VIEWS AND ESTIMATES
OF THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
FOR FY 2006

Overview

Enactment of H.R. 3, the Transportation Equity Act: A Legacy for Users (TEA-LU), continues to be the Committee's highest legislative priority for the upcoming year. This legislation will set the course for highway, highway safety, truck safety, and public transit programs for the remainder of this decade. It must also ensure the integrity of the Highway Trust Fund, and the ability of the Trust Fund to meet our nation's surface transportation infrastructure needs.

The Committee considers the Administration's surface transportation funding proposal of $284 billion for FYs 2004 through 2009 to be an adequate point at which to resume deliberations on surface transportation reauthorization legislation. However, the Committee is extremely disappointed in the Administration's funding proposal for aviation programs. Under the President's Budget, aviation capital programs would receive $5.448 billion, $1.2 billion or 18 percent less than the level guaranteed by Vision 100. This reduction will only serve to accelerate the impending crisis of congestion and delays in our nation's aviation system.

America has one of the fastest-growing economies of any major industrialized nation in the world. Inflation, interest rates, and mortgage rates remain at historically low levels. The economy has posted steady job gains in recent months – creating over 2.7 million jobs in the past year and a half. The unemployment rate dropped from a peak of 6.3 percent in June 2003 to 5.2 percent today. All of these factors combined are a reminder that our economy is a powerful engine – one that relies heavily on a well-funded and efficient national transportation network.

Under-investment in our nation's transportation and infrastructure needs is penny-wise and pound-foolish. Economic growth depends on a transportation system that moves people and goods efficiently. By allowing congestion to grow more and more each year, we are putting our economy, global competitiveness, and quality of life at risk.

Transportation Investment Leads to Economic Growth

Increased investment in transportation infrastructure has far-reaching impacts 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 1800's – 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.

Our nation's highways, transit and rail systems, pipelines, 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 2003, transportation-related goods and services contributed $1,150 billion, or 10.5 percent, to the total U.S. Gross Domestic Product of $11 trillion. Economic growth and vitality are also dependent upon high quality water and wastewater infrastructure systems.

In addition to facilitating economic growth, our transportation system has a direct and significant impact on the daily lives of nearly all Americans. The average household spends 19 percent of its income on transportation, more than on any other expense except housing, and the average person travels 40 miles each day.

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 42,000 highway fatalities each year could be prevented by building better roads and improving the safety features of existing roads.
- Safer systems to accommodate the transport of hazardous materials, estimated at more than 1.2 million shipments per day and an annual movement of 4 billion tons.
- Fewer delays for the estimated 755 million passengers who will travel by air in fiscal year 2006.
- Facilities to accommodate the over one billion air passengers projected to travel each year beginning in 2015.

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.

<u>Congestion Crisis</u>

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 plus 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 plus the District.

According to the Texas Transportation Institute's 2004 Urban Mobility Study, which studies congestion in the nation's 85 largest urban areas, traffic congestion has increased everywhere, in areas of all sizes. 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 12 percent of peak period travel time. In 2002, extreme or severe congestion occurred during 40 percent of peak period travel.

Free-flowing travel conditions have been reduced by more than half. In 1982, free-flowing conditions occurred during 70 percent of peak period travel. In 2002, free-flowing conditions occurred during just 33 percent of peak period travel. In practical terms, this means that the number of hours of the day when congestion might be encountered has grown from about 4.5 hours to about 7.1 hours.

The extra time needed for rush hour travel has tripled over the last two decades. The national average Travel Time Index for 2002 was 1.37 (meaning a rush hour trip took 37 percent longer than a non-rush hour trip). The national average in 1982 was only 1.12.

As congestion increases, so does the cost it imposes both on our economy and on motorists. Traffic congestion cost motorists in the nation's 85 largest urban areas a staggering $63.2 billion in 2002 in terms of wasted time and fuel, $2.2 billion more than in 2001. This equates to an average annual cost per traveler in the 85 urban areas of about $829. 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.

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 addition, 5.7 billion gallons of fuel were wasted in 2002 due to traffic congestion in these cities alone. This amount of fuel would fill 570,000 gasoline tank trucks that -- if placed back-to-back -- would stretch from New York to Las Vegas and back again.

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.

The slowing economy and the terrorist attacks of September 11, 2001, temporarily reduced aviation congestion in 2001 and 2002. However, passenger traffic strongly rebounded in 2004 due to lower airfares resulting from the growth in low cost carriers, increases in airline seat capacity, and the improving national economy. With the rebound in traffic, the number of late arrivals has increased dramatically. Although these delays have not reached the gridlock of 2000, they are a warning of things to come. According to the Federal Aviation Administration (FAA), air passenger traffic in 2005 will surpass the record-high levels experienced in 2000. The passenger traffic levels in 2000 (698 million passengers) resulted in airline delays that were the worst in history and cost the U.S. economy an estimated $9 billion.

The FAA also forecasts that, over the ten-year period from 2006 through 2016, aviation passenger traffic is expected to increase by 39 percent, to over one billion passengers. This growth will place even greater demands on a system that was already delay-plagued at the passenger traffic level experienced in 2000.

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.

<u>Infrastructure Investment Needs</u>

To alleviate congestion and reap the economic benefits of an efficient transportation system, our transportation infrastructure needs must be met. These needs are significant:

- $53.6 billion a year for the federal highway and transit programs just to maintain existing highways, bridges, and transit systems at their current conditions, or $74.8 billion a year to improve conditions.
- $15 billion a year in airport capital needs, excluding new security costs, which are expected to total roughly $4-5 billion.
- $3 billion per year from FYs 2004 - 2008 to meet the capital needs of the Federal Aviation Administration, including modernization of the air traffic control system.
- Between $6-7 billion over the next 15 years to restore the rail corridor between Washington, D.C., and New York City to a good state of repair.
- Up to $6.9 billion to upgrade shortline and regional railroads to accommodate heavier rail cars.
- $2.4 billion per year in federal and nonfederal funds to improve ports.
- $4 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 1.3 billion tons of cargo, valued at $764 billion, passing through our nation's ports each year, we must ensure adequate infrastructure to meet the growing demands of international trade. Investments of at least $2.4 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. Forty-nine 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, delays are likely to continue to rise.

Immediate construction needs for the inland waterway system are valued at $4 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 of 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. 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. 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 the private sector, will be needed to close the gap between current spending and projected needs.

We are continuing to under-invest in buildings that house federal employees and the judiciary. 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 $35 billion. The Public Buildings Service estimates a $6.5 billion backlog of investment needs to repair and modernize existing Federal buildings, more than $800 million over previous estimates. At the current level of funding, many buildings are having basic repair needs, such as elevator replacement and roof repairs that are being delayed due to the shortfall in the Federal Buildings Fund.

Transportation Trust Funds

To help meet some of the infrastructure investment needs discussed above, Congress, over time, established a series of trust funds to collect user fees and then invest those funds on capital improvements. Specifically, the funds are the Highway Trust Fund, the Airport and Airway Trust Fund, the Inland Waterways Trust Fund, and the Harbor Maintenance Trust Fund. 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.

Each of these trust funds has the following characteristics: 1) wholly self-financed by the users; 2) dedicated revenue sources; 3) self-supporting, operating on a pay-as-you-go basis; 4) deficit proof; and 5) invests in infrastructure programs. With the general exception of the Harbor Maintenance Trust Fund, each of the transportation trust funds also finances long-range construction programs that benefit from certainty in funding.

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 the Transportation Equity Act for the 21st Century (TEA 21), the Aviation Investment and Reform Act for the 21st Century (AIR 21), and the Vision 100 – Century of Aviation Reauthorization Act (Vision 100), upheld the contract for the Highway and Aviation Trust Funds, balances in the two remaining funds continue to be held hostage to a budget process that fails to recognize the unique nature of these funds. At the end of FY 2006, the Inland Waterways balance is estimated to be $228 million and the Harbor Maintenance balance is estimated to be $3.1 billion. Under the President's Budget request, the Harbor Maintenance Trust Fund balance is rising because the Budget proposes to eliminate the maintenance of many harbors. The Budget does spend down some of the surplus in the Inland Waterway Trust Fund, however, currently authorized waterways construction and harbor maintenance needs are not being met. The Committee supports the continued maintenance of all authorized ports and harbors, and the Harbor Maintenance Trust Fund contains sufficient funds to do so.

