation, fiscal year 1989	+4,075,000
Budget estimate, fiscal year 1990.....	+1,593,000

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

was granted the FRA under the Rail Safety Improvement Act of 1988.

RAIL SAFETY FUNDING

The Committee recommends a total appropriation of \$31,900,000 for railroad safety programs in fiscal year 1990. This is an increase of \$1,593,000 from the level requested for similar activities. These funds are to be distributed as follows:

Federal enforcement	\$24,777,000
(positions).....	(419)
Automated track inspection program.....	1,175,000
Safety regulation and program administration	5,948,000
(positions).....	(67)

It is the Committee's view that the funding level requested in the President's budget of \$30,307,000 will not fully support the 40 new positions and 22 new staff years that have been requested to carry out the responsibilities added by the Railroad Safety Improvement Act of 1988. The Committee has added \$1,869,000 to the "safety regulation and program administration" budget request to support fully the requested staffing increase.

RAIL SAFETY PERFORMANCE

The FRA's analysis of 1988 accident/incident data indicates an increase in both the total number of train accidents and accidents per million train miles. Train accidents increased from 2,647 in 1987 to 3,051 in 1988. There was a significant increase in train miles in 1988 and the accidents per million train miles increased from 4.55 in 1987 to 5.00 in 1988. This is the first increase in frequency of accidents or the accident rate since 1978, when there were 11,722 accidents.

The table below provides a quick overview of accidents in the past few years:

Year	Accidents	Accidents/ million train miles
1978.....	11,722	15.00
1982.....	4,589	8.00
1985.....	3,430	6.01
1986.....	2,761	4.87
1987.....	2,647	4.55
1988.....	3,051	5.00

The FRA has testified that the improved financial condition of the railroad industry prompted by enactment of the Staggers Act is the overriding reason for the marked long-term rail safety improvement. Accident statistics, to the extent they are accurate, seem to support this conclusion. The Committee reiterates its longstanding view that, as in DOT's air safety and highway safety programs, a principal goal of the rail safety program must be to remove financial considerations as a variable in a carrier's safety performance to the maximum extent possible. The FRA should continue to work

to instill a management philosophy within the railroad industry that safety shall not be compromised by bottom line considerations.

FEDERAL ENFORCEMENT

The federal enforcement function provides for the salaries and related expenses for a force of federal safety inspectors located throughout the United States. These inspectors investigate and inspect rail carriers' property and operating practices to determine compliance with federal rail safety rules. They also conduct railroad accident investigations. The Committee recommends \$24,777,000 to support a field staff of 361 inspectors and 58 clerical support positions. This is an increase of 34 inspector positions and 4 clerical positions over fiscal year 1989. These additional staffing resources are necessary to carry out the significantly expanded rail safety regulatory responsibilities required by the Rail Safety Improvement Act of 1988. The Committee endorses and expects the FRA to carry through with its pledge to fill all 34 new inspector positions by January 1990 and the 4 clerical positions by April 1990.

The new inspector positions are to be distributed among the disciplines as follows:

Motive power and equipment.....	5
Signal and train control.....	6
Operating practices.....	15
Hazardous materials.....	8

The 34 new inspector positions will be distributed among the regions as follows:

Boston.....	5
Philadelphia.....	2
Atlanta.....	4
Chicago.....	8
Fort Worth.....	3
Kansas City.....	0
San Francisco.....	6
Portland.....	6

The Committee's allowance also contains sufficient travel funds to provide for 15 travel days per month per inspector.

AUTOMATED TRACK INSPECTION

The Committee's recommendation includes \$1,175,000 to continue operation of the automated track inspection program (ATIP) in fiscal year 1990. This is \$6,000 below the budget request.

The fiscal year 1990 funds allocated for ATIP are intended to enable the FRA to meet its high priority and special mission track inspection requirements. These funds will support a level of effort of 28,000 miles of track survey by the FRA in the self-propelled measurement vehicle T-10. The Committee expects operating costs for the ATIP vehicle (T-10) not to exceed \$46 per mile.

SAFETY REGULATION AND ADMINISTRATION

The safety regulation and administration program provides for the salaries and related expenses of headquarters safety personnel. Rail safety contractual services are also funded from this account. The Committee recommends an appropriation of \$5,948,000 for this

activity, an increase of \$2,213,000 over fiscal year 1989. This large one-time increase is necessary to correct historical funding imbalances between the "federal enforcement" and "safety regulation and administration" functions. This increase will also provide for one additional hazardous materials specialist and one additional operating practices specialist.

RAILROAD RESEARCH AND DEVELOPMENT

Appropriation, fiscal year 1989 to date	\$9,286,000
Budget estimate, fiscal year 1990	9,277,000
Recommended in the bill.....	9,600,000
Bill compared with:	
Appropriation, fiscal year 1989	+314,000
Budget estimate, fiscal year 1990	+323,000

The railroad research and development appropriation finances contract research activities as well as salaries and expenses necessary for supervisory, management, and administrative functions. The objectives of this program are to reduce the frequency and severity of railroad accidents and to provide technical support for rail safety rulemaking and enforcement activities. The Committee recommends an appropriation of \$9,600,000 for fiscal year 1990. This is \$323,000 above the budget request.

Rail-highway crossing safety education.—The Committee has included the full budget request of \$200,000 for rail/highway crossing safety education and public information efforts. These funds are to be available for the support, management, or assessment of, by contract or financial assistance agreement, the development, promotion, and coordination of railroad-community-police rail/highway crossing safety education and enforcement programs.

Elderly and disabled access.—The Committee has included \$400,000 for a grant to the National Railroad Passenger Corporation (Amtrak) to undertake research to improve access to rail passenger cars from station platforms for individuals with disabilities and elderly persons. The Committee expects these funds to be used to research alternate means of access to trains from stations with low platforms, including use of lifts, ramps and other devices that can ensure safe access. The Committee further directs the grantee to seek input from organizations representing disabled individuals and elderly persons, and from commuter and passenger railroads in the U.S. and other countries.

Advanced high-speed technology assessment.—The Committee reiterates its interest in the developments surrounding efforts to introduce magnetic levitation technology into the U.S. transportation sector. Currently there are major efforts in Japan and West Germany to develop and demonstrate maglev technology, and several studies are being conducted in the U.S. to assess the feasibility of deploying this technology in the next decade. Potential breakthroughs in superconductivity could make maglev technology even more viable.

The Committee is concerned that U.S. industry may be left behind by the Germans and Japanese in much the same way as it has been in the rail car and other transportation manufacturing sectors. Last year, the Committee directed the FRA to conduct an assessment of the current state of magnetic levitation technology,

the economic and technical feasibility of constructing commercial maglev transportation systems in the U.S. over the next 20 years, and the identification of legislative or other measures that could be taken to promote U.S. industry leadership in the production of such equipment. The Committee expects the FRA to give this report priority attention and to meet its planned completion date of June 1990.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

Appropriation, fiscal year 1989 to date	\$19,600,000
Budget estimate, fiscal year 1990	
Recommended in the bill.....	19,600,000
Bill compared with:	
Appropriation, fiscal year 1989	
Budget estimate, fiscal year 1990.....	+19,600,000

The Committee recommends \$19,600,000 to continue work on various northeast corridor improvement projects. This is \$36,500,000 below the amount requested by Amtrak. The administration requested no funds for this program. These funds are to be distributed as follows:

Delaware-NJ CETC	\$5,000,000
Penn Station train servicing facilities.....	2,400,000
Electric traction upgrades.....	2,400,000
Communication/signal system upgrades.....	3,300,000
Bridge replacement/upgrades	1,000,000
Track improvements	1,000,000
New York tunnels fire protection equipment	4,500,000

Title VII of the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act) authorized \$2.5 billion for the Northeast Corridor Improvement Project. That Act was later amended to add a list of projects to be funded in the event the full authorized funding became available. This project list was again recently amended in the Rail Safety Improvement Act of 1988 to authorize new safety-related projects which the Committee initiated two years ago in the aftermath of the Chase, Maryland Conrail-Amtrak accident.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Appropriation, fiscal year 1989 to date	\$584,000,000
Budget estimate, fiscal year 1990	
Recommended in the bill	615,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+31,000,000
Budget estimate, fiscal year 1990	+615,000,000

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

Out of a route system of over 25,000 miles of track, Amtrak owns a total of 2,611 track miles in the Northeast Corridor (Washington-Boston; New Haven-Springfield; Philadelphia-Harrisburg), the Post Road Connection in Albany, New York, and track between Porter, Indiana and Kalamazoo, Michigan. On all other routes, Amtrak operates trains on the tracks of 18 different privately owned railroads and compensates the railroads for their total packages of services.

These railroads are responsible for the condition of the roadbed and for coordinating the flow of traffic.

Amtrak estimates that it will carry more than 40 million intercity and commuter passengers in fiscal year 1990. It serves about 500 stations and employs approximately 23,000 people.

AMTRAK FUNDING RECOMMENDATION

The Committee recommends a total funding level of \$615,000,000 for Amtrak operating and capital expenses in fiscal year 1990. This represents a 57 percent reduction in federal support since 1979 when measured in 1979 constant dollars—from \$779,000,000 to \$331,000,000. The budget proposed to discontinue all federal assistance for Amtrak, while Amtrak requested \$656,000,000. The Committee's recommendation is distributed as follows:

	Fiscal year 1989 budget	Fiscal year 1990 Amtrak request	Fiscal year 1990 recommended
Total operating expenses.....	\$1,839,100,000	\$1,865,000,000	\$1,864,600,000
Inflation.....		69,300,000	61,700,000
Percent		(4.3%)	(4.0%)
Total expenses.....	1,839,100,000	1,934,300,000	1,926,300,000
Expenses not requiring appropriation	-164,000,000	-168,600,000	-168,600,000
Funded expenses	1,675,100,000	1,765,700,000	1,757,700,000
Total revenue	1,180,200,100	1,275,000,000	1,287,000,000
Percent		(+8.05%)	(+9.07%)
Restricted revenue	-58,700,000	-57,300,000	-57,300,000
Revenue available for operations	1,121,500,000	1,217,700,000	1,229,700,000
Operating grant requirement.....	553,600,000	548,000,000	528,000,000
Capital grants	28,000,000	106,000,000	85,000,000
Labor protection.....	2,400,000	2,000,000	2,000,000
Total appropriation.....	584,000,000	656,000,000	615,000,000

As indicated above, the Committee's recommendation would provide a 4.9 percent increase in funded operating expenses (from \$1,675,000,000 to \$1,757,700,000) instead of a 5.4 percent increase as requested by Amtrak.

AMTRAK CAPITAL PROGRAM

For Amtrak capital expenses, the Committee has provided a total of \$137,000,000 (including Northeast Corridor improvement projects and restricted revenues). This is \$57,100,000 below the amount requested by Amtrak.

A comparison of Amtrak's entire capital grant program follows:

	Fiscal year 1989	Amtrak request	Recommended in the bill
Rolling stock	\$30,600,000	\$61,000,000	\$55,000,000
Maintenance facilities.....	8,000,000	14,000,000	11,000,000
Stations/onboard services.....	16,500,000	11,000,000	11,000,000
Info/communications systems.....	9,300,000	15,000,000	13,000,000
Right-of-way.....	14,800,000	28,000,000	22,000,000
Other.....	8,600,000	9,000,000	5,400,000

	Fiscal year 1989	Amtrak request	Recommended in the bill
NECIP.....	19,600,000	56,100,000	19,600,000
Total program level.....	107,400,000	194,100,000	137,000,000
Minus NECIP appropriation.....	-19,600,000	-56,100,000	-19,600,000
Minus prior year funds.....	-39,700,000		
Minus applied revenue.....	-20,100,000	-32,000,000	-32,400,000
Total Amtrak capital grant.....	28,000,000	106,000,000	85,000,000

New rolling stock.—The Committee believes that Amtrak has reached a critical juncture with respect to its need for capital funds. Continued severe reductions in Amtrak's capital budget are likely to produce reduced reliability, increased vehicle maintenance costs, and a general deterioration in the quality of service. Increased emphasis on capital investment is also necessary to continue the progress made in reducing the cost of operating rail passenger service.

The Committee received the following testimony from Amtrak's President and Chairman of the Board:

... much of Amtrak's future success will depend on our ability to acquire the equipment capacity to meet the growing demand for rail passenger service. Some 250,000 passengers were forced to stand during the past year on Northeast Corridor and Empire Service (New York State) trains during weekend and peak holiday periods due to the lack of sufficient equipment, and we are experiencing a standee problem as well on our San Diegan trains and other unreserved services. Reserved space on most of Amtrak's long-distance trains to Florida and in the West is sold out weeks and even months in advance—particularly for sleeping accommodations. Sold-out trains mean lost revenue to Amtrak. The lack of equipment for even existing services means we cannot add additional frequencies or start new services even where revenues from such services would exceed their costs or where individual states are willing to share in funding the service under the "403(b)" program.

New equipment would enable us to relieve standee problems on our unreserved trains and meet the existing demand for long-distance and Metroliner services. It would give us the capacity to meet the growing demand for rail passenger service and help provide state and local governments a far less costly alternative to new highway or airport construction in crowded transportation corridors. It would also enable us to replace our inefficient and increasingly unreliable 30-40 year old Heritage fleet cars inherited from the private railroads nearly 18 years ago, and thereby make our services more marketable, reliable and efficient.

Testimony indicates that Amtrak's most pressing equipment need is for 50 new "Viewliner" cars to replace the aging Heritage sleeping car fleet that now operates in the eastern half of the United States. The bill includes \$50,000,000 for this purpose, which will be matched by a like amount in private financing, to be repaid from revenues generated by the new cars.

AMTRAK ROUTES

Following are Amtrak's projections for fiscal year 1990 route performance:

FISCAL YEAR 1990 ROUTE BY ROUTE FORECAST

	PM/TM	Short-term avoidable profit (loss)/ PM ¹	Revenue/long term avoidable cost ratio ²
Northeast corridor:			
Metroliner service.....	134	.208	1.86
NEC conventionals.....	199	.092	1.45
New York City-Philadelphia.....	154	.082	1.32
Philadelphia-Harrisburg.....	76	(.056)	.56
Atlantic City.....	468	.060	1.35
Total NEC.....	193	.107	1.52
Short Distance:			
New York City-Niagara Falls.....	125	.035	.81
Chicago-St. Louis.....	73	(.061)	.55
Chicago-Milwaukee.....	84	(.037)	.64
Chicago-Detroit-Toledo.....	90	(.061)	.55
Los Angeles-San Diego.....	163	.011	.87
Portland-Seattle.....	86	(.073)	.52
Chicago-Indianapolis.....	77	(.084)	.51
Total short distance.....	111	(.001)	.73
403B:			
Philadelphia-Harrisburg.....	30	.014	.79
Chicago-Springfield.....	78	.000	.80
Chicago-Carbondale.....	84	(.026)	.69
Chicago-Quincy.....	75	.003	.85
Los Angeles-San Diego.....	148	.031	.98
Oakland-Bakersfield.....	100	(.002)	.83
Albany-Montreal.....	92	(.006)	.67
Chicago-Port Huron-(Toronto).....	82	.010	.87
Kansas City-St. Louis.....	70	(.031)	.73
Philadelphia-Pittsburgh-(New York City).....	114	.037	1.01
Chicago-Grand Rapids.....	79	(.003)	.83
Total 403B.....	97	.007	.84
403D:			
New York City-Philadelphia.....	427	.044	1.07
Philadelphia-Harrisburg.....	91	(.056)	.52
New York City-Harrisburg.....	211	.058	1.17
Chicago-Valparaiso.....	158	(.162)	.29
Total 403D.....	300	.035	.99
Long Distance:			
Washington-Montreal.....	247	(.035)	.61
NYC-FLA: Silver Star.....	249	(.007)	.72
NYC-FLA: Silver Meteor.....	316	.002	.78
New York-Philadelphia-Chicago.....	164	(.003)	.73
Washington-Pittsburgh-Chicago.....	145	(.025)	.65
Chicago-Washington-New York City ³	130	(.092)	.46
Chicago-Seattle/Portland.....	171	(.018)	.68
Chicago-Salt Lake City-Oakland ⁴	199	(.007)	.74
(Chicago)-Salt Lake City-Los Angeles ⁴	199	(.000)	.76
(Chicago)-Salt Lake City-Seattle ⁴	199	(.042)	.54
Chicago-Los Angeles.....	193	.001	.76
Chicago-New Orleans.....	160	(.030)	.59
Chicago-Texas-(Los Angeles) ⁵	259	(.019)	.65
New Orleans-SAS-Los Angeles ⁵	259	(.054)	.52
Los Angeles-Seattle.....	324	.004	.82
Chicago-New York City-Boston.....	218	.005	.76
Boston-Newport News.....	279	.038	1.13
New York-Jacksonville.....	151	(.007)	.76

FISCAL YEAR 1990 ROUTE BY ROUTE FORECAST—Continued

	PM/TM	Short-term avoidable profit (loss)/ PM ¹	Revenue/long term avoidable cost ratio ²
New York-New Orleans	200	(.024)	.62
(KCY)-STL-CEN-(NOL)	99	(.051)	.50
Auto Train	303	.092	1.18
Total long distance	216	(.005)	.74
Route Total	188	.026	.93

¹ Equals short-term avoidable profit/(loss) divided by incremental passenger miles. Short-term avoidable profit/(loss) equals route revenues minus short-term avoidable costs.

