Agenda

Los Angeles County
Metropolitan Transportation Authority

TECHNICAL ADVISORY COMMITTEE

UNION STATION ROOM

1. Call to Order/Roll Call
   Action (Renee Berlin, Randy Lamm)

2. Agenda Reports by Standing Committees
   Bus Operations
   Local Transit Systems
   Streets and Freeways
   TDM/Air Quality
   Attachment 1: Subcommittee Agendas
   Attachment 2: Subcommittee Actions
   10 min
   Information
   Robert Hildebrand
   Joyce Rooney
   Ed Norris
   Mark Yamarone

3. Consent Calendar
   Action/Concurrence
   • Approval of Minutes
     Attachment 3: Minutes of September 7, 2005

5. Chairperson’s Report
   5 min
   Information
   (Renee Berlin)

6. Legislative Update
   Federal
   State
   Attachment 4: Legislative Matrix
   Attachment 5: “Operation Offset”
   10 min
   Information
   (Raffi Hamparian)
   (Michael Turner)

7. 2006 Legislative Program
   10 min
   Information
   (Michael Turner, Raffi Hamparian)

8. Status Report on State Highway System
   Improvements in Los Angeles County
   20 min
   Information
   (David Yale)

9. CTC Update
   10 min
   Information
   (Tim Papandreou)

Metropolitan Transportation Authority

Metro
10. LRTP Update
   10 min
   Information
   (Heather Hills)

11. New Business

12. Adjournment

TAC Minutes and Agendas can be accessed at:
http://www.metro.net/about_us/committees/tac.htm

Please call Randy Lamm at (213) 922-2470 or e-mail to “lammr@metro.net”, if you have questions regarding the agenda or the meeting. The next meeting will be on November 2, 2005 at 9:30 am in the Union Station Room.
Attachment 1

Subcommittee September 2005 Agendas

Bus Operations Subcommittee

Local Transit Systems Subcommittee

Streets and Freeways Subcommittee

TDM/Air Quality Subcommittee
Agenda

Los Angeles County Metropolitan Transportation Authority

BUS OPERATIONS SUBCOMMITTEE

Gateway Plaza Conference Room — 3rd Floor

1. Call to Order
   1 minute

2. Approval of Minutes
   August 16, 2005 Minutes
   1 minute

3. Chair's Report
   5 minutes

4. Prop A/C Local Return Guidelines
   10 minutes

5. Final Adoption of STA Efficiency Test Figures
   10 minutes

6. Nomination Committee
   10 minutes

7. State Legislative and Federal Update
   10 minutes

8. New Business

9. Adjournment

Action
Bob Hildebrand

Action
BOS

Information
Bob Hildebrand

Action
Pat Chen

Action
Susan Richan

Action
Jaime Becerra/David Feinberg

Information
Michael Turner/Marisa Yeager

Discussion
BOS
Information Items:
- 90-day Rolling Agenda
- 5307 85% Fund Balances
- 5307 15% Discretionary Fund Balances
- CMAQ Fund Balances
- TE 1% Fund Balances
- Summary of Invoices — FY05
- 2005 Subsidy Tracking Matrix
- 2004 Document Requirement Status
- Summary of EZ Pass Invoices — FY04
- TDA/STA Claim Summary for FY05
- Regional Pass Sales
- Local Return — Body
- Form A — New
- Form B — New
- Form C — New
- Local Return Body 99
- Local Return Guidelines Matrix New II

BOS Agenda Packages can be accessed online at:
http://www.metro.net/about_us/committees/bos.htm

Please call Desirée Portillo-Rabinov at 213-922-3039 if you have questions regarding the agenda or meeting. The next BOS meeting will be held Tuesday, October 18, 2005 at 9:30 am in the Gateway Plaza Conference Room 3rd Floor, Gateway Building.
Agenda

Los Angeles County
Metropolitan Transportation Authority

LOCAL TRANSIT SYSTEMS SUBCOMMITTEE

Gateway Plaza Room — 3rd Floor

1. Call to Order

2. Approval of Minutes — July 28, 2005
   (Attachment 1)

3. Proposition A Incentive Reserve Working Group
   (Attachment 2)

4. UFS Working Group Meetings

5. Approve Final Local Return Guidelines
   (Attachment 3)

6. FY ’05 NTD Reporting Wrap Up
   (Attachment 4)

7. Specialized Transportation Services Roundtable
   Meeting

8. Legislative Update

9. New Business

10. Adjournment

Action
   Joyce Rooney

Discussion
   Martin Gombert, PVPTA

Discussion
   Matthew Avacena, ASI

Action
   Patricia Chen, Metro/Joyce Rooney, Chair

Discussion
   Jay Fuhrman, Metro

Discussion
   Larry Torres, Metro

Information
   Mike Turner

Information
   Joyce Rooney

Action
   Joyce Rooney
Agenda

Los Angeles County Metropolitan Transportation Authority

Streets and Freeways Subcommittee

Windsor Conference Room, 15th Floor

1. Call to Order
   1 min
   Action (Ed Norris)

2. Approval of the August 18, 2005 Minutes
   Attachment 1: Draft Minutes/Sign-in Sheet
   1 min
   Action (Subcommittee)

3. Chairperson Report
   10 min
   Information (Ed Norris)

4. Metro Report
   10 min
   Information (Renee Berlin)

5. Caltrans Report
   • HES/Safe Routes to School Grant Criteria
   • Inactive Project List
   10 min
   Information (Kirk Cessna)

6. Proposition A & C Local Return Guidelines
   Attachment 2 – Local Return Guidelines Matrix
   10 min
   Action (Patricia Chen)

7. STP-L
   10 min
   Discussion (David Yale)
8. **I-710 South**  
   Attachment 3 - I-710 EIR/EIS Project  
   Governance Structure Board Report  
   10 min

9. **Wilshire Bus Rapid Transit Demonstration**  
   Attachment 4 - Wilshire Blvd Bus Only Lane  
   Board Report  
   10 min

10. **Normalization of Pavement Condition Indices**  
    Attachment 5 - Executive Summary  
    10 min

11. **New Business**  
    5 min

12. **Adjournment**  
    1 min

The next meeting of the Streets and Freeways Subcommittee will be held on October 20, 2005 at 9:30 AM in the Windsor Conference Room. Please contact Renee Berlin at (213) 922-3035 or Ryan Ross at (213) 922-1079 should you have any questions or comments regarding this or future agendas.
NO TDM/AQ MEETING IN SEPTEMBER
Attachment 2

Subcommittee Actions
Disposition of September Subcommittee Actions

BOS:
August 16th Meeting
- Prop A/C Local Return Guidelines were approved unanimously with a few minor suggestions. Brynn Kernaghan made a comment on the Service Coordination process. She said the last bullet under Role of the Service Development Team should read "Fare coordination and connectivity with other interfacing transit operators" rather than with "the regional public transportation system".

- As a follow up to General Managers' meeting regarding the ending of MOSIP program and the development of the consent decree financial plan which depends heavily on Prop C Discretionary funds, it was stated that MTA has not made any commitment to a future plan with MOSIP. Therefore, Brynn Kernaghan presented this motion which was unanimously approved by BOS members.

"BOS requests that MTA Board actions on Thursday regarding the Consent Decree not preclude the continuation of the MOSIP program after FY 06, and that a minimum of $17.4 million be reserved in Proposition C 40% funds for the FY 07 MOSIP program."

- A vote was approved to move the BOS slate of officers and for the following positions:
  Chair: Andre Collace, Culver City Transit
  V.Chair: David Reyno, Foothill Transit
  Secretary: Dana Lee, Long Beach Transit

- New BOS TAC appointments were made:
  Primary -- Andre Colaiace/Alternate -- Brynn Kernaghan
  Primary – David Reyno/Alternate – Dana Lee

LTSS:
No meeting in August, from July 28, 2005 Meeting

- Motion: That Metro reconsider the proposed language of the MOU’s (11.0) and LOA’s (8.0) to address LTSS concerns, which are as follows:
  11.1 – shorten to “Metro”
  11.2 – seven day prior review and written approval from Metro is beyond Metro’s authority and jurisdiction (especially in light of 11.3)
  11.3 – Metro should not be dictating content of city websites, newsletters, press releases, etc.
  11.4 – vehicles should be exempted as many local cities are not in EZ Pass program and this could be confusing to patrons.

First: Martin Gombert, Palos Verdes Peninsula Transportation Authority
Second: Ann Meiners, LA County Dept. of Public Works (unanimously approved)

Streets and Freeways:
September 22nd Meeting

- The Subcommittee deferred taking action on the Proposition A & C Local Return Guidelines to the October 2005 meeting to allow members an opportunity to review the full document. The item has been agendized for the October 2005 meeting. Some early comments were:
Mohammad Mostahkami (Gateway Cities COG) stressed that street lighting along bus routes should be eligible for Prop A & C funding. This is a safety issue.

Bahman Janka (San Gabriel Valley COG) and Ed Norris (City of Long Beach) commented that stand-alone traffic signals at bus stops should be eligible, since they are bus stop amenities and they provide pedestrian safety at the bus stop for passengers. This is especially true if it meets Caltrans warrants based on pedestrian volume.

Patricia Chen (Metro) stated that streetlights are eligible if they are within 25 feet of a bus stop. She will respond to members’ comments and report back to the Subcommittee in October for a vote.

TDM/AQ:
No Meeting in September
Attachment 3

Draft September 7, 2005 TAC Minutes
Sign-In Sheet
Handouts
Meeting Minutes

Los Angeles County
Metropolitan Transportation Authority

TECHNICAL ADVISORY COMMITTEE

1. Call to Order/Roll Call
Renee Berlin (Chair) called the meeting to order at 9:40 a.m. Randy Lamm (Metro) took roll and declared a quorum was present.

2. Agenda Reports By Standing Committees

BOS (Robert Hildebrand)
- Met on August 16th;
- Discussed:
  - The State Transit Assistance (STA) Efficiency test, and that Susan Richan (Metro) is conducting the calculations. Input data is due to her by September 13th for BOS review at the September 20th meeting;
- Received reports on:
  - The Transportation Improvement Program (TIP) and upcoming TIP workshops;
  - The Metro Orange Line;
  - Requirement to submit a Congestion Management Program (CMP) Transit Analysis with the submittal of Short Range Transit Plans (SRTPs);
- Appointed a Nominating Committee for election of new BOS officers to be elected in September;
- Next meeting is on September 20th.

LTSS (Joyce Rooney)
- Did not meet in August;
- Next meeting is on September 29th.
Streets and Freeways (Ed Norris)
- Met on August 18th;
- Discussed:
  - Agency responsibility for programming SAFETEA-LU earmarks into the TIP, with a 20% match required;
- Received reports on:
  - Agencies with STP-L funds subject to lapse on September 30th;
  - Upcoming TIP workshops;
  - SAFETEA-LU Federal Transportation Funding Reauthorization;
  - Caltrans grant recipients of the Hazard Elimination Survey (HES) program;
  - Caltrans list of federally funded projects with no activity for six months;
  - Proposed rule change to FHWA 23 CFR, part 630;
  - The Metro Bicycle Transportation Strategic Plan;
  - The Metro Freeway Service Patrol Towing Service, I-710 Big Rig Demo;
- Actions:
  - Moved to approve comments on the proposed FHWA 23 CFR rule changes;
- Next meeting will be held on a special date, September 22nd at 9:30 a.m.

TDM/AQ (Mark Yamarone)
- Did not meet in August;
- Next meeting will be held on September 14th at 10:30 a.m.

3. Consent Calendar (Randy Lamm)
Moved by Greg Herrmann (League of Cities—Arroyo Verdugo Cities), seconded by Mark Herwick (Los Angeles County), motion to approve the consent calendar. The motion carried. (Desi Alvarez (League of Cities—Gateway COG), Mark Bozigian (League of Cities—North County), and Andrea Burnside (Metro Operations) abstained.

4. Chairperson’s Report (Renee Berlin)
- New Member Welcome:
  - Joseph Alcock as Primary and Annie Nam as Alternate representing the Southern California Association of Governments (SCAG), replacing Sina Zarifi and Rich Macias, respectively;
  - Tom Horne as the Alternate member for North Los Angeles County replacing Steve Williams;
- Chief Planning Officer Jim de la Loza resigned from Metro to enter the private sector. Carol Inge is the Acting Chief Planning Officer;
- Ray Maekawa, Director of Metro’s Southeast/Gateway Cities Planning Team retired effective August 27th;
- The Call for Projects web page is now active at www.metro.net/callforprojects. It contains links to the following information:
- The current Memorandum of Understanding/Letter of Agreement (MOU/LOA) boilerplates;
- An Electronic Clearing House form and instructions for completing the form. For electronic payments, the form needs to be completed 30 days prior to requesting the first payment;
- Metro adopted Intelligent Transportation System (ITS) and Parking Policies;
- Links to other websites, including Caltrans and the California Transportation Commission (CTC);
- Call for Projects Area /Modal Team Directors and Modal Leads;

Comments on the website should be directed to Ms. Berlin.

- Workshops on programming projects in the TIP and dealing with STP-I funds, Federal Earmarks etc. will be hosted by Herman Cheng, Nancy Marroquin, and Kalieh Honish on Tuesday, September 20th, Wednesday, September 28th, and Thursday, September 29th. Members are advised to attend one of these workshops in order to avoid delays/problems with obligating Federal funds;
- The Metro 90-Day Rolling Agenda is included in the TAC Agenda packet;
- The official Grand Opening of the Metro Orange Line will be held on Saturday, October 29th and Sunday, October 30th. The event will feature free rides on both days and community events at select stations between 9:00 a.m. and 4:00 p.m. on Saturday only;

August Board Meeting Recap
Received and Filed:
- SAFETEA-LU Board Report about Funding Marks and Provisions for Los Angeles County.