Similar to the reforms achieved in TEA 21, AIR 21, and Vision 100 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 the extension of the discretionary spending caps, is of significant interest to this Committee. The Transportation and Infrastructure Committee is strongly opposed to any extension of the spending caps beyond FY 2002 that is done in a manner that could prejudice the reauthorization of TEA 21. We are prepared to work with the Budget Committee on legislation to extend both the discretionary and the TEA 21 spending caps to ensure that the principles of TEA 21 and Vision 100 are maintained in the future. In addition, we will continue to work with the Budget Committee to ensure that the guaranteed nature of highway, highway safety, and transit funding is continued through an extension of the funding guarantees in section 8103 of TEA 21.

Coast Guard Funding Needs

In addition to the infrastructure investment needs discussed above, the Committee is also concerned about Coast Guard funding needs. The President requests $8.1 billion in fiscal year 2006 for U.S. Coast Guard activities, which is a $571 million, or an 8 percent increase, over the total amount enacted for fiscal year 2005, including fiscal year 2005 emergency supplemental funds. The Coast Guard request is designed to carry out three primary objectives for the Coast Guard in fiscal year 2006:

(1) to recapitalize the Coast Guard;
(2) to implement the maritime strategy for homeland security; and
(3) to enhance mission performance.

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

The President's FY 2006 request includes $966 million for the Deepwater program, the Coast Guard's integrated capital asset replacement program. This is a $242 million increase over FY 2005. While the Committee commends the long-overdue increase in the Deepwater program, we remain concerned that this level of funding will result in an implementation schedule well over the original 20 year goal. The Committee is committed to accelerating the completion of the Deepwater program by supporting funding at an annual level of at least $1.1 billion.

Economic Development Program Consolidation

The Committee is very concerned about the Administration's "Strengthening America's Communities" proposal , which consolidates and reduces the level of funding for important economic development programs and eliminates the Economic

Development Administration (EDA). EDA has a long and successful history of creating jobs and increasing the economic vitality of communities through infrastructure improvement projects. EDA is the only economic development agency to receive a high score from the Office of Management and Budget's Program Assessment Rating Tool. The Committee believes that any economic development consolidation initiative must build upon the proven success of the Economic Development Administration.

First Responder Funding

The Committee is also very concerned about the Administration's proposal to reduce the amount of funding for first responders. Our nation's first responders must be assured adequate equipment and training. To ensure the most effective response to disasters, every state must be able to maintain a minimum level of preparedness.

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 February 16, 2005. 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, 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.

Transportation Security

The President's Budget proposes to increase the aviation security fee from $2.50 per enplanement to $5.50 per enplanement. The Committee opposes placing this increased burden on our struggling civil aviation industry, which is now in its fifth consecutive year of multi-billion dollar losses. These losses are now approaching an estimated $30 billion over the five-year period from 2001 - 2005.

Additionally, there is no direct correlation between the proposed increase in the aviation security fee and the purchase of new or additional security. While the Administration's requested increase in the security fee will generate roughly an additional $2 billion in revenue for FY 2006, the Administration's FY 2006 request only increases TSA's aviation security budget by $406 million.

The tragic events of September 11, 2001, in which commercial aircraft were used as weapons to destroy thousands of lives on the ground, clearly demonstrated that aviation security is a national security issue of concern to all Americans, not just aviation passengers. As recognized by Congress in passing the Aviation and Transportation Security Act, "the safety and security of the civil air transportation system is critical to the security of the United States and its national defense, and…essential to the basic freedom of America to move in intrastate, interstate and international transportation."[1] Therefore, a substantial portion of the cost of aviation security should be paid by the general fund of the U.S. Treasury.

The airlines will pay roughly $3 billion in fees to the Department of Homeland Security in FY 2005, including aviation security fees, border security fees, Customs fees, and other inspection fees. In addition to these fees, an airline industry association estimates that unfunded Federal security mandates cost the airlines an additional $1.3 billion each year. This $1.3 billion cost is the result of both foregone revenue (due to freight and mail restrictions, Federal Air Marshal displacement, and suspension of the Transit Without Visa and International-to-International programs), and unreimbursed security expenses (such as security-related increases in airport charges, airline capital modification costs, screening of catering supplies, checkpoint document verifiers, exit lane monitors, ramp and airfield security, cabin sweeps, cargo screening, etc.). Therefore, the airline industry estimates that it is already paying over $4 billion annually in security costs. The Committee opposes the Administration's proposal to shift even more of these costs to the aviation industry through increased aviation security fees.

Another issue of concern within the President's Budget proposal for TSA is the funding level for the installation of in-line Explosives Detection Systems (EDS) at airports. The FY 2006 President's Budget includes $250 million in mandatory spending for the installation of these systems.

The Aviation and Transportation Security Act (ATSA) required TSA to deploy EDS at all commercial service airports by the end of 2002. The Homeland Security Act extended this deadline by one year. To meet this deadline, TSA placed hundreds of EDS machines in airport check-in areas across the country.

The Committee believes that incorporating the EDS machines into in-line baggage systems is a critical next step, one which is estimated by an airport trade association to ultimately cost $4-5 billion. Although this is a significant up-front investment, in-line installation of EDS would significantly reduce TSA operating costs and pay for itself in just a few years. For example, the in-line EDS system installed at the Blue Grass Airport in Lexington, Kentucky, cut TSA's annual baggage screening costs by 85 percent and paid for itself in 16 months. The in-line system in the international terminal of San Francisco International Airport cut TSA baggage screening costs from $2.43 per bag to 38 cents per bag and paid for itself in less than two years.

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[1] Joint Explanatory Statement of the Committee of Conference, Aviation and Transportation Security Act (P.L. 107-76).

Despite the operational cost savings TSA could derive from in-line baggage systems, progress in installing such systems has been slow. To date, of more than 440 commercial service airports, only eight airports have converted to full in-line EDS systems, the same number as one year ago. Five airports have been partially converted, up from one airport a year ago. Eight airports have facility modifications underway for in-line systems, up from six a year ago.

TSA is authorized to sign letters of intent (LOI's) with airports specifying long-term funding arrangements for EDS installation. To date, TSA has issued eight LOI's with a total cost of $1.277 billion[2], to be paid over several years subject to the availability of funds. Approximately 60 more airports are seeking LOI's, but the $250 million requested for FY 2006 will not support more than the eight existing LOI's.

The Committee views the TSA budget as the appropriate source of funding for EDS integration costs. If not funded by TSA, these costs could crowd out other airport infrastructure investments needed to improve the capacity and efficiency of the aviation system. Therefore, the Committee supports increasing the TSA budget for this activity from $250 million to $500 million annually, as authorized by Vision 100.

Aviation

Since airline deregulation in 1978, air travel has become an essential form of transportation for much of the nation. The annual number of commercial air travelers grew to 698 million in 2000, a 124 percent increase from the 312 million travelers in 1980.

This unprecedented usage pushed our nation's air traffic control system and over-crowded airports to the brink of gridlock in 2000, when one in every four commercial flights was delayed, cancelled, or diverted. The slowing economy and the terrorist attacks of September 11, 2001, subsequently caused the number of travelers to decline, but this has proven to be a temporary reprieve. Passenger traffic rebounded strongly in 2004 due to lower airfares resulting from the growth in low cost carriers, increases in airline seat capacity, and the improving national economy. The FAA's forthcoming aviation forecast (to be published in March 2005) shows passenger traffic surpassing the 2000 levels by 2005, and exceeding one billion by 2015. Absent further improvements in aviation system capacity and efficiency, delays will quickly return to the unbearable levels experienced in 2000.

FAA Facilities & Equipment

Increased capital investment in our air traffic control system is necessary to increase system capacity and avoid aviation gridlock. Investments in our air traffic control system are funded by the FAA's Facilities & Equipment (F&E) program.