² The ratio of route revenue (including State payments for 403(B) routes) to long-term avoidable costs.

³ Cardinal.

⁴ Combined PM/TM shown for Chicago-Salt Lake City-Oakland, (Chicago)-Salt Lake City-Los Angeles and (Chicago)-Salt Lake City-Seattle routes.

⁵ Combined PM/TM shown for Chicago-Texas-(Los Angeles) and New Orleans-SAS-Los Angeles routes.

AMTRAK'S FINANCIAL PERFORMANCE

Since 1981, Amtrak has made substantial improvement in its financial performance, especially as it relates to reducing the cost of providing national rail passenger service. As the chart below illustrates, Amtrak also has increased its revenues, its revenue passenger miles, and the quality of its service despite steadily decreasing levels of federal financial support.

COMPARISON OF FINANCIAL AND PERFORMANCE DATA

[Constant 1981 dollars]

	1981	1988	Percent change
Total revenues in current dollars (millions)	\$612.2	\$1,106.7	+81
Total revenues in constant 1981 dollars (millions)	612.2	798.1	+30
Revenue-to-cost ratio	0.48	0.69	+44
Total constant dollar Federal grant (millions)	896.0	437.0	-51
Federal constant dollar operating grant (millions)	675.8	402.0	-40
Revenue to short-term avoidable cost ratio	0.73	1.15	+58
Revenue to long-term avoidable cost ratio	0.60	0.90	+50
Passenger miles (millions)	4,762	5,678	+19
Passenger miles per train mile	155	189	+22
Total Federal support as a percentage of U.S. budget	0.1	0.05	-50
Managerial staff as proportion of work force	0.15	0.12	-20

CAPITAL PROJECTS

The bill includes language carried in past appropriation acts specifying cost sharing arrangements for the West Side Connection and Atlantic City capital improvements projects.

NORTHEAST CORRIDOR IMPROVEMENTS

In addition to the amounts provided for Amtrak grants, Amtrak will directly benefit from the additional \$19,600,000 provided for capital improvements under the northeast corridor improvement program.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

(RAILROAD CREDIT ENHANCEMENT)

Limitation, fiscal year 1989 to date.....	(\$99,000,000)
Budget estimate, fiscal year 1990	(15,000,000)
Recommended in the bill.....	(50,000,000)
Bill compared with:	
Limitation, fiscal year 1989.....	(- 49,000,000)
Budget estimate, fiscal year 1990.....	(+ 35,000,000)

The bill includes language requiring the sale of repayable railroad loans currently held by the federal government with a principal value of \$50,000,000 for amounts equal to or greater than the net present value of each loan. Such valuations shall be determined by the Secretary of Transportation in consultation with the Treasury Department. The bill also authorizes the use of loan sale proceeds for necessary underwriting fees and related expenses.

LIMITATION ON NEW LOAN GUARANTEES

The bill includes language authorizing the Secretary of Transportation to issue notes or other obligations to the Secretary of the Treasury to pay any amounts required pursuant to the federal guarantee of loans made under the authority of sections 511 through 513 of P.L. 94-210, as amended. The bill also includes a continuation of the existing prohibition on all new section 511 loan guarantees, as requested in the budget.

REGIONAL RAIL REORGANIZATION PROGRAM

	<i>Appropriation.</i>	<i>Portion applied to debt reduction</i>
Appropriation, fiscal year 1989 to date		
Budget estimate, fiscal year 1990	\$101,577,979	- 94,932,979
Recommended in the bill	101,577,979	- 94,932,979
Bill compared with:		
Appropriation, fiscal year 1989	+ 101,577,979	- 94,932,979
Budget estimate, fiscal year 1990		

The Committee recommends an appropriation of \$101,577,979, of which \$94,932,979 shall be available to liquidate borrowing authority, to pay off notes to the Treasury Department issued in conjunction with the loan default of the Central Railroad of New Jersey Industries. This loan was made originally by the United States Railway Association under section 211(h) of the Regional Rail Reorganization Act of 1973.

CONRAIL COMMUTER TRANSITION ASSISTANCE

Appropriation, fiscal year 1989 to date	\$4,500,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	5,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+ 500,000
Budget estimate, fiscal year 1990.....	+ 5,000,000

The Committee recognizes the additional financial burden placed on local governments by enactment of the Northeast Rail Service

Act of 1981, which transferred more than 400 bridges from federal to local ownership. To assist in this burden, the Committee has provided \$5,000,000 to supplement funds previously made available for this purpose. This appropriation is to be made available to the Southeastern Pennsylvania Transportation Authority for the 9th Street bridge improvement project.

AMTRAK CORRIDOR IMPROVEMENT LOANS

Appropriation, fiscal year 1989 to date	(.....)
Budget estimate, fiscal year 1990	(.....)
Recommended in the bill.....	(\$3,500,000)
Bill compared with:	
Appropriation, fiscal year 1989	(+3,500,000)
Budget estimate, fiscal year 1990.....	(+3,500,000)

The bill contains a new provision authorizing the Secretary to provide \$3,500,000 in low interest (4 percent per annum) loans to the Chicago, Missouri and Western Railroad to upgrade its roadbed with continuously welded rail between Joliet and Granite City, Illinois. These funds are to be matched on a dollar-for-dollar basis by the state of Illinois. This project is necessary to improve the quality of rail passenger service in the area, which has declined markedly due to poor track conditions. In fiscal year 1988, ridership on state-sponsored Chicago-St. Louis trains fell by 11,000 passengers, or 10 percent, from the fiscal year 1987 level. The Committee believes it is in the public's long-term interest to ensure the future viability of passenger rail service in this corridor.

URBAN MASS TRANSPORTATION ADMINISTRATION

SUMMARY OF FISCAL YEAR 1990 PROGRAM

The Urban Mass Transportation Administration (UMTA) administers the federal financial assistance programs for planning, developing and improving comprehensive mass transportation systems in both urban and non-urban areas.

Most of the UMTA programs will be funded with direct appropriations in fiscal year 1990. However, the discretionary grant and section 9(B) formula grant programs will continue to be financed with contract authority granted by the Surface Transportation and Uniform Relocation Assistance Act of 1987.

The total recommended funding for UMTA for fiscal year 1990 amounts to \$3,166,809,000, including \$2,026,809,000 in direct appropriations and a \$1,140,000,000 limitation on the use of contract authority. This is \$1,601,809,000 more than the budget request and \$11,927,000 more than the enacted fiscal year 1989 program level.

The following table summarizes the fiscal year 1989 program levels, the fiscal year 1990 program requests and the Committee's recommendations:

Program	Fiscal year 1989 program level	Fiscal year 1990 program request	Recommended in the bill
Administrative expenses	\$31,882,000		\$31,809,000
Research, training, and human resources	10,000,000		10,000,000
Formula grants.....	1,605,000,000		1,705,000,000
Formula transit grants		¹ \$1,523,000,000.....	

Program	Fiscal year 1989 program level	Fiscal year 1990 program request	Recommended in the bill
Discretionary grants	¹ 1,140,000,000		¹ 1,140,000,000
Interstate transfer grants-transit	200,000,000		180,000,000
Washington Metro	168,000,000	42,000,000	100,000,000
Total	3,154,882,000	1,565,000,000	3,166,809,000

¹ Limitation on obligations.

ADMINISTRATIVE EXPENSES

Appropriation, fiscal year 1989 to date	\$31,882,000
Budget estimate, fiscal year 1990	(¹)
Recommended in the bill	31,809,000
Bill compared with:	
Appropriation, fiscal year 1989	-73,000
Budget estimate, fiscal year 1990	+31,809,000

¹ Included under Formula transit grants.

The bill includes an appropriation of \$31,809,000 for administrative expenses of the Urban Mass Transportation Administration. This amount, plus the use of any available unrestricted authorities, should provide sufficient funds for UMTA's personnel and support requirements.

The amount recommended is \$491,000 less than the budget estimate of \$32,300,000 that was included under the proposed Formula transit grants account. The Committee recommendation would provide for full-time equivalent employment (FTE) of 415. This is the same as the budget request and 16 FTE's less than the fiscal year 1989 level.

The Committee has deleted the language carried in prior years limiting the operating expenses of the office of the administrator.

RESEARCH, TRAINING, AND HUMAN RESOURCES

Appropriation, fiscal year 1989 to date	\$10,000,000
Budget estimate, fiscal year 1990	(¹)
Recommended in the bill	10,000,000
Bill compared with:	
Appropriation, fiscal year 1989	
Budget estimate, fiscal year 1990	+10,000,000

¹ Included under Formula transit grants.

The Committee recommends \$10,000,000 for the research, training, and human resources programs of the Urban Mass Transportation Administration. This amount is the same as the fiscal year 1989 appropriation and the budget estimate included under the Formula transit grants limitation.

The following table summarizes the fiscal year 1989 appropriation, fiscal year 1990 budget estimate and Committee recommendation:

	Fiscal year 1989	Fiscal year 1990 budget estimate	Recommended in the bill
Research and technical assistance (sec. 6)	\$7,000,000	\$7,800,000	\$7,800,000
Management training (sec. 10)	1,250,000	400,000	400,000
University research (sec. 11)	750,000	600,000	600,000

	Fiscal year 1989	Fiscal year 1990 budget estimate	Recommended in the bill
Human resources (sec. 20)	1,000,000	1,200,000	1,200,000
Total	10,000,000	10,000,000	10,000,000

UMTA's research and technical assistance program has been re-directed to emphasize the following components: (1) improving transit management; (2) improving transit safety and security; (3) encouraging competition among providers of transit service; (4) encouraging private or public/private financing of new capital installations; and (5) improving urban, suburban, and rural transit services.

Recognizing the value of innovative approaches to mass transit and the need for a comprehensive mass transit program to address our nation's transportation needs, the Committee supports efforts such as the suburban mobility initiative advocated by UMTA.

The amount recommended for research and technical assistance includes \$600,000 to complete the multi-year project to promote access to mass transportation for people with disabilities. This project involves local and national organizations representing public transit operators, the transit industry, and persons with disabilities in the development and demonstration of cooperative approaches to improving access to mass transportation for people with disabilities. As specified in previous fiscal years, the project is to be designed and implemented by the National Easter Seal Society.

The Commercial Motor Vehicle Safety Act of 1986 (CMVSA) requires testing of those commercial motor vehicle operators and mechanics required to have commercial motor vehicle licenses. The Committee has been apprised of the need to assist these operators and mechanics in mastering the knowledge and skill requirements mandated by the CMVSA. To provide this assistance the Committee has included \$150,000 to continue the development and distribution of the commercial motor vehicle licensing test preparatory program initiated in fiscal year 1989.

The amount recommended also includes \$1,000,000 for the continuation of the phosphoric acid fuel cell bus technology development program to be administered by the university which had oversight over the feasibility study and coordinated the activities of the advisory committee. The Secretary shall enter into agreements with the Department of Energy to coordinate the research activities on the phosphoric acid fuel cell.

COST SHARING

In those instances where the research conducted under this program will result in the development of new or improved marketable products by private sector firms, the Committee expects UMTA to work toward arrangements that will include the sharing of such research costs by these private sector firms.

FORMULA GRANTS

Appropriation, fiscal year 1989 to date	\$1,605,000,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	1,705,000,000
Bill compared with:	
Appropriation, fiscal year 1989	+100,000,000
Budget estimate, fiscal year 1990.....	+1,705,000,000

The bill includes \$1,700,000,000 for formula grants. This amount plus the \$70,000,000 included under section 9(B) would provide for a total formula grant program of \$1,770,000,000. An additional \$5,000,000 is provided under this account for the section 18(h) rural transportation assistant program.

The President's budget did not request any new general fund appropriations for this program in fiscal year 1990. Instead, the budget assumed the enactment of new legislation to establish a formula transit grant program funded from the mass transit account of the highway trust fund. Since no action has been taken on this proposal, the Committee is recommending funds to continue the existing formula grant program. The Committee believes these grants are essential to permit UMTA to adequately assist communities throughout the nation in maintaining and improving existing public transportation systems.

The formula grant program was authorized by the Surface Transportation Assistance Act of 1982 and extended by the Surface Transportation and Uniform Relocation Assistance Act of 1987. The program provides formula-allocated funds for mass transportation capital and operating assistance in both urbanized and non-urbanized areas. The funds appropriated to urbanized areas may be used for fixed guideway and bus capital projects, as well as for operating assistance and planning projects. The funds appropriated to non-urbanized areas may also be used for capital, operating and planning projects and are intended to assist states, local public authorities, nonprofit organizations and other operators of public transportation services in providing public transportation to residents of rural areas and small communities.

The amount recommended, including \$70,000,000 of section 9(B) funds, would be distributed as follows:

Urbanized areas with a population of 200,000 or more.—These areas would receive \$1,565,211,000. Of this amount, \$1,044,152,000 would be available for the bus tier, most of which is distributed 50 percent based on revenue vehicle miles, 25 percent based on population and 25 percent based on population density. The remaining \$521,059,000 is for the fixed guideway tier which, for the most part, is distributed 60 percent based on revenue vehicle miles and 40 percent based on route miles. Within these distributions, there is also an incentive tier for both bus and fixed guideway, which is based on passenger miles and operating cost.

Urbanized areas under 200,000 population.—These areas would receive \$152,928,000 to be distributed 50 percent based on population and 50 percent based on population density.

Nonurbanized areas.—These areas would receive \$51,861,000 or 2.93 percent, of the total recommended. In addition, \$5,000,000 for the section 18(h) rural transportation assistance program will be available to nonurbanized areas.

OPERATING ASSISTANCE

Under the Committee recommendation, \$780,000,000 of the formula grant appropriation would be available for operating assistance. This is \$24,691,892 less than the fiscal year 1989 level and \$660,489,000 more than the budget estimate. The bill also limits to \$485,213,394 the operating assistance to areas with populations in excess of 1,000,000.