Approved:
- As amended by Chairman Villaraigosa, Directors' Molina/Fasana/Antonovich motion regarding the Metro Gold Line Foothill Extension Governing Board will be comprised as follows:
  - Three members are appointed directly by the affected jurisdictions: all must be representatives of the Los Angeles County City Selection Committee and must be San Gabriel Valley Representative or a County Supervisor representing the affected area. The third member serves as a voting alternate;
  - One member appointed by the Mayor of Los Angeles;
  - One member appointed by the Mayor of Pasadena;
  - Two members appointed by the Metro Board Chair;
  - The City of South Pasadena and the San Bernardino Association of Governments (SANBAG) will be non-voting ex-officios;
- Metro was authorized to enter into an MOU that shall specifically address Metro’s ability to receive and approve any significant changes in the design or construction of the project. The Gold Line Foothill Extension Construction Authority and the Exposition Line Construction Authority will be precluded from being designated as a recipient of Federal funds;
• Metro will not be legally obligated to allocate any Federal or Local funds toward the Foothill extension;

Appointed:
• Rick Thorpe as the Interim Chief Executive Officer for the Exposition Line Construction Authority.

Mr. Hildebrand asked if the MOU/LOA Boilerplates on the Metro website represent changes discussed at the August TAC meeting. Ms. Berlin answered yes. She noted that TAC members were previously e-mailed a notice with the disposition of the boilerplate items discussed at the August TAC meeting.

5. Consent Decree Budget Update (Michelle Caldwell, Metro)
Ms. Caldwell reported that staff is in the process of formulating recommendations to the Board regarding the Consent Decree. The current Special Master order in front of the Metro Board concerns the New Service Plan, with some portions about the Pilot Program. The Pilot Program was started at the beginning of the Consent Decree and consists of 13 lines of new service designed to bring passengers to medical, education and employment destinations. Both Metro and the Bus Riders’ Union (BRU) submitted New Service Plans to the Special Master, who then created an order after reviewing the two plans. Metro submitted the Metro Rapid Program and our proposed implementation for the New Service program. This was the Metro Rapid program that the The Metro Board had approved as part of the SRTP. The Special Master approved Metro’s plan with some additional criteria to be implemented.

The BRU complained that when Metro Rapid lines were implemented, local service was displaced. The Special Master required that Metro not replace more than 33% of Local service in a corridor when a Metro Rapid line is implemented in the same corridor. Metro staff believes that the Agency is compliant with that part of the Order.

The Order requires that the Metro Board approve an Implementation Plan and a budget for the Implementation Plan that specifies how it will be funded. The Order specifically requires that the budget identify the sources of funding for the Implementation Plan - where the capital and operating funds come from and whether funds will be reprogrammed from other bus-eligible projects in order to implement the Metro Rapid Program. The Board is concerned that the Metro Rapid Program is scheduled for implementation through FY 09, while the Consent Decree is over in October 2006. The Metro Board is reluctant to commit to the Special Master in writing what the source of funding will be beyond the term of the Consent Decree, due to the concern that this could automatically extend the Consent Decree.

The Metro Board will consider the Consent Decree budget in closed session at its September 22nd Special meeting. The Pilot Program portion of the Order will be discussed in open session. Service on one of the Pilot lines had been reduced, but is being restored to be in compliance with the Order. The Line restoration requires an amendment to the FY 06 budget. The Open session discussion will also include procurement of buses that normally
would have been purchased in FY 07 and are included in both the Short Range Transit Plan (SRTP) and the Long Range Transportation Plans (LRTP).

The Master ordered that the response be approved by the Board, certified by a Metro executive, and submitted to the Master by September 30th.

Mr. Hildebrand asked if TAC would only be able to comment on Open session items. Ms. Caldwell answered that TAC should follow the normal procedures for public comment, but that Metro’s Legal Counsel is carefully reviewing closed session items to ensure that the items on the closed session agenda were appropriate.

6. Legislative Update (Raffi Hamparian/Kimberly Yu, Metro)

Federal Update
Mr. Hamparian reported that Metro staff is “benchmarking” each of the SAFETEA-LU Earmark projects to further ensure that the money is actually spent before lapsing. Staff has matched each of the Earmark Projects to the member of Congress who sponsored it. This will help local jurisdictions determine the project scope, sponsoring agency and lead staff person who will ensure that the process for accessing and drawing down the funds is properly administered (programmed in the TIP, obtain project approvals, and obtain Authorization to Proceed, etc.)

Ms. Berlin asked if there is a list comparing how much sponsors requested versus what they actually received in SAFETEA-LU Earmarks. Mr. Hamparian answered that such information is held in private communication between legislative committees and Congressional members’ offices. Magan Champaneria (City of Los Angeles) shared that he has a list of requested and actual earmark projects for the City of Los Angeles. He will share this with Metro staff.

Mr. Hamparian reported that the House passed its Bill for Fiscal Year 2006. The Senate will focus first on the Hurricane Katrina disaster and the Supreme Court nomination. The Fiscal Year Appropriations process may run into 2006.

Mr. Champaneria asked what percentage of the SAFETEA-LU funding is available each year. Haripal Vir (City of Los Angeles) asked the total number of years that SAFETEA-LU Reauthorization covers. Mr. Hamparian answered that the percentage varies depending on the year and that it will be distributed by varying percentages over the four-year period of the SAFETEA-LU bill.

State Update
Ms. Yu reported that SB 66, which is Metro’s response to AB 144, is pending on the Senate floor. At a recent Big Five meeting, all members agreed to defer the dealing with the transportation funding issue until next year. Senator Perata required that his Bond measure and the I-405 Design/Build project need to be addressed next year.
Ms. Yu said that the I-405 Carpool Design/Build project is being discussed in the final two
days of the Legislative session. Michael Turner is in Sacramento to follow this issue.

7. Errors Causing Loss of Federal Funds (Kirk Cessna, Caltrans) Handout

12 Common Procedural Errors
Mr. Cessna distributed the list of 12 Common Procedural Errors that can result in the loss of
Federal Transportation funds. Mr. Cessna suggested that TAC members and others review
the Caltrans Procedures Manual, which is available on the Caltrans website to minimize
errors. Ms. Berlin noted that the list was previously e-mailed to TAC members.

The most common problem is sponsors starting a project before they receive Authorization
to Proceed (obtain an E-76 form). This will result in loss of funds. To highlight another
procedural error, Mr. Cessna provided an example of a project that was advertised for bid
before the sponsor had right-of-way certification. Mr. Champaneria asked if the project had
Authorization to Proceed with construction. Mr. Cessna answered no. He said that while
Caltrans did not catch the problem, the agency is responsible for following the correct
procedure.

Projects without Activity
Mr. Cessna reported that the Federal Highway Administration (FHWA) recently completed a
review of projects with balances over $500,000 that had no activity for over a year. Mr.
Cessna provided agencies with that list and Caltrans staff contacted the listed agencies. He
said that the FHWA is scrutinizing these projects as it looks for reprogrammable funds. Mr.
Cessna indicated that Caltrans will update the list each month, to include all projects with no
activity in the prior 6 months, and deliver the updated list to the Streets and Freeways
Subcommittee. He asked that TAC members share the list with their agencies, and noted
that the list may be particularly helpful during times of staff turnover.

Ms. Berlin directed members to the current list published on page 91 of the September TAC
Agenda Packet. She commented that the League of Cities representatives might want to
share the list with some of their member cities. Mr. Cessna welcomed calls with questions
or requests for assistance. Ms. Berlin said that staff would be happy to share the list with
any interested TAC members who are not on the Streets and Freeways Subcommittee.

8. California Transportation Commission (CTC) Update (Tim Papandreou,
Metro)
Mr. Papandreou presented a summary recap of the August 17th and 18th CTC meeting.
Metro staff is waiting for Caltrans to finalize the 2006 Draft State Transportation
Improvement Program (STIP) Fund Estimate. The CTC staff requested, on Caltrans’ behalf,
to delay the adoption of the Fund Estimate until the September CTC meeting due to the
following points of uncertainty:
- The Tribal Gaming Bond Compacts – it is not clear if transportation will be getting any
  money,
• Metro and other agencies are working with Caltrans staff to clarify California’s share of SAFETEA-LU funding;
• Any new STIP programming capacity appears to be wholly dependent on the Transportation Investment Fund (TIF) transfers and the Public Transportation Account (PTA) Spillover revenues. These funds are less discretionary than other funds, with PTA dollars specifically related to transit;
• The Toll Bridge Funding Contribution schedule;

These issues must be resolved in the next three weeks because the Fund Estimate must be adopted by September 29th.

Mr. Papandreou referred to the Two-Tiered Fund Estimate that he summarized at the August TAC meeting. He stated that it appears unlikely that the CTC will adopt the more conservative Tier 1 estimate and that they will more likely adopt Tier 2. Under Tier 1, Los Angeles County could lose approximately $500 million in Transportation funds through deprogramming. Under Tier 2, the County could gain approximately $300 million in new Transportation programming capacity. The CTC will likely adopt Tier 2 or a similar derivative Estimate. The 2006 STIP Schedule has been updated. The 2006 STIP hearings have been scheduled for March 9, 2006. The hearings will be held in Los Angeles and Metro has offered the Gateway Building as the venue, though the location has not been confirmed.

Mr. Papandreou reported that the CTC approved the following at their August meeting:
• $87 million for Traffic Congestion Relief Program (TCRP) project number 35.2, which is a triple-track intercity rail line in Southern Los Angeles County, including a run-through track at Union Station. Caltrans is the project sponsor and they requested project approval. The project will benefit Metrolink and Intercity Rail service;
• A STIP amendment of $22 million for additional work on the I-5. This is a revenue-neutral adjustment. The I-5 costs continue to escalate and Metro is working with the I-5 Joint Powers Authority (JPA) and other partners to resolve the problems;

Other items of interest:
• The Regional Transportation Planning Agencies (RTPA) also met and discussed the Federal review of inactive projects. A Federal representative cautioned about the outstanding Obligation Authority balances, which Kirk Cessna described in his presentation;
• The Planning, Programming, and Monitoring (PPM) Funds, which are used by planning departments to ensure sufficient resources to deliver STIP projects. The CTC has been concerned that allocated PPM funds have not been fully utilized;
• The Secretary announced a Statewide “Go California” campaign to promote the “Go California” Initiative. The Initiative is a package of ballot measures designed to improve the efficiency of Caltrans project delivery, to assist agencies in delivering projects, and to streamline project delivery review. A related event is scheduled in Los Angeles on October 27. TAC members will be notified as further event details emerge;
• The Annual Self-Help Counties Coalition “Focus on the Future” conference will be held October 16th-18th in San Francisco. TAC members will receive an invitation;
• The next CTC meeting is September 28th and 29th in Monterey, at which the Fund Estimate will be adopted.

Mr. Champaneria asked Mr. Papandreou if he received comments on 23-CFR. Ms. Berlin answered that Metro received comments from South Gate, West Hollywood, the City of Los Angeles and Los Angeles County at the Streets and Freeways Subcommittee meeting. Comments on 23-CFR are due September 9th. Ms. Berlin asked Mr. Papandreou if he has a list of projects with allocated funds that are up against contract award deadlines. Mr. Papandreou said that he would double check the list and forward the information for TAC member notification.

9. Metro Long Range Transportation Plan (Heather Hills, Metro)
Ms. Hills reported that the 2006 LRTP is a minor update to the 2001 LRTP. Staff is scheduled to take the LRTP before the Board in October with preliminary modeling results. The Council of Government (COG) Executive Directors will receive a letter from Interim Chief Planning Officer Carol Inge to update the sub-regional chapters. Last spring, the COGs, the County and the City sent Metro their priority lists. Any changes to those priority lists needs to be submitted to Metro by September 30th.

Ms. Berlin requested that the City and County of Los Angeles coordinate with their COGs to submit changes. Sandra Balmir (FTA) asked if the modeling is entirely a new update. Ms. Hills answered yes, that Metro is running two new models required for the LRTP. The Travel Demand Model horizon is extended from 2025 to 2030 with 2030 demographics. The first model run looks at the existing system with all improvements that have been approved by the Metro Board. The second model is the Financial Model, which is also projected to 2030. Ms. Berlin said that the Financial Model shows cost projections that reflect cost increases. She said that the cost estimates may already be outdated with the recent Hurricane Katrina devastation on the Gulf Coast.

Mr. Hildebrand asked if the Transit Capital Cost material that Ms. Hills reviewed with BOS would be included in the October Board Report. Ms Hills answered yes. Mr. Vir asked if the Travel Demand figures will be shared with the City, County, and other agencies. Ms. Hills said that the information would be shared when Metro is satisfied with the results. Ms. Berlin said that if TAC members want their subregional chapters electronically, contact your Metro Area Team Director.

10. New Business (Handout)
The City of Redondo Beach Grand Opening celebration of the PCH/Catalina Avenue Intersection Improvement project funded through the Call for Project will take place on Friday, September 9th at 9:00 a.m.

