U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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March 10, 2009

The Honorable John M. Spratt, Jr.
Chairman
Committee on the Budget
207 Cannon House Office Building
Washington, D.C. 20515

The Honorable Paul Ryan
Ranking Member
Committee on the Budget
B71 Cannon House Office Building
Washington, D.C. 20515

Dear Mr. Chairman and Mr. Ranking Member:

As required by section 301(d) of the Congressional Budget Act and clause 4(f) of Rule X of the Rules of the House, the Committee on Transportation and Infrastructure transmits its Views and Estimates for the fiscal year (FY) 2010 Budget Resolution. On March 5, 2009, the Committee on Transportation and Infrastructure met in open session and adopted the enclosed FY 2010 Budget Views and Estimates by voice vote with a quorum present.

Thank you for the opportunity to present these Views and Estimates. We look forward to working with you to meet our nation's transportation and infrastructure investment needs, as well as the other needs discussed in the enclosed report.

Sincerely,

James L. Oberstar, M.C.
Chairman

John L. Mica, M.C.
Ranking Member

Enclosure

VIEWS AND ESTIMATES
OF THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
FOR FISCAL YEAR 2010

Overview

The Committee's legislative priorities this year include authorization of surface transportation programs; reauthorization of the Federal Aviation Administration ("FAA"), selected provisions of the Clean Water Act and the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), the Coast Guard, and the Federal Emergency Management Agency; and consideration of a water resources development act.

The funding levels required for some of these legislative priorities are already well-defined. Others, however, are in an earlier stage of development, most notably the funding levels required for the surface transportation authorization bill. In addition, with the transition to a new administration, the schedule for transmittal of a detailed budget submission is delayed, contributing to uncertainty regarding the funding levels needed in fiscal year ("FY") 2010.

Given the higher-than-usual level of uncertainty, the Committee submits the following estimates, but reserves its flexibility to determine program needs and recognizes the potential for funding changes as the Committee and Congress work their will through the legislative process.

Transportation Investment Leads to Economic Growth

Increased investment in transportation infrastructure has far-reaching effects on our nation's economy, our competitiveness in the world marketplace, and the quality of life in our communities. Each day, every American and every business will benefit from such investment by experiencing shortened travel times, increased productivity, and improved safety.

Throughout our nation's history, economic growth, prosperity, and opportunity have followed investments in the nation's infrastructure. From the "internal improvements" of the early 1800s – canals, locks, and roads – to the Interstate Highway System of today, infrastructure investment has been our foundation for economic growth. For example, between 1980 and 1991, almost one-fifth of the increase in productivity in the U.S. economy was attributable to investment in highways.[1]

Our nation's highways, transit and rail systems, pipelines, airlines, airports, harbors, and waterways not only provide the backbone of our economy by moving people and goods, they also employ millions of workers and generate a significant share of total economic output. In 2007, transportation-related goods and services contributed $1.45 trillion, or 10.5

[1] "Transportation and the Economy: National and State Perspectives," American Association of State Highway and Transportation Officials, May 1998.

percent, to the total U.S. Gross Domestic Product of $13.81 trillion. Economic growth and vitality are also dependent upon high quality water and wastewater infrastructure systems.

In addition to facilitating economic growth and global competitiveness, our transportation system has a direct and significant impact on the daily lives of nearly all Americans. To the average American, higher Federal investment in transportation infrastructure will mean:

- Shorter commutes that save time, fuel, and reduce pollution.
- Better access to work, school, health care, and recreation.
- Lives saved – many of the more than 41,000 highway fatalities each year could be prevented by building better roads and improving the safety features of existing roads.
- Safer systems to accommodate the transportation of hazardous materials, estimated at 1.2 million daily movements and 3 billion tons of regulated hazardous materials transported each year.
- Safer technologies to prevent passenger and freight train collisions, such as last year's tragic accident in Chatsworth, California.
- Fewer delays for the more than 700 million passengers who travel by air each year.
- Facilities to accommodate the increased number of air passengers projected to travel in the future.

Despite the importance of transportation to both our economy and the quality of life in our communities, many of our nation's transportation infrastructure needs are going unmet. This has resulted in, among other things, an alarming increase in congestion.

Congestion Crisis

Congestion is a major national problem. In February 2004, a highway organization study found that the number of severe highway bottlenecks had increased by 40 percent in the past five years. In 1999, 167 major highway bottlenecks located in 30 States and the District of Columbia were identified. Using the same methodology, the number of bottlenecks grew to a total of 233 in 2004, located in 33 States and the District of Columbia.

According to the Texas Transportation Institute's 2007 Urban Mobility Study, traffic congestion in the Nation's 437 urban areas continues to increase. Congestion now occurs during longer portions of the day and delays more travelers and goods than ever before. The severity of congestion has also increased. In 1982, extreme or severe congestion occurred during just 11 percent of peak period travel. In 2005, extreme or severe congestion occurred during 31 percent of peak period travel.

The extra time needed for rush hour travel has nearly tripled since 1982. The average Travel Time Index for the nation's urban areas in 2005 was 1.26 (meaning a trip during rush hour took 26 percent longer than the same trip during free-flowing travel conditions). The average in 1982 was only 1.09. Thirty-five urban areas now have a Travel Time Index above 1.20, compared with only one such area in 1982.

As congestion increases, so does the cost it imposes both on our economy and on motorists. In 2005, traffic congestion cost urban motorists $78.2 billion in terms of wasted time and fuel, compared to $73.1 billion in 2004, and just $14.9 billion in 1982.[2] This cost equates to an average annual cost per traveler of about $710 in 2005, up from $680 in 2004, and $260 in 1982. The hours of delay and gallons of fuel consumed due to congestion are only the elements that are easiest to estimate. The effect of uncertain or longer delivery times, missed meetings, business relocations and other congestion impacts are not included in this estimate.

The uncertain and longer delivery times caused by congestion are a serious problem for freight transportation. The vast majority of freight is transported via truck. Over the last two and a half decades, the volume of freight has grown dramatically. Highway system improvements have not kept pace with this growth. For example, between 1980 and 2007, truck vehicle-miles traveled more than doubled, while roadway lane-miles increased by only 6.8 percent.

According to the Federal Highway Administration ("FHWA"), the demand for freight transportation will continue to increase in the future. Over 19 billion tons of freight worth more than $13 trillion was transported in 2002. Roughly two-thirds of this freight was transported by truck. By 2035, freight volumes are expected to almost double and the value of shipments is expected to grow to nearly $42 trillion. Assuming no changes in highway capacity, the FHWA estimates that increases in truck and passenger vehicle traffic will expand recurring, peak-period congestion to 40 percent of the National Highway System ("NHS") in 2035, compared with 11 percent in 2002. This will slow traffic on nearly 20,000 miles of the NHS and create stop-and-go conditions on an additional 45,000 miles.

Congestion negatively impacts our environment, as well, by increasing emissions and wasting fuel. Vehicles in stop-and-go traffic emit more pollutants – particularly carbon monoxide and volatile organic compounds – than they do when operating without frequent braking and acceleration. In 2005, traffic congestion in the nation's urban areas wasted an estimated 2.9 billion gallons of fuel.

Perhaps most importantly, reducing highway congestion would save lives. If modest improvements were made to improve the traffic flow at the 233 severe bottlenecks identified in the highway organization study discussed above, the number and severity of vehicle crashes would be lessened. Over the 20-year life of the projects, such improvements would prevent more than 449,500 crashes, including some 1,750 fatalities and 220,500 injuries.

Although the slowing economy and the terrorist attacks of September 11, 2001, temporarily reduced aviation congestion beginning in 2001, the number of air travelers subsequently rebounded and reached a new record-high in 2007. With the rebound in airline travel, the number of delayed flights increased. In 2007, travelers experienced the highest number of delayed flights -- 1.8 million -- in the 13 years since the Department of Transportation ("DOT") has collected such data. The economic recession that began in

[2] In constant 2005 dollars.

December 2007 subsequently weakened demand for air travel once again, and the number of delayed flights declined to 1.5 million in 2008.

Although the demand for air travel fluctuates over the business cycle, it is generally forecast to increase over time, with continued population and economic growth. Absent aviation system capacity improvements, delays will continue to increase in the future. These delays at large hub airports have persisted even with the drop in overall system congestion. These delays ripple throughout the National Airspace System, causing system-wide impacts.

According to the Commission on the Future of the U.S. Aerospace Industry, estimates of the cost of aviation delays to the U.S. economy range from $9 billion in 2000 to more than $30 billion annually by 2015. Without improvement, the combined economic cost of delays from 2000-2012 will total an estimated $170 billion.

Infrastructure Investment Needs

To alleviate congestion and reap the economic benefits of an efficient transportation system, our transportation infrastructure needs must be met. These needs, which are discussed in more detail later in this document, are significant:

- $78.8 billion a year just to maintain highways and bridges at their current conditions, or $131.7 billion a year to improve conditions.
- $15.8 billion a year just to maintain transit systems at the current condition and performance, or $21.8 billion a year to improve conditions and performance.
- $18.9 billion a year in airport capital needs.
- Over $3 billion per year to meet the capital needs of the Federal Aviation Administration, including modernization of the air traffic control system.
- Between $9-10 billion over the next five years to bring the Northeast Corridor to a state-of-good-repair and for other improvements to the national rail passenger transportation system.
- $162 billion over the next 20 years to re-establish the national intercity passenger rail and high-speed rail network.
- $39 billion over the next 26 years to expand capacity on our nation's Class I freight railroads.
- $13 billion over the next 26 years to upgrade shortline and regional railroads to accommodate heavier rail cars and meet demand.
- $35 billion over the next ten years to fund cumulative capital improvement needs at the nation's largest public ports.
- $7.5 billion to finish currently authorized inland waterway construction needs.

The nation's commercial shipping ports, which handle 95 percent of our international trade, face severe access problems on both the waterside and landside. With more than two billion tons of cargo valued at more than $2 trillion moving through our ports and waterways annually, we must ensure adequate infrastructure to meet the growing demands of international trade. Investments of at least $3.5 billion per year are needed by

federal and nonfederal sources to improve ports and keep pace with the growth of commerce.

The nation's inland waterways contain a series of outdated and antiquated locks and dams that, unless rehabilitated or improved, will continue to hinder the movement of coal, grain, and other bulk products. Close to 55 percent of the lock chambers on the system have exceeded their 50-year design lives. With the use of the aging inland waterway system expected to increase, including through expanded use of short-sea shipping, delays are likely to continue to rise.

