

TREASURY, POSTAL SERVICE, AND GENERAL
 GOVERNMENT APPROPRIATIONS BILL, 1997

JULY 8, 1996.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

Mr. LIGHTFOOT, from the Committee on Appropriations,
 submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany H.R. 3756]

The Committee on Appropriations submits the following report in
 explanation of the accompanying bill making appropriations for the
 Treasury Department, the Postal Service, the Executive Office of
 the President, and certain Independent Agencies for the fiscal year
 ending September 30, 1997, and for other purposes.

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SUMMARY OF THE TOTAL BILL

The accompanying bill contains recommendations for new budget (obligational) authority for fiscal year 1997 for the Department of the Treasury, the Postal Service, various offices in the Executive Office of the President, and certain Independent Agencies. The following table summarizes these recommendations and reflects comparisons with the budget, as amended, and with amounts appropriated to date for fiscal year 1996:

[In thousands of dollars]

Agency	New budget (obligation) authority fiscal year 1996 enacted to date	Budget estimates of new (obligational) authority, fiscal year 1997	Recommended in the bill	Bill compared with—	
				New budget (obligational) authority fiscal year 1996	Budget estimate, fiscal year 1997
Treasury	10,380,513	11,284,582	9,976,559	-403,954	-1,308,023
Postal Service	121,908	102,817	85,080	-36,828	-17,737
Executive Office of the President	279,244	286,339	295,339	+16,095	+9,000
Independent agencies	12,382,089	13,172,819	12,858,272	+476,183	-314,547
Grand total	23,163,754	24,846,557	23,215,250	+51,496	-1,637,307

RECOMMENDATION

The Committee has provided a total of \$11,113,000,000 in discretionary resources for the agencies under its jurisdiction. After scorekeeping adjustments, this represents a reduction of \$129,514,000 in budget authority from 1996 enacted levels and a reduction of \$1,652,307,000 from the amount requested by the President.

The Committee's recommendation will result in outlays of \$11,055,000,000 in 1997, a reduction of \$512,976,000 from 1996 levels. Combined with the 1997 recommendation, since January of 1995, this subcommittee has achieved deficit saving of \$1.2 billion from programs under its jurisdiction.

GENERAL STATEMENT

Last year, the Subcommittee began an ambitious oversight agenda for programs and agencies under its jurisdiction, effectively putting agencies on notice that it was no longer business as usual. The Committee ultimately achieved savings of \$646 million, including the termination of 2 agencies, the restructuring of ineffective operations, and the consolidation of duplicative functions.

Fiscal year 1997 is the second year of the Committee's increased oversight efforts. Over the past several months, the Committee held 16 hearings, reviewing agency spending and performance plans and assessing agency operations. While the Committee is pleased with the performance of some of the agencies under its jurisdiction, it is concerned with what appears to be other disturbing patterns, including a misguided perception that Congressional efforts to downsize the federal government are a temporary short-term problem that can be addressed using temporary short-term solutions.

The fact is, efforts to downsize, streamline and restructure agencies under the subcommittee's jurisdiction are not a one shot deal. They are the way of the future. As the President has stated, the era of big government is over. Anyone who believes otherwise will be left behind as the federal government learns to manage its operations using less resources more efficiently. The Committee has been nothing but forthright about this from the first day of the 104th Congress. Unfortunately, some agencies have simply failed to heed this advice and continue to operate on the basis of business as usual.

The Committee's allocation for the upcoming fiscal year requires that spending for agencies under its jurisdiction be reduced by \$513 million, a reduction of 4.5 percent. This allocation can not support a business as usual approach.

REQUESTS FOR APPROPRIATIONS

The Committee is acutely aware that some agencies under its jurisdiction have become complacent in their requests for appropriations. Agency requests for resources are premised on the idea that inflationary adjustments should occur automatically. Justifications for computer hardware and software are woefully inadequate, with agencies claiming gains in productivity but with no back up documentation. Agencies continue to request additional resources to

staff large bureaucracies in Washington, D.C. at the expense of people on the streets delivering services to the public. Agencies continue to stonewall Committee efforts to test the feasibility of privatizing traditionally governmental functions. And, finally, some agencies fight to justify and defend operational deficiencies on the basis of “insufficient resources”. The Committee does not operate on the premise that more money will solve organizational and programmatic deficiencies. Resources are not a panacea for what ails failing programs and the Committee will simply not tolerate agencies hiding behind the guise of inadequate resources as a justification for poor performance.

1997 RECOMMENDATION

In order to address the committee’s concerns, the 1997 recommendation includes several bold initiatives. The Committee has looked long and hard at programs under its jurisdiction and the recommendations for 1997 reflect the Committee’s best judgment on ways to get programs that have gone seriously off track—most notably IRS’s Tax Systems Modernization Program—back on. The 1997 bill reflects a commitment to provide agencies with the resources and support necessary to satisfy their statutory requirements and simultaneously achieve economies of scale using smarter management practices.

The Committee is aware that many of the proposed initiatives will be opposed by the Administration as well as defenders of the status quo. Ultimately, however, the Committee trusts that these defenders will understand the future will not tolerate a complacent, business as usual, approach to meeting our nation’s most fundamental needs.