11. Adjournment
The meeting was adjourned at 10:30 a.m. The next meeting will be held on October 5, 2005 in the Union Station Room, 3rd Floor, at 9:30 a.m.
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<td>BUS OPERATIONS SUBCOMMITTEE (BOS)</td>
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<td>2. Andre Colaiacco/David Reyno</td>
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<td>CALIFORNIA HIGHWAY PATROL</td>
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<td>CALTRANS</td>
<td>1. Raja Miwasi/Alberto Angelini</td>
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<td>2. Rose Casey/Kirk Cessna</td>
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<td>CITIZEN REPRESENTATIVE ON ADA</td>
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<td>CITY OF LONG BEACH</td>
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<td>CITY OF LOS ANGELES</td>
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<td>San Gabriel Valley COG</td>
<td>5. David Liu/Dan Rix</td>
</tr>
<tr>
<td>South Bay Cities COG</td>
<td></td>
</tr>
<tr>
<td>West Side Cities</td>
<td>6. Steven Huang/Victor Rollinger</td>
</tr>
<tr>
<td></td>
<td>7. David Feinberg/Art Ida</td>
</tr>
</tbody>
</table>
| LOCAL TRANSIT SYSTEMS SUBCOMMITTEE (LTSS) | 1. Jano Baghdanian/Thomas Uwal  
|                                          | 2. Joyce Rooney  
|                                          | Joyce Rooney/Bertha Tafoya |
| METROPOLITAN TRANSPORTATION AUTHORITY (MTA) | 1. Renee Berlin/Randy Lamm  
|                                          | Countywide Planning & Development  
|                                          | 2. Carolyn Flowers/Andrea Burnside  
|                                          | MTA Operations |
| SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY (SCARRA - Ex-Officio) | 1. Joanna Capelle  
|                                          | Steve Lantz/Joanna Capelle |
| SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG - Ex-Officio) | 1. Eyvonne Sells/Kathryn Higgins |
| GOODS MOVEMENT REPRESENTATIVE (Ex-Officio) | 1. LaDonna DiCamillo/Ron Guss |
| TRANSPORTATION DEMAND MANAGEMENT/AIR QUALITY SUBCOMMITTEE | 1. Mark Yamamoto/Phil Aker  
|                                                       | 2. Robert Newman/Brooke Geer Person |
| MEMBERS AND ALTERNATES | AGENCY | June | July | August | September | October | November | December | January | February | March | April | May | June | July | August | September |
|------------------------|--------|------|------|--------|-----------|---------|----------|----------|---------|----------|-------|--------|-----|------|-----|--------|---------|----------|
| Steve Finnegan/Manonre Kim (A) | AUTO CLUB | X | X | X | X | X | X | X | X | X | X | X |
| Robert Hildbrandt/Boyce Kepner (A) | BOS SUBCOMMITTEE | X | X | X | X | X | X | X | X | X | X | X |
| Andrea Colacino/David Reyno (A) | NOS SUBCOMMITTEE | X | X | X | X | X | X | X | X | X | X | X |
| Carl R. Dancy/Debra Valencia (A) | NFCP | X | X | X | X | X | X | X | X | X | X | X |
| Rosa Nunez/Alberto Angelus | CALTRANS | X | X | X | X | X | X | X | X | X | X | X |
| Rose Casey/KIA Cassida (A) | CALTRANS | X | X | X | X | X | X | X | X | X | X | X |
| John Whiting/Adrianson Pimente (A) | CITIZENS REP ON AD | X | X | X | X | X | X | X | X | X | X | X |
| Scott Garland/James Parks (A) | LONG BEACH | X | X | X | X | X | X | X | X | X | X | X |
| James O'Laughlin/James Lofthus (A) | CITY OF LOS ANGELES | X | X | X | X | X | X | X | X | X | X | X |
| Huria V. Vi/Mike Ojeda (A) | CITY OF LOS ANGELES | X | X | X | X | X | X | X | X | X | X | X |
| Gina Montalvo/Rosa Olivas (A) | CITY OF LOS ANGELES | X | X | X | X | X | X | X | X | X | X | X |
| Mark Handley/M. David Cowan (A) | COUNTY OF LOS ANGELES | X | X | X | X | X | X | X | X | X | X | X |
| James S. Baker/Robert Snobrock (A) | COUNTY OF LOS ANGELES | X | X | X | X | X | X | X | X | X | X | X |
| Patrick DeCicco/Oliver Glazier (A) | COUNTY OF LOS ANGELES | X | X | X | X | X | X | X | X | X | X | X |
| Craig Herman/Calif. Case (A) | ARROYO SECO/GO CITIES | X | X | X | X | X | X | X | X | X | X | X |
| Desi Graciano/Rita Rupp (A) | GATEWAY CITIES CDG | X | X | X | X | X | X | X | X | X | X | X |
| Jim Traynor/Val Eitel (A) | LAS VEGAS METRO CONOCOS | X | X | X | X | X | X | X | X | X | X | X |
| Ken Over/Don Davis (A) | SAN GABRIEL CITIES CDG | X | X | X | X | X | X | X | X | X | X | X |
| Steve Muciy/Vinny Ruggero (A) | SOUTH BAY CDG | X | X | X | X | X | X | X | X | X | X | X |
| David Frazee/Orlando (A) | WEST SIDE CITIES | X | X | X | X | X | X | X | X | X | X | X |
| Mark Bazan/Stephen Williams (A) | NORTH L.A. COUNTY | X | X | X | X | X | X | X | X | X | X | X |
| John Bagnall/Mark A. Green (A) | LSS | X | X | X | X | X | X | X | X | X | X | X |
| Joyce Runyon/Karen Roth (A) | LSS | X | X | X | X | X | X | X | X | X | X | X |
| Renee Baudet/Randy Lartmen (A) | MTA | X | X | X | X | X | X | X | X | X | X | X |
| Corbin Flowers/Andrea Burskis (A) | MTA | X | X | X | X | X | X | X | X | X | X | X |
| Steven Landi/Joana Capelle (A) | SCRAP | X | X | X | X | X | X | X | X | X | X | X |
| Elenor Seidel/Kathrynn Regnas (A) | SCRAM | X | X | X | X | X | X | X | X | X | X | X |
| Joseph Alcide/Amaia Harrison (A) | SCAG | X | X | X | X | X | X | X | X | X | X | X |
| LisaDiana DiCamillo/Flexx (A) | GOOCS MOVEMENT | X | X | X | X | X | X | X | X | X | X | X |
| Mark Venet/Mike Alpert (A) | TOMAC SUBCOMMITTEE | X | X | X | X | X | X | X | X | X | X | X |
| Robert Newman/Skokie Seer Person (A) | TOMAC SUBCOMMITTEE | X | X | X | X | X | X | X | X | X | X | X |
## TAC Audience Attendance
**September 7, 2005**

<table>
<thead>
<tr>
<th>#</th>
<th>Name</th>
<th>Agency</th>
<th>Phone Number</th>
<th>E-Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Grace Shulman</td>
<td>FHWA/FTA</td>
<td>918-202-3953</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Maged ZRaban</td>
<td>LACDPW</td>
<td>626-353-3298</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Joe Vizcarra</td>
<td>CHP</td>
<td>213-697-6136</td>
<td><a href="mailto:JVizcarra@chp.ca.gov">JVizcarra@chp.ca.gov</a></td>
</tr>
<tr>
<td>4</td>
<td>Peter Voorhees</td>
<td>Metro</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Herman Cheng</td>
<td>Metro</td>
<td>(213) 922-2453</td>
<td><a href="mailto:Chengh@metro.net">Chengh@metro.net</a></td>
</tr>
<tr>
<td>6</td>
<td>Nancy Marroquin</td>
<td>Metro</td>
<td>(203) 922-7237</td>
<td><a href="mailto:marroquinn@metro.net">marroquinn@metro.net</a></td>
</tr>
<tr>
<td>7</td>
<td>Ron Olive</td>
<td>LA DOT</td>
<td>(213) 485-5681</td>
<td>ron.olive@655.4c4.9</td>
</tr>
<tr>
<td>8</td>
<td>Talin Shahbazian</td>
<td>MTA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Lylel Kopanski</td>
<td>MTA</td>
<td>(203) 922-4102</td>
<td><a href="mailto:Kopanski.C.MT@metro.net">Kopanski.C.MT@metro.net</a></td>
</tr>
<tr>
<td>10</td>
<td>Walt Davis</td>
<td>MTA</td>
<td>922-3870</td>
<td><a href="mailto:Davis.w@metro.net">Davis.w@metro.net</a></td>
</tr>
<tr>
<td>11</td>
<td>Magan Champaneria</td>
<td>LA DOT</td>
<td>972-4476</td>
<td>@<a href="mailto:champaneria@dot.ca.gov">champaneria@dot.ca.gov</a></td>
</tr>
<tr>
<td>12</td>
<td>Jon Grace</td>
<td>MTA</td>
<td>912-4848</td>
<td><a href="mailto:cauces@metro.com">cauces@metro.com</a></td>
</tr>
<tr>
<td>13</td>
<td>Territorial Hills</td>
<td>MTA</td>
<td>922-7414</td>
<td>alamedasometro.net</td>
</tr>
<tr>
<td>14</td>
<td>Stacy Alameda</td>
<td>MTA</td>
<td></td>
<td></td>
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<tr>
<td>15</td>
<td></td>
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<td>18</td>
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</tbody>
</table>
SAFETEA-LU EARMARK UPDATE
Regional Transportation Improvement Program (RTIP) and
Surface Transportation Program – Local (STPL)
Workshop Invitation

NEW Topic:

SAFETEA-LU Earmark
- **SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users)** the $286.5 billion surface transportation reauthorization bill contains more than $1 billion in Earmarked projects. We will discuss important project information and their programming in the TIP.

RTIP
- 2006 RTIP/FTIP schedule (FY 2006/07 – FY 2011/2012) - This workshop will provide instructions on the basic concepts, components, and the process of the RTIP, including how to review and request amendments to the current 2006 RTIP for new or existing projects.
- When and how to include projects that are capacity enhancing/regionally significant in the RTIP/FTIP.
- Transportation Control Measures (TCM) and the RTIP - The workshop will emphasize the importance of projects in the RTIP that are designated as TCMs.

STPL Program
- Potential for agencies to "spend ahead" in the upcoming Congressional authorization - Cities that have "ready-to-go" projects may be able to request authority to "spend ahead" 6 years of their STP-L funds.
- STPL Lump Sum Projects and requirements – When we receive a new TIP sheet form we will determine if it can be placed in the Lump Sum. We will discuss which projects are eligible for Lump Sum, what the benefits are, and how it works.

Federal Obligation Plan
- Agencies with projects that contain federal funds, such as STP-L, CMAQ, RSTP, TEA, HES, STIP and HBRR, must submit an Obligation Project Listing to MTA by April 1st, if they plan on obligating funds between May 1st and September 30th.

TO RSVP CONTACT: Kalieh Honish (213) 922-3066 HonishK@metro.net or Nancy Marroquin (213) 922-7237 MarroquinN@metro.net.

Circle which date you prefer
Please arrive early to check in at 9:50 p.m.

1. Tues, September 20th at the Windsor Room on the 15th floor from 10:00 – 12:00 p.m.
2. Wed, September 28th at the Windsor Room on the 15th floor from 10:00 – 12:00 p.m.
3. Thur, September 29th at the Windsor Room on the 15th floor from 10:00 – 12:00 p.m.

To confirm your attendance call individuals above or FAX this sheet with your information to: (213) 922-2476 ***Space is limited. Please RSVP as soon as possible to ensure your seat.***

NAME: ______________________ TELEPHONE #: ______________________
EMAIL: __________________ FX #: __________________
AGENCY & DEPARTMENT: ______________________
You're invited to celebrate...

THE GRAND OPENING OF THE PCH/CATALINA INTERSECTION

WHEN: FRIDAY, SEPTEMBER 9, 2005 AT 9:00 A.M.
WHERE: UNDER THE KING HARBOR SIGN
800 block North Harbor Boulevard
Highway
Redondo Beach, CA 90277

RSVP TO: BRAD LINDAHLM 310-377-1171, EXT. 2286
e-mail: brad.lindahl@redondo.us

DIRECTIONS: THE KING HARBOR SIGN IS LOCATED FOUR BLOCKS NORTH OF THE REDONDO BEACH CITY CENTER AT THE INTERSECTION OF 190TH STREET AND PACIFIC COAST HIGHWAY. PARKING WILL BE AVAILABLE ON THE NORTH SIDE OF 190TH STREET, WEST OF PACIFIC COAST HIGHWAY AND IN THE US BANK PARKING LOT. CONSULT THE CITY'S WEBSITE FOR DIRECTIONS – WWW.REDONDO.ORG.
Attachment 4

Legislative Matrix
<table>
<thead>
<tr>
<th>BILL/AUTHOR</th>
<th>DESCRIPTION</th>
<th>MTA POSITION</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACA 4 (Plecia) LA 5/9</td>
<td>Would remove suspension clause from Proposition 42 funds</td>
<td>SUPPORT</td>
<td>2 year bill – Assembly Transportation Committee</td>
</tr>
<tr>
<td>ACA 10 (Núñez)</td>
<td>Would protect Proposition 42 funds</td>
<td>SUPPORT WORK WITH AUTHOR</td>
<td>2 year bill - Assembly</td>
</tr>
<tr>
<td>AB 267 (Daucher) LA 6/1</td>
<td>Would expand the process by which local agencies may be reimbursed by the California Transportation Commission for advancement of local funds for state funded projects.</td>
<td>SUPPORT</td>
<td>2 year bill – Senate Appropriations Committee</td>
</tr>
<tr>
<td>AB 1010 (Oropeza) LA 4/6</td>
<td>Would transfer Grade Crossing approvals from the Public Utilities Commission to Caltrans.</td>
<td>SUPPORT WORK WITH AUTHOR</td>
<td>2 year bill – Senate Energy, Utilities and Communications Committee</td>
</tr>
<tr>
<td>AB 1067 (Frommer) LA 7/5</td>
<td>Would expand the amount of Grade Separation violations that can be imposed.</td>
<td>SUPPORT WORK WITH AUTHOR</td>
<td>To Governor's Desk</td>
</tr>
<tr>
<td>AB 1714 (Plescia) LA 5/3</td>
<td>Modifies the cost estimates to complete the Toll Bridge Seismic Safety Repair and Retrofit Program and identifies funding for the revised estimates.</td>
<td>WORK WITH AUTHOR</td>
<td>2 year bill – Assembly Appropriations Committee</td>
</tr>
<tr>
<td>NUNEZ, OROPEZA, LAIRD FROMMER</td>
<td>BUILDING OPPORTUNITY ASSEMBLY DEMOCRATIC TRANSPORTATION FINANCING PROPOSAL</td>
<td>WORK WITH AUTHOR</td>
<td>Pending Introduction</td>
</tr>
<tr>
<td>RUNNER, CANCIAMILLA, NIELLO, KEENE</td>
<td>GO CALIFORNIA LEGISLATIVE PACKAGE - SB 705, AB 850, AB 1266, ACA 4X</td>
<td>SUPPORT AND, SUPPORT WORK WITH AUTHORS</td>
<td>SB 705 – 2 year bill - Senate Transportation Housing AB 850 – 2 year bill - Assembly Appropriations Committee AB 1266 – 2 year bill - Assembly Appropriations Committee</td>
</tr>
</tbody>
</table>
## GOVERNMENT RELATIONS
### 2005/06 STATE AND FEDERAL LEGISLATIVE MATRIX
#### September 2005

<table>
<thead>
<tr>
<th>BILL/AUTHOR</th>
<th>DESCRIPTION</th>
<th>MTA POSITION</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCA 7 (Torlakson)</td>
<td>Would require loans of motor vehicle fuel revenues to be repaid with interest if the repayment is not within the next budget year.</td>
<td>SUPPORT</td>
<td>2 year bill - Senate Appropriations Committee</td>
</tr>
<tr>
<td>SB 172 (Torlakson) LA 5/27</td>
<td>Grants budgetary control of all toll revenues to the Bay Area Toll Authority (BATA) and requires.</td>
<td>WORK WITH AUTHOR</td>
<td>2 year bill - Assembly Transportation Committee</td>
</tr>
<tr>
<td>SB 851 (Murray) LA 8/23</td>
<td>Would streamline LACMTA procurement process.</td>
<td>SUPPORT SEEK AMENDMENTS</td>
<td>To Governor's Desk</td>
</tr>
<tr>
<td>SB 1024 (Perata and Torlakson) LA 5/12</td>
<td>Authorize the sale of $7.688 billion in general obligation bonds for capital improvement projects throughout the state, including funding for toll Bridge Seismic Safety Repair and Retrofit Program.</td>
<td>WORK WITH AUTHOR</td>
<td>2 year bill - Senate Floor</td>
</tr>
</tbody>
</table>

Deferred = bill will be brought up at another time; Chaptered = bill has become law; LA = Last Amended; Enrolled = bill sent to Governor for approval or veto
Note: "Status" will provide most recent action on the legislation and current position in the legislative process.