Currently authorized construction needs for the inland waterway system are valued at $7.5 billion, but we are currently investing at a pace that will see us falling further behind these needs. Additional investment of hundreds of millions of dollars will be needed each year for modernization and replacement of the nation's locks and dams to meet the demands on the inland waterway system.

Our wastewater infrastructure also is facing substantial funding needs in order to meet and maintain clean water restoration goals. Communities throughout the United States continue to struggle financially to meet their ever-increasing wastewater treatment infrastructure needs. The Environmental Protection Agency ("EPA") has reported that a failure to increase investment in wastewater treatment infrastructure would erode many of the water quality achievements of the past 30 years.

The nation's failure to adequately restore and maintain the integrity of its waters can have devastating effects on the economy. Cities and towns, commercial fishing and shellfish harvesting, tourism, recreation, and many sectors of industry rely on the availability of clean, safe water supplies.

Estimates of the nation's clean water infrastructure needs over the next 20 years exceed $400 billion. The needs are especially urgent for areas trying to remedy the problem of combined sewer overflows and sanitary sewer overflows and for small communities lacking sufficient independent financing ability. Drinking water infrastructure needs are estimated at nearly $500 billion over the next 20 years. Current spending by all levels of government is one-half of the estimated needs. Increased investment by Federal, state, and local governments, as well as by the private sector, will be needed to close the gap between current spending and projected needs.

The Federal Government is continuing to under-invest in its wide variety of buildings and facilities that house federal employees, the judiciary, and cultural institutions. The General Services Administration ("GSA")-controlled inventory of existing Federal buildings is aging and requires extensive repair and renovation to ensure that Federal employees are housed in safe, modern facilities. These GSA-controlled facilities have a functional replacement value of $41 billion, and an estimated backlog exceeding $7 billion to repair and modernize existing Federal buildings. Similarly, the Smithsonian Institution estimates its repair and alteration backlog to be in excess of $2.5 billion. Funding provided by the recently-enacted American Recovery and Reinvestment Act of 2009 ("Recovery Act") (P.L. 111-5) will partially address these backlogs. Specifically, the Recovery Act provided GSA with $5.55 billion in funds for repair, alteration, and construction of Federal buildings,

courthouses, and border stations, with a focus on energy efficiency and conservation. The Recovery Act also provided an additional $25 million for repair and alteration of the Smithsonian's facilities. However, even with this additional funding, many buildings are having basic repair needs delayed or derailed. Delaying these necessary repairs threatens the missions of the agencies that occupy this space.

Transportation Trust Funds

To help meet some of the infrastructure investment needs discussed above, Congress established a series of trust funds to collect user fees and invest those funds in capital improvements and maintenance. These funds include the Highway Trust Fund, the Airport and Airway Trust Fund ("Aviation Trust Fund"), the Inland Waterways Trust Fund, and the Harbor Maintenance Trust Fund. Each of these trust funds invests dedicated user fee revenues in infrastructure programs to finance long-range construction and maintenance activities that benefit from the funding certainty provided by the trust funds.

Recently, increased fuel prices and the economic recession have resulted in lower than anticipated trust fund revenues. Despite the recent downturn, the trust funds still remain an important source of funding for our infrastructure investments.

One of this Committee's highest priorities is to ensure that the user fees deposited into these trust funds are in fact used for their intended purposes – to rebuild our nation's infrastructure. These trust funds represent a contract between the government and the user. This contract specified that certain user fees would be levied on the users of highways, airports, inland waterways, and ports. In return, the government pledged to use the receipts to build transportation infrastructure for the taxpayer's use.

While recent surface and aviation reauthorization acts have upheld the contract for the Highway and Aviation Trust Funds, the two remaining funds face unique challenges for addressing both the Inland Waterways and Harbor Maintenance needs of the nation. The Inland Waterways Trust Fund balance as of the end of FY 2008 was $27 million, at the same time that authorized Inland Waterways construction needs are estimated at $7.5 billion. The Harbor Maintenance Trust Fund balance as of the end of FY 2008 was $4.652 billion, at the same time that currently authorized harbor maintenance needs are not being met.

Similar to the reforms achieved for the Highway and Aviation Trust Funds, the full receipts and balances of the Inland Waterways and Harbor Maintenance Trust Funds should be made available to serve their intended purpose – meeting our infrastructure needs.

Extension of Spending Caps and Budget Process Reforms

Given the Transportation and Infrastructure Committee's commitment to achieving budget reforms for the transportation trust funds, other budget process legislation, including any extension of the discretionary spending caps, is of significant interest to this Committee.

The Transportation and Infrastructure Committee would strongly oppose any effort to reinstate the discretionary spending caps in a manner that fails to recognize the unique

nature of Trust-Funded programs, or negatively impacts the traditional funding guarantees that have been established for highway, transit, and aviation programs.

Similarly, the Committee strongly opposes the proposal in the President's Budget released on February 26, 2009, to treat obligation limitations as discretionary budget authority. Such a rule would essentially convert the mandatory contract authority that currently funds our highway, transit, and airport grant programs to a simple authorization of appropriations for budget scoring purposes. While proponents of such a rule change have argued that it would increase Trust Fund transparency, it would in fact do the opposite by further merging Trust-Funded programs with non-Trust-Funded programs in the budget process. If any budget process reforms are to be made, they should serve to increase the separation of Trust-Funded programs from non-Trust-Funded programs.

Waste, Fraud, Abuse, and Improving Governmental Performance

Pursuant to section 321 of the FY 2009 congressional budget resolution, S. Con. Res. 70, the Committee submits the following recommendations regarding waste, fraud, and abuse, and improving governmental performance.

Implementation of American Recovery and Reinvestment Act of 2009

The Recovery Act provides $64.1 billion for programs within the jurisdiction of the Committee on Transportation and Infrastructure. In addition, the Recovery Act includes specific, "use-it-or-lose-it" deadlines by which States and other recipients must invest the funds provided under the Act.

The Committee will closely oversee the implementation of transportation and infrastructure provisions of the Recovery Act to ensure that the funds are invested quickly, efficiently, and in harmony with the job-creating purposes of the Act. To this end, the Committee has written to the Governors, Metropolitan Planning Organizations, and transit agencies who are direct recipients of funds under the Recovery Act to request expedited and additional reporting on the use of Recovery Act funds, by April 4, 2009.

Specifically, the Committee has requested that direct recipients of Recovery Act funds provide the following information:

- The amount of Federal funds allocated or apportioned to the recipient by the relevant Federal agency and the amount of Federal funds obligated and outlayed;
- A detailed list of all projects or activities for which Recovery Act funds were obligated and the purpose, total cost, and rationale for funding the infrastructure investment;
- The number of projects that have been put out to bid under the appropriation and the amount of Federal funds associated with such projects;
- The number of projects for which contracts have been awarded and the amount of Federal funds associated with such projects;
- The number of projects for which work has been completed under such contracts and the amount of Federal funds associated with such contracts;
- The number of direct, on-project jobs created or sustained by the Federal funds provided under the appropriation and, to the extent possible, the estimated indirect jobs created or sustained in the associated supplying industries, including the number of job-years created and the total increase in employment since the date of enactment; and
- Information tracking the actual aggregate expenditures by each grant recipient from State sources for projects eligible for funding under the program during the period from the date of enactment through September 30, 2010, compared to the level of expenditures that were planned to occur during such period as of the date of enactment.

The Committee's request goes beyond the transparency and accountability requirements of the Recovery Act, expanding the scope of programs covered by the reporting requirements, and accelerating the deadline by which information shall be reported. In April 2009, the Committee will hold the first of a series of oversight hearings on implementation of the Recovery Act.

Leasing of Federal Office Space

In almost all circumstances, the use of long-term leases to satisfy the need for Federal office space is a wasteful use of appropriated funds, because such leases are almost always more expensive than federal construction. The current guidelines for the budgetary treatment of leases, which have been in place since 1991, require the full cost of a capital lease or lease-purchase to be scored up-front, rather than on an annual basis. This scoring rule has had the unintended and undesirable effect of forcing GSA into using long-term operating leases, which contain no ownership option, to meet Federal office space requirements. Under the current scoring rule and budget constraints, more cost-effective options, such as lease-purchase, cannot be considered; rather, GSA is left with just two options for meeting the Federal Government's office space needs – either direct appropriations or long-term leases. Due to budget constraints, direct appropriations are often not a viable option, resulting in the inefficient use of long-term leases.

The Government Accountability Office's ("GAO") work over the years has shown that building ownership often costs less than operating leases, especially for long-term space needs. For example, in 1995 GAO reported in GAO/T-GGD-95-149 that 55 of 73 operating leases that the GSA had entered into cost a total of $700 million more than construction. In 1999, GAO reported in GAO/GGD-99-49R that, for eight of nine major operating lease acquisitions, GSA had proposed, construction would have cost less than leasing and saved the Federal Government $126 million over 30 years. In 2005, GAO testified that for the Patent and Trademark Office's long-term requirements in northern Virginia, the cost of an operating lease was estimated to be $48 million more than construction and $38 million more than lease-purchase of the necessary office space. Similarly, GAO estimated that the U.S. Department of Transportation building in Washington, D.C., would have cost $190 million less to construct than to enter into an operating lease. In 2008, GAO reported in GAO-08-197 that for four of seven GSA building leases GAO examined, leasing was more costly over the long-term than construction – by an estimated $83.3 million over 30 years.

According to GAO, the current practice of relying on costly leasing to meet long-term space needs results in excessive costs to taxpayers and does not reflect a sensible or economically rational approach to capital asset management. If GSA's budget cannot be increased such that it can accommodate the up-front scoring rule while still meeting the space needs of the federal government, then the Committee recommends that GSA be authorized to acquire federal space through lease-to-ownership leases, without up-front scoring, if such a lease-purchase is more cost-effective than an operating lease.

FEMA – Disaster Relief

The Committee recognizes the inherent tension between providing disaster relief in an expeditious manner while at the same time minimizing waste, fraud and abuse. Nevertheless, the Committee expects the Federal Emergency Management Agency ("FEMA") to fulfill its obligation to be a good steward of the public's funds and trust. The Committee recognized the importance of this issue when it passed the Post Katrina Emergency Management Reform Act of 2006, which includes Subtitle F, "Prevention of Waste Fraud and Abuse" (6 U.S.C. 791 -797). In 2007, the Committee continued to provide oversight to prevent waste, fraud and abuse by holding the following oversight hearings to examine whether FEMA was carrying out these duties: "Post-Katrina Temporary Housing: Dilemmas and Solutions" (March 2007); and "FEMA's Emergency Food Supply System" (April 2007). The Committee will continue its vigorous oversight of FEMA's disaster relief program.