[2] Includes both Federal and non-Federal costs of the projects covered by the LOIs.

The FY 2006 President's Budget requests \$2.45 billion for F&E, a three percent reduction from the FY 2005 enacted level of \$2.52 billion, and a 14 percent reduction from the FY 2004 enacted level of \$2.86 billion. These funding levels are significantly lower than the authorization levels the Administration requested for this program just two years ago. In 2003, the Administration's FAA reauthorization proposal requested \$2.97 billion for F&E in FY 2005, \$3.03 billion in FY 2006, and \$3.1 billion in FY 2007. These proposed authorization levels generally conformed to the FAA's National Airspace System Capital Investment Plan (CIP) for FYs 2004-2008. According to this CIP, the F&E program needs an average annual funding level of \$3 billion over the FY 2004-2008 time period.

The Administration's current CIP proposes average annual funding of roughly \$2.4 billion. The impact of going from a \$3 billion per year F&E program to a \$2.4 billion per year F&E program is that FAA has had to focus on sustaining current infrastructure, rather than enhancing the system and providing new capabilities. Compared to what it would have invested at the \$3 billion annual program level, the FAA now plans to invest approximately 53 percent less from FYs 2005-2009 on capital investments that provide new services, and about 14 percent less on capital investments that either refresh or sustain existing facilities and equipment. This funding reduction will delay project schedules, increase project costs, and defer needed maintenance and repair of aging facilities.

The FAA's air traffic control facilities are aging and deteriorating. For example, the average condition of the FAA's 21 en route centers currently is rated "poor" and is getting worse each year. The maintenance and repair backlog for these 21 facilities alone is approximately \$118 million. Overall, the FAA's Air Traffic Organization has over \$30 billion worth of facilities and equipment that are used to operate the air traffic control system. According to the FAA, approximately two-thirds of this \$30 billion in assets are already beyond their useful life.

The Committee considers the Administration's proposal to cut funding for the F&E program to be extremely shortsighted. 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, <u>the Committee recommends the F&E program be funded at least at the \$3.053 billion level guaranteed by Vision 100</u>. This guaranteed funding level is based on the Administration's own FAA reauthorization proposal, transmitted to Congress just two years ago.

Airport Improvement Program (AIP)

Increased investment in our airport infrastructure is also necessary to maintain a safe and efficient aviation system. A comprehensive assessment of airport capital needs was made based on a 2002 survey of U.S. airports conducted by an airport trade association. The survey estimates total airport capital development costs – including the cost of non-AIP-eligible projects – to be about \$15 billion per year from 2002 through 2006. This compares to the average annual capital funding available to airports (from airport bonds, grants, Passenger Facility Charges, etc.) of about $12 billion, resulting in an annual investment gap of $3 billion.

This investment gap does not include the cost of terminal modification projects that are needed to integrate the new explosives detection systems (EDS) into airport baggage systems. In-line installation of EDS will be necessary in the long run for reasons of throughput rate, screener productivity, airport lobby space, and passenger security and convenience. An airport trade association estimates that such terminal modifications will cost a total of about $4 - $5 billion. Through FY 2005, roughly $1.3 billion in Federal funds have been dedicated to these terminal modification costs. The FY 2006 President's Budget for the Transportation Security Administration requests an additional $250 million for such terminal modifications. This leaves a remaining need of at least $2.5 - $3.5 billion over the next several years that must be added to the $3 billion annual investment gap that already existed pre-9/11. If this funding is not provided by TSA, then it will have to be provided by other airport funding sources (other than AIP)[3], thereby crowding out airport spending on capacity enhancement projects.

Despite these significant, unfunded airport investment needs, the President's Budget proposes just $3.0 billion for AIP in FY 2006, $472 million or 14 percent less than the FY 2005 enacted level, and $600 million or 17 percent below the $3.6 billion level guaranteed by Vision 100. Under the current statutory formula, an AIP funding level of $3.0 billion would result in a 50 percent reduction to airport entitlement funds. The President's Budget proposes to change the statutory formula such that the average airport entitlement would decrease by approximately nine percent.

To allow the AIP program to begin to address the investment gap in airport safety and capacity needs, <u>the Committee recommends that AIP be funded at the authorized level of $3.6 billion in FY 2006</u>.

FAA Operations and Maintenance

The Committee also recommends the FAA Operations and Maintenance account be funded at least at the President's request of $8.2 billion. This increased funding is necessary to maintain current operations, as well as hire additional air traffic controllers, safety inspectors, and maintenance technicians.

FAA Reform

The Committee recognizes that greater efforts must be made to ensure that scarce resources are used as effectively as possible. Toward that end, the Committee included in past FAA reauthorization bills several management reforms that were intended to improve the FAA's performance, especially with regard to the acquisition and distribution of air traffic control equipment and services. These reforms included the establishment of a Chief Operating Officer position responsible for day-to-day operations

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[3] The FY 2005 Consolidated Appropriations Act (P.L. 108-447) prohibits the use of AIP funds for EDS installation.

of an Air Traffic Services Performance Based Organization, and creation of an Air Traffic Services Committee to oversee the FAA's management of the air traffic control system. In Vision 100, the Committee redefined the role of the Chief Operating Officer and made other modifications to the structure of the FAA so these reforms will work as intended and ensure the FAA meets its mission to provide a safe and efficient air traffic control system.

The Committee is pleased that last year, after almost a decade of Congressional efforts to improve performance and reduce costs, the FAA formally established the performance-based Air Traffic Organization (ATO) to provide air traffic control services. The ATO began operations in March 2004. The Committee intends to conduct oversight of this organization and consider additional reforms as necessary.

Small Community Air Service Development

The weak financial condition of the major airlines has exacerbated a problem that has been a concern since airline deregulation – lack of service to small communities. The benefits of airline deregulation have been significant, but 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. In many instances, the airline fares in these communities are so high that businesses are choosing to relocate to areas with more affordable airfares. Section 203 of AIR 21 addressed this problem by establishing a pilot program to help underserved communities develop public-private partnerships to promote service to their communities. Demand for this program has far exceeded the funding available. When this program received its initial funding of $20 million in FY 2002, the Department of Transportation (DOT) received 180 applications totaling over $142.5 million from communities in 47 states. The program has continued to receive $20 million in each of FYs 2003 through 2005, and was reauthorized and made permanent by Vision 100. However, the Administration requests no funds for this program in FY 2006. The Committee recommends this program be continued in FY 2006 at the authorized level of $35 million.

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. Since September 11, 2001, carriers have notified DOT of their intent to discontinue service to 38 subsidy-eligible EAS communities. The EAS program received $102 million in FY 2005. The FY 2006 Budget proposes to cut funding for this program in half, to $50 million. The Committee opposes both this funding cut and the accompanying legislative proposal to impose up to a 50 percent local cost-share requirement.

Under the Administration's EAS proposal, assuming all communities agree to pay their required local cost-share (from 10 – 50 percent, depending on distance from the nearest airport), and service levels remain constant, more than one-third of the 146 communities currently receiving EAS funding would be dropped from the program. The

$50 million funding level proposed by the Administration is clearly insufficient to meet EAS communities' needs. The Committee recommends EAS be funded in FY 2006 at the authorized level of $127 million.

Coast Guard and Maritime Transportation

The conference report accompanying the Homeland Security Appropriations Act for FY 2005 (Public Law 108-334) required the Secretary of Homeland Security to provide an updated baseline of the Service's Integrated Deepwater Systems (Deepwater) program with a revised budget and timeline for asset acquisition to Congress "at the time of the fiscal year 2006 budget request". Deepwater is the largest and most comprehensive acquisition program in the history of the United States Coast Guard (USCG). The Service has chosen to ignore this mandate.

Fundamental changes in the mission and requirements of the USCG have occurred since the terrorist attacks of 2001. These changes have required substantive revisions in the timing, budget, system components and acquisition strategy for the Deepwater program. As such, this Committee must exercise vigilant oversight over this multi-billion dollar effort.