ALTERNATIVES ANALYSES

Hillsborough County.—The Committee supports the efforts of Hillsborough County, Florida, to anticipate and pursue transit needs in order to act within the next 20 years to develop a transit system which will meet forecast travel demand and enhance the quality of life. Hillsborough County residents voted to initiate orderly transit development to meet such anticipated needs by creating the Hillsborough Area Regional Transit Authority (Hartline) and providing a local dedicated funding source for the Authority in 1981. The Committee believes that Hartline and UMTA should utilize section 9 funds to initiate a transitional analysis of all corridors identified in the "Hillsborough County Mass Transit Corridor Alternatives Analysis Study". The Committee would also support efforts to modify the analysis to include coordination with other counties in the Tampa Bay area.

Seattle.—The Committee takes note of the progress being made by the Municipality of Metropolitan Seattle (METRO) towards completing the downtown transit tunnel. In recognition of the need to continue coordinated planning, the Committee expects UMTA will cooperate with METRO in an alternatives analysis designed to guide future developments in high capacity transit in the Seattle area.

Santa Clara-Alameda.—Population growth in the I-880 corridor between Santa Clara and Alameda Counties, California has made it necessary to conduct an alternatives analysis to identify future transportation improvements in this corridor. By the year 2005, projected employment opportunities in Santa Clara County will exceed the number of available county residents by some 216,000 positions. The I-880 corridor, primarily between Fremont and San Jose, California, is presently experiencing unacceptable levels of traffic congestion because of the location of major employment centers in Santa Clara County and the availability of affordable housing in southern Alameda County. By 2005, daily work trips in the corridor are estimated to increase from 32,100 to 76,600 or by 240 percent. Traffic in the I-880 corridor is expected to exceed roadway capacity by 40 percent, and Route 237, which runs from Milpitas, on the Alameda County border, to the Sunnyvale area in Santa Clara County, will be 60 percent over its capacity by the year 2000.

The level of local funding already committed to transportation projects currently exceeds existing federal requirements for the local match share. Moreover, Santa Clara County is currently revising its future (20 year) transportation financial plan to reflect continued high levels of local financing. In light of this activity, examination of I-880 corridor improvements should be pursued without any modal constraints. Therefore, the Committee directs

UMTA to permit the Metropolitan Transportation Commission to conduct an alternatives analysis which would include the feasibility of a possible BART extension to San Jose, California as phase II of the Fremont-South Bay alternatives analysis.

GENERAL PROVISION

The bill continues as a general provision (section 313) the limitation language regarding the Southeastern Michigan Transportation Authority (SEMTA). The Committee notes that SEMTA has not made any progress toward gaining a consensus among the relevant jurisdictions on the source of local operating funding for the proposed rail line. This decision will require new taxes, which under Michigan law require a referendum. This referendum must be held before the Committee will recommend funds for planning, preliminary engineering and design, or construction. Additionally, the Committee continues to have reservations about the underground portion of the plan, and suggests that this portion be reconsidered.

FORMULA TRANSIT GRANTS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, fiscal year 1989 to date.....	(.....)
Budget estimate, fiscal year 1990	(\$1,523,000,000)
Recommended in the bill.....	(.....)
Bill compared with:	
Limitation, fiscal year 1989.....	(.....)
Budget estimate, fiscal year 1990.....	(-1,523,000,000)

The Committee has not approved the budget request of \$1,523,000,000 to limit obligations incurred under the proposed new formula transit grants program. As previously indicated, this new program is not authorized and the Committee is recommending funds for continuation of the existing formula grant program.

DISCRETIONARY GRANTS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

Limitation, fiscal year 1989 to date.....	(\$1,140,000,000)
Budget estimate, fiscal year 1990	(.....)
Recommended in the bill.....	(1,140,000,000)
Bill compared with:	
Limitation, fiscal year 1989.....	(.....)
Budget estimate, fiscal year 1990.....	(+1,140,000,000)

The bill includes language limiting to \$1,140,000,000 obligations for the discretionary grant and section 9(B) formula grant programs. The Surface Transportation and Uniform Relocation Assistance Act of 1987 continues to provide contract authority for the discretionary grants program from the mass transit account of the highway trust fund. In addition, this legislation establishes a new authorization from the mass transit account to be split equally between the section 3 activity of the discretionary grant program and a new section 9(B) formula capital grant program. This limitation

does not apply to discretionary grant funds made available in prior years nor to section 18 nonurban formula grant funding made available under section 21(a)(2)(A) as added by the Surface Transportation Assistance Act of 1982.

The amount recommended for the discretionary grant program is to be distributed as follows:

	Fiscal year 1989 enacted	Amount recommended
Bus and bus facilities	\$144,000,000	\$132,500,000
Rail modernization and extensions	439,000,000	430,000,000
New systems and new extensions	402,000,000	422,500,000
Planning	45,000,000	45,000,000
Elderly and handicapped	35,000,000	35,000,000
University centers	5,000,000	5,000,000
Section 9(B) formula grants	70,000,000	70,000,000
Total	1,140,000,000	1,140,000,000

BUS AND BUS FACILITIES

The Committee recommends \$132,500,000 under this heading for bus purchases and bus facilities, including maintenance garages. Bus systems are expected to continue to play a vital role in the mass transportation systems of virtually all cities. UMTA estimates that approximately 95 percent of the areas that provide mass transit service do so through bus transit only and about 70 percent of all transit passenger trips are provided by bus. The Committee believes that the \$132,500,000 recommended under this heading, together with other appropriations that are available for bus projects, should provide the funding necessary to retain existing bus riders as well as to attract new riders who currently use private automobiles.

As has been stated in prior reports, the Committee expects that the major rail areas will receive equal consideration along with all other cities under this program. In addition to the rail transit service provided in these locations, a significant portion of the nation's bus service is provided in these areas.

According to the guidance contained in UMTA Circular 9030.1A, section 3 funds are not to be used for routine bus replacements, rehabilitation of buses, or associated maintenance items. The Committee believes that the new UMTA administrator should reexamine this guidance to determine whether any changes are warranted.

The Committee has reviewed the proposed transfer of a bus maintenance facility currently operated by the Lane Transit District (LTD) in Eugene, Oregon to the Eugene School District 4J. The facility, which is functionally obsolete for the transit district, will be vacated in the near future when a new facility, financed from section 3 discretionary funds, is completed. The Committee believes this transfer is consistent with applicable federal law and regulation and warrants a waiver of payback of the federal share because of the compelling public purpose for which the facility would be used. The Department of Transportation, therefore, is di-

rected to allow LTD to transfer the federal interest in this property to Eugene School District 4J.

RAIL MODERNIZATION

The Committee recommends \$430,000,000 from the discretionary grants program to modernize existing rail transit systems. Funding for rail modernization is provided primarily to nine areas: New York, Northern New Jersey, Southern Connecticut, Chicago, Philadelphia, Pittsburgh, Boston, Cleveland and San Francisco. These rail systems account for approximately 30 percent of total nationwide transit ridership.

In addition to the areas listed above, commuter rail service in Southern New Jersey, Maryland, and Northern Indiana and the light rail system in New Orleans are occasional recipients of rail modernization funding.

The discretionary grants provided to these areas for the last nine years are as follows:

SECTION 3—RAIL MODERNIZATION OBLIGATIONS—FISCAL YEARS 1981-1989

Urbanized area	1981	1982	1983	1984	1985	1986	1987	1988	1989 ¹
Boston.....	\$65.0	\$63.0	\$69.3	\$70.3	\$24.9	\$69.6	\$13.1	\$51.4	\$16.6
New York.....	285.0	252.5	283.0	153.2	² 161.3	122.8	120.2	20.4	200.1
Southwest Connecticut.....	20.0	18.0	21.6	4.8	0	0	27.0	0	91.7
Northeast New Jersey.....	116.5	95.8	82.0	39.2	24.5	³ 36.7	46.3	0	56.6
Philadelphia.....	90.5	94.4	105.1	63.7	6.0	91.9	52.5	75.5	32.5
Pittsburgh.....	92.8	81.5	50.0	79.0	42.8	0	3.6	0	0
Chicago.....	130.0	133.4	116.2	60.0	43.3	66.7	34.1	152.4	32.9
Cleveland.....	45.0	18.0	9.9	7.7	11.3	11.3	0	16.2	0
San Francisco.....	54.4	62.1	70.9	66.1	26.5	47.0	22.0	35.0	18.2
Others.....	26.4	30.2	62.0	1.5	2.4	33.0	0	15.2	14.7
Unobligated.....	0	0	0	0	0	0	0	0	293.8
Total (by fiscal year).....	925.6	848.9	870.0	545.5	343.0	479.0	318.8	366.1	757.1

¹ Includes obligations thru June 30, 1989.

² The fiscal year 1985 section 3 total for New York includes \$75,100,000 in prior year deobligated funds reobligated in fiscal year 1985.

³ The fiscal year 1986 section 3 total for NE New Jersey includes \$11,000,000 in prior year deobligated funds reobligated in fiscal year 1986.

The Committee notes the State of Maryland's expansion of commuter rail services and directs UMTA to provide \$8,200,000 in rail modernization funds to acquire additional equipment for the commuter lines between the Baltimore and Washington regions and between Brunswick, Maryland and Washington.

NEW SYSTEMS

Under the Committee recommendation the sum of \$422,500,000 would be available for preliminary engineering, right-of-way acquisition, project management oversight, new systems construction and extensions. These funds are to be distributed as follows:

Los Angeles (rail construction).....	\$140,000,000
Atlanta (rail construction).....	52,500,000
St. Louis (light rail).....	70,000,000
Miami (circulator).....	15,000,000
Denver (busway).....	16,000,000
Houston (light rail).....	60,000,000
Baltimore (light rail).....	6,000,000
Jacksonville (automated skyway).....	20,000,000
San Francisco (rail construction).....	32,000,000

Portland (light rail)	8,000,000
Cleveland (preliminary engineering)	2,375,000
Chicago (circulator-alternatives analysis)	625,000
Total.....	422,500,000

Los Angeles.—The Committee recommends \$140,000,000 for the continuation of the Los Angeles rail construction project. In addition, for the purpose of conducting engineering and environmental analyses of alternative alignments, the Committee expects UMTA to consider the westerly extension of the Los Angeles Metro Rail to the vicinity of Santa Monica and the easterly extension through east Los Angeles to the vicinity of Norwalk to be a single corridor, known as the central corridor. Further, the Committee instructs UMTA to permit the Los Angeles County Transportation Commission to proceed with the alternatives analysis/draft environmental impact statement (AA/DEIS) phase on a segment within this single central corridor without prejudice to any other project in the urbanized area.

Portland.—A total of \$8,000,000 is recommended by the Committee for a \$19,200,000 demonstration project in Portland, Oregon, called "Project Break Even." This effort is intended to establish that public/private co-venture strategies can be used by existing, or planned, rail systems to substantially reduce the need for long-term operating assistance. This project would fund a joint development project, including the purchase of land for the joint development project, site improvements and other activities, which would be located contiguous to and/or on either side of the existing light rail system. Joint use of the property and improvements for private development shall be considered incidental to and consistent with the project purposes by UMTA. The Committee expects that the combination of the return to Tri-Met of all lease revenues derived from the project and increased ridership will enable the system to substantially reduce its reliance upon operating assistance. The Committee notes that the Tri-County Metropolitan Transit District has agreed to provide \$4,300,000 in section 9 formula funds to provide the balance of funding for this joint development and directs UMTA to permit this to occur. In addition, the Committee notes that a local comprehensive plan has been approved for this project in accordance with the fiscal year 1989 conference report.

Upon completion of preliminary engineering work on the segment of the Westside light rail extension (Westside) between downtown Portland, Oregon, and 185th Avenue, the Secretary shall, by September 30, 1990, issue a letter of intent and enter into a full funding agreement for the Westside, setting forth as the federal share an amount equal to the maximum available under existing law. In addition, within thirty days after enactment, the Secretary shall enter into an agreement with the Tri-County Metropolitan Transit District of Oregon in Portland, Oregon, to initiate alternatives analysis and preliminary engineering for the second segment between 185th and Hillsboro, Oregon. Alternatives analysis and preliminary engineering on these two segments shall proceed independently and upon completion of alternatives analysis and preliminary engineering, for the second segment between 185th and Hills-

boro, it shall be eligible for inclusion in the full funding contract with the segment between Portland and 185th.

The Committee also wishes to clarify that the Westside light rail extension shall be permitted to proceed to final design under the regulations in effect at the time that preliminary engineering was approved for the extension by UMTA. This action occurred on September 28, 1983.

St. Louis.—The Committee recognizes that an increasing share of the people who work in downtown St. Louis live in Illinois. However, there has been no increase in transportation capacity over the Mississippi since 1967. As a result, the St. Louis metropolitan area has experienced increased traffic congestion. In addition, the Environmental Protection Agency has ruled that the St. Louis metropolitan area is not in compliance with the Clean Air Act. In an effort to improve transportation in the region, the Committee directs UMTA to allocate \$450,000 of the \$70,000,000 allocated to the St. Louis MetroLink project to conduct an alternatives analysis study of a major capital improvement in the corridor between St. Louis and Belleville, Illinois. The Committee notes that the ¼ cent transportation sales tax in Illinois provides a stable and reliable revenue source to support the operation of a major transit improvement in this corridor.

Miami.—The Committee supports the ongoing efforts of Metropolitan Dade County, Florida, to promote development in areas adjacent to its fixed guideway system. The Committee understands that the county is currently considering the possibility of developing a performing arts center in downtown Miami. An attractive element of a downtown location would be a tie-in with an existing transit station or with the existing alignments of the Metromover or Metrorail system. The county is also exploring the possibility that the performing arts center, if located downtown, may be a part of a public/private joint development effort. The Committee continues to encourage such joint development efforts related to mass transit, and will give consideration to any future county proposals to increase the public's access to downtown Miami by mass transit.

Cleveland.—The Committee has allocated \$2,375,000 to support preliminary engineering for the dual hub corridor project. The Committee believes, however, that the locally preferred alternative alignment to be chosen must provide service enhancements for residents of all parts of Cuyahoga County and not improve service for some residents at the cost of stagnant or declining service for others. The Committee expects that the authorities involved will select only an alternative that will provide better service both for people living on the east side and for people living on the west side of the Cuyahoga River.

Chicago.—The Committee directs UMTA to provide \$625,000 to the city of Chicago to conduct an alternatives analysis study for the proposed Chicago downtown transit circulator. The Committee expects local authorities and UMTA to complete the alternatives analysis study by April 30, 1990.

STATUS OF NEW SYSTEM PROJECTS

The following table indicates the estimated future section 3 costs of the new system projects recommended for fiscal year 1990.

NEW START PROJECTS

(In millions)

City and project	Total cost	Section 3 share	Prior earmarks	Fiscal year 1990 earmarks	Remaining section 3 cost
Los Angeles—MOS 2.....	\$1,441.0	\$667.0	\$189.0	\$140.0	\$338.0
Atlanta—North Line	472.0	354.0	0.0	52.5	301.5
St. Louis—Airport LRT	384.0	288.0	150.0	70.0	68.0
Miami—Metromover Legs.....	248.0	186.0	152.0	15.0	19.0
Denver—I-25 Busway	200.0	70.0	37.0	16.0	17.0
Jacksonville—People Mover.....	133.0	100.0	11.0	20.0	69.0
Houston—Connector ¹	1,000.0	540.0	50.0	60.0	430.0
Baltimore—LRT ¹	290.0	44.0	6.0	6.0	32.0
Portland—Breakeven Station Development.....	25.0	19.0	6.0	8.0	5.0
San Francisco:					
Colma extension.....	101.0	71.0	0	² 30.0	41.0
TASMAN LRT ¹	300.0	150.0	0	² 2.0	148.0
Cleveland—Dual Hub ¹	550.0	275.0	0	2.4	272.6
Chicago—Downtown circulator ¹	300.0	100.0	0	.6	99.4
Total.....	5,444.0	2,864.0	601.0	422.5	1,840.5

¹ Cost estimates are preliminary since projects have not completed alternatives analysis and/or preliminary engineering.