Coast Guard Deepwater Contract

The Committee held three hearings in the 110th Congress – in January, April, and June 2007 – to examine the Coast Guard's 25-year, $24-billion "Deepwater" contract, through which the service will replace or rehabilitate aircraft and cutters that operate primarily 50 miles offshore. The Committee also received additional testimony from the Coast Guard – as well as the Inspector General of the Department of Homeland Security ("DHS IG") and the GAO on the Deepwater Acquisition Program – on the Deepwater program during a hearing held to examine the Coast Guard's fiscal year 2008 budget request.

During these hearings, the Committee examined the failure of the effort undertaken in the early years of Deepwater to lengthen 110-foot legacy cutters to 123 feet as well as the installation of faulty topside equipment on these vessels. The Committee also examined whether the vessels' topside and communications equipment complied with federal standards for preventing emanations that could compromise classified information.

Last year, the House passed H.R. 6999, the "Integrated Deepwater Program Reform Act of 2008", which would strengthen the Coast Guard's management of acquisition functions. Specifically, H.R. 6999 would require the appointment of a chief acquisitions officer with extensive professional experience in acquisitions management be named to head its acquisitions department. H.R. 6999 would also impose stringent new requirements for the use of third-party certification to ensure that assets procured under Deepwater meet the highest technical and quality standards. Further, the bill requires the Coast Guard to phase out the use of a private sector lead systems integrator and assume responsibility for that function. H.R. 6999 was not passed by the Senate and will be reconsidered in the 111th Congress.

Conclusion

The detailed views and estimates presented below urge that the Congressional Budget Resolution meet the important needs discussed above, to improve our nation's infrastructure and transportation safety and ensure that vital services, such as those provided by the Coast Guard, are maintained. While the cost of meeting our nation's transportation and infrastructure investment needs may seem high, the cost of not meeting them is greater still.

This report was circulated to all Members of the Committee on Transportation and Infrastructure for their review and comment, and was approved in a Full Committee meeting on March 5, 2009. While the report reflects a bipartisan effort, the Committee wishes to emphasize that not all Members of the Committee necessarily agree with every aspect. Accordingly, as noted above, the Committee reserves its flexibility to determine program needs and recognizes the potential for funding changes as the Committee and Congress work their will through the legislative process.

Aviation

Since airline deregulation in 1978, air travel has become an essential form of transportation for much of the nation. The number of commercial air travelers has grown dramatically since then, from 312 million travelers in 1980 to a record-high of 765 million in 2007.

This unprecedented number of air travelers pushed our nation's air traffic control system and over-crowded airports to the brink of gridlock. In 2007, travelers experienced

the highest percentage of late arrivals – 24.2 percent – in the 13 years since DOT has collected such data.

While increased fuel costs and a slowing economy caused enplanements to decline in 2008, flight delays persisted. According to DOT, although the number of delayed flights declined, the average flight delay increased despite a six percent decline in the total number of flights. Delays at large hub airports have persisted even with the drop in overall system congestion. These delays ripple throughout the National Airspace System, causing system-wide impacts. Absent further improvements in aviation system capacity and efficiency, delays will likely increase significantly as the number of air travelers rebounds and continues to grow in the future.

Aviation User Fees

The February 29, 2009 President's Budget proposes to convert a large portion of the aviation excise taxes to aviation user fees beginning in FY 2011. Aviation user fees have been proposed several times in the past by various administrations, and have been rejected each time by Congress. While the President's Budget provides very little information on this proposal, the information that is available raises concerns. The Committee believes the current system of aviation excise taxes has proven to be a stable and efficient source of funding for our aviation system. The Committee does not recommend that the FY 2010 congressional budget resolution assume the adoption of aviation user fees.

FAA Facilities & Equipment

Increased capital investment in our air traffic control system is necessary to increase system capacity and avoid gridlock. These investments have traditionally been funded by the FAA's Facilities & Equipment ("F&E") account.

While the FAA is embarking upon on a major new Next Generation Air Transportation System ("NextGen") program to increase system capacity, in recent years it has requested F&E funding well below both congressionally authorized levels and its own preliminary cost estimates for NextGen.

In 2007, the interagency Joint Planning and Development Office ("JPDO") issued both an Enterprise Architecture and a Concept of Operations for NextGen. These documents provide a high-level blueprint for how to technologically transform the National Airspace System and triple capacity by the year 2025. In January 2009, the FAA issued a mid-term architecture, focusing on objectives through the year 2018.

Despite the completion of these documents, the cost of transitioning to the NextGen remains uncertain. However, preliminary cost estimates presented by the FAA's Air Traffic Organization ("ATO") at industry workshops in 2006 indicate that, from FY 2008 through FY 2025, a total of $15.2 billion in additional F&E investment will be needed.[3] This amount is in addition to the $50 billion that would be needed just to sustain the existing

[3] The 2006 ATO industry workshop presentation is the most recent FAA cost estimate for transitioning to NextGen that could be found by the Committee.

air traffic control system during these same years. As shown in the table below, based on these preliminary cost estimates, the total F&E funding requirement in the near-term is more than $3 billion each year, increasing to more than $3.5 billion by FY 2013. Based on these preliminary cost estimates, the total F&E funding requirement in FY 2010 is $3.259 billion.

F&E Preliminary Cost Estimates (Including NextGen)

Fiscal Year 2008	$3.120 billion
Fiscal Year 2009	$3.246 billion
Fiscal Year 2010	$3.259 billion
Fiscal Year 2011	$3.301 billion
Fiscal Year 2012	$3.411 billion
Fiscal Year 2013	$3.541 billion

A lack of sufficient funding for the F&E program would likely result in continued deferred maintenance and repair of the FAA's existing infrastructure. The FAA's air traffic control facilities (air traffic control towers, terminal radar approach control facilities, and en route centers) are aging and deteriorating. According to the DOT Office of Inspector General ("DOT IG"), many of FAA's air traffic control facilities have exceeded their useful lives, and their physical condition continues to deteriorate. While the average air traffic control facility has an expected useful life of approximately 25-30 years, 59 percent of FAA facilities (249 of 420) are over 30 years old.[4]

The FAA reports that terminal radar control ("TRACON") towers and en-route air traffic control facilities are overall in "fair to poor" condition using General Services Administration Facility Condition Index ("FCI") criteria. The DOT IG reports that nine of the 21 en-route centers have FCI values below 90 percent, which is indicative of a facility that requires attention, and no en-route center facility scored above 95 percent, which indicates a facility in "good" condition. This means that nearly half (9 of 21) of the en route centers are in poor condition and in need of attention.[5] The poor condition of FAA infrastructure is not limited to air traffic control facilities. In 2007, the FAA's headquarters building in Washington, D.C., received an FCI value of 79 percent; the lower the FCI value, the worse the condition of the facility. This facility is also in need of attention.

Overall, the DOT IG reported a deferred maintenance backlog for the FAA's facilities of $240 million, and estimated that, if current funding levels continue, this backlog would increase to over $380 million by FY 2020.[6] Although the FAA states that some of these facilities may be consolidated as a result of NextGen, the FAA needs to properly invest in the maintenance and upkeep of existing infrastructure in the interim.

To ensure that our nation's air traffic control system remains safe, reliable, and efficient, and is ready to accommodate the significantly increased number of passengers anticipated in the near future, the Committee recommends that the F&E program be funded at no less than $3.259 billion in FY 2010, consistent with both the FAA's preliminary

[4] DOT OIG Report Number AV-2009-012, "FAA's Management and Maintenance of Air Traffic Control Facilities", December 15, 2008.
[5] *Ibid.*
[6] *Ibid.*

NextGen cost estimates, and the authorized funding level approved by the House during the 110th Congress in H.R. 2881, the FAA Reauthorization Act of 2007. According to GAO, F&E funding levels consistent with the FAA's preliminary estimates discussed above could be applied to a variety of projects and initiatives that would help to accelerate the development and deployment of NextGen.

Airport Improvement Program ("AIP")

Increased investment in our airport infrastructure is also necessary to maintain a safe and efficient aviation system. The FAA estimates that $49.7 billion of AIP-eligible infrastructure development will be needed between 2009 and 2013 based on the latest National Plan of Integrated Airport Systems ("NPIAS") report dated September 30, 2008.

An airport trade association's Capital Needs Survey, conducted in December 2008 - January 2009, estimates that airport capital development costs for AIP-eligible and other necessary projects will total approximately $94.4 billion during the same time frame (2009-2013), an average annual cost of $18.9 billion.

To allow the AIP program to keep pace with inflationary cost increases, and begin to address the investment gap in airport safety and capacity needs, the Committee recommends that AIP be funded at least at $3.9 billion in FY 2009, $4.0 billion in FY 2010, $4.1 billion in FY 2011, and $4.2 billion in FY 2012.

FAA Operations and Maintenance

For FAA's operating costs, the Committee recommends providing at least $9.6 billion for FY 2010, consistent with the authorized funding level in H.R. 915, the "FAA Reauthorization Act of 2009". This funding level will allow the FAA to maintain current operations, as well as hire additional aviation safety inspectors and carry out additional airspace redesign initiatives.

Small Community Air Service Development

Inadequate service to small communities has been a concern since airline deregulation. Although the benefits of airline deregulation have been significant, they have not been evenly distributed. In certain small- and medium-sized communities, the lack of competition among airlines has resulted in significantly higher fares. Other small communities lack air service altogether. The Small Community Air Service Development program addresses these problems by helping underserved communities improve their air service through the use of strategies such as marketing support and revenue guarantees. Demand for this program has far exceeded the funding available. When this program received its initial funding of $20 million in FY 2002, DOT received 179 applications totaling more than $142.5 million from communities in 47 states. The program continued to receive $20 million in each of FYs 2003 through 2005, and $10 million in each of FYs 2006 through 2008. The Committee recommends that this program be funded from the General Fund in FY 2010 at the $35 million level authorized in H.R. 915, the "FAA Reauthorization Act of 2009".