Section 514 of the Homeland Security Appropriations Act also directed the Commandant to provide the Congress with an "unfunded priorities" list as has annually been the case with each of the other armed services. The law specified that the list should be transmitted "at the time that the President's budget is submitted". The USCG failed to comply with the law in this case as well.

The following views and estimates, therefore, represent the Committee's position based upon the available, incomplete information. In particular, the information provided to the Committee with regard to Deepwater is insufficient to enable the Committee to provide specific budget views and estimates.

The President requests $8.1 billion in FY 2006 for U.S. Coast Guard activities, which is a $571 million, or an eight percent increase, over the total amount enacted for FY 2005, including FY 2005 emergency supplemental funds. The Coast Guard request is designed to carry out three primary objectives for the Coast Guard in FY 2006:

(1) to recapitalize the Coast Guard;
(2) to implement the maritime strategy for homeland security; and
(3) to enhance mission performance.

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

Operational funding: The overall budget request for Coast Guard Operating Expenses in FY 2006 is $5.5 billion, an increase of $357 million, or six percent, over the FY 2005 enacted level. The FY 2005 level includes over $33 million provided pursuant to the Emergency Hurricane Supplemental (Public Law 108-324). 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, with an enhanced emphasis on the Service's maritime homeland security mission.

Notable changes in the FY 2006 proposal include:

1) transfer of $47.5 million to the National Science Foundation for polar icebreaking;
2) transfer of $626,000 from the Department of Justice for the USCG to establish an analytical cell for the National Drug Intelligence Center (NDIC);
3) "re-allocation of resources" to establish an "Enhanced Maritime Safety and Security Team" (E-MSST);
4) $28 million dedicated to "increasing operational presence and response posture" by an increased presence at port and liquefied natural gas facilities, enhanced cutter boat response, and enhanced radiation and nuclear detection; and
5) USCG budget attempts to "enhance maritime domain awareness" by directing $22 million toward ensuring a "common operational picture" for all USCG operational assets and by increasing aerial maritime patrols.

While the Committee is generally supportive of these efforts, we are eager to learn more about the proposed transfer of polar icebreaking resources, justification for the NDIC transfer and the costs versus benefits of establishing of an E-MSST in light other agencies' similar capabilities.

Finally, the President's Operating Expenses request includes $175 million for pay increases for officer and enlisted members of the Coast Guard.

Currently, the only Coast Guard HITRON squadron is based in Jacksonville, Florida. The Committee supports providing an additional $39 million for leasing and deploying a squadron of six HITRON helicopters to address the maritime drug smuggling threat in Southern California. Since the beginning of the current fiscal year, HITRON helicopters have already stopped over $1.5 billion in drugs from entering the United States.

At a minimum, the Committee supports funding of the USCG's Operating Expenses account at $5,586,400,000. This recommendation includes $39 million over the budget request for an additional HITRON squadron.

Reserve Training: The President requests $119 million for training of Coast Guard Reserve personnel representing a 5.3 percent increase over the FY 2005 appropriated level. The Committee supports funding of at least the President's request.

Environmental Compliance and Restoration: The President requests $12 million for environmental compliance and restoration, a 29 percent decrease over the FY 2005 requested and enacted level of $17 million. The Committee understands the USCG's contention that $12 million will provide adequate resources to meet the mandated milestones of major cleanup efforts and other issues and supports funding of at least the President's request.

Capital Funding: The President requests $1.27 billion to fund all Coast Guard capital acquisitions in FY 2006, a $287 million (29 percent) increase from the FY 2005 enacted level and $326.6 million (35 percent) increase above last year's budget request ($942.6 million). These funds include the acquisition, construction, and improvement of vessels, aircraft, information management resources, shore facilities, and aids to navigation. Of the $1.27 billion request, $966 million, a $242 million increase over the FY 2005 appropriation, is for the Deepwater program, the Coast Guard's integrated capital asset replacement program. The budget requests recommends $101 million for Rescue 21, the Service's new "maritime 911" program. In FY 2005, $134 million was appropriated for Rescue 21.

While the Committee commends the long-overdue increase in the Deepwater program, we remain concerned that this level of funding will result in an implementation schedule well over the original 20-year goal. The Committee believes even that 20-year goal is too long given the Service's expanded missions and the rapidly increasing expenses of maintaining its legacy assets. The Committee is committed to accelerating the completion of the Deepwater program by supporting funding at an annual level of at least $1.1 billion. For FY 2006, we recommend $360 million for non-Deepwater capital expenditures. Finally, the Committee supports funding to provide missionization packages for the USCG C-130J fleet. The budget request includes $31 million for radar and avionics equipment for the C-130Js.

Research, Development, Testing and Evaluation: The President's request proposes to consolidate Coast Guard Research and Development Center funding into the Department of Homeland Security's Science and Technology Directorate (S&T). Under the Administration's plan, all department agencies would compete for funding provided to the S&T. It is estimated that the USCG's Research and Development Center could receive $24 million through the competitions in FY 2006. However, as is consistent with the law, Congress provided $18.5 million directly to the Coast Guard for Research, Development, Test and Evaluation for FY 2005. As was indicated by Congress' actions for FY 2005, the Committee believes this effort to transfer research and development efforts violates Section 888 of the Homeland Security Act of 2002. Section 888 directs that "the authorities, functions, and capabilities of the Coast Guard to perform its missions shall be maintained intact" after the Service is transferred to the Department.

The Committee supports providing at least $24 million directly to the USCG for research, development, testing and evaluation for FY 2006.

Alteration of Bridges: No funds are requested for alteration of bridges that impact navigation. $15.9 million was appropriated in FY 2005. The Committee supports funding of at least the FY 2005 enacted level for this program.

Port Security Grants: The President requests $600 million for the Targeted Infrastructure Protection Program in FY 2006. It is the Committee's understanding that the Administration has chosen to combine chemical plant, bus and rail security grants with the port security grant program. In FY 2005, Congress provided funds specifically for port security grants. Further, in the Maritime Transportation Security Act (MTSA) (Public Law 107-295) the Congress directed that the Maritime Administration administer the port security grant program. While the Committee commends the potential increase in funds for port security grants, we believe the program should be administered consistent with the MTSA.

Federal Maritime Commission: The President requests $20.5 million for the Federal Maritime Commission, up from $19.5 million in FY 2005. The Commission regulates ocean shipping. The Committee supports the President's request.

Economic Development, Public Buildings, and Emergency Management

Economic Development

The Committee has jurisdiction over five existing economic development programs: the Appalachian Regional Commission (ARC); the Economic Development Administration (EDA); the Denali Commission; the Delta Regional Authority (DRA); and the Northern Great Plains Regional Authority.

The Administration has proposed the consolidation of a number of economic and community development programs in a new program titled "Strengthening America's Communities." As such, it has requested no FY 2006 funding for the Economic Development Assistance Programs (EDAP) of the Economic Development Administration (EDA). The Administration has requested $26.6 million for salaries and expenses at EDA, which will be used primarily for administering the close-out of existing grants and revolving loan funds totaling $2.2 billion. The Committee has significant concerns about how this proposal would work and how the consolidation of any of these grant programs will meet the important economic development needs of the nation.

Regional Economic Development Commissions

The Administration has requested level funding for two of the three active regional commissions and increased its requested amount for the third. These 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.

Congress reauthorized the Appalachian Regional Commission during the 107th Congress, increasing its authorized funding level to $92 million for FY 2006. The Administration's FY 2006 funding request for the ARC is $65.472 million, an amount equal to the enacted level from FY 2005 but a slight decrease from the enacted level for FY 2004. 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 will reauthorize the Appalachian Development Highway System as a part of H.R. 3, and supports continued funding for this program.

The Administration has requested $2.562 million for the Denali Commission for FY 2006, in addition to $4 million from the Trans Alaska Pipeline Liability Fund. The Committee supports funding the Denali Commission at levels sufficient to allow it to continue with effective sustainability and development programs.