9/27/2005
<table>
<thead>
<tr>
<th>BILLS/AUTHOR</th>
<th>DESCRIPTION</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2006 Transportation Appropriations Request</td>
<td>$80 million in Section 5309 New Starts Funding for the final design and construction of the Eastside Light Rail project. This innovative light rail project would run from Union Station through East Los Angeles, serving one of the most transit-dependent areas in the City of Los Angeles.</td>
<td>December 13, 2004-LACMTA Board Adopted 2005 Legislative program</td>
</tr>
<tr>
<td></td>
<td>$10 million in Section 5309 Bus and Bus Related Discretionary Funding to assist the MTA with purchasing new alternative fuel buses and constructing bus divisions. The MTA currently operates the world’s largest fleet of state-of-the-art clean burning buses and is fully committed to expanding its highly successful Metro Rapid Bus program. Support the Municipal Operators Bus Appropriations requests.</td>
<td>LACMTA submitted the FY06 Appropriations requests on March 18, 2005</td>
</tr>
<tr>
<td></td>
<td>$5 million in Intelligent Transportation System Funding. These resources would be utilized to implement the MTA’s Regional Universal Fare System (RUFIS). The RUFIS would permit passengers using a card imbedded with a computer chip to board all MTA buses and trains and transfer to services offered by municipal operators, paratransit and Metrolink without having to be concerned with purchasing a new fare or carrying change.</td>
<td>June 15, 2005 - House Appropriations subcommittee passes its FY 2006 Transportation Appropriations bill. (Measure does not include Bus and Rail Earmarks)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>June 22, 2005 - House Appropriations committee passes its FY 2006 Transportation Appropriations bill. (Measure does not include Bus and Rail Earmarks)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>June 30, 2005 - Full House passes its FY 2006 Transportation Appropriations bill. (Measure does not include Bus and Rail Earmarks)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>July 19, 2005 - Senate Appropriations subcommittee passes its FY 2006 Transportation Appropriations bill. ($80 million earmark included for Eastside Light Rail Line - $2 million earmark for Metro Buses)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>June 22, 2005 - Senate Appropriations committee passes its FY 2006 Transportation Appropriations bill. ($80 million earmark included for Eastside Light Rail Line - $2 million earmark for Metro Buses)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legislation Pending Action by the Full Senate</td>
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</tbody>
</table>

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Note: "Status" will provide most recent action on the legislation and current position in the legislative process.

9/27/2005
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<tr>
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<table>
<thead>
<tr>
<th>BILL/AUTHOR</th>
<th>DESCRIPTION</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Senator Shelby) Support - Work With Author</td>
<td>Would authorize funds for Federal aid for bus and rail programs and for other purposes.</td>
<td>Provisions enacted into SAFETEA-LU signed into law on August 10, 2005</td>
</tr>
<tr>
<td>(Senator Feinstein) Support</td>
<td>Would amend Title 23, United States Code, to provide for HOV-lane exemptions for low-emission and hybrid vehicles.</td>
<td>Provision included in SAFETEA-LU</td>
</tr>
</tbody>
</table>

Deferred = bill will be brought up at another time; Chaptered = bill has become law; LA = Last Amended; Enrolled = bill sent to Governor for approval or veto
Note: “Status” will provide most recent action on the legislation and current position in the legislative process.

9/27/2005
<table>
<thead>
<tr>
<th>BILL/AUTHOR</th>
<th>DESCRIPTION</th>
<th>MTA POSITION</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 197 (Boxer)</td>
<td>A bill authorizing the U.S. Secretary of Transportation to conduct a study of highway-railroad grade crossings and to provide grants for grade separations that would enhance safety and for grade crossings on rail lines that have a high volume of goods movement.</td>
<td>Support work with author</td>
<td>Provision included in SAFETEA-LU</td>
</tr>
</tbody>
</table>
Attachment 5

“Operation Offset”
RSC BUDGET OPTIONS 2005

Summary and Explanation of Offsets

"Give us a quiet room, copies of the spending bills, a box of red pencils, and watch what happens."

-- Constituent from New Mexico

Rep. Mike Pence, RSC Chairman
Rep. Jeb Hensarling, RSC Budget & Spending Task Force Chairman
RSC BUDGET OPTIONS 2005
OPERATION OFFSETS

Summary and Explanation of Offsets

Title I: Tough Choices in Tough Times .......................................................... 1
Title II: Restraining Foreign Aid ................................................................. 5
Title III: Re prioritization of Federal Spending ......................................... 7
Title IV: Containing the Federal Bureaucracy ....................................... 18
Title V: Eliminating Corporate Welfare .................................................. 19
Title VI: Rational Reforms to Defense and Homeland Security .............. 22

Total Savings .................................................................................................. 24

TITLE I: TOUGH CHOICES IN TOUGH TIMES

Table 1: Summary of Savings in Title I
(Savings from Baseline, in Millions of Dollars)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>5-year savings</th>
<th>10-year savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delay the Medicare Prescription Drug Bill for One Year</td>
<td>-30,800</td>
<td>-30,800</td>
<td>-30,800</td>
</tr>
<tr>
<td>Repeal the Highway Farmmarks in TEA-LU</td>
<td>-25,000</td>
<td>-25,000</td>
<td>-25,000</td>
</tr>
<tr>
<td>Reduce Medicaid Administrative Spending</td>
<td>-600</td>
<td>-4,230</td>
<td>-12,860</td>
</tr>
<tr>
<td>Increase Allowable Co-pays in Medicaid</td>
<td>-90</td>
<td>-1,970</td>
<td>-7,730</td>
</tr>
<tr>
<td>Block Grant Medicaid Acute Services</td>
<td>-2,300</td>
<td>-44,000</td>
<td>-225,000</td>
</tr>
<tr>
<td>Reduce Farm Payment Acreage by 1%</td>
<td>-31</td>
<td>-452</td>
<td>-941</td>
</tr>
<tr>
<td>Eliminate Subsidized Loans to Graduate Students</td>
<td>-840</td>
<td>-4,170</td>
<td>8,555</td>
</tr>
<tr>
<td>Base Federal Retiree Health on Length of Service</td>
<td>-130</td>
<td>-1,560</td>
<td>-6,330</td>
</tr>
<tr>
<td>Increase Medicare Part B Premium from 25% to 30%</td>
<td>-4,650</td>
<td>-33,500</td>
<td>-84,770</td>
</tr>
<tr>
<td>Restructure Medicare's Cost-Sharing Requirement</td>
<td>-4,750</td>
<td>-34,230</td>
<td>-87,460</td>
</tr>
<tr>
<td>Impose a Home Health Co-payment of 10%</td>
<td>-1,470</td>
<td>-11,800</td>
<td>-31,480</td>
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<tr>
<td>Update the Formula Used for Federal Pension</td>
<td>-50</td>
<td>-1,305</td>
<td>-5,170</td>
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<tr>
<td><strong>SUBTOTAL: Tough Options</strong></td>
<td><strong>-70,711</strong></td>
<td><strong>-193,017</strong></td>
<td><strong>-508,986</strong></td>
</tr>
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</table>

Delay the Medicare Prescription Drug Program for One Year
Under current law, the prescription drug benefit becomes effective on January 1, 2006, and OMB has estimated that it will cost as much as $1.2 trillion over the next ten years. Anyone with Medicare Part A or Part B may enroll in the prescription drug plan, and will be eligible for prescription drugs at discounted prices. In light of current budget constraints, it is prudent domestic fiscal policy to delay implementation of the prescription drug benefit for one year while continuing the current drug discount card program.
Savings: $30.8 billion over ten years
Repeal the Highway Earmarks in TEA-LU
The recently passed FY06 Highway Bill, also known as TEA-21, contained more than 6,000 earmarks, worth nearly $25 billion. Some of the most egregious examples include $200 million for the “bridge to nowhere,” a bridge in Alaska that would serve an island with 50 residents, $75 million for a metro extension in Washington, D.C., $15 million to purchase three ferries and establish a ferry system from Rockaway Peninsula to Manhattan, New York, and $2.5 million for the Blue Ridge Music Center. For comparison, the 1998 transportation bill was considered a major budget buster at the time with 1,850 earmarks and a veto threat from President Clinton. In just seven years, Congress has added over 4,000 earmarks to the bill. Savings: $25 billion over ten years.

Reduce Medicaid Administrative Spending
The federal government currently reimburses states for about 50 percent of the cost of managing their Medicaid programs. Under this option, the federal government would cap the per-enrollee amount that it pays each state for Medicaid administration. This would give states a stronger incentive to improve the efficiency with which they manage their Medicaid programs. Savings: $12.9 billion over ten years ($4.2 billion over five years).

Increase Allowable Co-payments for Medicaid
Although states are allowed a great deal of discretion in designing their Medicaid programs, federal rules have traditionally limited cost-sharing requirements for beneficiaries. This option would raise the federal limits on allowable co-payments in Medicaid—from $3 for adults and zero for children to $5 and $3, respectively. The higher co-payments would apply to outpatient hospital visits, prescription drugs, non-emergency visits to emergency rooms, and visits to physicians and dentists. Increased co-payments would encourage a more cost-conscious use of services by beneficiaries, reducing the number of unnecessary medical services provided. Savings: $7.7 billion over ten years ($2.0 billion over five years).

Block Grant Medicaid and Index for Population and Inflation
The Medicaid program funds coverage for two broadly different types of health care: acute care (including services such as inpatient hospital stays and visits to physicians’ offices, and products such as prescription drugs) and long-term care (services such as nursing home care and home and community-based assistance). The program is financed jointly by the states and the federal government, with the federal government’s share determined as a percentage of overall Medicaid spending. That percentage, referred to as the federal matching rate, can range from a floor of 50 percent to a ceiling of 83 percent, depending on a state’s per capita income. This option would convert the federal share of Medicaid payments for acute care services into a block grant, as 1996 legislation did with funding for welfare programs, that would be increased annually for inflation and state population growth. (Long-term care would continue to be financed using the matching rate.) Funding acute care with a block grant rather than with federal matching payments would strengthen states’ incentive to spend money cost-effectively by eliminating the subsidy for each additional dollar spent on health care. Savings: $225 billion over ten years ($44 billion over five years).

Reduce Farm Payment Acreage by 1%
Farmers are subsidized according to acreage and average yield, regardless of what is actually produced on the farm. Significant savings could be achieved proportionally by using 84% instead of 85% of acreage in the payment formula without adversely affecting producers of a specific commodity. Savings: $941 million over ten years ($452 million over five years).

Eliminate Subsidized Loans to Graduate Students
The federal government has extensive loan options for financing education. Students have likely had government help paying for college, if there was financial need. Graduate students make an informed
decision to invest in their own futures and should bare the costs of schooling, especially since private
interest rates are currently low. This reform would allow federal higher education funding to be focused
on college students while still allowing graduate students to benefit from unsubsidized federal loans.
Savings: $8.6 billion over ten years ($4.2 billion over five years)

**Base Federal Retiree Health Benefits on Length of Service**
Federal retirees are generally allowed to continue receiving benefits from the Federal Employees Health
Benefits (FEHB) program if they have participated in the program during their last five years of service
and are eligible to receive an immediate annuity. More than 80 percent of new retirees elect to continue
health benefits. This option would reduce health benefits for new retirees who had relatively short federal
careers, although it would preserve their right to participate in the FEHB program. This could make the
government’s mix of compensation fairer and more efficient by improving the link between length of
service and deferred compensation, and would also help bring federal benefits closer to those of private
companies. Savings: $6.3 billion over ten years ($1.6 billion over five years)

**Increase Medicare Part B Premium from 25% to 30%**
Medicare provides health insurance coverage for physicians’ services and hospital outpatient services
through its Supplementary Medical Insurance (SMI) program, or Medicare Part B. Monthly premiums
paid by enrollees partially fund SMI benefits; general federal revenues fund the remainder. Initially, the
SMI premium was supposed to cover 50 percent of program costs. But that share declined between 1975
and 1983, eventually reaching less than 25 percent. This reform would set the SMI premium equal to 30
percent of the cost of Part B benefits, beginning in 2006. This would reduce Medicare’s costs amid
the broader budgetary pressures posed in part by the aging of the baby-boom generation. Savings: $84.8
billion over ten years ($33.5 billion over five years)

**Restructure Medicare’s Cost-Sharing Requirements**
In the fee-for-service Medicare program—consisting of Part A (Hospital Insurance) and Part B
(Supplementary Medical Insurance)—beneficiaries’ cost sharing varies significantly depending on the
type of service provided. At the same time, certain Medicare services, such as home health visits and
laboratory tests, require no cost sharing. This option would replace the current complicated mix of cost-
sharing provisions with a single combined deductible covering all services in Parts A and B of Medicare,
a uniform coinsurance rate of 20 percent for amounts above that deductible (including inpatient
expenses), and an annual cap on each beneficiary’s total cost-sharing liabilities. This would provide
greater protection against catastrophic costs while reducing Medicare’s coverage of more predictable
expenses. Savings: $87.5 billion over ten years ($34.2 billion over five years)