Essential Air Service

The financial condition of the airlines, higher fuel costs, and increased regulatory costs have also increased demands on the Essential Air Service ("EAS") program over the past several years. Before September 11, 2001, a total of 106 communities required EAS subsidy (32 in Alaska and 74 elsewhere in the U.S.). As of February 2009, there are 150 communities requiring EAS subsidy (45 in Alaska and 105 elsewhere), a 42 percent increase compared to 2000. The cost of funding the current array of contracts in FY 2009 is approximately $150 million, and this does not assume any new communities require subsidy. To meet increased costs of renewing existing contracts, as well as the cost of providing service to communities that may begin to require subsidy, the Committee recommends EAS be funded in FY 2010 at the $200 million level authorized in H.R. 915, the "FAA Reauthorization Act of 2009".

Coast Guard and Maritime Transportation

The Committee recommends $9.4 billion in FY 2010 for U.S. Coast Guard activities, which is an increase of approximately $285.6 million (or 3.1 percent) over the total amount enacted for FY 2009 (excluding Recovery Act funding). This recommendation is designed to sustain the Coast Guard's ability to support America's maritime safety, security, and stewardship, interests for FY 2010. A detailed break-out of this recommended funding level by program is provided below.

The Committee believes it is imperative that the Coast Guard receive the resources necessary to protect America while maintaining the Service's core missions such as search and rescue, marine safety, fisheries law enforcement, drug interdiction, migrant interdiction, aids to navigation, marine environmental protection, and boating safety. Therefore, the Committee makes the following recommendations.

Coast Guard Operating Expenses

The Committee recommended funding level for Coast Guard Operating Expenses ("OE") in FY 2010 is approximately $6.4 billion, an increase of more than $185 million, or 3.0 percent, over the FY 2009 enacted level. The Operating Expenses account comprises over two-thirds of the Coast Guard's budget and provides for the safety of the public and the Coast Guard's workforce. This funding level will fund 47,368 positions (both military and civilian) in the Coast Guard.

The Committee's OE recommendation funds pay increases for officers and enlisted members and civilian employees of the Coast Guard.

Reserve Training

The Committee recommends approximately $134.4 million for training of Coast Guard Reserve personnel in FY 2010, a 3.0 percent increase over the FY 2009 appropriated level of $130.5 million.

Environmental Compliance and Restoration

The Committee recommends approximately $13.0 million for environmental compliance and restoration in FY 2010, the same amount that was appropriated for FY 2009. This funding will provide the resources necessary to meet the mandated milestones of major cleanup efforts and other environmental restoration needs.

Coast Guard Capital Funding (Acquisition, Construction & Improvement)

The Committee recommends $1.538 billion to fund all Coast Guard capital acquisitions in FY 2010, an increase of $44 million (3 percent) from the FY 2009 appropriated level of $1.494 billion. These funds support the acquisition, construction, and improvement of vessels, aircraft, information management resources, shore facilities, and aids to navigation. Of the $1.538 billion recommended level, $1.064 billion is for the Integrated Deepwater Systems ("Deepwater") program, the Coast Guard's integrated capital asset replacement program. This represents a $31 million increase from the FY 2009 funding level for Deepwater.

The Deepwater program will result in a nearly complete recapitalization of all Coast Guard aircraft, vessels and support systems over a 20-25 year period. Fundamental changes in the mission and requirements of the Coast Guard have occurred since the terrorist attacks of 2001. These changes have required substantive revisions in the timing, budget, system components and acquisition strategy for Deepwater.

The AC&I budget recommendation also includes funding for continued deployment of a nation-wide automatic identification system for ships, a transponder based collision avoidance system that will also allow the Coast Guard to track vessels for security purposes, and funding to build additional response boat mediums, the replacement for the Coast Guard's 41-foot patrol boats.

The Committee also recommends $478 million for non-Deepwater capital expenditures in FY 2010, an increase of 3.7 percent above the FY 2009 enacted level. Delaying funds for maintenance and repairs of shore facilities will only cost the Federal Government more money later.

The Committee recommendation for non-Deepwater capital expenditures includes $18 million to purchase 100 Response Boats - Small. In March 2003, the Coast Guard signed a contract to purchase up to 700 of these boats but has only purchased 539 of these boats. These additional boats will help the Coast Guard fulfill its expanding port security missions such as providing security to liquefied natural gas facilities.

Research, Development, Test and Evaluation

The Committee recommends approximately $18.0 million for Research, Development, Test and Evaluation environmental compliance and restoration in FY 2010, the same amount that was appropriated for FY 2009.

The Committee continues to support full funding of this account under the Coast Guard's direct control.

Alteration of Bridges

The Committee recommends approximately $16.0 million for the alteration of bridges that are unreasonable obstructions to navigation, the same amount that was appropriated for FY 2009 (excluding funding provided in the Recovery Act).

Port Security Grants

The Committee supports providing at least $400 million for port security grants in FY 2010.

Federal Maritime Commission

The Committee recommends approximately $25.0 million for the Federal Maritime Commission in FY 2010.

Economic Development, Public Buildings, and Emergency Management

Economic Development

The Committee has jurisdiction over five existing economic development programs: the Economic Development Administration ("EDA"), the Appalachian Regional Commission, the Denali Commission, the Delta Regional Authority, and the Northern Great Plains Regional Authority. In addition, P.L. 110-246 authorized the creation of three new regional commissions: the Southeast Crescent Regional Commission, the Southwest Border Regional Commission, and the Northern Border Regional Commission. During the 111th Congress, the Committee intends to reauthorize EDA.

Regional Economic Development Commissions

Regional commissions have a proven track record of efficiently and fairly meeting the needs of the regions they serve by providing grants for infrastructure and economic development plans. These plans undergo a rigorous and thorough vetting process to ensure that only the best plans receive funding. The Committee remains committed to ensuring the full funding of these programs.

In 2008, P.L. 110-371 reauthorized the Appalachian Regional Commission ("ARC") through FY 2012. For FY 2010, $105 million is authorized for ARC programs, and an additional $13 million is authorized for economic and energy development initiatives. The Committee supports full funding for this important economic development program, 50 percent of which goes to Appalachian counties that are economically distressed. The Committee also supports continued funding for the Appalachian Development Highway

System, which will be reauthorized as part of the upcoming surface transportation authorization legislation to be considered later this year.

The Committee supports funding the Denali Commission at levels sufficient to allow it to continue with effective sustainability and development programs.

The Committee recommends funding the Delta Regional Authority ("DRA") at $30 million for FY 2010, equal to the authorized level. A failure to fully fund the DRA significantly hampers its ability to meet its mission.

The Committee recommends funding the Northern Great Plains Authority at $30 million for FY 2010, equal to the authorized level.

The Committee also recommends providing $30 million for each of the new regional commissions established by P.L. 110-246 in FY 2010, which is the authorized funding level.

Public Buildings

In the area of public buildings, the Committee intends to address a number of issues concerning the Public Buildings Service of the GSA. These issues include the continued viability of the Federal Buildings Fund ("FBF"), GSA's courthouse construction program including the Courts' ability to pay for space already occupied, border station construction, the need for increased funds for repairs and alterations, and the use of leased space.

The FBF, the primary source of funding for GSA's capital investment program, while receiving consistent funding over the past several years, is barely maintaining its present position with regard to providing funding for construction of new federal buildings and the repair of existing buildings. The FBF is supported by lease payments charged to federal agencies occupying space in GSA facilities. GSA is increasingly relying on the use of leased space because it lacks funds for construction, repair, alteration, and modernization of Federally-owned facilities. The Committee recommends that the Administration carefully review the amount of funds made available for the construction, repair and alteration of federally owned facilities as well as reconsider the increased reliance on leased space and how these issues impact the Federal Buildings Fund.

GSA's repair and alteration program in previous years has failed to meet projected demand for the modernization of GSA's aging inventory of federal buildings. However, with funds provided in the Recovery Act, it is expected GSA will significantly reduce its repair and alteration backlog. The functional replacement value of GSA's 1,532 owned buildings is $41 billion. A significant investment will be necessary to make these buildings modern and efficient places to work. The Committee recommends fully funding the FY 2010 repair and alteration program, which will allow for an increase in the level of renovations being made to Federally-owned buildings. This funding will allow GSA to locate more Federal employees in government-owned space, which will reduce the amount of office space being leased from the private sector and thereby reduce overall costs.

GSA typically requests funding for continued agency consolidations, new border stations, general infrastructure and development activities, non-prospectus level

construction, and Federal Judiciary projects. The Committee urges the full funding of GSA's construction program.

The Committee will continue to monitor GSA's leasing program. The Committee continues to be concerned about the rising amount of leased space being used to meet the requirements of the civilian branch of the Federal Government where Federal facilities are not available. The leasing program is increasing from year to year, largely as a result of the scoring rules implemented pursuant to the Budget Enforcement Act of 1990, which force GSA into short-term, expensive leases, to avoid the budget impact of a capital lease.

Emergency Management

Department of Homeland Security

The failed response to Hurricane Katrina made evident many shortcomings at the federal level, in general, and with the Department of Homeland Security ("DHS") and the Federal Emergency Management Agency ("FEMA"), in particular. Most of these shortcomings can be directly tied to FEMA's placement in the DHS bureaucracy. Since 2003, the Committee has held hearings showing a clear correlation between the absorption of FEMA into DHS and the deterioration of FEMA's effectiveness. Another reason for this trend it that since becoming a part of DHS, FEMA's emergency management mission has shifted toward a disproportionate focus on terrorism at the expense of other hazards. The country requires FEMA to once again function with the nimbleness and flexibility that was its hallmark before being placed within the DHS bureaucracy. Therefore, the Committee feels that FEMA would function best, and the country would be best served in times of disasters, if FEMA was once again an independent agency led by an Administrator with extensive experience in emergency management, reporting directly to the President.

Additionally, there are continuing tensions between homeland security grant programs and the all-hazards emergency management approach as was identified at hearings of the Subcommittee on Economic Development, Public Buildings and Emergency Management on "FEMA's Preparedness And Response To All Hazards" on April 27, 2007, "Readiness in the Post-Katrina and Post-9/11 World: An Evaluation of the New National Response Framework" on September 11, 2007, "FEMA's Response to the 2008 Hurricane Season and the National Housing Strategy" on September 23, 2008, and "Post-Katrina Disaster Response and Recovery: Evaluating FEMA's Continuing Efforts in the Gulf Coast and Response to Recent Disasters on February 25, 2009".

Federal Emergency Management Agency

Mitigation – For FY 2009, Congress enacted $125.7 million for mitigation grants including $90 million for Pre-Disaster Mitigation ("PDM") and $35.7 million for flood mitigation assistance ("FMA"). The PDM Program, which is authorized by the Committee on Transportation and Infrastructure, will sunset on September 30, 2009, if further action is not taken. Effective disaster mitigation spending reduces the costs incurred in managing the consequences of natural disasters. While there is no authorization level for PDM for FY 2010, in the 110th Congress the Committee reported and the House passed H.R. 6109,

which would have authorized an appropriation of $250 million for FY 2010. The Committee supports funding at this level.