The Administration has requested $6 million for the Delta Regional Authority (DRA). This is a slight increase over the FY 2005 requested and enacted levels. The request includes $4.479 million for Regional Development and $1.52 million for Salaries and Expenses (S&E). However, the overall increase comes at the expense of the DRA's Federal Grants Program, which has been reduced by $137,457 in order to increase S&E by $138,225. The Committee recommends funding the DRA at $30 million for FY 2006, equal to the authorized level. A failure to fully fund the DRA significantly hampers its ability to meet its mission.

The President's Budget did not include any funding for the Northern Great Plains Regional Authority, which will play a vital role in the economic renewal of the Great Plains region. The Committee recommends funding the Authority at $30 million for FY 2006, equal to the authorized 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 United States General Services Administration (GSA). These issues include the continued viability of the Federal Buildings Fund, GSA's courthouse construction program including their ability to pay for space already occupied, the need for increased funds for repairs and alterations, and the use of leased space.

The Federal Buildings Fund (FBF), the primary source of funding for GSA's capital investment program, while receiving consistent funding over the past several years, is merely maintaining its current status 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. As GSA is relying more and more on the use of leased space, due to not only a lack of funds for the repair, alteration, and modernization of federally owned facilities, but also a lack of federal construction funds, this will continue to be an ever increasing downward spiral. 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. The functional replacement value of GSA's 1,600 owned buildings is $35 billion. A significant investment will be necessary to make these buildings modern and efficient places to work. The FY 2006 repair and alteration request is $1.029 billion, $174 million above the enacted amount for FY 2005. The Public Buildings Service within GSA estimates unmet repair and alteration needs at $6.5 billion, more than $800 million over previous estimates. The requested amount will fund repairs and alterations at federal buildings and judicial facilities, the majority of which are in the Washington, D.C. metropolitan area. The Committee recommends fully funding the FY 2006 repair and alteration program, which will allow for an increase in the level of renovations being made to federally owned buildings. Doing so 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 has requested $640 million for the construction and acquisition of new facilities. This request includes funding for two new Federal Judiciary projects, five new border stations, two agency consolidations, funds for general infrastructure and remediation activities, and funds for non-prospectus level construction. The Committee supports this request and urges the full funding of GSA's construction program.

The Committee will continue to monitor GSA's leasing program. For years the Committee has been concerned about the rising amount of leased space being used to meet the requirements of the civilian branch of the government where Federal facilities are not available. Leasing costs of $4.045 billion now accounts for 48 percent of the FY 2006 budget. The leasing program is increasing from year to year, largely as a result of the scoring rules under 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

Emergency Preparedness and Response Directorate

As a part of its FY 2006 Budget request, the Administration has requested $5.4 billion for programs managed by the Emergency Preparedness and Response Directorate (EP&R) of the Department of Homeland Security (DHS). Many of the programs formerly managed by the Federal Emergency Management Agency that are in the jurisdiction of the Committee have been transferred to the Office of State and Local

Government Coordination and Preparedness, had funding cut severely, and been restricted to purposes not originally intended at their creation.

The Administration has requested $235.5 million for Preparedness, Mitigation, Response, and Recovery activities. This request is $4 million below the FY 2005 enacted level. This budget account represents the majority of EP&R's programmatic funding activities, including administration of the United States Fire Administration, National Emergency Training Center, National Disaster Medical System, and Nuclear Incident Response Team Readiness and Exercises. This request represents level or slightly increased funding for most of these activities.

The Administration has requested $178 million for its disaster mitigation grant program. This request includes $150 million to be awarded pursuant to the Pre-Disaster Mitigation (PDM) program and $28 million for the Flood Mitigation Assistance Program. This request is an increase of approximately $78 million over the FY 2005 enacted level. Effective disaster mitigation spending reduces the costs incurred in managing the consequences of natural disasters. The House of Representatives passed legislation reauthorizing this program during the first session of the 108th Congress, however, the Senate failed to act on the legislation, requiring a one-year extension to be inserted into the Omnibus Appropriations Bill for FY 2005. The Committee supports passage of its reauthorization legislation and full funding for this important program.

For disaster relief programs administrated by EP&R, the Committee recommends funding sufficient to meet the needs of communities hit by disasters. The Administration's request of $5.057 billion is consistent with the five-year average of obligations, not including the terrorist attacks of 9/11 and the hurricanes that struck Florida during 2004. Of the request, $2.140 billion is for new budget authority, with $2.9 billion coming from unobligated balances carried forward from previous years, and $500 million from recoveries of prior year unspent obligations. The Committee supports the Administration's request and will closely monitor FEMA's ability to recover previous grants to meet the needs of the disaster relief program.

The Administration has requested $200 million for flood map modernization. This request is slightly above the FY 2005 enacted level of $198.8 million but $100 million lower than the authorized level of $300 million. Over the past several years, FEMA has engaged in an aggressive plan to modernize the nation's flood maps, and this decrease in funding could hamper those efforts. The Committee supports fully funding this program at its authorized level to ensure that communities across the country have the most accurate information possible for planning.

Other Homeland Security Activities

EMPG - Utilizing its authority granted in the Homeland Security Act of 2002, the Administration transferred Emergency Management Preparedness Grants to the Office of State and Local Government Coordination and Preparedness and requested $170 million. These grants provide critical resources to States that enable them to effectively develop emergency preparedness plans. The Committee urges the restoration of EMPG to EP&R and their full funding.

FIRE Grants - The Administration has requested $500 million for the Fire Investment and Response Enhancement (FIRE) Grant Program, a decrease of $215 million from the enacted level in FY 2005. The purpose of the FIRE grant program is to ensure that local and volunteer fire departments have the ability to conduct training, acquire basic firefighting equipment, and conduct fire prevention activities. The Committee recommends fully funding this program at its authorized level of $950 million.

Homeland Security Grants – The Administration has requested $3.064 billion for grants provided by the Office of State and Local Government Coordination and Preparedness. This includes the State Homeland Security Grant Program (SHSGP, $1.02 billion), Urban Area Security Initiative (UASI, $1.02 billion), and Infrastructure Protection Grants (IPG, $600 million). The Administration has proposed significant changes to the SHSGP program, including the requirement that 20 percent of funds be reserved for law enforcement activities, and a reduction from .75 percent to .25 percent guaranteed state minimum.

Smithsonian Institution

The Administration's FY 2006 budget request for the construction and revitalization of Smithsonian facilities is $90.9 million. This request is a significant decrease from FY 2004 and FY 2005. Continuing to reduce the amount provided for facilities at the Smithsonian Institution poses a serious risk to the continued vitality of the Smithsonian and their ability to carry out their core missions. A reduction in funding has made such projects as restoration of the Arts and Industries building impossible, 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 Architect of the Capitol's (AOC) FY 2005 budget request is $506.5 million. This is $156.5 million more than the enacted amount for FY 2005, and $104 million more than FY 2004. This request represents an 11.5 percent increase in operating expenses ($262 million in FY 2005 and $296 million for FY 2006) and an increase of 150 percent for projects ($88 million in FY 2005 and $211 million for FY 2006). Most of the increase in project funding is for new real property activities for the Library of Congress ($55.32 million), U.S. Capitol Police ($23.67 million), and House Office Buildings ($29.492 million); as well as final construction costs for the Capitol Visitor Center

($56.891 million). The Committee is concerned about many of these activities and will pursue an aggressive oversight agenda to determine their necessity.