² Estimate—actual distribution to be determined by Metropolitan Transportation Commission.

PLANNING AND TECHNICAL STUDIES

The bill includes the sum of \$45,000,000 for planning and technical studies. The major activities funded under this heading include short range transportation system management and transportation improvement programs, alternatives analysis studies, and energy conservation and contingency planning. Funds are also available for state planning and special studies.

Minority Business Enterprise contracting studies.—The Committee is aware that many transit authorities with Minority Business Enterprise (MBE) contracting programs now face the burden of documenting the history of discrimination on which those programs are based. That burden stems from the recent Supreme Court decision on minority business set asides in the case of *City of Richmond v. Croson*. To meet this requirement, transit authorities typically must undertake special studies to assemble the required documentation. To support these efforts, the Committee directs that \$5,000,000 of the funds provided under this section be made available exclusively for matching grants to transit authorities for undertaking studies to document the record of discrimination on which the authority's MBE contracting program is based.

Philadelphia.—The Committee takes note that the Northeast Philadelphia transit study directed in the fiscal year 1988 Committee report has yet to be initiated by UMTA and the Philadelphia City Planning Commission. The Committee expects UMTA to make its share of study funds available out of funds other than those typically allocated by formula for section 8 studies in the Philadelphia region.

Sacramento.—The Committee notes that Regional Transit of Sacramento County, California (SRTD) is moving into systems planning for its long-range transit development program. The existing 18-mile light rail line that opened in 1987 is already experiencing peak hour ridership which exceeds the original projections. Systems planning will prioritize those rail corridors most likely for expansion.

The starter line was built without section 3 funding. However, expansion of the rail system in this growing region will require section 3 federal funds in addition to local and state dollars.

Although Sacramento has not requested discretionary grant funds this year, the Committee anticipates a request from SRTD for federal funding in fiscal year 1991 based on the results of systems planning. The Committee hopes to be able to continue to support SRTD's capital development program in the future.

Buffalo.—The Committee directs UMTA to cooperate with the Niagara Frontier Transportation Authority in planning and implementing necessary projects that would improve the area's transportation facilities in anticipation of the 1993 World University Games.

Southern Maryland.—The Committee directs UMTA to conduct a study to determine the feasibility of constructing light rail in the Route 5 corridor, operating commuter rail on existing railroad tracks and/or providing additional lanes for buses, vanpools, and carpools in the Route 5 corridor serving Southern Prince George's County and other parts of Southern Maryland.

ELDERLY AND HANDICAPPED—INNOVATIVE TECHNIQUES

The Committee recommends a level of \$35,000,000 for elderly and handicapped and innovative techniques programs. Funding for the elderly and handicapped program is authorized by section 16(b)(2) of the Urban Mass Transportation Act. These funds are expected to be used primarily to purchase small vehicles that are accessible to the elderly and handicapped. The innovative techniques program is designed to implement the concepts developed under the service and methods demonstration program and the transit management program.

UNIVERSITY TRANSPORTATION CENTERS

The Committee recommends \$5,000,000 for the university transportation centers program. Under this program, the Secretary is authorized to make grants to one or more nonprofit institutions of higher learning in each of the ten federal regions.

SECTION 9 (B) FORMULA GRANTS

The bill includes \$70,000,000 for the new section 9(B) formula capital grant program. As previously stated, the Surface Transportation and Uniform Relocation Assistance Act of 1987 establishes a new authorization from the mass transit account of the highway trust fund to be divided equally between the discretionary grant program and the formula grant program. For fiscal year 1990, the Committee has approved \$140,000,000, of which \$70,000,000 is available for section 9(B) formula grants.

MASS TRANSIT CAPITAL FUND
(LIQUIDATION OF CONTRACT AUTHORIZATION)
(HIGHWAY TRUST FUND)

Appropriation, fiscal year 1989 to date	(\$400,000,000)
Budget estimate, fiscal year 1990	(900,000,000)
Recommended in the bill.....	(900,000,000)
Bill compared with:	
Appropriation, fiscal year 1989	(+ 500,000,000)
Budget estimate, fiscal year 1990.....	(.....)

The Committee recommends \$900,000,000 to liquidate obligations incurred under basic legislation for mass transit capital grants. This liquidating cash appropriation covers obligations incurred under contract authority provided for those activities previously discussed under the discretionary grant program, including section 9(B) formula grants.

INTERSTATE TRANSFER GRANTS—TRANSIT

Appropriation, fiscal year 1989 to date	\$200,000,000
Budget estimate, fiscal year 1990 .....	.....
Recommended in the bill.....	180,000,000
Bill compared with:	
Appropriation, fiscal year 1989	- 20,000,000
Budget estimate, fiscal year 1990.....	+ 180,000,000

The bill includes \$180,000,000 for transit projects that have been substituted for interstate highway segments. This program was established by the Federal-Aid Highway Act of 1973, which permitted state and local officials to withdraw planned interstate highway segments and substitute transit projects. The cut-off date for approval of new interstate withdrawal requests was September 30, 1983. As of September 30, 1989, it is estimated that the balance for substitute transit projects will total \$643,650,809. According to statutory provisions, this balance is allocated to the following areas:

ESTIMATED INTERSTATE TRANSFER-TRANSIT COST TO COMPLETE BEGINNING FY 1990 ¹

State and withdrawal area	Estimated transit cost to complete	Estimated available transit funds	Estimated additional funds required to complete substitute transit projects
California:			
Sacramento	\$329,609	\$40,771	\$288,838
San Francisco.....	35,955,225	5,186,852	30,768,373
Connecticut:			
Bolton to Killingly	802,278	170,824	631,454
Hartford-New Britain.....	3,779,826	458,403	3,321,423
District of Columbia: Washington.....	394,000	250,066	143,934
Illinois: Chicago.....	177,150,045	86,521,248	90,628,797
Iowa: Waterloo.....	2,437,213	391,485	2,045,728
Maryland: Baltimore.....	270,728,292	90,898,450	179,829,842
Massachusetts: Boston.....	19,236,305	5,944,407	13,291,898
Minnesota: Duluth.....	503,367	412,589	90,778
New Jersey:			
New York City	2,642,792	401,097	2,241,695
New York City to Trenton.....	2,054,895	0	2,054,895
New York			
Albany.....	60,255	0	60,255

ESTIMATED INTERSTATE TRANSFER-TRANSIT COST TO COMPLETE BEGINNING FY 1990 ¹—Continued

State and withdrawal area	Estimated transit cost to complete	Estimated available transit funds	Estimated additional funds required to complete substitute transit projects
New York City	316,333,812	50,600,581	265,733,231
Ohio: Cleveland.....	18,285,314	2,567,459	15,717,855
Oregon: Portland	3,221,593	361,893	2,859,700
Rhode Island: Rhode Island.....	20,890,368	3,937,709	16,952,659
Tennessee: Memphis	19,077,580	2,088,126	16,989,454
Totals	893,882,769	250,231,960	643,650,809

¹ Amounts are in federal funds.

² Based on the highway/transit splits used to apportion 1989 funds with minor administrative adjustments.

The Committee recommendation for fiscal year 1990 is based on the estimated fiscal year 1989 apportionments, allocations and reapportionments indicated above. Of the amount recommended, 50 percent will be distributed by statutory formula and 50 percent will be distributed on a discretionary basis. The Committee expects these funds to be allocated as follows:

INTERSTATE TRANSFER—TRANSIT ALLOCATIONS

	Estimated formula	Discretionary	Total
Sacramento	\$40,186		\$40,186
San Francisco.....	4,280,749		4,280,749
Killingly	87,853		87,853
Hartford-New Britain.....	462,104		462,104
Washington, DC	20,025		20,025
Chicago	12,609,024	\$50,000,000	62,609,024
Waterloo.....	284,619		284,619
Baltimore	25,019,408	35,000,000	60,019,408
Boston.....	1,849,278		1,849,278
Duluth	12,630	78,148	90,778
New Jersey	597,777		597,777
New York.....	36,979,378	2,871,852	39,851,230
Cleveland.....	2,186,797		2,186,797
Portland	397,865	1,600,000	1,997,865
Rhode Island	2,358,594		2,358,594
Memphis	2,363,713		2,363,713
Project management	450,000	450,000	900,000
Total	90,000,000	90,000,000	180,000,000

The Committee recognizes that delays in some regions' projects could necessitate adjustments to the above allocations. The Committee expects these adjustments, if required, to be accomplished only through the normal reprogramming process.

WASHINGTON METRO

Appropriation, fiscal year 1989 to date	\$168,000,000
Budget estimate, fiscal year 1990	42,000,000
Recommended in the bill.....	100,000,000
Bill compared with:	
Appropriation, fiscal year 1989	—68,000,000
Budget estimate, fiscal year 1990.....	+58,000,000

The bill includes an appropriation of \$100,000,000 under this account for the construction of the Washington, D.C. Metrorail system. These funds are authorized by Public Law 96-184 and are available for the following purposes:

Rail cars.....	\$31,200,000
Construction claims.....	22,500,000
Project management and start up costs.....	46,300,000
	<hr/>
Total.....	100,000,000

The Committee recognizes the importance of having quality, affordable child care available for children of working parents and also recognizes that child care facilities located in or near mass transit facilities can help facilitate mass transit ridership and take cars off of highways, thereby reducing traffic congestion. Therefore, the Committee directs the Washington Metropolitan Area Transit Authority (WMATA), using the model established by the Dade County, Florida, Metrorail System, to prepare within 180 days a plan of action for developing at least two child care facilities located in or near WMATA facilities. At least one center should be located in Maryland and one in Virginia.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

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

The Committee maintains a strong interest in maximizing the commercial use and competitive position of the Saint Lawrence Seaway. The general language under this heading is the same as the language provided last year and requested in the fiscal year 1990 budget. Continuation of this language in addition to that under the "Operations and maintenance" heading will provide the Corporation the flexibility and access to available resources needed to finance costs associated with unanticipated events which could threaten the safe and uninterrupted use of the Seaway. The language permits the Corporation to use sources of funding not designated for the harbor maintenance trust fund by Public Law 99-662, but which have been historically set aside for non-routine or emergency use; cash reserves derived primarily from prior-year revenues received in excess of costs; unused borrowing authority; and miscellaneous income.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

Appropriation, fiscal year 1989 to date	\$11,100,000
Budget estimate, fiscal year 1990	11,788,000
Recommended in the bill.....	11,750,000
Bill compared with:	
Appropriation, fiscal year 1989	+ 650,000
Budget estimate, fiscal year 1990.....	- 38,000

Effective April 1, 1987, the Water Resources Development Act of 1986 provides for the deposit of toll revenues in the harbor mainte-

nance trust fund and requires a subsequent appropriation from the fund to finance the operation and maintenance of the portion of the Seaway for which the Corporation is responsible. The bill includes \$11,750,000 for the operations and maintenance activities of the Corporation. These funds provide for the normal operations and maintenance of all facilities, as well as continuing improvements in lock operations and navigation systems, and replacing equipment, machinery and tools.

Under the Committee recommendation, travel funds would be reduced by \$13,000, rental payments to GSA would be reduced by \$4,000, and funds for supplies and materials would be reduced by \$21,000 from the budget request. The Committee has approved the requested staffing level of 179 full-time permanent positions.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

The Research and Special Programs Administration serves as a research, analytical, and technical development arm of the Department for multimodal research and development, and special programs. Particular emphasis is given to pipeline safety and transportation of hazardous cargo by all modes of transportation.

BUDGET SUMMARY

The Committee recommends \$27,125,000 to continue the operations, research and development, and grants-in-aid administered by the Research and Special Programs Administration. This is \$264,000 less than the budget request. These funds are to be distributed as follows:

Operations.....	\$20,355,000
Research and development	2,370,000
Natural gas pipeline safety grants-in-aid.....	4,400,000
Positions.....	(731)

RESEARCH AND SPECIAL PROGRAMS

Appropriation, fiscal year 1989 to date	\$14,800,000
Budget estimate, fiscal year 1990	17,541,000
Recommended in the bill.....	16,800,000
Bill compared with:	
Appropriation, fiscal year 1989	+2,000,000
Budget estimate, fiscal year 1990.....	-741,000

The bill includes \$16,800,000 for the "Research and special programs" account. These funds are to be allocated as follows:

	Fiscal year 1990 estimate	Recommended in the bill
Operations:		
Administrator	\$337,000	\$330,000
(positions).....	(4)	(4)
Chief counsel	521,000	520,000
(positions).....	(9)	(9)
Program management and administration.....	1,115,000	1,105,000
(positions).....	(14)	(14)
Aviation information management.....	2,759,000	2,550,000
(positions).....	(21)	(21)
Emergency transportation.....	904,000	900,000
(positions).....	(10)	(10)

	Fiscal year 1990 estimate	Recommended in the bill
Hazardous materials.....	9,566,000	9,400,000
(positions).....	(97)	(97)
Research & technology.....	694,000	680,000
(positions).....	(7)	(7)
(Transportation Systems Center positions).....	(518)	(518)
Research and development:		
Hazardous materials.....	1,115,000	1,115,000
Emergency transportation.....	230,000	230,000
Research and technology.....	300,000	300,000
Subtotal.....	17,541,000	17,130,000
Minus SLUC adjustment.....		-330,000
Total appropriation.....	17,541,000	16,800,000
Total positions.....	(680)	(680)

The Committee has approved 4 additional positions for the office of hazardous materials, 2 additional positions for the aviation information management office; and a reduction of 2 positions at the Transportation Systems Center as requested.

Major reductions from the budget request include \$330,000 for GSA rental payments, \$200,000 for aviation information management program funds, \$75,000 for slow hazardous materials personnel recruitment, \$85,000 for HM program funds, \$10,000 for the document dissemination center, and \$40,000 for awards/overtime/miscellaneous contracts/working capital fund.

HM Enforcement Field Offices.—The Committee reiterates its position that the limited hazardous materials inspection staff (22 positions) could be more productive if the inspectors were permanently stationed in the field. Recent testimony indicates that this would increase inspector productivity and reduce the per unit cost for inspections. The Committee directs RSPA to give priority attention to submitting the report to Congress on this subject that was requested last year.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

Appropriation, fiscal year 1989 to date	\$9,300,000
Budget estimate, fiscal year 1990	9,848,000
Recommended in the bill.....	10,325,000
Bill compared with:	
Appropriation, fiscal year 1989	+1,025,000
Budget estimate, fiscal year 1990.....	+477,000

The Committee has provided a total of \$10,325,000 derived from the pipeline safety fund to continue pipeline safety operations, research and development, and state grants-in-aid. These funds are distributed as follows:

	Fiscal year 1990 estimate	Recommended in the bill
Personnel compensation and benefits.....	\$2,327,000	\$2,325,000
(positions).....	(51)	(51)
Administrative costs.....	1,070,000	1,048,000
Program funds.....	1,226,000	1,950,000

	Fiscal year 1990 estimate	Recommended in the bill
Research and development.....	725,000	725,000
State grants.....	4,500,000	4,400,000
Subtotal.....	9,848,000	10,448,000
Minus SLUC.....		-123,000
Total Appropriation.....	9,848,000	10,325,000

Model one-call notification systems.—The Committee has added \$750,000 under “program funds” to assist states in developing and establishing model one-call notification systems. These systems have been shown to be an effective way to reduce accidental excavation damage to pipelines by providing key personnel with the exact location of pipelines in an excavation area. It is expected that federal assistance provided in the bill will be limited to establishing model one-call systems according to the standards prescribed in section 303 of Public Law 100-561 or for assisting states to upgrade existing systems to those standards. The Committee also expects RSPA to obtain long-term operating commitments from the states as part of any financing arrangement that is entered in to.