Disaster Relief – For disaster relief programs administered by FEMA, the Committee recommends funding sufficient to meet the needs of communities hit by disasters. The total amount enacted for the Disaster Relief Fund ("DRF") to date in FY 2009 is $9.36 billion, an increase of $4.9 billion above the FY 2008 level of $5.07 billion. In addition, Congress enacted $295,000 for the Disaster Assistance Direct Loan account for FY 2009, a decrease of $580,000 from the FY 2008 funding level. The Committee supports the President's initiative to include more realistic estimates of disaster needs in the budget, and will closely monitor FEMA's ability to recover previous grants to meet the needs of the disaster relief program.

Flood Map Modernization – In FY 2009, Congress enacted $220 million for flood map modernization, the same level as was provided for FY 2008. Over the past several years, FEMA has engaged in an aggressive plan to modernize the nation's flood maps. As maps are modernized, the Committee supports FEMA's efforts to include risk identification for multiple hazards associated with these maps. The Committee supports fully funding this program to ensure that communities across the country have the most accurate information possible for insurance, planning, and mitigation activities.

Emergency Management Performance Grants ("EMPG") – The EMPG program is the Federal Government's principal grant program to build basic State and local emergency management capability. In FY 2009, Congress enacted $315 million for the EMPG program, an increase from the FY 2008 enacted level of $300 million. The Committee believes the program should remain a flexible program focused on building basic emergency management capability and recommends that it be funded at the authorized level of $487 million in FY 2010.

FIRE Grants - In FY 2009, Congress enacted $775 million in all hazard assistance to firefighters in small and large communities around the nation. Of this amount, $210 million was specifically targeted to Staffing for Adequate Fire and Emergency Response ("SAFER") grants, which help fire departments increase the number of frontline firefighters, and the remainder was for Assistance to Firefighter Grants ("Fire Grants"). This is an increase from the FY 2008 enacted levels of $750 million and $190 million respectively. In addition, the Recovery Act appropriated $210 million for modifying, upgrading, or constructing non-Federal fire stations. The authorization for the FIRE grant program expires in FY 2009. The Committee supports funding FIRE Grants in FY 2010 at least at the FY 2009 authorized level of $1 billion.

Homeland Security Grants – In FY 2009, Congress enacted $3.106 billion for Homeland Security Prevention and Protection Programs, up from $2.587 billion enacted in FY 2008. This amount includes $950 million for the State Homeland Security Grant Program (up from $890 million enacted in FY 2008), and $837 million for the Urban Area Security Initiative (up from $820 million enacted in FY 2008).

Smithsonian Institution

A recent GAO report indicated $2.5 billion is necessary over the next 10 years to address the Smithsonian's backlog of facility maintenance. The Recovery Act provided $25 million for repair and alteration to Smithsonian Institution facilities. However, continued instability in the amount provided for facilities at the Smithsonian Institution poses a serious risk to the vitality of the Smithsonian and its ability to carry out its core missions. A reduction in funding in past years has made such projects as restoration of the Arts and Industries building impossible at this time, even though this historic building has serious structural defects that have required its closure. Additionally, this lack of funding threatens the Smithsonian's accreditation due to its inability to maintain and update its collection, provide adequate security at its museums, continue to fund research, and provide adequate staffing. The Committee recommends funding the Smithsonian's construction and revitalization program at a level that will allow it to meet its basic needs while continuing its research and outreach activities.

Architect of the Capitol

The Committee is concerned about the mounting backlog of capital requirements and urges full funding for the AOC program. The Committee intends to exercise aggressive oversight over the Capitol buildings and grounds.

John F. Kennedy Center for the Performing Arts

P.L. 110-338 authorizes appropriations for the John F. Kennedy Center for the Performing Arts through FY 2012. In FY 2010, the Center is authorized $22.5 million for maintenance, repair, and security, and an additional $17 million for capital projects. The performing arts programming and administrative support for the Kennedy Center is financed by ticket sales, auxiliary and investment income, and through private donations. The Committee supports funding the Kennedy Center at the authorized levels to ensure that the Kennedy Center can continue to maintain its historic building and provide a world class venue for its myriad of programming activities.

Highways and Transit

FY 2010 presents a myriad of challenges to providing a strong investment in our surface transportation infrastructure. The Committee has begun work on new surface transportation authorization legislation that must maintain the strength of our economy and sustain our quality of life at a time when vehicle miles traveled are declining, revenues into the Highway Trust Fund ("HTF") have fallen, and our infrastructure is rapidly aging and deteriorating. To address these complexities will require bold, transformational legislation backed by a strong investment in our surface transportation infrastructure.

The report of the National Surface Transportation Policy and Revenue Study Commission ("the Commission"), which Congress created to determine the future needs of the surface transportation system, identified a significant surface transportation investment

gap, and calls for an annual investment level of between $225 and $340 billion – by all levels of government and the private sector – over the next 50 years to upgrade all modes of surface transportation (i.e., highways, bridges, public transit, freight rail and intercity passenger rail) to a state of good repair. The current annual capital investment from all sources in all modes of transportation is $85 billion.

To begin addressing these needs, Congress must reauthorize the federal surface transportation programs currently contained in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users ("SAFETEA-LU") that are set to expire on September 30, 2009. This new authorization will require significant investments to help reduce congestion, eliminate freight chokepoints, mitigate the impacts of our surface transportation system on the environment, reduce roadway fatalities, enhance our mobility and safety through innovation and technology, and provide modal choice for all users.

A new highway, transit, and highway safety authorization bill will also require a redefining of the federal role in surface transportation. According to the National Surface Transportation Policy and Revenue Study Commission, there are 108 federal surface transportation programs. We must redefine what our federal priorities are for the nation's surface transportation system.

Any increase in surface transportation investment must come with increased accountability and performance measures to ensure that taxpayer dollars are being used in ways that maximize the benefits received in return. Under most federal surface transportation programs, recipients of funding have significant flexibility in the use of funds, and tracking the benefits derived from these investments is difficult. The new authorization must be outcome-based and include mechanisms to allow Congress and the American public to see the benefits achieved from the investments made.

The core source of funding for the investment contained in the new authorization must continue to be user fee revenues. This unique financing mechanism is one of the primary reasons for the success of the nation's surface transportation network.

Unfortunately, the HTF is facing ongoing problems of solvency due to the declining revenues going into the trust fund. The cash balance in the Highway Account of the HTF has been falling steadily. The Highway Account had a balance of $22.55 billion at the end of FY 2000, but by the time the Transportation Equity Act for the 21st Century ("TEA 21") expired at the end of FY 2003, the balance had dropped to $13 billion. At the end of FY 2007, the balance in the Highway Account had declined further to $8.1 billion.

This balance was projected to be depleted during FY 2008. However, the Committee worked with the Committee on Ways and Means to address the projected shortfall in the Highway Account. On September 15, 2008, the Congress enacted H.R. 6532, a bill that restored $8 billion in user fee revenue to the HTF in order to maintain the solvency of the account. This legislation allowed for continued funding of the surface transportation programs authorized under SAFETEA-LU.

This legislation, however, was a short-term solution to a longer-term problem. Recent projections by the Congressional Budget Office ("CBO") show that the levels of

investment authorized under SAFETEA-LU are unsustainable under current revenue projections. A CBO analysis of its most recent HTF revenue estimates found that the HTF could support a highway investment level of approximately $20.5 billion in FY 2010. Therefore, if new revenues are not dedicated to the trust fund, the Federal-aid highway program must be cut in one-half in fiscal year 2010 to maintain the solvency in the trust fund.[7] The State-by-State funding cuts that would be required under this scenario are shown in Attachment A.

Although the issue of solvency of the Mass Transit Account of the HTF is less severe than for the trust fund as a whole, the Federal transit programs would also face a significant cut in FY 2010 to reach a program level that is sustainable under current revenue projections.

Without ways to bring new revenues into the HTF or significantly restructuring how our highway, transit, and highway safety programs are funded, these programs face sizeable cuts at a time when the nation's surface transportation network requires a substantial increase in investment just to maintain current standards. The Committee will continue to examine all current and potential methods of financing, including the federal motor fuel excise tax and alternatives to the current gas tax, to determine any and all appropriate methods of financing to be considered to provide a funding source for infrastructure investment.

Highways

Much has changed since the inception of the Interstate Highway System in 1956. The nation has undergone significant population growth, with the U.S. population doubling from 150 million to 300 million between 1950 and 2007. The nation's GDP has grown from $345 billion to $13 trillion. In 2005, there were more than three trillion vehicles miles traveled, five times the level experienced in 1955. These changes have resulted in many segments of the network handling much greater volume of traffic than originally projected – including the explosive growth in freight truck traffic due to the tripling of imports to the U.S. and doubling of exports since 1970.

These demographic changes are complicated by the fact that many aspects of the nation's highway infrastructure were constructed in the 1960s and 1970s, and are reaching the end of their useful design life and will require significant rehabilitation and reconstruction. As pavement structures reach 40 to 50 years of life, rehabilitation and resurfacing will no longer be sufficient and major portions of the nation's roadway network will require complete pavement and foundation reconstruction.

The impacts of these changes and the failure to provide sufficient investment levels and to adapt surface transportation programs to address these challenges are staggering. According to the Texas Transportation Institute's 2007 Urban Mobility Report, in 2005 wasted fuel and time translated into a total congestion cost of $78.2 billion in 2005 – $5.1

[7] Based on CBO's January 2009 baseline revenue assumptions, a Federal-aid highway program of $20.5 billion is the maximum program level that could be supported in FY 2010 without causing the cash balance of the Highway Account of the HTF to fall below zero.

billion higher than a year earlier – and that in 2005 drivers in 28 metropolitan areas experienced 40 or more hours of delay per year. In 1982, only Los Angeles experienced that level of congestion and delays.

This congestion is also increasing logistics costs. According to the Council of Supply Chain Management Professionals, between 2004 and 2005, after 17 years of decline, total logistics costs for U.S. companies increased by $156 billion. Overall, logistics costs accounted for 10.1 percent of the U.S. Gross Domestic Product in 2007, up from 9.9 percent in 2006 and 8.8 percent in 2004.