John F. Kennedy Center for the Performing Arts

The Administration has requested $33 million for the John F. Kennedy Center for the Performing Arts (Kennedy Center). These funds are exclusively for the Operations and Maintenance (O&M, $17.8 million) and Capital Repair and Restoration (CR&R, $15.2 million) activities of the Kennedy Center. This level is slightly below the amount enacted in FY 2005 after the rescission ($33.020 million). Operation of 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 Kennedy Center was reauthorized for an additional four years during the 108th Congress, at a FY 2006 level of $36 million, $18 million each for O&M and CR&R. Failure to fully fund these activities will result in the delay and increased cost of important maintenance projects. The Committee supports providing funding 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, Transit, and Pipelines

Highways and Transit

The Administration's FY 2006 Budget requests an obligation limitation of $34.7 billion for the Federal-aid highway program. This funding level provides a $437 million increase over the appropriated FY 2005 obligation limitation of $34.263 billion. For the Federal transit programs, the Administration proposes a FY 2006 budget level of $7.781 billion, a $135 million increase over the appropriated FY 2005 obligation limitation of $7.646 billion. However, because the Federal-aid highway and transit programs are authorized under an extension of current law through May 31, 2005, the final obligation limitation for FY 2005 may be increased further in the upcoming six-year authorization legislation (H.R. 3) of highway, transit, and highway safety programs. Moreover, the Administration proposes to guarantee only $6.8 billion of the FY 2006 Federal transit program (the portion funded from the Mass Transit Account), leaving funds appropriated from the general fund without budgetary protection. This proposal would eliminate the current law TEA 21 transit general fund guarantee. The Committee's position is that all highway and transit authorizations must be guaranteed, regardless of whether the programs are funded through the Highway Trust Fund or the general fund.

To improve the conditions and performance of our nation's highway, bridge and transit infrastructure, DOT data indicate the need for a combined federal highway and transit program of $74.8 billion. This funding level may be out of reach under the current funding mechanisms available for federal transportation programs, but we must strive to improve these systems and not just maintain the status quo. Each year, congestion costs American drivers over $60 billion in lost productivity and wasted motor fuel. Addressing this capacity crisis is made more difficult by the fact that our infrastructure is not up to the task. Currently 32 percent of our major roads are in poor or mediocre condition and 28 percent of our bridges are either structurally deficient or functionally obsolete. And 36 percent of the nation's urban rail vehicles and 26 percent of the nation's transit bus fleet are in substandard or poor condition. Deteriorating roads and bridges and traffic gridlock will continue to get worse unless there are substantial increases in infrastructure investment, for both highways and transit.

The Committee recommends a combined federal highway and transit program funding level of $45.5 billion in guaranteed funding for FY 2006. While this is slightly higher than the Administration's proposed funding level for FY 2006, the Committee's six-year reauthorization proposal is consistent with the Administration's six-year proposed funding level.

A major accomplishment of TEA 21 was reestablishing trust with the taxpayer by creating a budgetary mechanism to ensure that the user fees deposited in the Highway Trust Fund become available to be spent for their intended purpose. Maintaining these budgetary firewalls and spending guarantees are a top priority for the Committee.

Highway and Motor Carrier Safety

The Administration's FY 2006 Budget proposes to increase funding for the Federal Motor Carrier Safety Administration (FMCSA) $22 million above the FY 2005 appropriated level of $443 million to $465 million in FY 2006. The FY 2006 request consolidates the accounts used in previous years to fund motor carrier safety activities down to two new accounts – Motor Carrier Safety Operations and Programs, and Motor Carrier Safety Grants.

The President's FY 2006 Budget requests $696 million for the National Highway Traffic Safety Administration (NHTSA) from the Highway Trust Fund. These amounts include $222 million of TEA 21 resources for the Sections 157 and 163 grant programs formerly appropriated to the Federal Highway Administration. The Administration has taken the unprecedented step of requesting that, within this $696 million, $155 million for vehicle safety activities be funded from the Highway Trust Fund. These programs are traditionally funded from the general fund and the Committee opposes this shift.

Motor vehicle crashes, including commercial vehicles, are the leading cause of death and disability for Americans aged 35 and under. The Committee recommends a combined funding level of at least $1.1 billion for FMCSA and NHTSA in FY 2006 to make improvements in highway and motor vehicle safety. This estimate excludes the $155 million for NHTSA vehicle safety activities that are traditionally funded through the general fund.

Transportation Research, Hazardous Materials and Pipeline Transportation

The research, pipeline, and hazardous materials functions of the Department of Transportation were reorganized under the Norman Y. Mineta Research and Special

Programs Reorganization Act (P.L. 108-426), which became law on November 30, 2004. The Reorganization Act established a new Research and Innovative Technology Administration (RITA), which will coordinate, facilitate, and review the Department of Transportation's research programs and activities. The Act also established a new Pipeline and Hazardous Materials Safety Administration (PHMSA), which will regulate the safety of liquid and gas pipelines and the transportation of hazardous materials. These two offices had previously been housed within the Research and Special Programs Administration.

The Administration's request for RITA is $6 million in FY 2006. However, many agency activities, such as the Bureau of Transportation Statistics (BTS) and the Volpe Transportation Systems Center, do not receive direct agency funding. Instead, the BTS is funded from the Highway Trust Fund as a transfer from the Federal Highway Administration ($33 million), and the Volpe Center is funded by reimbursable contracts.

The President's Budget requests $131 million for the Pipeline and Hazardous Materials Safety Administration for fiscal year 2006, including $73 million for the pipeline safety program and $26 million for the hazardous materials safety program. This request represents a $5 million increase above the funding provided for pipeline and hazardous materials safety activities under the Research and Special Programs Administration in FY 2005. The increased funding would support the Administration's ongoing efforts to improve oversight, inspection, and research to reduce the likelihood of pipeline and hazardous materials accidents.

In 2002, the Committee reauthorized the national pipeline safety program (the Pipeline Safety Improvement Act of 2002, P.L. 107-355), which continues to finance the program through collection of pipeline safety user fees and appropriations from the Oil Spill Liability Trust Fund. The Act authorizes more than $90 million for pipeline safety programs in FY 2006.

H.R. 3, the TEA 21 reauthorization bill, includes provisions to reauthorize the hazardous materials safety program. H.R. 3 authorizes $57.8 million for hazardous materials safety programs in FY 2006.

Therefore, the Committee recommends a combined funding level of at least $150 million for the pipeline and hazardous material programs in FY 2006.

Railroads

Enactment of high-speed passenger rail and railroad infrastructure improvement legislation remain Committee priorities for this session. The Committee leadership plans an early reintroduction and consideration of H.R. 2571, the Railroad Infrastructure and Development Act for the 21st Century (RIDE-21), which would make funding available for high-speed passenger rail infrastructure through federal authority for states to issue tax-exempt and tax-credit bonds, through direct loans and loan guarantees under an expanded Railroad Rehabilitation and Infrastructure Financing (RRIF) loan program, and through General Fund appropriations for pre-construction activities. The Committee's proposal would provide an incentive for freight railroads to cooperate in the development of high-speed rail by substantially increasing the size of the RRIF loan program and expediting the loan-approval process. Loans made to freight railroads could be paired with bond proceeds to develop passenger corridors, separate passenger trains from freight tracks, and thereby increase freight rail capacity, while eliminating operational problems and chokepoints associated with running freight and passenger trains on the same track. In addition, $7 billion of the expanded $35 billion RRIF loan program would be reserved for short line and regional railroad development.

The Subcommittee on Railroads also expects to address reauthorization of the Federal Railroad Administration's (FRA) rail safety programs, the prior authorization having expired at the end of FY 1998. The President's Budget proposes $145.9 million in FY 2006 for FRA safety and operations activities, up from $139.7 million in FY 2005. The Committee supports at least the President's requested level.

The President's FY 2006 Budget proposes no funding for the FRA high-speed rail development program (compared to FY 2005 appropriations of $31 million), originally authorized in the Swift Rail Development Act and reauthorized in TEA-21. The authorization ($10 million annually for corridor development and $25 million annually for high-speed rail technology development) expired at the end of FY 2001. Reauthorization of these programs at a total level of $100 million annually ($70 million for corridor development and $30 million for technology development) is included in the RIDE-21 legislation described above. The Committee supports this level of funding for the program, and notes that the Administration's proposed reduction would endanger a number of ongoing valuable pilot projects to develop and apply improved safety technology, including positive train control and advanced signal systems.

The President's FY 2006 Budget proposes $46.3 million for FRA research and development programs. The Committee supports at least the President's requested level.