State pipeline safety grants-in-aid.—The bill includes \$4,400,000 for pipeline safety grants-in-aid. This is the same as the fiscal year 1989 level and \$100,000 less than the budget request. The principal RSPA witness described this requested increase as “symbolic”.

The Committee is concerned by a recent finding in the Secretary’s Safety Review Task Force report on pipeline safety concerning RSPA’s grant application process. That finding reads as follows:

The Task Force has identified a need for improving the grant application process, as well. At present, states estimate their total expenses for the coming year and submit an application to RSPA for half this amount. RSPA examines the application and awards the grant monies, usually after only a cursory analysis of the state’s funding needs. It frequently happens that a state will overestimate its annual expenses and will turn back to RSPA the unspent money. This so-called “carryover” money can amount to several hundred thousand dollars each year. Because of delays in the Departmental accounting and auditing process, the carryover funds cannot be immediately rolled back into the grant program for reallocation to other states. The 1985 carryover was only recently reallocated to the states; the 1986 and 1987 carryover, amounting to more than \$400,000, has not yet been reallocated.

The Task Force believes that the carryover problem could be at least partially alleviated if RSPA improved its initial examination of state grant applications. Particularly for states with a history of overestimation, a detailed analysis of state program expenses could eliminate much of the carryover and assure that more funds are available for initial allocations to the states each year.

The Committee expects RSPA to take prompt action to address satisfactorily this situation. The Committee does not expect to consider any funding increases for this program until it is assured that these deficiencies are remedied.

Pipeline enforcement program improvements.—The Committee received testimony from the General Accounting Office on various issues concerning RSPA’s pipeline safety enforcement program. The GAO found that: (1) resources, not risk, determined the currently established 2.5-year pipeline inspection interval; (2) a lack of guidance from headquarters to the field may affect RSPA’s ability

to identify high-risk pipelines; and (3) better risk data could be used in evaluating inspector resources.

The Committee believes that these deficiencies could be overcome by full implementation of the planned Pipeline Inspection Priority Program (PIPP) and therefore directs the Secretary to submit to Congress a PIPP implementation plan by no later than October 30, 1989. This plan should identify and schedule the tasks that need to be completed to ensure that the pipeline priority program will be operational by December 1990. The schedule should include, but not be limited to, time frames for: (a) completing development of the pipeline priority program's software by the contractor, (b) hiring the headquarters personnel to manage the pipeline priority program, (c) training field staff and inspectors on how to access and validate the program data, (d) issuing guidance to regional staff on how to characterize the pipeline units' safety risks, (e) entering the inspection results into the program's data base for on-shore and off-shore pipeline inspection units under federal jurisdiction, (f) headquarters performing a risk analysis using the pipeline priority program information to identify the relative risk of pipeline companies and units and to evaluate whether the 2.5 year inspection cycle and current inspector level are appropriate, and (g) regions using the program to assist in establishing pipeline unit inspection priorities.

In addition, the Committee requests the Secretary to submit by no later than March 1, 1990, a comprehensive report on: (a) the results of RSPA's analysis of pipeline safety risk, (b) the methodology used to establish regional pipeline unit inspection priorities, and (c) the findings of RSPA's evaluation of whether the 2.5-year pipeline inspection cycle and current inspector staffing level are appropriate.

GENERAL PROVISION—TRANSPORTATION SYSTEMS CENTER

The bill includes a permanent provision prohibiting the use of funds in this or any previous or subsequent Act for planning or implementing any change in the current federal status of the Transportation Systems Center.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$29,000,000
Budget estimate, fiscal year 1990	32,475,000
Recommended in the bill.....	32,100,000
Bill compared with:	
Appropriation, fiscal year 1989	+3,100,000
Budget estimate, fiscal year 1990.....	-375,000

The Inspector General's office was established in 1978 to provide an objective and independent organization that would be more effective in: (1) preventing and detecting fraud, waste, and abuse in departmental programs and operations; and (2) providing a means of keeping the Secretary of Transportation and the Congress fully and currently informed of problems and deficiencies in the administration of such programs and operations.

The Committee recommends \$32,100,000 for the Office of the Inspector General in fiscal year 1990. This is \$375,000 less than the budget request. The Committee believes this amount will support the requested 470 staff years, an increase of 3 staff years over fiscal year 1989.

Major reductions from the budget request include \$305,000 for GSA rental payments, \$20,000 for firearms and ammunition, \$15,000 for travel/administrative expenses, and \$35,000 for AICIS/ADP systems.

Audit reports.—The Committee requests the Inspector General to forward copies of all audit reports to the Committee immediately after they are issued.

Bid-rigging investigations.—Since 1979 the Office of the Inspector General has worked with the Antitrust Division of the Department of Justice and the Federal Bureau of Investigation to actively investigate conspiracies to rig bids on Department of Transportation-funded construction projects. The Committee continues to express full support of the Inspector General's bid-rigging investigations and, as in past years, expects the Inspector General to continue to make bid-rigging investigations a top priority. The Committee expects to be advised immediately if any Department of Transportation budgetary or management action adversely affects the Inspector General's office in performing thorough, prompt, and comprehensive bid-rigging investigations.

Procurement reviews.—The Committee also urges the Inspector General to continue to make procurement reviews a priority. The Committee expects to be made aware immediately of any procurement review that recommends cancellation or major modifications to any proposed project.

TITLE II—RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$1,891,000
Budget estimate, fiscal year 1990	2,000,000
Recommended in the bill.....	1,950,000
Bill compared with:	
Appropriation, fiscal year 1989	+59,000
Budget estimate, fiscal year 1990.....	—50,000

The Committee recommends \$1,950,000, an increase of \$59,000 over the fiscal year 1989 level, for the operations of the Architectural and Transportation Barriers Compliance Board. The activities of the Board include: ensuring compliance with the standards prescribed by the Architectural Barriers Act; ensuring that public conveyances, including rolling stock, are readily accessible to and usable by physically handicapped persons; investigating and examining alternative approaches to the elimination of architectural, transportation, communication and attitudinal barriers; determining what measures are being taken to eliminate these barriers; developing minimum guidelines and requirements for accessibility

standards; and providing technical assistance to all programs affected by Title V of the Rehabilitation Act.

The Committee believes the Board can meet its statutory requirements within the recommended funding level by freezing GSA rental payments and limiting increases for travel, printing, and research and technical assistance to the projected rate of inflation.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$25,360,000
Budget estimate, fiscal year 1990	25,967,000
Recommended in the bill.....	26,600,000
Bill compared with:	
Appropriation, fiscal year 1989	+ 1,240,000
Budget estimate, fiscal year 1990.....	+ 633,000

The bill includes an appropriation of \$26,600,000, an increase of \$633,000 over the budget request, for the National Transportation Safety Board. Under the Independent Safety Board Act, NTSB is responsible for improving transportation safety by investigating accidents, conducting special studies, developing recommendations to prevent accidents, evaluating the effectiveness of the transportation safety programs of other agencies, and reviewing on appeal actions against certificates or licenses issued by the Department of Transportation.

The amount recommended would provide for the continuation of the fiscal year 1989 employment level of 324 staff years, 10 more than included in the budget request. The Committee allowance is distributed as follows:

	Staff years	Budget authority
Policy and direction.....	29	\$2,984,000
Accident investigation	162	12,980,000
Technology	70	5,821,000
Safety programs.....	23	1,673,000
Administration	31	2,100,000
Administrative law judges	9	1,042,000
Total.....	324	26,600,000

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 1989 to date	\$43,115,000
Budget estimate, fiscal year 1990	44,689,000
Recommended in the bill.....	43,860,000
Bill compared with:	
Appropriation, fiscal year 1989	+ 745,000
Budget estimate, fiscal year 1990.....	- 829,000

The Interstate Commerce Commission is an independent federal agency responsible for regulating interstate surface transportation within the United States. In carrying out its regulatory responsibilities, the Commission attempts to ensure that competitive, efficient,

and safe transportation services are provided to meet the needs of shippers, receivers, and consumers.

The ICC today maintains jurisdiction over approximately 35,000 for-hire companies providing surface transportation in the United States. These companies include railroads, trucking firms, bus lines, water carriers, one coal slurry pipeline, freight forwarders, and transportation brokers.

The Interstate Commerce Commissioners are appointed by the President and confirmed by the Senate. The ICC was formerly authorized to have 11 commissioners, each with a 7-year term of office. However, in August 1982, legislation was enacted reducing the ICC's strength from 11 to 7 commissioners as of January 1, 1983, and further reducing that number to 5 commissioners as of January 1, 1986. Those persons appointed to be commissioners on or after January 1, 1984, are authorized to serve only 5-year terms.

The Committee recommends a total appropriation of \$43,860,000 and 701 staff years for the Interstate Commerce Commission in fiscal year 1990. This is \$829,000 below the budget request. The Committee allowance is to be distributed as follows:

	Staff years	Budget authority
Chairman.....	7	\$613,000
Commissioners	24	1,957,000
Satellite offices	15	970,000
Secretary.....	82	3,410,000
General counsel.....	25	1,900,000
Proceedings.....	111	7,405,000
Hearings.....	5	400,000
Public assistance.....	14	1,085,000
Transportation analysis.....	27	2,315,000
Accounts	61	4,520,000
Traffic	59	2,935,000
Compliance and consumer assistance.....	197	12,075,000
Managing director	74	4,275,000
Total.....	701	43,860,000

The Committee expects the Commission to use normal reprogramming procedures should it propose to deviate in any way from the staff year allocations or by more than 4 percent from the funding allocations listed above.

Reductions from the budget request include \$762,000 for GSA rental payments; \$20,000 for printing; \$30,000 for incentive awards, overtime and special appointments; and \$15,000 for travel and contracts.

PAYMENTS FOR DIRECTED RAIL SERVICE

(LIMITATION ON OBLIGATIONS)

Limitation, fiscal year 1989 to date.....	(\$475,000)
Budget estimate, fiscal year 1990	(475,000)
Recommended in the bill.....	(475,000)
Bill compared with:	
Limitation, fiscal year 1989.....	(.....)
Budget estimate, fiscal year 1990.....	(.....)

If a railroad ceases operations due to the lack of cash or a court order, the ICC is authorized to direct other railroads to continue the service of the railroad that ceased its operations. The directed carriers are reimbursed for the losses incurred and paid six percent of gross revenues on the service performed. This authority is limited to an initial 60-day period; the Commission may extend this period for up to an additional 180 days.

The bill includes an obligation limitation of \$475,000 for fiscal year 1990. The ICC has indicated that no directed rail costs are anticipated.

PANAMA CANAL COMMISSION

The Commission was established by the Panama Canal Act of 1979 to carry out the responsibilities of the United States with respect to the Panama Canal under the Panama Canal Treaty of 1977. The authority of the President of the United States with respect to the Commission is exercised through the Secretary of Defense and the Secretary of the Army. The Commission is supervised by a nine-member Board. Five members are nationals of the United States and four are Panamanians. Board members who are U.S. nationals are appointed by the President with the advice and consent of the Senate. The Commission will remain in existence until the treaty terminates on December 31, 1999, when the Republic of Panama will assume full responsibility for the Canal.

The Commission is the successor agency to the Panama Canal Company and Canal Zone Government and has as its primary function the operation and maintenance of the interoceanic Panama Canal. The operation of the waterway is conducted on a commercial basis with revenues derived from tolls collected from vessels and other essential supporting services. These revenues are deposited into the Panama Canal Revolving Fund.

Public Law 100-203, approved December 22, 1987, amended the Panama Canal Act of 1979 to convert the Panama Canal Commission from an appropriated-fund agency to a revolving-fund agency beginning on January 1, 1988. This legislation provides for the termination of the Panama Canal Commission special fund and establishes the Panama Canal Revolving Fund. The legislation prescribes that on the effective date of the Panama Canal Revolving Fund Act: (1) the unappropriated balance of the Panama Canal Commission Fund, including undeposited receipts as of the close of business on the day before the effective date of the Act, shall be transferred to the Panama Canal Revolving Fund; and (2) the unexpended balance of appropriations, including the \$10,000,000 unobligated Emergency Fund appropriation, shall be transferred to the Panama Canal Revolving Fund. Such amounts, including amounts appropriated for capital expenditures, shall remain available until expended. In addition, Public Law 100-203 establishes borrowing authority for the Commission, the amount of which cannot exceed \$100,000,000 at any time.

PANAMA CANAL REVOLVING FUND

ADMINISTRATIVE EXPENSES

Limitation, fiscal year 1989 to date.....	(\$50,287,000)
Budget estimate, fiscal year 1990	(49,855,000)
Recommended in the bill.....	(49,842,000)
Bill compared with:	
Limitation, fiscal year 1989.....	(-445,000)
Budget estimate, fiscal year 1990.....	(-13,000)

The Committee recommends \$49,842,000 for the administrative expenses of the Panama Canal Commission. This is \$13,000 less than the budget request. The activities funded under administrative expenses include: executive direction, operations direction, financial management, personnel administration, and those employment costs of the Commission that are general in nature and not identifiable with other specific activities.

Reception and representation expenses, as provided in the bill, would be continued at the fiscal year 1989 levels of \$10,000 for the Board, \$4,000 for the Secretary, and \$25,000 for the Administrator. The budget requests were \$12,000 for the Board, \$6,000 for the Secretary, and \$34,000 for the Administrator.

LIMITATION ON OPERATING AND CAPITAL EXPENSES

Limitation, fiscal year 1989 to date.....	(\$436,548,000)
Budget estimate, fiscal year 1990	(.....)
Recommended in the bill.....	(452,005,000)
Bill compared with:	
Limitation, fiscal year 1989.....	(+15,457,000)
Budget estimate, fiscal year 1990.....	(+452,005,000)

The bill also includes language limiting obligations for non-administrative operating expenses and capital projects to \$452,005,000, an increase of \$15,457,000 over the fiscal year 1989 limitation. The budget proposed deleting this limitation.

The amount recommended includes \$71,100,000 for estimated annuity payments to Panama pursuant to paragraphs 4(a) and 4(b) of Article XIII of the treaty and \$10,000,000 for public services to be provided by Panama under paragraph 5 of Article XIII. No funds have been included for payments to Panama under Article XIII, paragraph 4(c). These amounts are to be paid only to the extent that Canal operating revenues exceed expenditures of the Commission. Since the Committee does not anticipate that revenues will, in fact, exceed expenditures, no funds are recommended for this purpose.

The amount recommended also includes \$32,000,000 for capital projects and equipment acquisitions.

DEPARTMENT OF THE TREASURY

REBATE OF SAINT LAWRENCE SEAWAY TOLLS

(HARBOR MAINTENANCE TRUST FUND)

Appropriation, fiscal year 1989 to date	\$10,700,000
Budget estimate, fiscal year 1990	10,084,000
Recommended in the bill.....	10,050,000

Bill compared with:	
Appropriation, fiscal year 1989	-650,000
Budget estimate, fiscal year 1990.....	-34,000

The Committee recommends \$10,050,000 for the rebate portion of tolls paid by commercial vessels using the Saint Lawrence Seaway. The amount recommended includes \$250,000 for the administrative expenses of the program. This appropriation is authorized by the Water Resources Development Act of 1986 (Public Law 99-662).