According to the most recent U.S. Department of Transportation's Conditions and Performance ("C&P") report, the average annual investment needed to maintain current highway conditions and user costs is projected to be $78.8 billion per year from all sources from 2005 to 2024. This is an increase of 2.3 percent over the projections made in the DOT's 2004 C&P report. The average annual level of investment required to improve highway conditions and performance is projected to be $131.7 billion over the 2005 to 2024 period.

Transit

According to the American Society of Civil Engineers, transit use has increased faster than any other mode of transportation. The American Public Transportation Association documented that Americans took 10.3 billion trips on public transportation in 2007, the highest level in 50 years. Ridership has continued to climb in 2008, with a 4.4 percent increase in trips taken during the first half of 2008 compared to the same period last year, putting 2008 on track to beat last year's modern record ridership numbers.

The infrastructure required to support these riders is extensive. There are more than 11,000 miles of transit system fixed guideway track, 3,000 transit rail stations, and more than 171,000 transit vehicles (buses, rail cars, and vans) in service. Unfortunately, numerous segments of the nation's public transportation infrastructure are in need of major repairs. For example, DOT's 2006 Conditions and Performance Report has found that fifty-one percent of urban rail passenger stations are rated as substandard, and nearly one-third of bus maintenance facilities are in an unacceptable condition. Additionally, 16 percent of elevated transit structures are substandard; 13 percent of underground transit tunnels are substandard; and 8 percent of transit track is in substandard condition. Some rail transit systems have been in service for 75 to 100 years, and need significant rehabilitation. Other newer transit systems have been growing at record levels and are facing a critical first phase of modernization needs.

At the same time that our nation's transit systems are struggling to maintain current services, more commuters are utilizing transit for their daily travel needs, increasing the importance of improving transit's availability, reliability and state-of-good-repair. Increased transit ridership is also a key element of reducing our reliance on foreign oil and promoting environmental sustainability. Achieving a level of public transportation usage comparable to the rate of Europeans – who use transit for roughly 10 percent of their daily travel needs – the United States could reduce its dependence on imported oil by more than 40 percent, nearly equal to the 550 million barrels of crude oil that we import from Saudi Arabia each

year. The Commission report found that a $32 billion annual investment could result in a doubling of transit ridership by 2020. Today, the total capital investment in public transportation from all sources is approximately $13 billion annually, so an additional $19 billion would be needed each year to reach this ridership goal.

Highway and Motor Carrier Safety

In 2007, 41,059 people lost their lives and almost 2.5 million people were injured in motor vehicle crashes. Motor vehicle crashes are now the leading cause of death and disability for American ages 2 through 34. According to the National Highway Traffic Safety Administration ("NHTSA"), the 6.2 million motor vehicle crashes cost an estimated $230.6 billion related to deaths, injuries, property damage, productivity losses, medical bills, and other related costs. In addition, crashes involving large trucks resulted in 4,808 fatalities and 101,000 injured persons in 2007.

In 1999, Congress established the Federal Motor Carrier Safety Administration ("FMCSA") as a separate modal agency within DOT and assigned this new agency responsibility for commercial motor vehicle safety. Congress charged FMCSA with a clear safety mission to "consider the assignment and maintenance of safety as the highest priority." The legislation establishing FMCSA further required DOT to report back to Congress on "quantitative progress toward reducing motor carrier fatalities by 50 percent by the year 2009." The agency has fallen well short of this goal. In 1999, over 5,365 individuals were killed in crashes involving motor carriers. Over six years, FMCSA's annual appropriation has increased more than 250 percent.

FMCSA oversees the safety of an industry of over 700,000 active motor carriers that operate nearly five million vehicles and employ over seven million drivers. One of the primary enforcement tools used by FMCSA is the Compliance Review process, which is an on-site examination of a motor carrier's records and operations to determine whether the carrier meets Federal safety standards, and whether adequate safety management controls are in place. FMCSA cannot conduct Compliance Reviews of all carriers annually due to resource constraints. Currently, FMCSA conducts a Compliance Review of less than two percent of carriers annually.

Research

Research activities within the Department of Transportation are coordinated by the Research and Innovative Technology Administration ("RITA"). RITA was created in 2004 as a successor to the Research and Special Programs Administration, and is charged with coordinating, facilitating, and reviewing the research and development activities of the Department.

The next authorization must increase investment in research and technology that will make our infrastructure safer, smarter, and more reliable. According to the Transportation Research Board, highway research programs are significantly underfunded compared with the level of research, development, and technology investment in other industrial sectors. Public and private highway research is funded at only about one-quarter the level of industrial research and development in the United States.

The next authorization must take steps towards closing that gap, with strong investments in highway research as well as research across all modes of surface transportation, including transit, motor carriers, walking, and bicycling. The legislation must create a research and technology program targeted at national goals in order to ensure that investments are being used to maximize benefits to the American taxpayers.

Railroads, Pipelines, and Hazardous Materials

Federal Railroad Administration

The Committee reauthorized the Federal Railroad Administration's ("FRA") rail safety program in the 110th Congress. The Rail Safety Improvement Act of 2008 ("Rail Safety Act") (P.L. 110-432) provides $1.625 billion for our nation's rail safety program over the period encompassing fiscal years 2009 through 2013. It implements a number of long-standing National Transportation Safety Board ("NTSB") recommendations by requiring all Class I railroads and intercity passenger and commuter railroads to install a positive train control system by December 31, 2015, on all main-line track where intercity passenger railroads and commuter railroads operate and where toxic-by-inhalation hazardous materials are transported, and authorizes $50 million a year through FY 2013 to assist railroads in meeting that requirement. The Act also reforms hours-of-service standards to provide train crews with more rest time; requires Class I railroads to provide emergency escape breathing apparatus for all crewmembers on freight trains carrying hazardous materials; and strengthens track and grade crossing safety.

The Rail Safety Act enhances railroad worker training; prohibits railroads from denying, delaying, or interfering with the medical treatment of injured workers; increases civil penalties for certain rail safety violations; enhances bridge and tunnel safety; establishes a program at the NTSB to assist victims and their families involved in a passenger rail accident, modeled after a similar aviation disaster program; and ensures that State governments are able to protect their citizens against environmental hazards, such as noxious fumes or leaks into groundwater, which could result from operation of a waste processing facility by a railroad.

Prior to enactment of the Rail Safety Act, the FRA's rail safety program had not been reauthorized since 1994; that authorization expired in 1998. Since that time, a number of high-profile accidents have demonstrated the need to take immediate steps to enhance rail safety.

Without full funding authorized in the Rail Safety Act, the FRA reports that it may be unable to fully implement the law. In a letter received by the Committee on February 9, 2009, the FRA states:

> The legislation was enacted during the pendency of a full range of existing rulemakings and other activities and while the agency was funded under a continuing resolution, the legislation required us to absorb new mandated costs. Although the Act authorizes additional resources, it does not provide them. Our current budget situation is very tenuous, given that we have been required to absorb salary increases for two years in a row, and staff members are fully occupied with existing duties mandated by prior legislation...accordingly, FRA will adjust priorities to the extent possible.

The Committee therefore urges full funding for FRA's safety activities at the authorized levels, including the $245 million authorized for FRA for FY 2010.

In addition, the Committee supports at least the FY 2009 funding level of $33.95 million[8] for the FRA research and development program. FRA's research and development projects contribute vital inputs to the FRA's safety regulatory processes, to railroad suppliers, to railroads involved in the transportation of freight, intercity passengers, commuters, and to railroad employees and their labor organizations.

Passenger Rail

The Committee reauthorized Amtrak in the 110th Congress. The Passenger Rail Investment and Improvement Act of 2008 ("Passenger Rail Act") (P.L. 110-432) provides a total of $13.06 billion over five years to help bring the Northeast Corridor to a state of good repair, and encourage the development of new and improved intercity passenger rail service through an 80-20 Federal/State matching grant program. It also provides $1.5 billion for the planning and development of high-speed rail corridors.

The Passenger Rail Act requires the Secretary of Transportation to issue a request for proposals for projects for the financing, design, construction, and operation of 10 federally-designated high-speed rail corridors and the Northeast Corridor. Proposals would need to meet certain financial, labor, and planning criteria, as well as a detailed description to account for any impacts on existing passenger, commuter, and freight rail traffic to be considered. If the Secretary receives a qualifying proposal, he would be directed to form a Commission to study any proposals received. The Secretary would issue a report to the Congress on the Commission's findings and his recommendations for each of the corridors. Any further action on a proposal would need legislative approval by Congress.

In addition, the Passenger Rail Act authorizes $1.5 billion for fiscal years 2009 through 2019 for capital preventive maintenance grants for the Washington Metropolitan

[8] Pursuant to H.R. 1105, the Omnibus Appropriations Act, 2009, as passed by the House February 25, 2009.

Area Transit Authority. The authorization of these funds is contingent upon local funding commitments by the District of Columbia, Maryland, and Virginia. The Passenger Rail Act also includes a number of measures to reform Amtrak's operations and Amtrak's financial and accounting procedures; improve Amtrak's on-time performance; reduce Amtrak's debt; and resolve disputes between commuter and freight railroads. The Act also extends the number of years a recipient of a Railroad Rehabilitation and Improvement Financing ("RRIF") loan would have to be repaid from 25 years to 35 years. These loans will help railroads, States, government-sponsored authorities, and shippers improve capacity. Funding from the RRIF program can also be used to develop intercity and high-speed rail systems and purchase and install positive train control systems.

On February 17, 2009, Amtrak submitted its Legislative and Grant Request to Congress for FY 2010. This request, and accompanying documentation, supports funding for Amtrak of $1.840 billion in FY 2010, including $580 million for operating assistance, $975 million for capital grants, $264 million for debt service, and $21 million for the Office of Inspector General at Amtrak. The Committee supports funding of at least $1.840 billion for Amtrak in FY 2010.

The Committee supports fully funding the initial President's Budget request of $5 billion for high-speed rail over the next five years. Building on the $8 billion for high-speed rail included in the American Recovery and Reinvestment Act of 2009, this additional funding will lead to the creation of several high-speed rail corridors across the country linking regional population centers. In the Passenger Rail Investment and Improvement Act of 2008 (P.L. 110-432), the Committee authorized a High-Speed Rail Corridor Development program (section 501), Additional High-Speed Rail Projects (section 502), and Capital Assistance for Intercity Passenger Rail Service (section 301).