Surface Transportation Board

For the Surface Transportation Board (STB), the President's FY 2006 Budget proposes $24.38 million. The Committee supports a current services level of general fund appropriations for the Board. The Committee notes that the Department of Transportation (DOT) does not provide the Board with generic support functions such as payroll processing, which are the legal obligation of DOT from its own funds under the ICC Termination Act [49 U.S.C. 725]. Compliance with this requirement would free additional STB resources for matters within the Board's jurisdiction. The Subcommittee on Railroads expects to hold hearings in 2005 related to the reauthorization of the STB. The prior authorization expired at the end of FY 1998, but the Board has received unauthorized appropriations in each subsequent year.

Amtrak

Finally, for Amtrak, the President's FY 2006 Budget proposes no grant to Amtrak as such, but $360 million to be made available to the Surface Transportation Board to direct the continuation of the commuter operations and dispatching, maintenance, and other necessary infrastructure functions related to those operations, principally on the Northeast Corridor. This request compares with FY 2005 appropriations of $1.217 billion. Amtrak's annual authorization, at a final level of $955 million, expired at the end of FY 2002. In 2003, the Committee reported H.R. 2572, which would authorize $2 billion annually for Amtrak for three fiscal years. The Committee expects to consider reintroduced Amtrak reauthorization legislation contemporaneously with the RIDE-21 bill described above.

Water Resources and Environment

Corps of Engineers

The President's Budget includes $4.513 billion for the Civil Works programs of the Corps of Engineers. This is 11.1 percent below the enacted level for FY 2005 (including supplemental appropriations) and continues a trend of low budget requests for the Corps. The Committee supports increases in the Civil Works program to a level of funding sufficient to address future needs and to ensure that the civil works mission of the existing aging infrastructure is adequately maintained. With a growing backlog of Corps construction and maintenance projects, 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, which for FY 2006 would be $8.3 billion.

With trade expanding and highways 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.

The Corps must conduct new studies to determine where there is federal interest in water resource development including environmental restoration. The proposed funding in the FY 2006 President's Budget to conduct studies is 34.4 percent below the FY 2005 enacted level. At the requested level, the continued development of justified projects is severely jeopardized. In addition, the proposed budget 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 the hurricanes in Florida during 2004 and the recent operations in Sri Lanka, Thailand, and Indonesia to provide Indian Ocean Tsunami/Earthquake Relief. The Committee supports funding in the General Investigations account that will support the core capabilities of the agency and maintain a steady flow of good investment options that will provide economic benefits and protect and restore the aquatic environment. For FY 2006, the Corps has the capability to conduct $299 million worth of studies.

The President's Budget for project construction is 11.9 percent below the enacted FY 2005 level. The reduced funding level draws out the construction period for most projects and delays the start of new investments. The Committee is concerned that the requested funding level will increase the cost of completing projects and will delay the national economic and ecosystem restoration benefits that these investments provide. The Committee supports additional funding in the Construction General account that would allow for completing more projects in an efficient manner. In FY 2006, the Corps has the capability to carry out $3.215 billion worth of construction activities.

The Committee remains concerned about the surpluses in the Harbor Maintenance and Inland Waterways Trust Funds. Under the proposed budget, the surplus in the Harbor Maintenance Trust Fund will grow by 17.6 percent to $3.072 billion by the end of FY 2006. The surplus in the Inland Waterways Trust Fund would be reduced, however would still be $288 million at the end of FY 2006. These funds are supplied by taxes paid by users of ports and waterways and are meant to pay for harbor maintenance and waterways improvements to the nation's water navigation system. For years, more funds have been collected than have been appropriated and large surpluses have accumulated. This problem has not been caused by a lack of meritorious lock and dam construction projects or 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 these water funds. The result has been unnecessary cost increases, significantly delayed completion dates, and delays in realizing transportation savings. The Committee supports spending down the surpluses in these trust funds for their authorized purposes.

The President's Budget proposes operation and maintenance funding that is 6.4 percent below the FY 2005 enacted level. This amount includes substantial costs associated with additional security requirements that will diminish the Corps' ability to do 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 and for constructing authorized improvements. 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. In FY 2006, the Corps has the capability to conduct $3.771 billion worth of operation and maintenance activities.

The Committee supports full funding for the Florida Everglades restoration projects authorized by WRDA 2000 (P.L. 106-541), but this funding should not come at the expense of other Corps projects and missions. Enacted funding levels for construction of Corps projects should not decrease, notwithstanding any separate funding to support Florida Everglades restoration. The Committee notes that the President's Budget proposes $68 million for the Comprehensive Everglades Restoration Plan (CERP) and $69 million for other Everglades work. Of that non-CERP funding, $35 million is proposed for the Modified Water Delivery Project, a Department of the Interior project to provide additional water flows to the Everglades, authorized under section 104 of the Everglades National Park Protection and Expansion Act of 1989. The Committee notes that the Corps is not authorized to fund that project and opposes funding that project from the budget of the Corps of Engineers. The Committee also is concerned about recent attempts to expand the scope of the Modified Water Delivery Project. The CERP includes an additional project to raise the Tamiami Trail and provide even greater flows to the Everglades. The CERP project will be cost-shared between the Corps and the State of Florida on a 50-50 basis. Attempting to replace that CERP project with an expanded Modified Water Delivery Project to be funded by the Corps undermines the principle of cost-sharing and places an undue increased burden on the Corps' budget.

In the past decade, the Corps program has expanded beyond such traditional areas as flood control and navigation to include environmental restoration and protection and other improvements to water-related infrastructure. The Committee does not support the proposal in the President's Budget to undermine Congressional priorities and cancel 279 on-going authorized construction projects.

Shoreline protection projects that involve placing sand on beaches generally are authorized for an initial construction phase and 50 years of periodic beach renourishment. The President's Budget request would limit cost-sharing for renourishment, notwithstanding the project authorization and project cooperation agreements for these projects that have been signed by the Army and the local sponsor that obligates federal participation in beach renourishment. The Committee supports federal funding consistent with project authorizations. The Committee also notes that section 124 of the Energy and Water Development Appropriations Act, 2005 (enacted as title I of Division C of the Consolidated Appropriations Act, 2005 (P.L. 108-447) prohibits changes to existing shoreline protection policies that have not been specifically authorized by Congress.

The President's Budget proposes legislative language that would condition the availability of $200 million on a determination by the Secretary of the Army that

Congress, in enacting a bill appropriating funds for the Civil Works Program of the Army Corps of Engineers, did not allocate funding in a manner consistent with the guidelines set forth in the President's Budget Request. The President may make a Budget Request, but Congress determines what projects are authorized for funding and determines the appropriate allocation of funds. If this proposal is intended to be a rescission, it must comply with the Impoundment Control Act of 1974, as amended, which requires the President to transmit a special message to Congress whenever a rescission of budgetary resources is proposed. The Committee opposes this legislative proposal.

The President's Budget proposes to treat payments collected by Power Marketing Administrations to pay for operation and maintenance costs relating to hydropower facilities at Corps projects as directly available and credited as off-setting collections (estimated to be $181 million in fiscal year 2006). The Committee supports direct funding of hydropower operation and maintenance at Corps of Engineers facilities and requests that the Budget Committee include language in the budget resolution to allow the appropriate adjustments in budget authority, after the enactment of authorizing language. The Committee does not, however, support the legislative language proposed in the President's Budget Request to accomplish this objective. This matter should be addressed in an authorizing bill, not an appropriations bill.

The President's Budget proposes to allow the Corps of Engineers to charge new fees at its recreation sites and to make a portion of those fees directly available for use at the facilities where they were collected. The Committee supports the Corps keeping all recreation fees at Corps facilities for maintenance and improvements, consistent with the authority granted to other federal recreation providers, including the National Park Service and the Forest Service. The Committee requests that the Budget Committee include language in the budget resolution to make the appropriate adjustments in budget authority to allow the Corps to retain and use, without appropriation, all the recreation user fees collected at Corps facilities, estimated to be $37 million in 2006, following the enactment of authorizing language.