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

INTEREST PAYMENTS

Appropriation, fiscal year 1989 to date	\$51,663,569
Budget estimate, fiscal year 1990	51,663,569
Recommended in the bill.....	51,663,569
Bill compared with:	
Appropriation, fiscal year 1989 .....	.....
Budget estimate, fiscal year 1990.....	.....

The Committee has approved the full budget request of \$51,663,569 to provide federal support for the interest payments on the bonded indebtedness of the Washington Metropolitan Area Transit Authority. The bond repayment agreement between the Department of Transportation and the Authority establishes an overall two-thirds federal and one-third local sharing arrangement. However, for the interest payments due on July 1, 1979, through July 1, 1982, the Federal Government was authorized to fund up to 85 percent of the cost. To the extent the Authority used these additional federal funds (up to 85 percent), repayment is required no later than January 1993.

TITLE III—GENERAL PROVISIONS

The Committee concurs with the general provisions that apply to the Department of Transportation and related agencies as proposed in the budget with the following changes:

The proposed new provision to reduce the federal share of certain highway projects to 80 percent has not been included.

The proposed provision earmarking \$250,000 for a railroad-highway crossings public information program has not been continued since it is permanent law.

The Committee has not approved the requested deletion of the following sections, all of which were contained in the fiscal year 1989 Department of Transportation and Related Agencies Appropriations Act:

Section 308 prohibits the use of funds to change the current federal status of the Transportation Systems Center and the Turner-Fairbank Highway Research Center.

Section 311 prohibits the use of funds for salaries and expenses of more than 120 political or Presidential appointees in the Department of Transportation.

Section 312 limits funds for Department of Transportation advisory committees to \$400,000.

Section 317 requires publication of sections 3 and 9 UMTA grants in the Federal Register within 14 days of the obligation date.

Section 318 prohibits funds to implement a policy providing for funding of only a single visual glideslope indicator, except with regard to Part 139 airports.

Section 319 relates to grants, contracts or financial assistance agreements with educational institutions.

Section 320 relates to funds for operating expenses of the Tri-County Commuter Rail Project in the State of Florida.

Section 321 limits rental payments to GSA to 100 percent of the fiscal year 1989 rate.

Section 322 exempts the Virginia Street Bridge in Charleston, West Virginia from 23 U.S.C. 144(g)(2).

Section 324 specifies certain minimum air traffic controller work force requirements.

Section 326 relates to letters of intent for grants-in-aid for airports projects.

Section 328 requires the absorption of fiscal year 1990 pay raise costs.

The Committee has included the following general provisions as requested with modifications:

Section 310 would be continued as enacted in fiscal year 1989, except the language related to the Dan Ryan Expressway project in Illinois would be deleted as proposed in the budget. The proposed new subsections that would: (1) eliminate bonus obligations, and (2) combine highway and transit interstate substitution programs have not been included.

Section 327 would limit the transfer authority for any office of the office of the Secretary to 4 percent and require prior approval of such transfers.

In addition, the following new general provisions are recommended by the Committee:

Section 329 amends section 149(a)(30)(D) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

Section 330 prohibits funds for establishing a vessel traffic safety fairway less than five miles wide between the Santa Barbara traffic separation scheme and the San Francisco traffic separation scheme.

Section 331 permits the transfer of certain instrument landing systems to the FAA.

Section 332 repeals section 329 of the Department of Transportation and Related Agencies Appropriations Act, 1989.

Section 333 relates to the certain interchange projects in California.

Section 334 relates to the availability of funds for "Intermodal urban demonstration project".

HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

The following items are included in accordance with various requirements of the Rules of the House of Representatives:

INFLATIONARY IMPACT STATEMENT

Clause 2(l)(4) of Rule XI of the House of Representatives requires that each Committee report on a bill or resolution shall contain a statement as to whether enactment of such bill or resolution may

have an inflationary impact on prices and costs in the operation of the national economy.

The accompanying bill contains appropriations for new spending authority of \$11,878,249,569. Of the amount recommended, about 56 percent is for personnel and operating costs of the various transportation bureaus and agencies. This amount will fund about a 2-percent increase in the total number of military and civilian positions over the fiscal year 1989 level. The Committee does not believe that the level or the increase in these personnel costs will have a measurable impact on the aggregate rate of inflation. Approximately 13 percent of the amounts recommended in the bill will finance transportation planning and operating costs for states, cities, and certain private organizations, and 2 percent will finance various transportation research and development activities.

The remaining 29 percent will finance transportation construction and development projects in various parts of the nation. The Committee believes these activities will improve our nation's transportation system. Improved and lower cost transportation can reduce the prices of goods by lowering the costs of production and by improving labor productivity through specialization. The Committee also believes that improved and lower cost transportation provides more producers with the opportunity to sell their products in more markets, thereby enhancing competition and providing consumers with broader choices and lower prices. Consequently, the level of financing provided for transportation construction activities would have an inflationary impact only to the extent that the benefits resulting from lower cost transportation were offset by higher prices resulting from insufficient capacity in the construction industry to meet all of the demands for construction by the public and private sectors.

TRANSFERS OF FUNDS

Pursuant to clause 1(b) of Rule X of the House of Representatives, the following statement is submitted describing the transfers of funds provided in the accompanying bill.

The Committee recommends the following transfers between accounts:

Under Title I, Department of Transportation, Federal Aviation Administration, Operations:

. . . \$10,000,000, to be derived from the unobligated balance of any appropriation available for obligation by the Federal Aviation Administration as of the effective date of this Act,

. . . the unexpended balances of the appropriation "Federal Aviation Administration, Headquarters administration" shall be transferred to and merged with this appropriation:

Under Title III, General Provisions:

SEC. 327. The Secretary of Transportation is authorized to transfer funds appropriated for any office of the Office of the Secretary to any other office of the Office of the Secretary: Provided, That no appropriation shall be increased or decreased by more than 4 per centum by all such transfers:

"RAMSEYER" RULE

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

The accompanying bill would amend 5 U.S.C. 5532(f)(2) as follows:

(2) The provisions of paragraph (1) of this subsection shall be in effect for any period ending not later than **【December 31, 1989】** *December 31, 1990*, during which the Administrator, Federal Aviation Administration, or the Secretary of Defense determines that there is an unusual shortage of air traffic controllers performing duties under the administrative authority of such Administrator or such Secretary, respectively.

The accompanying bill would amend 5 U.S.C. 8344(h)(2) as follows:

(2) Paragraph (1) of this subsection shall apply only in the case of any annuitant receiving an annuity from the Fund who, before **【December 31, 1987】** *December 31, 1988*, applied for retirement or separated from service while being entitled to an annuity under this chapter.

The accompanying bill would amend section 149(a)(30)(D) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 as follows:

(d) **【Calumet Park】** *Village of Alsip*.—The Secretary shall carry out a highway project which demonstrates methods of improving highway safety and access to a segment of the Interstate System by reconstruction **【of a congested major arterial in Calumet Park and Blue Island, Illinois.】** *of 127th Street between Illinois Route 83 and Kostner Avenue in Alsip, Illinois.*

The accompanying bill would repeal section 329 of the Department of Transportation and Related Agencies Appropriations Act, 1989 as follows:

【SEC. 329. This section shall expire on December 31, 1990. Notwithstanding any other provision of law, none of the funds provided by this Act or any previous or subsequent Act shall be used to plan, design, construct, or approve an interchange or any other highway facility providing access to or from I-66 between the existing United States Route 29 interchange at Gainesville (I-66 exit numbered 10) and the existing Route 234 interchange (I-66 exit numbered 11); nor shall any funds provided by this Act or any previous or subsequent Act be used to plan, design, construct, or approve an interchange or any other highway facility providing access to or from United States Route 29 between the existing I-66 interchange at Gainesville (I-66 exit numbered 10) and the existing Route 234 intersection; nor shall any funds provided by this Act or any previous or subsequent Act be used to plan, design, construct, or approve an interchange or any other highway facility that provides access to or from adjacent properties and the proposed Route 234 Bypass between I-66 and United States Route 29: *Provided*, That this section shall not apply to the use of Federal funds necessary to make safety-related improvements to existing roads.**】**

CHANGES IN EXISTING LAW

Pursuant to clause 3 of Rule XXI of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill which might be construed, under some circumstances, as directly or indirectly changing the application of existing law.

The bill contains appropriations for a number of items for which authorizations for fiscal year 1990 have not yet been enacted. The items in this category involve some or all of the programs of the Office of the Secretary, Coast Guard, Federal Highway Administration, National Highway Traffic Safety Administration, Federal Railroad Administration, Research and Special Programs Administration, and Panama Canal Commission.

The bill provides that appropriations shall remain available for more than one year for a number of programs for which the basic authorizing legislation does not explicitly authorize such extended availability.

The bill includes limitations on official entertainment, reception and representation expenses for the Office of the Secretary of Transportation, National Transportation Safety Board, Interstate Commerce Commission, and Panama Canal Commission. Similar provisions have appeared in many previous appropriations Acts.

The bill provides for three transfers of funds which might be construed as changing the application of existing law. Similar provisions have appeared in previous appropriations Acts. These items are discussed under the appropriate heading in the report.

The bill includes a number of limitations on the purchase of automobiles. Similar limitations have appeared in many previous appropriations Acts.

Several limitations on obligations are contained in Title I. These limitations are included under the following headings in the bill: Coast Guard, boat safety; Coast Guard, offshore oil pollution compensation fund; Coast Guard, deepwater port liability fund; Federal Aviation Administration, grants-in-aid for airports; Federal Highway Administration, highway-related safety grants; Federal Highway Administration, federal-aid highways; Federal Highway Administration, motor carrier safety grants; National Highway Traffic Safety Administration, highway traffic safety grants; and Urban Mass Transportation Administration, discretionary grants.

Language has been included in several instances permitting certain funds to be credited to the appropriations recommended.

Language is included under Office of the Secretary making minority business resource center funds available for business opportunities related to any mode of transportation.

The bill includes language that limits operating costs and capital outlays of the Department of Transportation working capital fund.

The bill includes language under payments to air carriers limiting the allocation of funds.

The bill includes language under Coast Guard, operating expenses, authorizing appropriations, transfers, and the provision of "in kind" services.

Language is included under Coast Guard, operating expenses, providing not less than \$567,000,000 for drug enforcement activities.

The Committee is also recommending language under Coast Guard, operating expenses, that prohibits the use of funds for shipping commissioners and limits funds for yacht documentation to the amount of fees collected from yacht owners.

Language is included under Coast Guard, acquisition, construction and improvements, requiring warranties in contracts for major systems acquisitions of the Coast Guard.

The Committee recommends language under Coast Guard, offshore oil pollution compensation fund and deepwater port liability fund, providing borrowing authority if available appropriations are not adequate to meet the obligations of these funds.

The Committee is recommending language under Federal Aviation Administration, operations, that prohibits the use of funds for new applicants for the second career training program and for a pilot test of contractor maintenance.

Language is also included extending the Federal Aviation Administration's reemployed annuitant authority from December 31, 1989, to December 31, 1990.

Language is included earmarking funds for the Mid-American aviation resource consortium.

Language is included earmarking \$100,000,000 of airport grant funds only for airport capacity projects and access control systems.

Language is included providing borrowing authority of not to exceed \$50,000,000 for payment of defaulted aircraft loan guarantees.

The bill includes a limitation on general operating expenses of the Federal Highway Administration.

Language is included under Federal Railroad Administration, office of the administrator, authorizing the Secretary to receive payments from the Union Station Redevelopment Corporation, credit them to the appropriation charged with the first deed of trust, and make payments on the first deed of trust.

The bill includes language prohibiting new loans guaranteed under the Emergency Rail Services Act of 1970 and section 211(a) or 211(h) of the Regional Rail Reorganization Act of 1973, loans guaranteed under 45 U.S.C. 602, and new loans guaranteed for railroad rehabilitation and improvement financing funds.

Language is included under Federal Railroad Administration, grants to the National Railroad Passenger Corporation, to make certain capital improvements of the Corporation subject to 31 U.S.C. 1341, to provide that no funds are required to be expended or reserved for expenditure pursuant to 45 U.S.C. 601(e), to establish certain conditions prior to the obligation of funds for certain improvements on the main line track between Atlantic City, New Jersey and the main line of the Northeast Corridor, and to establish certain conditions on a proposed rail construction project between Spuyten Duyvil, New York and the main line of the Northeast Corridor.

The Committee recommends language authorizing the Secretary to issue fund anticipation notes necessary to pay obligations under

sections 511 through 513 of the 4R Act and to expend proceeds from the sale of fund anticipation notes.

The Committee is also recommending language regarding the sale of securities or promissory notes held under the authority of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended.

The bill includes limitations on mass transportation operating assistance.

The bill includes language under Interstate Commerce Commission, salaries and expenses, providing that joint board members and cooperating state commissioners may use government transportation requests when traveling in connection with their official duties as such.

The Committee is recommending language limiting to \$475,000 obligations for payments for directed rail service under the Interstate Commerce Commission.

The bill includes language limiting obligations for non-administrative expenses and capital projects of the Panama Canal Revolving Fund.

Language is included under Washington Metropolitan Area Transit Authority, interest payments, providing for the disbursement of the funds in accordance with the Initial Bond Repayment Participation Agreement as well as Public Law 96-184.

Sections 301 through 334 of the bill contain a number of general provisions that place limitations on the use of funds in the bill and which might, under some circumstances, be construed as changing the application of existing law.

The bill includes several new provisions to: (1) amend section 149(a)(30)(D) of the Surface Transportation and Uniform Relocation Assistance Act of 1987; (2) prohibit funds for establishing a vessel traffic safety fairway less than five miles wide off the coast of California; (3) permit the transfer of certain instrument landing systems to the FAA; (4) repeal section 329 of the Department of Transportation and Related Agencies Appropriations Act, 1989; (5) authorize payment to the state of California of the federal share of the fair market value of certain right-of-way provided by local public agencies; and (6) provide for the extended availability of funds for a highway project.

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

[Dollars in millions]

	Section 302(b)		This bill	
	Discretionary	Mandatory	Discretionary	Mandatory
Budget authority	\$11,500	\$456	\$11,436	\$473
Outlays.....	27,450	459	27,450	459
Direct loans.....	46	0	46	0
Primary guarantees.....	0	0	0	0

Note: Amounts reflect CBO adjustments.

The bill provides new spending authority as defined under section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, as follows. Under Coast Guard, Offshore oil pollution compensation fund and Deep-water port liability fund, borrowing authority is provided if available appropriations are not adequate to meet the obligations of these funds. Under the Federal Railroad Administration, Railroad rehabilitation and improvement financing funds, authority is provided to issue notes necessary to pay obligations under sections 511 through 513 of the 4R Act. These provisions have been included at the request of the administration because the government's financial obligations under these programs are difficult to determine in advance and may require immediate expenditures of funds. The Committee has received no indication to date that this authority will be used in fiscal year 1990. Similar provisions have been included in many previous appropriations Acts.

FIVE-YEAR OUTLAY PROJECTIONS

In accordance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the following information was provided to the Committee by the Congressional Budget Office:

[In thousands]

Budget authority in bill.....	\$11,908,400
Outlays:	
1990.....	10,216,241
1991.....	1,994,341
1992.....	1,053,247
1993.....	674,157
1994 and beyond.....	801,651

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of Public Law 93-344, the Congressional Budget Office has provided the following estimates of new budget authority and outlays provided by the accompanying bill for financial assistance to state and local governments:

[In thousands]

Budget authority.....	\$2,284,031
Outlays.....	3,510,387

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND THE
BUDGET ESTIMATES FOR 1990**

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY

[These funds become available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill.]