**Impose a Home Health Co-payment of 10%**
Medicare’s spending for home health care dropped during the late 1990s following passage of the
Balanced Budget Act of 1997, which introduced a prospective payment system (PPS) for home health
services. But the Congressional Budget Office projects that the use of home health services, and the
resulting costs to the Medicare program, will grow rapidly over the next 10 years. One reason for the
projected rapid growth is that Medicare beneficiaries are not currently required to pay any of the cost of
home health services covered by the program. This reform would charge beneficiaries a co-payment
amounting to 10 percent of the total cost of each home health “episode”—a 60-day period of services—
covered by Medicare, starting on January 1, 2006. This would directly offset a portion of Medicare’s
home health outlays and encourage beneficiaries to be cost-conscious in their use of home health services.
Savings: $31.5 billion over ten years ($11.8 billion over five years)
Update Formula Used for Federal Pensions from Three Years to Five Years
The government's major retirement plans for civilian employees, the Federal Employees Retirement System (FERS) and the Civil Service Retirement System (CSRS), provide initial benefits that are based on average salary during an employee's three consecutive highest-earning years. Switching to a five-year average for new retirees would align federal practices with those in the private sector, which commonly uses five-year averages to calculate a worker's base pension. Savings: $5.2 billion over ten years ($1.3 billion over five years)

**TITLE II: RESTRAINING FOREIGN AID**

<table>
<thead>
<tr>
<th>Table II: Summary of Savings in Title II</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Savings from Baseline, in Millions of Dollars)</td>
</tr>
<tr>
<td></td>
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<tr>
<td>Eliminate US subscriptions to the European Bank</td>
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<tr>
<td>Reduce Economic Assistance to Egypt</td>
</tr>
<tr>
<td>Eliminate Millennium Challenge Accounts</td>
</tr>
<tr>
<td>Level Funding for Peacekeeping Operations</td>
</tr>
<tr>
<td>Eliminate International Fund for Ireland</td>
</tr>
<tr>
<td>Level Funding for Global AIDS Initiative</td>
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<tr>
<td>Level Funding for Inter-American Foundation</td>
</tr>
<tr>
<td>Level Funding for the African Development Foundation</td>
</tr>
<tr>
<td>Level Funding for the Peace Corps</td>
</tr>
<tr>
<td>Level Funding for Andean Counter-Drug Initiative</td>
</tr>
<tr>
<td>Reduce USAID Operating Expenses</td>
</tr>
<tr>
<td>Level Funding for the International Development Assoc.</td>
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<tr>
<td>Level Funding for Asian Development Bank</td>
</tr>
<tr>
<td><strong>SUBTOTAL: Restraining Foreign Aid</strong></td>
</tr>
</tbody>
</table>

Eliminate U.S. Subscriptions to the European Bank for Reconstruction and Development
These loans to Central and Eastern European nations, which overwhelmingly end up in private hands, are not the responsibility of the U.S. Government. 2005 is the final year of an eight-year subscription and a sensible time to end our participation in propping up organizations with loans considered unwise by the private sector. Again, internal financial industry reforms are needed. Savings: $386 million over ten years ($184 million over five years)

Reduce Economic Assistance to Egypt
Since 1979, Congress has provided foreign aid to Egypt, as many other nations do. However, Egypt has been unable to spend all our funds and delayed internal reforms needed to foster self-sustaining growth. Despite being the second largest recipient of U.S. foreign assistance, Egypt's democratic development has been extremely limited and its human rights record remains poor, according to the Department of State's Country Reports on Human Rights Practices for 2004. Egyptian authorities continue to mistreat and torture prisoners, arbitrarily arrest and detain persons, hold detainees in prolonged pretrial detention, and occasionally engage in mass arrests without charge. Savings: $1.2 billion over ten years ($400 million over five years)
Eliminate Millennium Challenge Accounts
President Bush's initiative to restructure foreign aid to reward and therefore provide incentives to countries taking steps towards economic independence has been added on top of, instead of replacing, the still growing USAID budget. Savings: $24.4 billion over ten years ($9.4 billion over five years)

Level Funding for U.N. Peacekeeping Operations
The United States is the largest financial contributor to the U.N. peacekeeping budget. Current military obligations in Iraq and Afghanistan, including U.S. peacekeeping efforts in the region, are not deducted from what the U.N. assesses the U.S. in dues. Freezing the account maintains current commitments, while recognizing the need for other countries to support additional peacekeeping expenses. Savings: $1.3 billion over ten years ($500 million over five years)

Eliminate International Fund for Ireland
This is a targeted economic development grant program for Northern Ireland, an economy that has seen marked improvement and an area that has lower unemployment than the U.S. Savings: $195 million over ten years ($75 million over five years)

Level Funding for Global AIDS Initiative
In FY05, Congress appropriated $1.37 billion for the new Global HIV/AIDS Initiative, which exceeded the previous year's funding and the President's funding request. Level funding the program would save billions of dollars, while still funding international HIV/AIDS programs of prevention, treatment and care at record levels. Savings: $7.6 billion over ten years ($2.9 billion over five years)

Level Funding for the Inter-American Foundation
IAF makes approximately 60 new grants each year to non-profit and community-based programs in Latin America and the Caribbean to organizations that promote entrepreneurship, self-reliance, and economic progress for the poor. Latin American countries are getting stronger and the public and private sector in Latin America should fund their own nonprofit organizations. Savings: $28 million over ten years ($11 million over five years)

Level Funding for African Development Foundation
ADF makes small grants directly to African cooperatives and self-help organizations for between $20,000 and $250,000, and supports grassroots African development research and community projects. This type of work could be funded by other organizations, including those in the international community. Savings: $28 million over ten years ($11 million over five years)

Level Funding for the Peace Corps
This organization sends Americans to serve at the grassroots level in villages and towns in poor countries. This program's long-term benefits to the federal government are limited and keeping volunteers safe is becoming more and more difficult and expensive. Freezing funding would continue current commitments. Savings: $111 million over ten years ($43 million over five years)

Level Funding for Andean Counter-Drug Initiative
In 2001, the Bush Administration proposed $882 million in FY2002 economic and counter-narcotics assistance, as well as extension of trade preferences and other measures, for Colombia and regional neighbors in an initiative called the "Andean Regional Initiative" (ARI). The program focuses on military and counter-drug assistance. Savings: $125 million over ten years ($48 million over 5 years)
Reduce USAID Operating Expenses

USAID provides grants to foreign entities in various areas of assistance. For example, USAID funds have been used to send employees on expensive, overseas conferences, such as to Barcelona and Thailand. Savings: $793 million over ten years ($307 million over five years)

Level Funding for the International Development Association

The IDA is a member of the World Bank Group and provides development financing in the form of grants and no-interest loans to the world’s poorest nations. IDA’s gross disbursements were $6.9 billion in 2004, and the U.S. provides approximately 14 percent of donor contributions. The U.S. is working on a results oriented framework to ensure these loans to poor countries are effective. Level funding will produce significant overall savings while having minimal negative impact of this program. Savings: $1.5 billion over ten years ($576 million over five years)

Level Funding for the Asian Development Bank (ADB)

Based in Manila, ADB is a multilateral development finance institution focusing on reducing poverty in Asia and the Pacific. The vast majority of the member countries providing funding are from the region. Level funding will produce significant overall savings while having minimal negative impact on this program. Savings: $223 million over ten years ($86 million over five years)

### Title III: Reprioritization of Federal Spending

<table>
<thead>
<tr>
<th>Table III: Summary of Savings in Title III</th>
<th>2006</th>
<th>5-year savings</th>
<th>10-year savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminate State Grants for Safe and Drug-Free Schools</td>
<td>-444</td>
<td>-2,298</td>
<td>-4,810</td>
</tr>
<tr>
<td>Eliminate the Even Start Program</td>
<td>-114</td>
<td>-592</td>
<td>-1,238</td>
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<tr>
<td>Eliminate Teen Funding Portion of Title X Family Planning</td>
<td>-95</td>
<td>-511</td>
<td>-1,322</td>
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<tr>
<td>Eliminate the Administration Fees to Schools</td>
<td>-144</td>
<td>-744</td>
<td>-1,557</td>
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<tr>
<td>Eliminate the Leveraging Educational Assistance Program</td>
<td>-67</td>
<td>-345</td>
<td>-722</td>
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<tr>
<td>Eliminate Funding for the National and Community Service Act</td>
<td>-560</td>
<td>-3,000</td>
<td>-6,480</td>
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<tr>
<td>End the Redistribution of Unused Federal Funds from SCHIP</td>
<td>-20</td>
<td>-350</td>
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<tr>
<td>Eliminate Childless Adult Coverage in SCHIP</td>
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<tr>
<td>Eliminate Funding for Penile Implants Under Medicare</td>
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<td>-330</td>
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<tr>
<td>Tie Rent Subsidies for One Person to Cost of Efficiency Apartments</td>
<td>-62</td>
<td>-894</td>
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<tr>
<td>Eliminate School Lunches for Students Above 350% of Poverty</td>
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<td>-3,150</td>
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<tr>
<td>Remove Ceiling for Collecting Overpayments from SSI</td>
<td>-70</td>
<td>-425</td>
<td>-920</td>
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<tr>
<td>Verify Income of Earned Income Tax Credit Participants</td>
<td>-8,500</td>
<td>-42,500</td>
<td>-85,000</td>
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<tr>
<td>Eliminate Fiscal Assistance to District of Columbia</td>
<td>-154</td>
<td>-800</td>
<td>-1,675</td>
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<tr>
<td>Require IRS to Deposit Fees Collected by Treasury</td>
<td>-91</td>
<td>-473</td>
<td>-989</td>
</tr>
<tr>
<td>Item</td>
<td>2006</td>
<td>5-year savings</td>
<td>10-year savings</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Eliminate Presidential Election Campaign Fund</td>
<td>-55</td>
<td>-275</td>
<td>-550</td>
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<tr>
<td>Eliminate the Federal Anti-Drug Advertising</td>
<td>-122</td>
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<tr>
<td>Eliminate Federal Funding for the Corporation for Public Broadcasting</td>
<td>-400</td>
<td>-2,152</td>
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<tr>
<td>Raise the Threshold for Davis-Bacon Coverage</td>
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<tr>
<td>Charge Federal Employees for Parking</td>
<td>-140</td>
<td>-720</td>
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<td>Eliminate Legal Services Corporation</td>
<td>-331</td>
<td>-1,781</td>
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<tr>
<td>Eliminate High Intensity Drug Trafficking Area Program</td>
<td>-227</td>
<td>-1,221</td>
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<tr>
<td>United States Postal Service Foregone</td>
<td>-43</td>
<td>-231</td>
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<tr>
<td>Decline Member Pay Raise</td>
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<td>-5</td>
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<tr>
<td>Reduce Bureau of Land Management Construction</td>
<td>-6</td>
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<td>-83</td>
</tr>
<tr>
<td>Reduce Fish and Wildlife Construction</td>
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<tr>
<td>Eliminate Funding for the National Endowment for the Arts</td>
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<td>-678</td>
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<tr>
<td>Eliminate Funding for National Endowment for Humanities</td>
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<td>-769</td>
<td>-1,990</td>
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<tr>
<td>Eliminate Funding for the Forest Service's Economic Action Program</td>
<td>-10</td>
<td>-54</td>
<td>-139</td>
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<tr>
<td>Reduce Funds for the Water Quality Cooperative Agreement</td>
<td>-15</td>
<td>-81</td>
<td>-209</td>
</tr>
<tr>
<td>Reduce Funds for Bureau of Indian Affairs School Construction</td>
<td>-36</td>
<td>-194</td>
<td>-501</td>
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<tr>
<td>Reduce Funds for Forest Service Capital Improvements</td>
<td>-60</td>
<td>-323</td>
<td>-835</td>
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<tr>
<td>Reduce Funds for the NCRS Operations</td>
<td>-26</td>
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<td>-362</td>
</tr>
<tr>
<td>Reduce Funds for Waste Disposal Grants</td>
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<td>-624</td>
<td>-1614</td>
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<tr>
<td>Reduce Funds for Cooperative State Research and Education</td>
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<td>-592</td>
<td>-1531</td>
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<tr>
<td>Eliminate Rural Empowerment Zone Grant</td>
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<td>-54</td>
<td>-139</td>
</tr>
<tr>
<td>Eliminate Citrus Canker Compensation</td>
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<td>-54</td>
<td>-139</td>
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<tr>
<td>Reduce DOE Environmental Management</td>
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<tr>
<td>Eliminate the Appalachian Regional Commission</td>
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<td>-543</td>
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<tr>
<td>Eliminate the Denali Commission</td>
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<td>-16</td>
<td>-42</td>
</tr>
<tr>
<td>Eliminate Native Hawaiian Funding</td>
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<td>-215</td>
<td>-557</td>
</tr>
<tr>
<td>Level Funding for Community Health Centers</td>
<td>-100</td>
<td>-538</td>
<td>-1392</td>
</tr>
<tr>
<td>Reduce Funding for the Centers for Disease Control</td>
<td>-1,797</td>
<td>-9668</td>
<td>-25006</td>
</tr>
<tr>
<td>Reduce Funding for the Airport Improvement Program</td>
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<td>-3228</td>
<td>-8349</td>
</tr>
<tr>
<td><strong>SUBTOTAL: Reprioritization</strong></td>
<td>-15,638</td>
<td>-84,246</td>
<td>-187,005</td>
</tr>
</tbody>
</table>

**Eliminate the National Science Foundation Math and Science Program**

The NSF promotes math and science education by improving teacher training and developing instructional material. However, the program is now duplicative of programs at the Department of Education, including the Math and Science Partnership authorized by No Child Left Behind. Savings: $2 billion over ten years ($973 million over five years)

**Cancel NASA's New Moon/Mars Initiative**

In 2004, the President announced a new initiative to explore the Moon and Mars with the goal of returning humans to the Moon by 2020. NASA currently intends to use the savings from phasing out the
space shuttle in 2012 to fund this program. Savings: $44 billion over ten years ($11.5 billion over five years)