The President's Budget proposes to repeal the authority of the Corps of Engineers to enter into continuing contracts and, instead, require the Corps to utilize the multi-year contract authority found in title 10 of the United States Code. The Committee opposes enacting this legislative provision within the appropriations process. The use of continuing contract authority has allowed Corps projects to make sustained progress toward completion in a cost-effective manner since 1922. In addition, because multi-year contracts include a cancellation fee and the amount of such cancellation fees must be appropriated up front, multi-year contracts will tie up considerable resources that should be used to meet the unmet water resources needs described above. If, instead of providing a cancellation fee, the Corps includes language in its multi-year contracts to place all risk of project cancellation on the contractor, the cost of each contract will increase substantially, to cover that risk, again wasting scarce dollars that should be used to provide navigation, flood control, and ecosystem restoration benefits to the Nation. This complex issue should be considered through regular authorizing legislation.

The Committee expects Congress to enact a Water Resources Development Act of 2005. This bill will authorize important projects and programs. The Committee supports appropriations levels for FY 2006 and beyond that will fully meet the purposes authorized by Congress.

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 President's Budget request for these programs for FY 2006 totals $20.66 million, which is 81.6 percent below the FY 2005 enacted amount of $110.158 million (not including the additional $250 million in Watershed and Flood Prevention Operations funding provided in FY 2005 to address the aftermath of Florida hurricanes). The Committee supports a total funding level at least equal to FY 2005 levels of $110 million plus an additional $100 million to address emergency watershed protection measures that normally require that amount. The Committee opposes the proposal in the President's budget to terminate the Watershed Protection and Flood Prevention program of NRCS. This highly cost-effective program provides $1.5 billion in average annual benefits to agricultural and urban communities, including $647 million of average annual flood damage reduction benefits. Currently, there is an unmet need of $1.8 billion for existing projects. Canceling this program will waste funds through the payment of contract cancellation fees and will cause NRCS to lose a valuable workforce of watershed specialists.

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 and core programs under the Clean Water Act. This will require an increase in the authorization levels and accompanying appropriations. The Committee intends to move water infrastructure legislation with increased authorization levels in this Congress to address these needs.

For FY 2006, the President's Budget request would provide $730 million in capitalization grants for the Clean Water State Revolving Funds, $361 million less than the FY 2005 appropriated level and $120 million less than the amount requested in the President's FY 2005 Budget. The Committee supports significant increases in funding for the Clean Water State Revolving Funds.

The Committee supports the President's request to fund State water quality programs under Section 106 of the Clean Water Act at $232 million in FY 2006, but is concerned about the proposal to set aside $24 million of those funds for probabilistic monitoring. Probabilistic monitoring is important to establish trends in the level of water quality, but does not support management of State water quality programs (including the development of Total Maximum Daily Loads), which is the purpose of funding under section 106. The Committee encourages the Administration to request additional funding to support this activity. The Committee supports the President's Budget request to fund the Great Lakes Legacy Act (P.L. 107-303) at its authorized level of $50 million.

The President's Budget recommends authorization and appropriation of $15 million for an EPA watershed program to protect and restore watersheds through competitive grants. It is unclear how this program works with or competes against existing authorities. The Committee does not support the authorization of programs in appropriations bills and recommends that the Administration submit a legislative proposal to this Committee to be considered under regular order. The funding proposed for these grants should be directed to programs authorized to address water quality through grants.

Similarly, the President's Budget request recommends authorization, for FY 2006 and thereafter, of $23 million annually for grants to States, tribes, and interstate agencies for projects that demonstrate public health and/or environmental benefits. This legislative language is silent on criteria to be applied or cost-sharing. Again, the Committee does not support the authorization of new programs in an appropriations bill. EPA should submit a legislative proposal to Congress to be considered under regular order.

The President's Budget request would decrease funding to the Alaska Native Village Program, from $44.6 million in FY 2005 to $15 million in FY 2006. When this program began, 40 percent of rural Alaskan households did not have access to basic water and wastewater infrastructure. Under this program, that number has been reduced to 23 percent. Any issues relating to program management were addressed by EPA Region 10 in 2004. The Committee supports maintaining funding for the program at $45 million, the FY 2005 appropriations level. At the funding level proposed in the President's Budget for FY 2006, no new projects could be started to provide community water and wastewater systems where none currently exist so no progress would be made to address the remaining rural Alaskan homes that do not have access to safe drinking water or adequate wastewater systems.

For the Superfund program administered by the Environmental Protection Agency, 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 President's Budget proposes $1.279 billion for the Superfund program, $102 million below the Administration's FY 2005 request and an increase of $32 million over the FY 2005 enacted level. Of this amount, $797 million is requested for removal and remedial actions. In January 2004, the EPA Office of Inspector General identified a funding shortfall of $175 million. The shortfall has not been addressed. The Committee supports increased funding for on-the-ground removal and remedial activities.

The President's Budget proposes $210.1 million for brownfields programs. Of this total, $60 million is requested out of the State & Tribal Assistance Grants (STAG) account for grants to States to fund State voluntary cleanup programs, and $120.5 million is requested out of the STAG account to fund grants and loans for brownfield site assessments ($29 million), cleanup revolving loan funds and grants ($41.5 million), petroleum site assessment and cleanup ($30.3 million), job training ($2.5 million), and training, research and technical assistance ($14.2 million). In addition, $29.6 million is requested out of the Environmental Program and Management Account to fund contracts and 121.7 full-time equivalent employees (FTEs).

The Small Business Liability Relief and Brownfields Revitalization Act (P.L. 107-118) authorizes $200 million annually for brownfield site assessments and cleanup. The Act also authorizes $50 million annually for State voluntary cleanup programs. The Committee recommends full funding of these authorizations. Accordingly, $10 million of the $60 million proposed for State voluntary cleanup programs should be used to fund site assessments and cleanup.

The Small Business Liability Relief and Brownfields Revitalization Act authorizes no funding for increasing the number of EPA FTEs. EPA should not be spending 14.1 percent of its total brownfields funding on FTEs and administrative costs. The Committee is concerned that it takes 122 FTEs to manage a $210.1 million program. Under that level of administrative support, every $1.7 million of the President's Budget proposal for brownfields would get its own FTE. The Committee recommends that the funding proposed to support brownfields FTEs be used instead to support full funding of brownfields site assessments and cleanup.

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. For FY 2006, however, the President's Budget request includes a provision that proposes to appropriate $9 million from the Tennessee Valley Authority Fund for TVA's Inspector General. Under the TVA Act, the TVA Board may choose to deposit some power revenues into the U.S. Treasury, but absent Congressional action, TVA's revenues are not available for appropriation. Accordingly, the proposal to appropriate part of TVA's revenues is contrary to the TVA Act. The Committee opposes this provision because it establishes a precedent that could lead to the appropriation of all of TVA's power revenues, which is inconsistent with TVA's status as a governmental corporation. If the Administration wants a limited portion of TVA's revenues to be placed into the General Fund of the Treasury and be available for appropriation for the sole purpose of supporting the TVA Inspector General, the Administration should submit a legislative proposal to the Committee seeking this authority.

The President's Budget request also includes three additional legislative proposals relating to TVA: subjecting TVA to regulation under the Federal Energy Regulatory

Commission (FERC), requiring TVA to register its securities with the Securities and Exchange Commission (SEC), and requiring TVA to change its treatment of certain financing arrangements. The issue of opening FERC regulation of TVA will be considered in the context of the comprehensive energy bill and should not be addressed in an appropriations bill. The issue of TVA compliance with reporting requirements of the SEC was already addressed in the FY 2005 Consolidated Appropriations Bill. Finally, TVA currently reports both its statutory debt and other financial obligations, and the aggregate of both remain below TVA statutory debt limit. Any amendment to the TVA Act to change what is considered statutory debt does not belong in an appropriations bill and must be considered by this Committee under regular order.

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 President's Budget proposes to change the way Seaway operation and maintenance are funded by creating new mandatory charges for using the Saint Lawrence Seaway. The President's Budget request would fund only half of Saint Lawrence Seaway operation and maintenance costs from the Harbor Maintenance Trust Fund ($8 million), and fund the other half from new fees, the receipts of which would be returned to the Treasury and deposited in a special fund account and made available as provided in annual appropriations bills. The Committee opposes the imposition of new fees on users of the Saint Lawrence Seaway.