Agency and item (1)	New budget (obligational) authority, fiscal year 1989 (2)	Budget estimates of new (obligational) authority, fiscal year 1990 (3)	Fiscal year 1990 estimate compared with, fiscal year 1989 (4)
FEDERAL FUNDS			
DEPARTMENT OF TRANSPORTATION			
Coast Guard: Pollution fund (indefinite).....	5,700,000	5,700,000	.....
INDEPENDENT AGENCIES			
Panama Canal Commission: Panama canal revolving fund	9,257,000	.....	-9,257,000
Total, permanent new budget (obligational) authority, Federal funds	14,957,000	5,700,000	-9,257,000

TRUST FUNDS

DEPARTMENT OF TRANSPORTATION

Coast Guard: General gift fund (indefinite).....	80,000	80,000	.....
Federal Aviation Administration: Grants-in-aid for airports (airport and airway trust fund) (contract authority)	1,700,000,000	1,700,000,000	.....
Federal Highway Administration:			
Federal-aid highways (contract authority)	14,119,012,000	13,850,959,000	-268,053,000
Highway-related safety grants (contract authority)	10,000,000	10,000,000	.....
Motor carrier safety grants.....	60,000,000	60,000,000	.....
Miscellaneous trust funds.....	3,695,000	3,737,000	+42,000
National Highway Traffic Safety Administration:			
Highway traffic safety grants (contract authority).....	126,000,000	126,000,000	.....
Urban Mass Transportation Administration:			
Discretionary grants (contract authority).....	1,250,000,000	1,300,000,000	+50,000,000
Total, permanent new budget (obligational) authority, Trust funds	17,268,787,000	17,050,776,000	-218,011,000
Total, permanent new budget (obligational) authority	17,283,744,000	17,056,476,000	-227,268,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1990

Agency and item (1)	New budget (obligational) authority appropriated, 1989 (enacted to date) (2)	Budget estimates of new (obligational) authority, 1990 (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with new budget (obligational) authority, 1989 (5)	Bill compared with budget estimates of new (obligational) authority, 1990 (6)
TITLE I - DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses.....		56,481,000			-56,481,000
Immediate Office of the Secretary.....	1,071,000		1,090,000	+ 19,000	+ 1,090,000
Immediate Office of the Deputy Secretary.....	464,000		470,000	+ 6,000	+ 470,000
Office of the General Counsel.....	6,000,000		6,250,000	+ 250,000	+ 6,250,000
Office of the Assistant Secretary for Policy and International Affairs.....	7,950,000		8,595,000	+ 645,000	+ 8,595,000
Office of the Assistant Secretary for Budget and Programs.....	2,241,000		2,290,000	+ 49,000	+ 2,290,000
Office of the Assistant Secretary for Governmental Affairs.....	2,265,000		2,300,000	+ 35,000	+ 2,300,000
Office of the Assistant Secretary for Administration.....	24,300,000		24,700,000	+ 400,000	+ 24,700,000
Office of the Assistant Secretary for Public Affairs.....	1,455,000		1,290,000	-165,000	+ 1,290,000
Executive Secretariat.....	824,000		835,000	+ 11,000	+ 835,000
Contract Appeals Board.....	440,000		450,000	+ 10,000	+ 450,000
Office of Civil Rights.....	1,305,000		1,315,000	+ 10,000	+ 1,315,000

Office of Commercial Space Transportation.....	585,000	.....	645,000	+ 60,000	+ 645,000
Office of Essential Air Service.....	1,727,000	.....	1,127,000	-600,000	+ 1,127,000
Office of Small and Disadvantaged Business Utilization	3,915,000	.....	3,500,000	-415,000	+ 3,500,000
Subtotal, Salaries and expenses.....	54,542,000	56,481,000	54,857,000	+ 315,000	-1,624,000
Transportation planning, research, and development	5,600,000	8,126,000	6,200,000	+ 600,000	-1,926,000
Working capital fund	3,200,000	6,150,000	4,500,000	+ 1,300,000	-1,650,000
<i>(Limitation on working capital fund)</i>	<i>(130,350,000)</i>	<i>(144,400,000)</i>	<i>(131,000,000)</i>	<i>(+ 650,000)</i>	<i>(-13,400,000)</i>
Payments to air carriers.....	31,600,000	.....	12,400,000	-19,200,000	+ 12,400,000
Total, Office of the Secretary	94,942,000	70,757,000	77,957,000	-16,985,000	+ 7,200,000
Coast Guard					
Operating expenses	1,912,116,000	2,252,200,000	1,928,000,000	+ 15,884,000	-324,200,000
<i>(By transfer)</i>	<i>(4,500,000)</i>	.....	.....	<i>(-4,500,000)</i>	.....
<i>Funds included in Department of Defense</i>					
<i>Appropriations Act, 1989 (by transfer)</i>	<i>(206,000,000)</i>	.....	.....	<i>(-206,000,000)</i>	.....
Acquisition, construction, and improvements.....	395,000,000	682,300,000	383,800,000	-11,200,000	-298,500,000
<i>Funds included in Military Construction</i>					
<i>Appropriations Act, 1989</i>	<i>(50,300,000)</i>	.....	.....	<i>(-50,300,000)</i>	.....
Alteration of bridges.....	8,500,000	2,330,000	2,330,000	-6,170,000	.....
<i>(By transfer)</i>	<i>(5,000,000)</i>	.....	.....	<i>(-5,000,000)</i>	.....
Retired pay.....	410,800,000	420,800,000	420,800,000	+ 10,000,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1990--Continued

Agency and item (1)	New budget (obligational) authority appropriated, 1989 (enacted to date) (2)	Budget estimates of new (obligational) authority, 1990 (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with new budget (obligational) authority, 1989 (5)	Bill compared with budget estimates of new (obligational) authority, 1990 (6)
Reserve training.....	67,000,000	73,800,000	71,800,000	+4,800,000	-2,000,000
Research, development, test, and evaluation.....	18,800,000	19,000,000	18,800,000	.....	-200,000
<i>Offshore oil pollution compensation fund (limitation)</i>	<i>(60,000,000)</i>	<i>(60,000,000)</i>	<i>(60,000,000)</i>	.....	.....
<i>Deepwater port liability fund (limitation)</i>	<i>(50,000,000)</i>	<i>(50,000,000)</i>	<i>(50,000,000)</i>	.....	.....
<i>Boat safety (Aquatic Resources Trust Fund):</i>					
<i>(Liquidation of contract authorization)</i>	<i>(30,000,000)</i>	<i>(15,000,000)</i>	<i>(30,000,000)</i>	.....	<i>(+15,000,000)</i>
<i>(Limitation on obligations)</i>	<i>(30,000,000)</i>	<i>(15,000,000)</i>	<i>(30,000,000)</i>	.....	<i>(+15,000,000)</i>
 Total, Coast Guard:					
New budget (obligational) authority.....	2,812,216,000	3,450,430,000	2,825,530,000	+13,314,000	-624,900,000
<i>(DoD transfer)</i>	<i>(256,300,000)</i>	.....	.....	<i>(-256,300,000)</i>	.....
<i>(Limitations on obligations)</i>	<i>(30,000,000)</i>	<i>(15,000,000)</i>	<i>(30,000,000)</i>	.....	<i>(+15,000,000)</i>
 Total.....	 <u><u>(3,098,516,000)</u></u>	 <u><u>(3,465,430,000)</u></u>	 <u><u>(2,855,530,000)</u></u>	 <u><u>(-252,986,000)</u></u>	 <u><u>(-609,900,000)</u></u>
 Federal Aviation Administration					
Headquarters administration.....	36,600,000	.....	.....	-36,600,000	.....

Operations.....	3,410,000,000	3,923,000,000	3,836,000,000	+ 426,000,000	-87,000,000
<i>(By transfer)</i>	<i>(10,000,000)</i>	<i>(10,000,000)</i>	<i>(10,000,000)</i>		
Subtotal, Headquarters administration and operations.....	3,446,600,000	3,923,000,000	3,836,000,000	+ 389,400,000	-87,000,000
Facilities and equipment (Airport and Airway Trust Fund).....	1,384,528,000	1,955,000,000	1,732,000,000	+ 347,472,000	-223,000,000
Research, engineering, and development (Airport and Airway Trust Fund).....	160,000,000	165,000,000	185,000,000	+ 25,000,000	+ 20,000,000
Grants-in-aid for airports (Airport and Airway Trust Fund):					
<i>(Liquidation of contract authority)</i>	<i>(1,150,000,000)</i>	<i>(1,166,000,000)</i>	<i>(1,190,000,000)</i>	<i>(+ 40,000,000)</i>	<i>(+ 24,000,000)</i>
<i>(Limitation on obligations)</i>	<i>(1,400,000,000)</i>	<i>(1,350,000,000)</i>	<i>(1,500,000,000)</i>	<i>(+ 100,000,000)</i>	<i>(+ 150,000,000)</i>
Rescission of contract authority.....	-100,000,000			+ 100,000,000	
Aircraft purchase loan guarantee program:					
<i>(Limitation on borrowing authority)</i>	<i>(50,000,000)</i>	<i>(57,000,000)</i>	<i>(50,000,000)</i>		<i>(-7,000,000)</i>
Appropriations.....	11,905,941			-11,905,941	
Portion applied to debt reduction.....	-10,770,941			+ 10,770,941	
Total, Federal Aviation Administration:					
New budget (obligational) authority.....	4,892,263,000	6,043,000,000	5,752,000,000	+ 859,737,000	-291,000,000
<i>(Limitations on obligations)</i>	<i>(1,400,000,000)</i>	<i>(1,350,000,000)</i>	<i>(1,500,000,000)</i>	<i>(+ 100,000,000)</i>	<i>(+ 150,000,000)</i>
Total.....	<i>(6,292,263,000)</i>	<i>(7,393,000,000)</i>	<i>(7,252,000,000)</i>	<i>(+ 959,737,000)</i>	<i>(-141,000,000)</i>

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1990--Continued

Agency and item (1)	New budget (obligational) authority appropriated, 1989 (enacted to date) (2)	Budget estimates of new (obligational) authority, 1990 (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with new budget (obligational) authority, 1989 (5)	Bill compared with budget estimates of new (obligational) authority, 1990 (6)
Federal Highway Administration					
<i>(Limitation on general operating expenses)</i>	(217,350,000)	(228,246,000)	(222,600,000)	(+5,250,000)	(-5,646,000)
Highway safety research and development (Highway Trust Fund).....	6,080,000	.....	6,080,000	.....	+6,080,000
<i>Highway-related safety grants (Highway Trust Fund):</i>					
<i>(Liquidation of contract authorization)</i>	(10,000,000)	(10,000,000)	(9,405,000)	(-595,000)	(-595,000)
<i>(Limitation on obligations)</i>	(9,405,000)	(10,000,000)	(9,405,000)	.....	(-595,000)
Railroad-highway crossings demonstration projects.....	7,560,000	.....	15,000,000	+7,440,000	+15,000,000
<i>Federal-aid highways (Highway Trust Fund):</i>					
<i>(Limitation on obligations)</i>	(12,000,000,000)	(11,310,000,000)	(12,463,500,000)	(+463,500,000)	(+1,153,500,000)
<i>(Liquidation of contract authorization)</i>	(12,700,000,000)	(13,660,000,000)	(13,660,000,000)	(+960,000,000)	.....
<i>Right-of-way Revolving Fund (limitation on direct loans) (Highway Trust Fund)</i>	(46,000,000)	(47,850,000)	(42,500,000)	(-3,500,000)	(-5,350,000)
Motor carrier safety.....	27,000,000	32,190,000	32,190,000	+5,190,000	.....
<i>Motor carrier safety grants (Highway Trust Fund):</i>					
<i>(Liquidation of contract authorization)</i>	(50,000,000)	(52,000,000)	(52,000,000)	(+2,000,000)	.....
<i>(Limitation on obligations)</i>	(60,000,000)	(60,000,000)	(60,200,000)	(+200,000)	(+200,000)
Access highways to public recreation areas on certain lakes.....	1,291,000	.....	.....	-1,291,000	.....
Baltimore-Washington Parkway (Highway Trust Fund)....	12,825,000	.....	12,000,000	-825,000	+12,000,000

Intermodal urban demonstration project (Highway Trust Fund).....	8,550,000	.....	10,000,000	+ 1,450,000	+ 10,000,000
Highway safety and economic development demonstration projects (Highway Trust Fund).....	8,550,000	.....	12,000,000	+ 3,450,000	+ 12,000,000
Airport access demonstration project (Highway Trust Fund).....	1,300,000	.....	.....	-1,300,000	.....
Highway safety improvement demonstration project (Highway Trust Fund).....	1,260,000	.....	11,000,000	+ 9,740,000	+ 11,000,000
Highway-railroad grade crossing safety demonstration project (Highway Trust Fund)	8,100,000	.....	9,500,000	+ 1,400,000	+ 9,500,000
Nuclear waste transportation safety demonstration project (Highway Trust Fund)	3,600,000	.....	.....	-3,600,000	.....
Highway widening demonstration project	1,800,000	.....	2,000,000	+ 200,000	+ 2,000,000
Bridge improvement demonstration project.....	8,550,000	.....	4,000,000	-4,550,000	+ 4,000,000
Highway widening and improvement demonstration project	4,100,000	.....	5,000,000	+ 900,000	+ 5,000,000
Intersection safety demonstration project.....	900,000	.....	.....	-900,000	.....
Highway capacity improvement demonstration project	900,000	.....	100,000	-800,000	+ 100,000
Climbing lane safety demonstration project	450,000	.....	2,500,000	+ 2,050,000	+ 2,500,000
Indiana industrial corridor safety demonstration project	1,000,000	.....	2,400,000	+ 1,400,000	+ 2,400,000
Oklahoma highway widening demonstration project.....	400,000	.....	2,500,000	+ 2,100,000	+ 2,500,000
Alabama highway bypass demonstration project	3,600,000	.....	8,300,000	+ 4,700,000	+ 8,300,000
Kentucky bridge demonstration project	3,600,000	.....	5,000,000	+ 1,400,000	+ 5,000,000
Virginia HOV safety demonstration project.....	500,000	.....	4,650,000	+ 4,150,000	+ 4,650,000
Urban highway corridor demonstration project.....	225,000	.....	4,500,000	+ 4,275,000	+ 4,500,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1990--Continued

Agency and item (1)	New budget (obligational) authority appropriated, 1989 (enacted to date) (2)	Budget estimates of new (obligational) authority, 1990 (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with new budget (obligational) authority, 1989 (5)	Bill compared with budget estimates of new (obligational) authority, 1990 (6)
Urban airport access safety demonstration project	225,000	.....	5,000,000	+4,775,000	+5,000,000
Ebensburg bypass demonstration project.....	.....	.....	13,740,000	+13,740,000	+13,740,000
Bridge rehabilitation demonstration project.....	.....	.....	350,000	+350,000	+350,000
Highway demonstration projects - preliminary engineering.....	.....	.....	12,400,000	+12,400,000	+12,400,000
Corridor safety improvement project (Highway Trust Fund).....	28,000,000	.....	.....	-28,000,000	.....
Bridge capacity improvements (Highway Trust Fund).....	3,763,000	.....	.....	-3,763,000	.....
Corridor H improvement project.....	16,000,000	.....	.....	-16,000,000	.....
Road extension demonstration	600,000	.....	.....	-600,000	.....
Bridge restoration	2,000,000	.....	.....	-2,000,000	.....
Reservation road	3,500,000	.....	.....	-3,500,000	.....
Total, Federal Highway Administration:					
New budget (obligational) authority.....	166,229,000	32,190,000	180,210,000	+13,981,000	+148,020,000
<i>(Limitations on obligations)</i>	<i>(12,069,405,000)</i>	<i>(11,380,000,000)</i>	<i>(12,533,105,000)</i>	<i>(+463,700,000)</i>	<i>(+1,153,105,000)</i>
Total	<i>(12,235,634,000)</i>	<i>(11,412,190,000)</i>	<i>(12,713,315,000)</i>	<i>(+477,681,000)</i>	<i>(+1,301,125,000)</i>