The Committee also supports full funding for activities needed to develop a new rail tunnel alignment in Baltimore, Maryland, that would permit an increase in train speed and service reliability, as authorized by Section 304 of the Act. The Baltimore Tunnel is over 100 years old. While resources have been devoted to improve the tunnel, it has been long recognized that the tunnel needs to be replaced. In 2005, the DOT reported that the Baltimore Tunnel is of National significance and should be replaced: "Baltimore's railway network is so antiquated and underdeveloped, and so important to the Nation's transportation system, as to fully justify the Congressional request for this analysis." It also stated that "...further incremental repairs to existing facilities, other than for purposes of safety and operational continuity, will not address any of the inherent geometric problems that plague the transit of Baltimore by rail." The DOT also recommended potential new rights of way for a new tunnel.

Finally, the Committee supports funding for the Next Generation Corridor Train and Equipment Pool, which will design, develop specifications for, and procure standardized next-generation corridor equipment, as authorized by Section 305 of the Act; and the Rail Cooperative Research Program, which is intended to address enhanced intercity and high-speed passenger rail services and new technologies, as authorized by Section 306 of the Act.

Pipelines and Hazardous Materials

In 2005, the Committee reauthorized and strengthened the DOT's hazardous materials transportation safety program in SAFETEA-LU. To carry out the program in FY 2008, Congress authorized $30 million for hazardous materials safety and $28.3 million for emergency preparedness grants, including $21.8 million for State, territory, and tribal grants; $4 million for hazmat employee training grants; $1 million for firefighter training grants; $625,000 for publishing and distributing the Emergency Response Guidebook; $200,000 for the public sector training curriculum; and $150,000 for monitoring technical assistance.

Although the program expired in 2008, the Committee intends to reauthorize the program in 2009. The Committee supports funding for FY 2010 at the FY 2009 level included in H.R. 1105 as passed by the House on February 25, 2009.

For pipelines, the Committee reauthorized and strengthened the Department's pipeline safety program with enactment of the Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006 ("PIPES Act") at the end of the 109th Congress. Congress authorized $96.58 million for FY 2010 to carry out the pipeline safety program, including $20 million from the Oil Spill Liability Trust Fund. In addition, Congress authorized $10 million to assist States, counties, and local governments in high consequence areas in emergency response management, training, and technical assistance; $1 million in grants for technical assistance to local communities and groups of individuals relating to the safety of pipeline facilities in local communities; and $1 million for One Call grants to States. The Committee supports funding at the authorized levels.

Water Resources and Environment

Army Corps of Engineers

The Committee supports Federal investment in the Civil Works program at levels sufficient to address the nation's current and future needs for navigation, flood damage reduction, and environmental restoration. In total, the Committee recommends an appropriation of $8.0 billion for the Corps of Engineers for FY 2010. The President's recommendation for FY 2010 is $5.1 billion. A detailed break-out of the Committee's recommended funding level by program is provided below.

Our existing aging infrastructure must be modernized and adequately maintained. With a growing backlog of Corps construction and maintenance projects, including projects and studies authorized through enactment of the Water Resources Development Act of 2007, and given the importance of these water resource projects to the economy, the Committee believes the Corps should be funded at the level that allows it to achieve its full capability.

With trade expanding and highways and railways congested, efficient water navigation must be provided and maintained. The ports and waterways constructed and maintained by the Corps program also assist in the movement of military equipment for

overseas deployment. While much has been done to discourage development in floodplains, there are still many areas where floods create tremendous economic and personal hardship.

The vast array of navigation and flood damage reduction infrastructure is important to the nation's economy, and a secure economy is a necessary part of a secure nation. But this infrastructure has suffered from many years of inadequate funding for maintenance and replacement. The capital stock value of Corps water resources infrastructure has been decreasing since the late 1970s. Significant increases in investment for maintenance of existing facilities and the construction of modern ones are urgently needed.

In the 110th Congress, in an effort to address the growing need for navigation, flood damage reduction, and environmental restoration projects, the Water Resources Development Act of 2007 ("WRDA 2007") was enacted. This important legislation authorized approximately $23 billion in Federal assistance for new Corps projects and studies, and modifications to existing Corps projects. The Committee supports appropriation levels for FY 2010 and beyond that will allow the Corps to proceed expeditiously with carrying out the projects and studies contained in WRDA 2007 and prior water resources development acts, including key national priorities within the Corps mission areas, such as restoration of the Florida Everglades, navigation and environmental restoration projects along the Upper Mississippi River and Illinois Waterways, and efforts to restore the Louisiana Coastal Area.

Investigations

The Corps must conduct new studies to determine where there is federal interest in water resource development. Recent Presidential budget requests for the Investigations account have proposed funding levels far below Corps' capability, and have had a negative impact on the continued development of justified projects.

In addition, an underfunded Investigations account places the nation at risk of losing the skills developed by Corps personnel as they plan and design civil works projects. Because the Corps is both a civilian and a military organization, these skills directly benefit the Corps' military mission, as demonstrated by the current deployments of Corps personnel to Iraq and the substantial involvement of Corps districts and laboratories in managing infrastructure improvements in Iraq. The Corps also responds to domestic and international emergencies, such as Hurricane Katrina in August 2005.

The Committee recommends an appropriation of $300 million for the Investigations account in FY 2010 to support the core capabilities of the agency, maintain a steady flow of good investment options that will provide economic benefits and protect and restore the aquatic environment, and provide funding for ongoing project studies and studies authorized by WRDA 2007 or through Study Resolutions of the Committee on Transportation and Infrastructure.

Construction

The Committee supports funding for the Construction account sufficient to sustain a steady and reliable pace for ongoing construction projects, as well as initiate construction on

priority projects throughout the Corps' missions of navigation, flood damage reduction, and environmental restoration. Recent Presidential budget requests for the Construction account have proposed funding levels far below the Corps's construction capability. Reduced funding levels draw out the construction period for most projects and delay the start of new investments.

The Committee is concerned that insufficient funding levels for the Construction account will increase the cost of completing projects and will delay the national economic and ecosystem restoration benefits that these investments provide. The Committee supports funding the Construction account at a level that would allow for completing more projects in an efficient manner. The Committee recommends an appropriation of $3.4 billion for the Construction account in FY 2010 to fund the construction of vital ongoing projects at the Corps' capability and begin construction of projects authorized in the WRDA 2007.

Operation and Maintenance

The Committee supports funding for the Operation and Maintenance account sufficient to meet the Corps' needs for dredging, repairs, and other traditional operation and maintenance activities. With much of the nation's inland navigation infrastructure at or past its design life, the Committee supports funding that is sufficient for addressing the growing backlog of maintenance projects. The Committee is concerned that sustained low funding will limit the navigability of our ports and waterways, reduce flood damage reduction benefits and hydropower production, and imperil environmental benefits. For example, unscheduled lock closures have been increasing significantly, shutting down rivers, disrupting the movement of goods, and harming the economy.

The Committee recommends an appropriation of $3.2 billion for the Operation and Maintenance account in FY 2010.

Harbor Maintenance Trust Fund

The Committee remains concerned about the surplus in the Harbor Maintenance Trust Fund. As of the end of FY 2008, the surplus in this fund was $4.652 billion. This fund is supplied by taxes paid by users of ports and is meant to pay for harbor maintenance projects.

For years, more funds have been collected than have been appropriated and a large surplus in the Trust Fund has accumulated. This problem has not been caused by a lack of needed port maintenance dredging. To the contrary, the Corps of Engineers has had the capability to execute a far greater amount of work on nationally significant water projects authorized by Congress. The constraint on the performance of this valuable work has been the limited level of funding appropriated from the Trust Fund. The result has been unnecessary cost increases, significantly delayed completion dates, and delays in realizing transportation savings. At a minimum, the Committee supports annual appropriations from the Harbor Maintenance Trust Fund for authorized purposes consistent with annual collections to the Fund.

Inland Waterways Trust Fund

The Committee is aware of the declining revenues in the Inland Waterways Trust Fund, which is derived from a 20-cent-per-gallon tax on diesel fuel for commercial vessels engaged in inland waterway transportation, plus investment income. The Trust Fund is used to pay one-half of the costs associated with the construction, replacement, expansion, and major rehabilitation of Federal inland waterways projects. As of the end of FY 2008, the Inland Waterways Trust Fund had a surplus of just $27 million.

On February 26, 2009, the initial President's Budget indicated that the Administration will propose to phase out the current funding source for the Inland Waterways Trust Fund, and in its place, to implement a lock user fee. As it did with the previous administration's similar proposal, the Committee continues to express reservations with any proposal to raise the costs of shipping goods along the inland waterway system.

Regulatory Program

The Committee supports funding for the Corps' regulatory program at levels sufficient to ensure efficient and effective permit review, compliance, and enforcement, and to allow projects that require a Corps of Engineers' permit to be addressed in a timely manner Recent Presidential Budget requests for the Corps' regulatory program have proposed funding levels far below the level necessary to meet Corps' performance measures on reaching final permit decisions on general and individual permits within a targeted period of time, and on maximizing compliance and enforcement of existing general and individual permits

The Committee is aware of continued delays within the Corps' regulatory program for processing individual and general permit application requests and ensuring compliance with existing permits, in accordance with the Rivers and Harbors Appropriations Act of 1899, the Federal Water Pollution Control Act Amendments of 1972 (more commonly known as the Clean Water Act), and the Marine Protection, Research and Sanctuaries Act of 1972. According to Assistant Secretary of the Army (Civil Works) John P. Woodley's FY 2009 Budget statement from one year ago, the U.S. Supreme Court decision in *Rapanos* and *Carabell* has resulted in additional field documentation, coordination, and evaluation work for Clean Water Act permits

The Committee supports an appropriation of $300 million for the Regulatory account of the Corps of Engineers. At this level, the Corps should meet and potentially exceed its performance measures for permit review, compliance, and enforcement.

Remaining Accounts

The Committee supports an appropriation of $400 million for the Mississippi River and Tributaries account for FY 2010.

The Committee supports an appropriation of $200 million for the Formerly Utilized Sites Remedial Action Program ("FUSRAP") account for FY 2010.

The Committee supports an appropriation of $200 million for the Expenses account for FY 2010.

Natural Resources Conservation Service

The Committee has jurisdiction over the following programs of the Natural Resources Conservation Service ("NRCS"): Watershed Surveys and Planning, Watershed Protection and Flood Prevention Operations, and Watershed Rehabilitation. The Committee supports an appropriation of $120 million for NRCS to carry out its Watershed Surveys and Planning, Watershed Protection and Flood Prevention Operations, and Watershed Rehabilitation programs, plus additional funding to address emergency watershed protection measures that typically require $100 million annually.