Eliminate State and Community Grants for Energy Conservation
The Department of Energy provides grants to state and local governments for energy conservation efforts, including grants to help educational and health care institutions reduce their energy use. In addition, grants are provided to state and municipal programs to establish energy efficiency standards and promote car pooling. However, this program is duplicative of other federal efforts, including 1.H.E.A.P and the Clean Air Act. Savings: $479 million over ten years ($223 million over five years)

Eliminate Money-Losing Timber Sales
Timber sales in the National Forest System, under the direction of the Forest Service, are incurring more administrative costs than revenues collected from harvesting the timber. According to CBO, in 2002, program costs exceeded timber sales by $146 million. Eliminating timber sales in four regions where expenditures were more than twice the receipts would save money and lessen the depletion of timber resources. Savings: $1.6 billion over ten years ($710 million over five years)

Scale Back the Conservation Security Program
CSP provides farmers with financial and technical assistance to promote energy, soil, water and plant conservation. However, many of the farmers to whom financial assistance is given have already adopted conservation practices, and often times adoption of the practices costs less than the assistance subsidy itself. The program could be scaled back by simply eliminating new enrollments and by eliminating certain “bonus” payments (for additional conservation efforts), leaving intact existing contracts. Savings: $6.7 billion over ten years ($2.2 billion over five years)

Limit Future Enrollment in the Conservation Reserve Program
CRP pays farmers not to farm their land. Setting a cap on future enrollment (such as 36.4 million acres) and prohibiting new enrollees would scale back the program’s expenses while allowing current enrollees to re-enroll. Savings: $5.3 billion over ten years ($1.9 billion over 5 years)

Eliminate the National Parks Heritage Areas and Statutory Aid
Both of these programs assist local communities in preserving and establishing areas of natural, historical, or cultural significance. These funds were meant to be “seed” money, and the local communities intended to self-finance at a certain point. This has not yet occurred. Savings: $280 million over ten years ($134 million over five years)

Eliminate Federal Grants for Wastewater Infrastructure
The federal government assists states in achieving federally mandated water quality standards by providing wastewater grants. Although congressional authorization for these grants has expired, Congress continues to provide the necessary funding. Some contend that by providing failing states with these grants, the federal government is giving the states an incentive to retain poor wastewater treatment infrastructure. Savings: $23.3 billion over ten years ($9.9 billion over five years)

Eliminate the Energy Start Program
The Energy Start Program encourages consumers and organizations to produce and purchase energy saving items for their home or business with its label and certification. For example, if a company’s products meet a certain energy efficiency standard, they may place the Energy Star label on their product. Some contend the program does not actually yield any energy savings, and that the labels are too vague to share any educational information with the consumer. Savings: $835 million over ten years ($391 million over five years)
Eliminate the Science to Achieve Results Program
The STAR program is a competitive grant program designed to fund science research that relates to the mission of the EPA. A recent OMB report stated the much of the research funded under this program is highly duplicative of research already being conducted at other agencies. Additionally, a National Research Council study of the program concluded the EPA does not efficiently utilize outside experts in planning its research agenda. Savings: $987 million over ten years ($455 million over five years)

Eliminate Payments to Socially Disadvantaged Farmers and Ranchers
The Socially Disadvantaged Farmers and Ranchers Competitive Grant Program provides funds to land-grant, Hispanic-serving, and Native American-serving institutions, to assist “socially disadvantaged farmers” who own and operate farms. This program is duplicative since these same farmers are eligible for all other farm programs. Savings: $83.5 million over ten years ($32.3 million over five years)

Reduce Federal Subsidies for Amtrak
When Amtrak was founded in 1970, Congress only intended to subsidize passenger rail until it could become self-sufficient. 30 years of funding history suggests that end is unrealistic, and travelers have many other modes of transportation available. Significant savings could be achieved by ceasing to operate a few very expensive long-distance routes, which serve a limited ridership, and continuing to offer only profitable services as a business would. Savings: $2.5 billion over ten years ($1.3 billion over five years)

Eliminate the Next Generation of High-Speed Rail
Since 1994, Congress has funded research to facilitate passenger rail above 125 miles per hour, but little progress has been made. Existing trains and tracks are not suitable for such high speeds, and incremental improvements to infrastructure are currently a better investment than new technology. The private sector has largely chosen to wait and see if other countries can make a profit off this technology. Savings: $220 million over 10 years ($105 million over five years)

Eliminate the New Starts Transit Program
This program funds new light rail (subway-type) projects, but research shows that buses transport urban populations more cost-effectively and are more flexible. State and local governments could still use federal aid distributed by formula grants for new rail projects, at the discretion of local officials who best know the community’s needs. Savings: $12.2 billion over 10 years ($6.1 billion over five years)

Eliminate the Essential Air Service
Essential Air Service subsidizes air service in communities with federally mandated service before deregulation in 1978. The cost per passenger has gone as high as $500, but averages around $200. Given the proliferation of options, many travelers prefer to drive to a larger airport where they can find an even better fare than a subsidized flight from the small community. If small communities consider air service important, they could provide these subsidies themselves. Savings: $1.1 billion over 10 years ($525 million over five years)

Drop Wealthy Communities from CDBG
The Community Development Block Grant (CDBG) program provides annual grants to communities to help eliminate slums and promote economic development. CDBG is open to all urban areas with a population of 50,000, regardless of how many residents are in poverty. The existing formula actually favors wealthier areas, so this reform would refocus CDBG grants on needier areas, given that federal funding of community development may be inappropriate and should certainly be limited. Savings: $9.1 billion over ten years ($4.3 billion over five years)
Convert the Rural Community Advancement Program to State Revolving Funds
The Department of Agriculture’s Rural Community Advancement Program (RCAP) helps poor rural communities by providing loans and grants for water projects and economic development. Establishing state revolving funds instead would eventually eliminate the need for annual appropriations, and states could increase their capital by leveraging the initial federal funding in the private sector. These projects should be orchestrated by state and local governments, and phasing out federal funding would ensure needs are met and savings can be achieved in the long run. Savings: $4.5 billion over ten years ($194 million over five years)

Eliminate the Neighborhood Reinvestment Corporation
This public, nonprofit organization to revitalize distressed neighborhoods oversees a network of locally operated groups engaged in housing and community-building activities. Not only do similar federal programs exist under HUD, but communities themselves should be funding the startup and operation of these purely local entities. Savings: $1.3 billion over ten years ($600 million over five years)

Eliminate the Community Development Financial Institutions Fund
This Treasury Department fund was created in 1994 to expand credit, investment capital, and financial services in distressed communities. This is another program that is redundant within the federal government and belongs at the state and local level. Savings: $566 million over ten years ($270 million over five years)

Eliminate the Economic Development Administration
EDA provides assistance to rural and urban regions to help generate job growth in “distressed communities.” The President’s FY06 Budget called for cutting EDA funding and consolidating the program with over 15 others that are a duplication of federal economic and community development programs. Savings: $3.2 billion over ten years ($1.2 billion over five years)

Eliminate the Minority Business Development Agency
MBDA provides funding for various Minority Business Development Centers, designed to assist minority entrepreneurs get businesses up and running. This program is duplicative of several other business development assistance programs offered to all business owners. Savings: $417 million over ten years ($161 million over five years)

Eliminate State Grants for Safe and Drug-Free Schools
These grants to states are to discourage violence and the use of illegal substances such as alcohol, cigarettes, and drugs. States receive SDFSCA funding on the basis of their school-age population and number of poor children but statistics suggest programs are ineffective. In addition, studies show that schools are among the safest places in the country and relatively drug free. Savings: $4.8 billion over ten years ($2.3 billion over five years)

Eliminate the Even Start Program
The Even Start program funds educational services to parents who have not finished high school. However, the administrative fees are extremely high, the program is duplicative and there is no evidence of meaningful success. This reform would eliminate grants to states and redirect half of those funds to other federal early childhood education programs. Savings: $1.2 billion over ten years ($592 million over five years)

Eliminate Teen Funding Portion of Title X Family Planning
HHS reports that 1/3 of Title X clients are teens. The program was designed in the 1970s to pay for family planning for the poor. Federal regulations allow teenagers to qualify on their own income as “poor” and
thus qualify for free and reduced-priced contraceptives, including the IUD, the injection drug Depo-Provera, and the morning-after pill to teenagers, without any parental involvement or consent. $286 million is spent on the program each year, and if 1/3 of funds spent are spent on teens, that totals $95 million per year. Savings: $1.3 billion over 10 years ($511 million over five years)

Eliminate the Administrative Fees to Schools
For some college loan programs, the government pays each school to administer its program and determine the recipients. Schools will continue to benefit from participating in federal student aid programs even without the payments, because the aid makes attendance at those schools more affordable. Costs could alternatively be passed along to students at around $5 per loan.
Savings: $1.6 billion over ten years ($744 million over five years)

Eliminate the Leveraging Educational Assistance Program
This program helps states provide matching grants for needy college students, but is no longer necessary since almost all states operate programs far larger than the federal contribution.
Savings: $722 million over ten years ($345 million over five years)

Eliminate funding for the National and Community Service Act
AmeriCorps and similar organizations, through federal, state local and private funding, perform community services like assisting in schools. Many participants receive a living stipend, health insurance and child care, making it more like a job than volunteerism. In addition, there is no income requirement, potentially depriving needy college-bound students of aid. Savings: $6.5 billion over ten years ($3 billion over five years)

End the Redistribution of Unused Federal Funds from SCHIP
The State Children’s Health Insurance Program (SCHIP) provides health care coverage to certain uninsured low-income children whose annual family income is too high for them to qualify for Medicaid. Depending on the per capita income in a given state, the federal government reimburses between 65 percent and 85 percent of the state’s total SCHIP spending. This option would leave the basic SCHIP program intact but would end future redistributions of unspent funds. Recovering unspent funds from SCHIP would produce budgetary savings for the federal government with little disruption to most states’ plans for providing health insurance to children from low-income families. Savings: $1.1 billion over ten years ($350 million over five years)

Eliminate Childless Adult Coverage in SCHIP
The State Children’s Health Insurance Program provides federal matching funds to help states expand health care coverage to uninsured children. Each State administers and sets its own eligibility guidelines for the program. As of 2003, SCHIP was insuring childless adults in two states costing at least $330 million. The program was enacted to provide health insurance to uninsured children. Savings: $660 million over ten years ($330 million over five years)

Eliminate Funding for Penile Implants Under Medicare
According to the Medicare National Coverage Determinations Manual, Medicare will cover the costs of penile implantations under certain circumstances. Congress should eliminate funding for penile implants. Savings: $8 million over ten years ($4 million over five years)

Tie Rent Subsidies for One Person to Cost of Efficiency Apartments
Recipients of federal housing assistance typically live either in subsidized-housing projects or in rental units of their own choosing found on the open market. This option would link the rent subsidy for new
applicants from one-person households to the cost of an efficiency apartment rather than a one-bedroom unit (current law). Savings: $3.1 billion over ten years ($894 million over five years)

Eliminate School Lunches for Students Above 350% of Poverty
The School Lunch Program and the School Breakfast Program provide funds that enable participating schools to offer subsidized meals to students. For the 2004-2005 school year the federal subsidy was $0.21 per full price lunch and $0.23 per full price breakfast. This option would eliminate the breakfast and lunch subsidy for full-price meals for students whose household income is above 350 percent of the poverty line, while increasing the subsidy for reduced-price meals (both breakfast and lunch) by $0.20. Savings: $6.7 billion over ten years ($3.2 billion over five years)

Remove Ceiling for Collecting Overpayments from SSI
The federal Supplemental Security Income (SSI) program makes monthly cash payments to low-income elderly and disabled people. The Social Security Administration (SSA), which administers the program, sometimes pays recipients more than it later determines they were entitled to. Currently, after discovering an overpayment, the SSA can reduce the recipient’s subsequent monthly benefit to recover the excess amount. This option would remove the ceiling on the amount of overpayments that the SSA could recover from monthly SSI payments, while retaining the commissioner’s authority to reduce or waive the required amount. Removing the ceiling would improve the federal government’s ability to recover money paid to recipients erroneously. Savings: $920 million over ten years ($425 million over five years)

Verify Income of Earned Income Tax Credit Participants
The IRS estimated in 2002 that of the $31.3 billion in earned income credits claimed by taxpayers in tax year 1999, about $8.5 billion to $9.9 billion, should not have been paid. This level of noncompliance has remained relatively unchanged even after a 5-year effort to reduce it. According to GAO, Congress should require better verification of incomes and clearly define what constitutes an eligible child. Savings: $85 billion over ten years ($42.5 billion over five years)

Eliminate Fiscal Assistance to District of Columbia
The Constitution gives the Congress responsibility for overseeing the District of Columbia, a task that the Congress largely delegated to the city’s government under the Home Rule Act of 1974. However, Congress reviews and approves the District’s proposed annual budgets and appropriates money to the city each year. In 1997, the federal government relieved the District government of the cost of a substantial portion of its budget: criminal justice, Medicaid, and pensions. This option would eliminate federal fiscal assistance to the District that is not related to those obligations. Savings: $1.7 billion over ten years ($800 million over five years)

Require IRS to Deposit Fees Collected by Treasury
The 1996 appropriation act for the Department of the Treasury authorized the IRS to establish or increase fees for some services that it provides. The IRS has used that authority mainly to charge taxpayers a fee for entering into payment plans with the agency. This option would require the IRS to deposit all of its fee receipts in the Treasury as miscellaneous receipts, eliminating the agency’s ability to spend them. Processing payment plans with taxpayers is an administrative function directly related to the IRS’s mission, and thus is a function for which the agency already receives appropriations. Savings: $989 million over ten years ($473 million over five years)

Eliminate Presidential Election Campaign Fund
The Presidential Election Campaign Fund provides for public funding of Presidential elections. It is financed exclusively by voluntary contributions from U.S. taxpayers, who can choose to earmark $3 ($6 on joint returns) of their annual federal income taxes for the fund. That money is used to provide
matching funds for candidates in Presidential primaries, grants to sponsor political parties’ Presidential nominating conventions, grants for the general-election campaigns of major party nominees, and partial funding for qualified minor and new-party candidates in the general election. This option would eliminate the fund and stop the flow of public money to Presidential candidates and political parties. Savings: $550 million over ten years ($275 million over five years)