National Highway Traffic Safety Administration					
Operations and research	67,899,000	74,933,000	71,684,000	+ 3,785,000	-3,249,000
Operations and research (Highway Trust Fund)	30,751,000	31,772,000	32,316,000	+ 1,565,000	+ 544,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal, Operations and research.....	98,650,000	106,705,000	104,000,000	+ 5,350,000	-2,705,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Highway traffic safety grants (Highway Trust Fund)</i>					
<i>(Liquidation of contract authorization).....</i>	<i>(130,500,000)</i>	<i>(132,000,000)</i>	<i>(132,000,000)</i>	<i>(+ 1,500,000)</i>	.....
<i>State and community highway safety grants:</i>					
<i>(Limitation on obligations).....</i>	<i>(115,000,000)</i>	<i>(115,000,000)</i>	<i>(115,000,000)</i>	.....	.....
<i>Alcohol safety incentive grants: (Limitation on obligations).....</i>	<i>(11,000,000)</i>	<i>(13,500,000)</i>	<i>(11,000,000)</i>	.....	<i>(-2,500,000)</i>
<i>Education grants (Sec. 209): (Cumulative limitation on obligations) .....</i>	.....	<i>(4,750,000)</i>	<i>(4,750,000)</i>	<i>(+ 4,750,000)</i>	.....
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total, National Highway Traffic Safety Administration:					
New budget (obligational) authority.....	98,650,000	106,705,000	104,000,000	+ 5,350,000	-2,705,000
<i>(Limitations on obligations).....</i>	<i>(126,000,000)</i>	<i>(128,500,000)</i>	<i>(126,000,000)</i>	<i>(-2,500,000)</i>
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<i>Total.....</i>	<i>(224,650,000)</i>	<i>(235,205,000)</i>	<i>(230,000,000)</i>	<i>(+ 5,350,000)</i>	<i>(-5,205,000)</i>
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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1990--Continued

Agency and item (1)	New budget (obligational) authority appropriated, 1989 (enacted to date) (2)	Budget estimates of new (obligational) authority, 1990 (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with new budget (obligational) authority, 1989 (5)	Bill compared with budget estimates of new (obligational) authority, 1990 (6)
Federal Railroad Administration					
Office of the Administrator.....	20,975,000	15,180,000	14,400,000	-6,575,000	-780,000
<i>(By transfer)</i>	<i>(4,000,000)</i>	.....	.....	<i>(-4,000,000)</i>	.....
Railroad safety.....	27,825,000	30,307,000	31,900,000	+4,075,000	+1,593,000
Railroad research and development.....	9,286,000	9,277,000	9,600,000	+314,000	+323,000
Northeast corridor improvement program.....	19,600,000	.....	19,600,000	.....	+19,600,000
Grants to the National Railroad Passenger Corporation.....	584,000,000	.....	615,000,000	+31,000,000	+615,000,000
<i>Railroad Rehabilitation and Improvement Financing</i>					
<i>Funds: (Railroad credit enhancement)</i>	<i>(99,000,000)</i>	<i>(15,000,000)</i>	<i>(50,000,000)</i>	<i>(-49,000,000)</i>	<i>(+35,000,000)</i>
Regional rail reorganization program.....	.....	101,577,979	101,577,979	+101,577,979	.....
Portion applied to debt reduction.....	.....	-94,932,979	-94,932,979	-94,932,979	.....
Conrail commuter transition assistance.....	4,500,000	.....	5,000,000	+500,000	+5,000,000
Amtrak corridor improvement loans.....	.....	.....	3,500,000	+3,500,000	+3,500,000
<i>(Loan authorization)</i>.....	.....	.....	<i>(3,500,000)</i>	<i>(+3,500,000)</i>	<i>(+3,500,000)</i>
Total, Federal Railroad Administration	666,186,000	61,409,000	705,645,000	+39,459,000	+644,236,000

Urban Mass Transportation Administration					
Administrative expenses.....	31,882,000		31,809,000	-73,000	+ 31,809,000
Research, training, and human resources.....	10,000,000		10,000,000		+ 10,000,000
Formula grants.....	1,605,000,000		1,705,000,000	+ 100,000,000	+ 1,705,000,000
<i>Formula transit grants (Highway Trust Fund)</i>					
<i>(limitation on obligations).....</i>		(1,523,000,000)			(-1,523,000,000)
<i>Discretionary grants (Highway Trust Fund) (limitation on obligations).....</i>	(1,140,000,000)		(1,140,000,000)		(+ 1,140,000,000)
<i>Mass transit capital fund (Highway Trust Fund) (liquidation of contract authorization).....</i>	(400,000,000)	(900,000,000)	(900,000,000)	(+ 500,000,000)	
Interstate transfer grants - transit.....	200,000,000		180,000,000	-20,000,000	+ 180,000,000
Washington Metro	168,000,000	42,000,000	100,000,000	-68,000,000	+ 58,000,000
Total, Urban Mass Transportation Administration:					
New budget (obligational) authority.....	2,014,882,000	42,000,000	2,026,809,000	+ 11,927,000	+ 1,984,809,000
<i>(Limitations on obligations).....</i>	(1,140,000,000)	(1,523,000,000)	(1,140,000,000)		(-383,000,000)
Total.....	(3,154,882,000)	(1,565,000,000)	(3,166,809,000)	(+ 11,927,000)	(+ 1,601,809,000)
Saint Lawrence Seaway Development Corporation					
Operations and maintenance (Harbor Maintenance Trust Fund).....	11,100,000	11,788,000	11,750,000	+ 650,000	-38,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1990--Continued

Agency and item (1)	New budget (obligational) authority appropriated, 1989 (enacted to date) (2)	Budget estimates of new (obligational) authority, 1990 (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with new budget (obligational) authority, 1989 (5)	Bill compared with budget estimates of new (obligational) authority, 1990 (6)
Research and Special Programs Administration					
Research and special programs.....	14,800,000	17,541,000	16,800,000	+ 2,000,000	-741,000
Pipeline safety (Pipeline Safety Fund).....	9,300,000	9,848,000	10,325,000	+ 1,025,000	+ 477,000
Total, Research and Special Programs Administration	<u>24,100,000</u>	<u>27,389,000</u>	<u>27,125,000</u>	<u>+ 3,025,000</u>	<u>-264,000</u>
Office of the Inspector General					
Salaries and expenses.....	29,000,000	32,475,000	32,100,000	+ 3,100,000	-375,000
Total, title I, Department of Transportation:					
New budget (obligational) authority (net).....	10,809,568,000	9,878,143,000	11,744,126,000	+ 934,558,000	+ 1,865,983,000
Appropriations.....	(10,920,338,941)	(9,973,075,979)	(11,839,058,979)	(+ 918,720,038)	(+ 1,865,983,000)
Appropriations for debt reduction.....	(-10,770,941)	(-94,932,979)	(-94,932,979)	(-84,162,038)	.....
Rescission.....	(-100,000,000)	.....	.....	(+ 100,000,000)	.....
(DoD transfer).....	(256,300,000)	.....	.....	(-256,300,000)	.....
(By transfer).....	(23,500,000)	(10,000,000)	(10,000,000)	(-13,500,000)	.....
(Limitations on obligations).....	(14,765,405,000)	(14,396,500,000)	(15,329,105,000)	(+ 563,700,000)	(+ 932,605,000)
(Appropriations to liquidate contract authorizations).....	(14,470,500,000)	(15,935,000,000)	(15,973,405,000)	(+ 1,502,905,000)	(+ 38,405,000)
Total, title I, New budget (obligational) authority, (DoD transfer) and (limitations on obligations).....	<u>(25,831,273,000)</u>	<u>(24,274,643,000)</u>	<u>(27,073,231,000)</u>	<u>(+ 1,241,958,000)</u>	<u>(+ 2,798,588,000)</u>

TITLE II - RELATED AGENCIES					
Architectural and Transportation Barriers Compliance Board					
Salaries and expenses.....	1,891,000	2,000,000	1,950,000	+59,000	-50,000
National Transportation Safety Board					
Salaries and expenses.....	25,360,000	25,967,000	26,600,000	+1,240,000	+633,000
Interstate Commerce Commission					
Salaries and expenses.....	43,115,000	44,689,000	43,860,000	+745,000	-829,000
<i>Payments for directed rail service (limitation on obligations)</i>	<i>(475,000)</i>	<i>(475,000)</i>	<i>(475,000)</i>	.....	.....
Total.....	(43,590,000)	(45,164,000)	(44,335,000)	(+745,000)	(-829,000)
Panama Canal Commission					
Panama Canal Revolving Fund:					
<i>(Administrative expenses)</i>	<i>(50,287,000)</i>	<i>(49,855,000)</i>	<i>(49,842,000)</i>	<i>(-445,000)</i>	<i>(-13,000)</i>
<i>(Limitation on operating and capital expenses).....</i>	<i>(436,548,000)</i>	.....	<i>(452,005,000)</i>	<i>(+15,457,000)</i>	<i>(+452,005,000)</i>

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1990--Continued

Agency and item (1)	New budget (obligational) authority appropriated, 1989 (enacted to date) (2)	Budget estimates of new (obligational) authority, 1990 (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with new budget (obligational) authority, 1989 (5)	Bill compared with budget estimates of new (obligational) authority, 1990 (6)
Department of the Treasury					
Rebate of Saint Lawrence Seaway Tolls (Harbor Maintenance Trust Fund).....	10,700,000	10,084,000	10,050,000	-650,000	-34,000
Washington Metropolitan Area Transit Authority					
Interest payments.....	51,663,569	51,663,569	51,663,569	.....	.....
Total, title II, Related Agencies:					
New budget (obligational) authority.....	132,729,569	134,403,569	134,123,569	+ 1,394,000	-280,000
(Limitation on obligations).....	(475,000)	(475,000)	(475,000)	.....	.....
Total.....	(133,204,569)	(134,878,569)	(134,598,569)	(+ 1,394,000)	(-280,000)
TITLE III - GENERAL PROVISIONS					
International Zaragosa Bridge.....	3,000,000	.....	.....	-3,000,000	.....
Rescission.....	-3,000,000	.....	.....	+ 3,000,000	.....
Alabama Feasibility Study.....	675,000	.....	.....	-675,000	.....
Expressway safety improvement demonstration project....	2,600,000	.....	.....	-2,600,000	.....
Airport emergency relief.....	100,000	.....	.....	-100,000	.....

Wisconsin rail service.....	6,000,000			-6,000,000	
Consultant services (sec. 347).....	-34,171,000			+ 34,171,000	
Total, title III, General Provisions:					
New budget (obligational) authority (net).....	-24,796,000			+ 24,796,000	
Appropriations.....	(-21,796,000)			(+ 21,796,000)	
Rescission.....	(-3,000,000)			(+ 3,000,000)	
Grand total:					
New budget (obligational) authority (net).....	10,917,501,569	10,012,546,569	11,878,249,569	+ 960,748,000	+ 1,865,703,000
Appropriations.....	(11,031,272,510)	(10,107,479,548)	(11,973,182,548)	(+ 941,910,038)	(+ 1,865,703,000)
Appropriations for debt reduction.....	(-10,770,941)	(-94,932,979)	(-94,932,979)	(-84,162,038)	
Rescissions.....	(-103,000,000)			(+ 103,000,000)	
<i>(DoD transfer)</i>	<i>(256,300,000)</i>			<i>(-256,300,000)</i>	
<i>(By transfer)</i>	<i>(23,500,000)</i>	<i>(10,000,000)</i>	<i>(10,000,000)</i>	<i>(-13,500,000)</i>	
<i>(Limitations on obligations)</i>	<i>(14,765,880,000)</i>	<i>(14,396,975,000)</i>	<i>(15,329,580,000)</i>	<i>(+ 563,700,000)</i>	<i>(+ 932,605,000)</i>
<i>(Appropriations to liquidate contract authorizations)</i>	<i>(14,470,500,000)</i>	<i>(15,935,000,000)</i>	<i>(15,973,405,000)</i>	<i>(+ 1,502,905,000)</i>	<i>(+ 38,405,000)</i>
Grand total, New budget (obligational) authority, (DoD transfer) and (limitations on obligations).....	(25,939,681,569)	(24,409,521,569)	(27,207,829,569)	(+ 1,268,148,000)	(+ 2,798,308,000)

ADDITIONAL VIEWS OF HON. ROBERT J. MRAZEK, HON.
RICHARD J. DURBIN, AND HON. MARTIN OLAV SABO

The March 24 tragedy of the *Exxon Valdez* in Prince William Sound, Alaska shows that the production/transportation system by which Alaska crude oil is extracted and transported to U.S. ports is inadequate to maintain vessel safety and environmental protection. It is apparent that assurances made by the federal government and the oil and shipping industries prior to construction of the Trans-Alaska Pipeline System (TAPS) have not been carried forth and were probably inadequate at the time.

Both the frequency and the size of a major oil spill were underestimated in Prince William Sound. Moreover, proposed operations from offshore fields north of Prudhoe Bay, in Bristol Bay, or the Arctic Refuge to west coast ports are also subject to environmental assessments and contingency plans based on similar or even more optimistic estimates of potential calamity. It is not coincidental that the pipeline system and Port of Valdez were constructed using an environmental impact statement which the courts had found inadequate but which was declared sufficient by Act of Congress. It is now tragically apparent that the federal government has never regulated Alaskan oil transport under a system of regulations based on a true picture of the risk probability and magnitude of environmental harm.

Among the controversial proposals to lease, explore, develop and transport oil from other areas of arctic Alaska, both on- and offshore, perhaps the most intense controversy involves the future of the coastal plain of the Arctic National Wildlife Refuge, an area of pristine wilderness in northeast Alaska. Conflicting estimates of environmental harm from the Administration's proposal for full scale oil development contained in a report issued under Section 1002 of P.L. 96-487 have been and are currently being investigated by other Committees. In addition, there have been conflicting estimates of existing environmental impacts of development at the Prudhoe Bay oil fields.

Nevertheless, it is apparent that the problems of marine transport in Prince William Sound have not been addressed in any proposals to open new fields in Alaska to oil development. If the federal government is operating under inadequate information regarding safe transportation under the existing TAPS production/transportation system, then any proposals to extend the system over a greater distance and/or a longer operating period are similarly flawed for assuming environmental adequacy in the existing system. Indeed, extending the TAPS system over time and space may create additional environmental problems, which have never been investigated by Congress or the Executive.

The principal alternatives to reliance on Alaska crude oil transport: increased vehicular fuel efficiency, alternative fuels for motor

vehicles, and increased use of mass transit are within the province of the Secretary of Transportation. It would be highly appropriate for the Secretary to examine potential environmental impacts of increased Alaskan oil traffic as well as to assess the practical alternatives which might aid Congress in making wise decisions about the expansion of the system and the future of wild places such as the Arctic National Wildlife Refuge.

BOB MRAZEK.

DICK DURBIN.

MARTIN O. SABO.

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