Environmental Protection Agency

For water infrastructure programs administered by the Environmental Protection Agency ("EPA"), the Committee recommends levels adequate to address the increasing need for capitalization grants for Clean Water State Revolving Funds ("Clean Water SRFs") and core programs under the Clean Water Act. Meeting the increasing need and the widening wastewater infrastructure financing gap will require an increase in the authorization levels and accompanying appropriations.

To this end, the Committee strongly supports the initial President's Budget request for the Clean Water SRF program, which would significantly increase the Federal commitment to restoring and maintaining the nation's water quality to $2.4 billion in fiscal year 2010.

In the 111th Congress, the Committee will consider legislation similar to H.R. 720, the "Water Quality Financing Act of 2007", introduced in the 110th Congress, to address these needs. Title I of H.R. 1262, introduced by Chairman James L. Oberstar on March 3, 2009, authorizes $13.8 billion over five years for the Clean Water SRF.

The Committee supports significant Federal appropriations for the Clean Water SRF, starting at least at $2.4 billion for FY 2010, to help State and local governments meet their wastewater infrastructure needs.

The Committee supports increased Federal funding for efforts to control nonpoint sources of pollution, including the nonpoint source management program authorized by section 319 of the Clean Water Act. The Committee is concerned that, in the years since enactment of the 1972 Clean Water Act, the single largest-remaining and uncontrolled contributor of pollutants to the nation's waters is nonpoint sources. In fact, EPA has estimated that 90 percent of the nation's impaired waters are contaminated, in part, by nonpoint sources of pollution. According to the most recent EPA Clean Watersheds Needs Survey, total nonpoint source needs over the next 20 years are, at a minimum, $38 billion or $1.9 billion annually on average. The Committee supports an appropriation of $1 billion for FY 2010 for EPA's nonpoint source management program authorized by section 319 of the Clean Water Act.

The Committee supports increased Federal funding for State water quality management programs under Section 106 of the Clean Water Act. Prevention and control measures supported by State water quality management programs include Clean Water Act permitting, pollution control activities, surveillance, monitoring, enforcement, local governmental training, and public information. The Committee supports an appropriation of $400 million for FY 2010 for State water quality management programs under section 106 of the Clean Water Act.

The Committee supports increased Federal funding for water quality cooperative agreements and grants, and wastewater operator training grants authorized by section 104 of the Clean Water Act. Section 104(b)(3) of the Clean Water Act authorized Federal grants to state water pollution control agencies, interstate agencies, municipalities, Indian tribes and other nonprofit institutions to promote the prevention, reduction and elimination of pollution, with priority consideration given to watershed protection, and activities addressing stormwater, combined sewer overflows, mining, on-site systems, and animal feeding operations. Section 104(g)(1) of the Clean Water Act authorizes funding for the wastewater treatment plant operator on-site assistance training program, which provides small publicly owned treatment works with on-site training and other technical operation and maintenance assistance. The Committee supports a combined appropriation of $25 million for FY 2010 for water quality cooperative agreements and grants authorized by section 104(b)(3) of the Clean Water Act and the wastewater treatment plan operator on-site assistance training program authorized by section 104(g) of the Clean Water Act.

The Committee supports increased Federal funding for projects and activities related to the remediation of contaminated sediment in the Great Lakes' areas of concern, as authorized by the Great Lakes Legacy Act, as amended by P.L. 110-365. The Committee supports funding projects eligible under section 118(c)(12) of the Clean Water Act at authorized levels for FY 2010.

The Committee supports funding projects and activities eligible under the National Estuaries Program (section 320 of the Clean Water Act), section 117 of the Act (Chesapeake Bay), section 118 of the Act (Great Lakes), section 119 of the Act (Long Island Sound), and section 120 of the Act (Lake Champlain) at authorized levels for FY 2010.

For the Superfund program administered by the EPA, the Committee recommends funding at a level commensurate with current program needs and as necessary to maintain the average number of construction completions over the past 10 years. As with the Corps of Engineers Civil Works Program, the Committee recommends funding for the Superfund program at a level that matches its capability, so that no cleanup projects fail to advance due to lack of funding, delaying public health and environmental benefits, as well as economic benefits derived from returning sites to productive use.

The Committee supports funding the brownfields program at authorized levels. The Small Business Liability Relief and Brownfields Revitalization Act (P.L. 107-118) authorizes $200 million annually for brownfields site assessments, cleanup, research, technical assistance, and job training, which has traditionally been funded out of the State & Tribal Assistance Grants ("STAG") account. The Committee recommends full funding of this

authorization. These funds are used to assess and physically clean-up sites. The Small Business Liability Relief and Brownfields Revitalization Act also authorizes $50 million annually in grants to States to fund State voluntary cleanup programs, which also has traditionally been funded out of the STAG account. The Committee recommends full funding of this authorization.

Tennessee Valley Authority

Since FY 2001, 100 percent of the Tennessee Valley Authority's ("TVA's") power and non-power programs have been funded through its power revenues and TVA has received no appropriated funds. However, the Committee will exercise its oversight responsibilities over the agency in FY 2010, including a review of TVA's cleanup of the Kingston Coal Ash spill.

Saint Lawrence Seaway Development Corporation

The Saint Lawrence Seaway Development Corporation is a wholly-owned government enterprise created in 1954 to construct, operate, and develop jointly with Canada a seaway between Montreal and Lake Erie. Funding for operation and maintenance of Seaway facilities is appropriated from the Harbor Maintenance Trust Fund, which derives its revenue from a 0.125 percent tax on the value of cargo loaded or unloaded at U.S. ports, as well as from tolls collected on the Saint Lawrence Seaway.

The Saint Lawrence Seaway Development Corporation has developed a 10-year U.S. Asset Renewal Program Capital Investment Plan for navigation infrastructure and facilities, including lock operation upgrades and maintenance, waterway management, tunnel and bridge maintenance, and facility upgrade and maintenance. The total cost of the 10-year asset renewal program is $164,605,000, which is authorized by section 5015 of the Water Resources Development Act of 2007 (Pub. L. 110-114).

The Committee strongly supports sufficient appropriations in FY 2010 and beyond to carry out the long-term asset renewal plan of the Seaway.

Attachment A

Federal-aid Highway Formula Funding

Comparison of FY 2009 Highway Formula Funding
and FY 2010 Estimated Highway Formula Funding

State	FY 2009	FY 2010	Difference
Alabama	$664,181,764	$323,042,100	**-$341,133,274**
Alaska	$290,717,063	$154,217,993	**-$136,439,656**
Arizona	$672,374,585	$334,869,664	**-$337,358,012**
Arkansas	$410,847,021	$199,994,669	**-$210,760,572**
California	$3,002,777,749	$1,432,345,932	**-$1,569,748,241**
Colorado	$451,065,359	$214,783,221	**-$236,179,288**
Connecticut	$422,828,746	$206,115,961	**-$216,618,453**
Delaware	$129,898,054	$61,742,815	**-$68,125,573**
Dist. of Col.	$126,772,019	$57,706,434	**-$69,035,523**
Florida	$1,690,108,775	$856,100,538	**-$833,645,210**
Georgia	$1,119,611,475	$563,579,972	**-$555,803,804**
Hawaii	$136,011,037	$62,764,714	**-$73,214,439**
Idaho	$244,839,686	$121,609,146	**-$123,176,900**
Illinois	$1,121,712,771	$545,780,494	**-$575,681,587**
Indiana	$852,499,523	$429,189,026	**-$423,126,239**
Iowa	$384,432,661	$180,874,932	**-$203,469,124**
Kansas	$327,579,516	$150,648,053	**-$176,854,449**
Kentucky	$568,095,523	$278,019,163	**-$289,997,358**
Louisiana	$555,575,744	$265,997,058	**-$289,452,639**
Maine	$139,283,908	$62,993,021	**-$76,257,679**
Maryland	$518,543,985	$244,756,979	**-$273,684,396**
Massachusetts	$531,894,794	$245,434,685	**-$286,335,419**
Michigan	$926,977,662	$445,455,717	**-$481,312,349**
Minnesota	$523,448,534	$253,625,570	**-$269,705,516**
Mississippi	$389,213,117	$185,568,894	**-$203,561,651**
Missouri	$762,024,021	$372,601,804	**-$389,252,711**
Montana	$315,817,904	$158,032,540	**-$157,716,683**
Nebraska	$244,575,447	$114,536,553	**-$129,982,291**
Nevada	$256,097,971	$125,229,109	**-$130,811,898**
New Hampshire	$146,151,389	$69,434,591	**-$76,683,405**
New Jersey	$859,742,154	$418,355,207	**-$441,194,820**
New Mexico	$310,184,441	$150,601,494	**-$159,513,483**
New York	$1,450,156,103	$683,146,648	**-$766,686,958**
North Carolina	$930,622,868	$458,051,687	**-$472,405,295**
North Dakota	$207,347,401	$97,167,806	**-$110,131,637**
Ohio	$1,147,361,001	$560,436,769	**-$586,696,214**
Oklahoma	$504,786,983	$241,591,918	**-$263,080,502**
Oregon	$372,563,076	$174,888,132	**-$197,588,901**
Pennsylvania	$1,443,922,086	$687,506,437	**-$756,221,567**
Rhode Island	$163,809,919	$74,085,239	**-$89,685,625**
South Carolina	$548,969,028	$271,636,079	**-$277,220,908**
South Dakota	$217,374,734	$104,962,264	**-$112,363,539**
Tennessee	$704,208,483	$346,845,935	**-$357,236,815**
Texas	$2,868,608,137	$1,434,840,702	**-$1,433,143,347**
Utah	$259,427,213	$125,124,130	**-$134,244,624**
Vermont	$134,115,890	$60,864,397	**-$73,219,607**
Virginia	$859,531,139	$421,978,151	**-$437,408,596**
Washington	$556,453,022	$257,327,936	**-$298,994,883**
West Virginia	$350,067,330	$175,610,671	**-$174,424,426**
Wisconsin	$642,654,090	$322,546,216	**-$319,968,538**
Wyoming	$215,495,030	$102,709,807	**-$112,736,130**
SUBTOTAL	**$32,673,357,931**	**$15,887,328,973**	**-$16,779,290,754**

*This table is based on Federal Highway Administration technical assistance comparing FY 2009 highway formula funding, pursuant to H.R. 1105, as passed by the House on February 25, 2009, and the Congressional Budget Office's estimated sustainable FY 2010 funding for the Federal-aid Highway Program.