Eliminate the Federal Anti-Drug Advertising
The Office of National Drug Control Policy (ONDCP) runs a program to test print and broadcast advertising, purchase media time, and evaluate the effects of national media campaigns to discourage the use of illegal drugs among young people. The agency is required to solicit donations from nonfederal sources to pay part of the costs of the program. There is no solid evidence that media campaigns are effective in either preventing or reducing the use of illegal drugs. Savings: $1.3 billion over ten years ($631 million over five years)

Eliminate Federal Funding for the Corporation for Public Broadcasting
CPB, which receives $400 million annually from Congress, funds the Public Broadcasting Service at 15% of its annual budget. The other 85% of PBS’ budget comes from viewer donations, local government, and universities. CPB and PBS continue to use federal funding to pay for questionable programming, such as a documentary on sex education funded by the Playboy Foundation. Additionally, much of the programming on PBS, such as Sesame Street, could bring in enough annual revenues to cover the loss of federal funding. Savings: $5.6 billion over ten years ($2.2 billion over five years)

Raise the Threshold for Davis-Bacon Coverage
Since 1935, the Davis-Bacon Act has required that no less than “prevailing wages” be paid for all federally funded or federally assisted construction projects with contracts that total $2,000 or more. This option would increase the threshold from $2,000 to $1 million. The threshold has remained the same for seven decades and raising it would allow the federal government to spend less on construction. This would also increase the opportunities for employment that federal projects might offer less-skilled workers. Savings: $2.1 billion over ten years ($1 billion over five years)

Charge Federal Employees for Parking
The federal government owns or leases more than 200,000 parking spaces, which it allocates to its employees—no matter the distance from work. This would encourage federal employees to use public transportation or carpool. That shift would reduce the flow of cars into urban areas, cutting down on energy consumption, air pollution, and congestion. Savings: $1.5 billion over ten years ($720 million over five years)

Eliminate Legal Services Corporation
LSC has a long history of legal abuse and fraud, including providing resources for individuals to sue the government for more generous federal benefits. Savings: $4.6 billion over ten years ($1.78 billion over five years)

Eliminate High Intensity Drug Trafficking Area Program
This program coordinates drug control efforts among local, state, and federal law enforcement agencies, providing equipment, technology, and resources to combat drug trafficking and its consequences in regions of the United States. Because many of its functions are duplicative, the Administration requested that its functions be transferred to the Department of Justice, and the program terminated. Savings: $3.2 billion over ten years ($1.2 billion over five years)
United States Postal Service Revenue Foregone
This program reimburses USPS for prior years' lost revenue from legislatively mandated reduced rates to non-profit mailers. The President's 2005 Budget proposed to discontinue this reimbursement. During the 2005 budget process, the House agreed to discontinue the reimbursement but the Senate did not. Lowered USPS pension payments more than compensate the organization for the loss of this small revenue foregone, and the appropriation should be terminated. Savings: $598 million over ten years ($231 million over five years)

Decline Member Pay Raise
A pay increase for Members of Congress is automatic under existing law and amendments blocking its enactment were out of order during appropriations consideration this year. In light of unwarranted fiscal constraints, Members of Congress could temporarily forgo their pay increases. Savings: $14 million over ten years ($5 million over five years)

Reduce BLM Construction
The BLM manages 264 million acres of surface acres of public lands located primarily in the 12 Western States, including Alaska. The agency manages an additional 300 million acres of below ground mineral estate located throughout the country. The President requested that BLM construction be reduced by 50 percent. Savings: $83 million over ten years ($32 million over five years)

Reduce Fish and Wildlife Construction
The mission of the Fish and Wildlife Service is to work with others to conserve, protect and enhance fish, wildlife, and plants and their habitats for the continuing benefit of the American people. While fish and wildlife habitat construction may serve an important role, other pressing federal priorities necessitate a small reduction in funding, as requested by the Administration. Savings: $362 million over ten years ($140 million over five years)

Eliminate Funding for Democratic and Republican Conventions
All told, the parties combined will spend at least $100 million on their respective conventions. Some of that cost will be covered by federal funds -- $13.3 million for each of the parties. Savings: $53.2 million over ten years ($26.6 million over five years)

Eliminate Funding for the National Endowment for the Arts
The NEA funds art programs and initiatives through grants to various entities. In 2001, America spent $27 billion on non-profit arts funding; $11.5 billion from the private sector; $14 billion in earned income (tickets sales, etc.); and $1.3 billion in combined federal, state, and local public support (of which $105 million was from the NEA (0.39% of total non-profit arts funding)). The funding could easily be funded by private donations. Savings: $1.8 billion over ten years ($678 million over five years)

Eliminate the National Endowment for the Humanities
The NEH funds humanities programs and initiatives through grants to various entities. As with the NEA, the general public benefits very little from NEA, and it could easily be funded by private donations. Savings: $2 billion over ten years ($769 million over five years)

Eliminate the Forest Service's Economic Action Programs
Economic Action Programs are designed to assist rural communities with natural resource management, by working to create natural resource-based businesses, among other things. The President's FY06 Budget terminated this program, as it is duplicative of many others currently in existence. Savings: $139 million over ten years ($54 million over five years)
Reduce Funds for the Water Quality Cooperative Agreement
The EPA provides grants to state water pollution control agencies, under the Clean Water Act, to promote prevention of water pollution. The Administration’s proposed budget calls for reducing the program, as it is duplicative of other programs, including the EPA Water Pollution Control Grants. Savings: $209 million over ten years ($81 million over five years)

Reduced Funds for Bureau of Indian Affairs School Construction
BIA operates 184 schools in 23 states, and the President committed $1 billion to help restore these schools over the last few years. The Administration’s proposed budget calls for the decreased funding, reflecting the successful completion of the project. Savings: $501 million over ten years ($194 million over five years)

Reduce Funding for Forest Service Capital Improvements
The Capital Improvement and Maintenance program is designed to provide funding for general maintenance of the National Forest System. The Administration’s proposed budget calls for reduced funding, as a large number of Forest Service buildings have been closed, and various other government agencies are capable of providing this service. Savings: $835 million over ten years ($323 million over five years)

Reduce Funds for the NRCS Operations
Natural Resources Conservation Service Conservation’s Conservation Operations funds the administrative costs for state and local personnel, which provide conservation technical assistance to the various local entities. The Administration’s budget called for a decrease in funding and requested a request that no congressional earmarks be added to program’s account. Savings: $362 million over ten years ($140 million over five years)

Reduced Funding for Waste Disposal Grants
These programs are designed to provide funding for water and wastewater treatment facilities to rural communities. The Administration’s budget requested reduced funding for these grants because of decreases costs to rural communities in light of low interest rates. Savings: $1.6 billion over ten years ($624 million over five years)

Reduce Funding for the Cooperative State Research and Education
CSRE provides funding for research, education, and extension activities in the Land-Grant University System and other partner organizations. Savings: $1.53 billion over ten years ($592 million over five years)

Eliminate Rural Empowerment Zone Grants
These grants are designed to revitalize distressed communities through economic and physical development partnerships with local and state governments to create long-term economic and community development. However, communities already receive substantial flexible grant dollars to assist with these efforts and the President proposed to terminate these grants. Savings: $139 million over ten years ($54 million over five years)

Eliminate Citrus Canker Compensation
Citrus Canker is a bacterial disease of citrus that causes premature leaf and fruit drop. This program compensates citrus farmers who have lost their citrus trees due to citrus canker. This is not a priority in federal funding. Savings: $139 million over ten years ($54 million over five years)
Reduce DOE Environmental Management
In 1989, the Department of Energy created the Office of Environmental Management (EM) to mitigate the risks and hazards posed by the nuclear weapons production and research. Minor funding reductions of this program will produce significant overall savings while having minimal negative impact on program operation. Savings: $5.6 billion over ten years ($2.2 billion over five 2 years)

Eliminate the Appalachian Regional Commission
The Appalachian Regional Commission is a federal-state partnership that provides funding for several hundred development and highway projects throughout the Appalachian Region. Elimination of the Appalachian Regional Commission would produce significant savings, and the program itself is unnecessary and duplicative. Dozens of other federal, state, and local programs exist to encourage development and provide funding for local highway and infrastructure projects. Savings: $543 million over ten years ($210 million over five years)

Eliminate Denali Commission
The Denali Commission, created by Congress in 1998, provides job training and other economic development assistance to distressed rural areas in Alaska. Elimination of this commission would produce savings, and the program itself is unnecessary and duplicative. Dozens of other federal, state, and local programs exist to provide job training and economic development advice and assistance in Alaska and across the nation. Savings: $42 million over ten years ($16 million over five years)

Eliminate Native Hawaiian Funding
The FY06 Labor/HHS appropriations bill contained earmarks for as much as $40 million for various health and education programs for Native Hawaiians, although other programs allow funds to flow to them. Native Hawaiians are a racial group not a tribe and dispensing benefits to them would likely be subject to strict scrutiny in Federal courts. Savings: $557 million over ten years ($215 million over five years)

Level Funding to Community Health Centers
This reform would level funding for these federal grants to help medically underserved populations. These programs should be funded locally, not with federal dollars. Savings: $1.4 billion over ten years ($538 million over five years)

Reduce Funding for the Centers for Disease Control
Under the House-passed appropriation level, the CDC's funding increased 25% over last year, a significant infusion given the current fiscal situation. Savings: $25 billion over ten years ($9.6 billion over five years)

Reduce Funding for the Airport Improvement Program
This program offers federal assistance for expanding or refurbishing airports, usually with a 20% local match. Many of these projects can safely be delayed or if states choose, they can fund them immediately. Funding could be reduced to the Administration's request. Savings: $8.3 billion over ten years ($3.3 billion over five years)
## TITLE IV: CONTAINING THE FEDERAL BUREAUCRACY

### Table IV: Summary of Savings in Title IV
(Savings from Baseline, in Millions of Dollars)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>5-year savings</th>
<th>10-year savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminate Attaché Positions in the Foreign Agricultural Service</td>
<td>-37,600</td>
<td>-188,000</td>
<td>-347,000</td>
</tr>
<tr>
<td>Reduce Funding for Department of Education Administration</td>
<td>-5,680</td>
<td>-28,400</td>
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<tr>
<td>Level Funding DOE Departmental Administration Funding</td>
<td>-15</td>
<td>-81</td>
<td>-209</td>
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<tr>
<td>Level Funding for FAA Operations</td>
<td>-329</td>
<td>-1,770</td>
<td>-4,578</td>
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<tr>
<td>Level Funding for Treasury Departmental Offices</td>
<td>-31</td>
<td>-167</td>
<td>-437</td>
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<tr>
<td>Level Funding for the Federal Building Fund</td>
<td>-552</td>
<td>-2,970</td>
<td>-7,681</td>
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<tr>
<td>Level Funding for OMB</td>
<td>-9</td>
<td>-48</td>
<td>-125</td>
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<tr>
<td>Level Funding for Agriculture Building and Facilities</td>
<td>-20</td>
<td>-108</td>
<td>-278</td>
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<tr>
<td>Reduce Funding for the Agriculture Research Service</td>
<td>-62</td>
<td>-334</td>
<td>-863</td>
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<tr>
<td><strong>SUBTOTAL: Federal Bureaucracy</strong></td>
<td><strong>-44,298</strong></td>
<td><strong>-221,878</strong></td>
<td><strong>-417,971</strong></td>
</tr>
</tbody>
</table>

### Eliminate Attaché Positions in the Foreign Agricultural Service:
At 97 worldwide offices, agricultural attachés provide farmers and agriculture produce traders with information regarding the foreign trade market environment, including foreign government’s policies, supply and demand conditions, and market opportunities. This large information collection outfit primarily benefits private traders, who could pay for the same services themselves. Savings: $347 million over ten years ($188 million over five years).

### Reduce Funding for Department of Education Administration
According to the Department of Education, Office of the Chief Financial Officer, the Department spent an average of $5.7 million annually over five years to pay for its employees to attend education conferences, including conferences in Hawaii. By cutting down on costs associated with these trips, the Department could greatly reduce its administrative budget. Savings: $56.8 million over ten years ($28.4 million over five years).

### Level DOE Departmental Administration Funding
This reform would fund DOE administrative accounts at the FY05 level. Savings: $209 million over ten years ($81 million over five years).

### Level Funding for FAA Operations
The Federal Aviation Administration’s (FAA) mission is to promote aviation safety and mobility by building, maintaining, and operating the nation’s air traffic control system; overseeing commercial and general aviation safety through regulation and inspection; and providing assistance to improve the capacity and safety of our airports. The FAA has encountered numerous cost overruns and delays in modernizing its nationwide network, and experienced significant challenges in reforming its organizational culture. Savings: $4.58 billion over ten years ($1.77 billion over five years).
Level Funding for Treasury Departmental Offices
In light of recent fiscal constraints, this reform would recoup savings by freezing the growth of bureaucracy at DOT. Savings: $167 million over ten years ($43 million)

Level Funding for the Federal Building Fund
FBF is a revolving fund that finances the operating and capital costs associated with the federal building inventory. It receives revenue deposits from rent payments charged to federal agencies occupying GSA’s office space and congressional appropriations. In light of current fiscal constraints, new construction and repairs on federal buildings should be curtailed, and this account level funded. Savings: $7.68 billion over ten years ($2.97 billion over five years)

Level Funding of the Office of Management and Budget
OMB’s mission is to assist the President in overseeing the preparation of the federal budget and to supervise its administration in Executive Branch agencies. In helping to formulate the President’s spending plans, OMB evaluates the effectiveness of agency programs, policies, and procedures, assesses competing funding demands among agencies, and sets funding priorities. As such, the OMB is well suited to find cost savings in their budget and carry out its mission at level funding. Savings: $125 million over ten years ($48 million over ten years)

Level Funding for Agriculture Buildings and Facilities
This reform would provide level funding for agriculture buildings and facilities maintenance accounts. Savings: $278 million over ten years ($108 million over five years) ($20 million over one year)

Reduce Funding for the Agriculture Research Service
ARS is the internal research agency for the USDA. The program works consistently with universities and other outside entities to develop and expand agriculture research. This is a function the private sector can and does perform. Savings: $863 million over ten years ($334 million over five years)

Level Funding for the General Services Administration (GSA)
The GSA is the primary federal real property and asset management agency. GSA is also responsible for identifying and completing needed repairs to the federal buildings it manages. Many of these projects can be delayed in light of more pressing federal responsibilities and priorities. Savings: $1.5 billion over ten years ($581 million over five years)

Title V: Eliminating Corporate Welfare

Table V: Summary of Savings in Title V
(Savings from Baseline, in Millions of Dollars)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>5-year savings</th>
<th>10-year savings</th>
</tr>
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<tbody>
<tr>
<td>Eliminate the Clean Coal Technology Program</td>
<td>-50</td>
<td>-259</td>
<td>-543</td>
</tr>
<tr>
<td>Eliminate the FreedomCAR Program</td>
<td>-163</td>
<td>-845</td>
<td>1,774</td>
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<tr>
<td>Eliminate the Research Initiative for Future Agriculture Systems</td>
<td>-300</td>
<td>-1,100</td>
<td>-2,100</td>
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<tr>
<td>Eliminate the Export-Import Bank and OPIC</td>
<td>-84</td>
<td>-616</td>
<td>-1,507</td>
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<td>Proposed Change</td>
<td>2006</td>
<td>5-year savings</td>
<td>10-year savings</td>
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<tr>
<td>-------------------------------------------------------------------------------</td>
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<tr>
<td>Limit the Repayment Period of Export Credit Guarantees</td>
<td>-147</td>
<td>-735</td>
<td>-1,470</td>
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<tr>
<td>Imposing a Fee on the GSE's Investment Portfolio</td>
<td>-1,624</td>
<td>-8,762</td>
<td>-19,885</td>
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<tr>
<td>Require GSEs to Register with the SEC and Pay Fees</td>
<td>-490</td>
<td>-1,250</td>
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<tr>
<td>Eliminate the ITA's Trade Promotion Activates</td>
<td>-401</td>
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<td>Eliminate the Advanced Trade Program</td>
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<td>Eliminate the Hollings Manufacturing Extension Partnerships</td>
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<td>-573</td>
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<td>Repeal the Continued Dumping and Subsidy Offset Act</td>
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<td>Eliminate the Foreign Market Development Program</td>
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<td>Eliminate the Market Access Program</td>
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<td>Eliminate the Export Enhancement Program</td>
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<td>Eliminate the Hydrogen Fuel Initiative</td>
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<td>-5,280</td>
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<td>-49,764</td>
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**Eliminate the Applied Research for Renewable Energy Sources Program**
The Applied Research for Renewable Energy Sources program funds research and development of renewable sources of energy, including developing alternative liquid fuels from biomass. However, such research is already subsidized through the tax code, and the development of applied energy technology is not necessarily a proper role for the federal government. Savings: $4.2 billion over ten years ($2 billion over five years)

**Eliminate the Clean Coal Technology Program**
The Clean Coal Technology program provides government financing for new coal technology research and development. The private sector has a competitive incentive to conduct this research and develop these technologies and would continue to move forward without government support. For example, GE is currently running privately funded TV commercials on network, advertising their coal technology advancements. Savings: $543 million over ten years ($259 million over five years)

**Eliminate the FreedomCAR Program**
FreedomCAR is a federal energy program to develop energy efficient cars and trucks, an effort already underway by the private sector responding to market incentives. For example, foreign automakers, Honda and Toyota, are beginning to roll out fuel-cell powered vehicles in certain areas. Savings: $1.8 billion over ten years ($845 million over five years)

**Eliminate the Research Initiative for Future Agriculture Systems**
Created in 1998, the initiative funds research in food safety and human nutrition. Federal funding for agricultural research and new technologies is not a priority at this time, and the private sector is more than equipped to fund such potentially profitable research. Savings: $2.1 billion over ten years ($1.1 billion over five years)

**Eliminate the Export-Import Bank and OPIC**
Though intended to promote U.S. exports and overseas investment with loans and insurance, the Export-Import Bank and Overseas Private Investment Corporation serve companies which are more than capable of turning a profit. Savings: $1.5 billion over ten years ($616 million over five years)
Limit the Repayment Period of Export Credit Guarantees
This is a program that ensures U.S. companies will not lose money if foreign companies, who buy U.S. goods, default on loans. A Government Accountability Office report found little evidence that this program provides measurable income and employment benefits to the U.S. agricultural sector. Savings: $1.5 billion over ten years ($735 million over five years)

Impose a Fee on the GSEs Investment Portfolio
Government-sponsored enterprises (GSEs), private financial institutions chartered by the federal government, are intended to increase the availability of credit for specific purposes, such as housing and agriculture. Four GSEs--Fannie Mae, Freddie Mac, Farmer Mac, and the Federal Home Loan Bank System--have used their special borrowing status to acquire and hold large portfolios of securities. This option would impose a fee of 10 basis points (10 cents per $100 of investments) on the GSEs' average daily investment portfolios. This would promote competition in financial markets and recover some of the federal subsidy retained by those enterprises without reducing their capacity to achieve their public mission. Savings: $19.9 billion over ten years ($8.8 billion over five years)

Require GSEs to Register with the SEC and Pay Fees
Government-sponsored enterprises (GSEs)--private financial institutions chartered by the federal government--are intended to promote the flow of credit to targeted uses, primarily housing and agriculture. Four GSEs, Fannie Mae, Freddie Mac, the Federal Home Loan Bank System, and the Farm Credit System, are exempt from provisions of the Securities Act of 1933, which requires publicly traded companies to register the securities they issue with the SEC (a fifth GSE, Farmer Mac, is already subject to SEC requirements.). This option would require those GSEs' exemption from SEC rules, requiring them to pay registration fees and to disclose information about their securities. This would help level the playing field between the GSEs and other firms that issue securities, including issuers of mortgage-backed securities (MBSs). Savings: $2.7 billion over ten years ($1.3 billion over five years)

Eliminate the ITA's Trade Promotion Activities
The International Trade Administration operates a program designed to encourage trade by assessing the competitiveness of U.S. industries and promoting U.S. exports, a function that should be the responsibility of the private sector. Savings: $4.6 billion over ten years ($2.1 billion over five years)

Eliminate the Advanced Technology Program
ATP provides research and development grants to various companies and entities to encourage technology development and advancement. ATP gives approximately $150 million annually to private sector companies for their research. Numerous Fortune 500 companies have been the recipient of these federal funds, including IBM, General Electric, 3M, and Motorola. Savings: $1.5 billion over ten years ($721 million over five years)

Eliminate the Hollings Manufacturing Extension Partnerships
HMEP runs manufacturing extension centers designed to assist small- to medium-sized firms improve their business by providing management training and various other assistance to the firm. Although these centers are not government owned, Congress continues to provide them with federal funding. The services provided by HMEP are widely available from a variety of sources, including private entities, libraries, the internet, and many state and local seminars and training programs. Savings: $1.2 billion over ten years ($573 million over five years).

Repeal the Continued Dumping and Subsidy Offset Act
U.S. antidumping laws allow for the imposition of duties when it is determined that imports are being subsidized by the producer's government (a practice known as dumping). The Continued Dumping and
Subsidy Offset Act passes on the revenues received from the collection of such duties to the domestic producers who petitioned for them. However, this is a duplicative remedy since the duties themselves are meant to address the dumping, and it gives domestic producers an incentive to submit more and more dumping petitions to the Commerce Department. Savings: $4.5 billion over ten years ($3 billion over five years)

Eliminate the Foreign Market Development Program
The Foreign Market Development Program promotes the export of U.S. agricultural products, a function that could be handled by the private sector businesses that directly benefit. Government efforts to support exports often distort the allocation of economic resources and impose costs that exceed their benefits. Savings: $335 million over ten years ($160 million over five years).

Eliminate the Market Access Program
This program subsidizes exporters looking for foreign markets, a function that could be performed by the private sector. Opportunities to sell U.S. commodities abroad are already strong, raising the question of why taxpayers should have to fund the marketing of name-brand products. Savings: $531 million over ten years ($231 over five years).

Eliminate the Export Enhancement Program
ELP provides cash to exporters as bonuses, encouraging the exporters to sell U.S. products in certain counties at prices below the exporter's costs of acquiring them. The program provides unnecessary assistance to private corporations in their attempt to offer the lowest price on commodities in other counties. Savings: $389.6 million over ten years ($150.6 million over five years)

Eliminate Hydrogen Fuel Initiative
The Hydrogen Fuel Initiative, unveiled by President Bush in his 2003 State of the Union Address, is a new $720 million research and development initiative for hydrogen as a transportation fuel, aimed at developing the technologies and infrastructure to produce, store, and distribute hydrogen for use in fuel cell vehicles and electricity generation. Elimination of this initiative will produce significant overall savings. Furthermore, private industry is better equipped to develop future fuel technologies within the free market. Savings: $2.5 billion over ten years ($985 million over five years)

**TITLE VI: RATIONAL REFORMS TO DEFENSE AND HOMELAND SECURITY**

**Table VI: Summary of Savings in Title VI**
(Savings from Baseline, in Millions of Dollars)

<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>5-year savings</th>
<th>10-year savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed the Sale of Old and Excess Naval Vessels</td>
<td>-23</td>
<td>-178</td>
<td>-444</td>
</tr>
<tr>
<td>Consolidate the Military Exchanges</td>
<td>-76</td>
<td>-797</td>
<td>-1,882</td>
</tr>
<tr>
<td>Close the Domestic Dependent School System</td>
<td>18</td>
<td>-126</td>
<td>-788</td>
</tr>
<tr>
<td>Reduce DOD Administrative Accounts</td>
<td>-10</td>
<td>-50</td>
<td>-100</td>
</tr>
<tr>
<td>Restrict First-Responder Grants to At-Risk Communities</td>
<td>-630</td>
<td>-3,260</td>
<td>-6,826</td>
</tr>
<tr>
<td>Introduce HSAs as a TRICARE Option</td>
<td>-20</td>
<td>-807</td>
<td>-2,367</td>
</tr>
<tr>
<td><strong>SUBTOTAL: Defense and Homeland Security</strong></td>
<td>-741</td>
<td>-5,218</td>
<td>-12,407</td>
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</tbody>
</table>
Speed the Sale of Old and Excess Naval Vessels
The sale, lease, or grant of excess naval vessels to other nations must be authorized by Congress if the vessel is over 3,000 tons or less than 20 years of age. Other older defense articles, such as military jets and tanks, can be sold by simply notifying Congress. The delay that Congressional authorization creates costs an estimated $4 million per ship to mothball and store. Savings: $444 million over ten years ($178 million over five years)

Consolidate the Military Exchanges
The Pentagon operates three separate military exchanges, the Army and Air Force exchange, the Navy exchange, and the Marine Corps exchange. Consolidating these three exchanges into one would eliminate inefficiencies from duplicative purchasing, different personnel departments, warehouse and inventory systems, and management headquarters while retaining the current ability for service members and their families receive a wide selection of goods at a low price. Savings: $1.9 billion over ten years ($796 million over five years)

Close the Domestic Dependent School Systems
The Pentagon operates special elementary and secondary schools on several domestic bases in the United States. This system is separate from the one in operation for military children overseas. This provision would phase out these domestic schools over time and shift these military children into the local public school systems. These programs date to the time of segregation when public schools in the South did not serve an integrated military, and most military bases nationwide do not currently contain such schools. Savings: $788 million over ten years ($126 million over five years)

Reduce DOD Administrative Accounts
According to GAO, the Pentagon failed to collect refunds on $100 million worth of unused, refundable flight tickets purchased, which totaled $100 million from 1997-2003. As a result, its administrative account would be reduced by $10 million annually over the next five years to encourage the Pentagon to collect such items and impose more stringent controls. Savings: $100 million over 10 years, $50 million over five years

Restrict First-Responder Grants to Large, At-Risk Communities
Homeland Security grants help local governments prepare for terrorism. Grants are available to all communities and each state is guaranteed 75% of the total. First-responder grants should be reserved for likely targets of terrorism and a funding floor should not exist. There are many reports of waste and abuse in small communities whose homeland security needs are not obvious. For the same reason, significant funding remains unspent. In the past year, numerous reports have exposed large sums of homeland security funding was being spent on such items as air-conditioned garbage trucks, bulletproof dog vests for canine corps, Segways for a bomb squad, and the transportation of riding lawn mowers to an annual lawn mower drag race. Revising the formula to emphasize risk would ensure limited federal resources are used more effectively. Savings: $6.8 billion over ten years ($3.3 billion over five years)

Introduce Health Savings Accounts as a TRICARE Option
Under the Department of Defense’s health care plan, TRICARE, military personnel would have the option of receiving a cash allotment to purchase a less comprehensive health care plan and keep the remaining cash or remain in their current plans. The less comprehensive plan would encourage individuals to be more cost-conscious when purchasing health care products by including deductibles, copayments, and a maximum annual out-of-pocket expenditure limit. Savings: $2.4 billion over ten years ($807 million over five years)
**TOTAL SAVINGS**

**Table A: Summary of Total Savings**
(Savings from Baseline, in Millions of Dollars)

<table>
<thead>
<tr>
<th>Title</th>
<th>2006</th>
<th>5-year savings</th>
<th>10-year savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title I: Tough Choices for Tough Times</td>
<td>-70,711</td>
<td>-193,017</td>
<td>-508,986</td>
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<tr>
<td>Title II: Restraining Foreign Aid</td>
<td>-2,652</td>
<td>-14,594</td>
<td>-37,822</td>
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<tr>
<td>Title III: Reprioritization of Federal Spending</td>
<td>-15,638</td>
<td>-84,246</td>
<td>-187,005</td>
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<td>Title IV: Containing the Federal Bureaucracy</td>
<td>-44,298</td>
<td>-221,878</td>
<td>-417,971</td>
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<tr>
<td>Title V: Eliminating Corporate Welfare</td>
<td>-5,280</td>
<td>-24,827</td>
<td>-49,764</td>
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<tr>
<td>Title VI: Rational Reforms to DOD and DHS</td>
<td>-741</td>
<td>-5,218</td>
<td>-12,407</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>-139,320</strong></td>
<td><strong>-543,753</strong></td>
<td><strong>-1,213,902</strong></td>
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