ADHERENCE TO GUIDELINES AND DIRECTION INCLUDED IN COMMITTEE REPORTS

The Committee is extremely disappointed with several agencies under its jurisdiction for failure to comply with various directions included in the report accompanying the FY 1996 House bill as well as the report accompanying the FY 1996 conference agreement.

In some cases, agencies have knowingly disregarded committee intent and direction; in other cases, agencies have claimed they were unaware that certain report language even existed or were confused about its intent. The Committee finds both positions indefensible.

In order to address intentional disregard of Committee direction, in many instances in the 1997 bill, the Committee has specifically earmarked resources for certain purposes as well as fenced appropriations pending some action on the part of the agency. The Committee does not wish to “micro-manage” agencies but feels it is left with no other alternative in order to address this problem.

In those cases where agencies claim they have disregarded direction because they were simply “unaware” of certain report language, the Committee notes that, at a minimum, two offices within each agency share responsibility for tracking various appropriations measures: the Budget Office and the Office of Congressional

Affairs. The Committee cautions these offices to be more thorough in their review of Committee reports.

Finally, for those agencies claiming they are uncertain about Committee intent and direction, they are urged to maintain open and frequent dialogue with the Committee in order to avoid misunderstandings and clear up possible ambiguities.

LAW ENFORCEMENT

The Treasury Postal Subcommittee has under its jurisdiction about 30 percent of all federal law enforcement personnel. The Committee is committed to strengthening and improving the operations of these law enforcement agencies and has provided \$3.5 billion for the upcoming fiscal year, an increase of 14 percent (+\$410 million) over the 1996 levels and above the President's request by \$157 million.

While the Committee is pleased that the President requested additional resources for initiatives such as Customs' Operation Hardline, the Committee is dismayed by the Administration's lack of funding for other serious law enforcement issues such as the surge of drugs entering our borders through the Caribbean. Where the President failed to fund efforts to combat these problems, the Committee has provided \$28 million to fund Operation Gateway, a coordinated effort to reduce air and marine smuggling throughout the Caribbean. The Committee has also provided \$12 million for enhanced investigations of church fires in both 1996 and 1997 and an additional \$28 million for restoration of the Customs air interdiction infrastructure program, which has been eroded over the past several years.

The Committee also believes the Administration's efforts to fund and coordinate investigations of missing and exploited children are inadequate, particularly as it relates to investigations of child pornography. The Committee has provided a total of \$4.2 million for these efforts in 1997, including \$1.6 million for the Secret Service's efforts for enhanced forensic technologies, \$400,000 for two additional staff within the Secret Service devoted to investigations of child pornography, and \$2.2 million for the establishment and operation of a child exploitation unit at the National Center for Missing and Exploited Children. The Committee also calls for enhanced coordination of efforts between the Postal Service, the Customs Service, the General Services Administration and the Secret Service as it relates to child pornography investigations.

FISCAL YEAR 1997 BUDGET RESOLUTION

The Committee is pleased to note that the report to accompany H. Con. Res. 178 supports the prerogative of the Appropriations Committee to pursue alternative policies from those included in the Budget Resolution so long as the Committee stays within its discretionary resource allocation. In some instances, the Committee's recommendation supports the assumptions of the budget resolution. In other cases, the Committee has pursued alternative options. Overall, however, the Committee has stayed within its resource allocation, achieving \$513 million in deficit reduction for the upcoming fiscal year. Combined with the 1996 appropriation and the 1995 re-

scission, this subcommittee has achieved a total of \$1.2 billion in deficit reduction since January of 1995.

REPROGRAMMING AND TRANSFER REQUIREMENTS

The Committee expects agency justifications for proposed reprogramming requests to be clear and strongly documented. Furthermore, except in extraordinary circumstances, reprogramming proposals will not be approved by the Committee 45 days prior to the end of the fiscal year, nor will they be approved if the proposed actions would effectively reverse previous congressional directives.

The guidelines to be used to determine whether or not a reprogramming shall be submitted to the Committee for prior approval during fiscal year 1997 are as follows:

(1) For agencies, departments, or offices receiving appropriations in excess of \$20,000,000, a reprogramming must be submitted if the amount to be shifted to or from any object class, budget activity, program line item, or program activity involved is in excess of \$500,000 or 10 percent, whichever is greater;

(2) For agencies, departments, or offices receiving appropriations less than \$20,000,000, a reprogramming must be submitted if the amount to be shifted to or from any object class, budget activity, program line item, or program activity involved is in excess of \$50,000 or 10 percent, whichever is greater;

(3) For any actions which would result in a major change contrary to the program or item presented to and approved by the Committee or the Congress;

(4) For any action where the cumulative effect of past reprogramming actions added to the new reprogramming would exceed the dollar threshold mentioned above;

(5) For any actions where funds earmarked for a specific activity are proposed to be used for another activity; and

(6) For any actions where funds earmarked for a specific activity are in excess to meet the project or activity requirement, and are proposed to be used for another activity.

The Committee is concerned that past transfer and reprogramming authority has been overutilized and often used by agencies for reorganizations that have major policy implications. Such transfers and reprogrammings are interpreted by the Committee as circumventing the appropriations process and will not be condoned.

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$105,929,000
Budget estimate, fiscal year 1997	120,577,000
Recommended in the bill	108,447,000
Bill compared with:	
Appropriation, fiscal year 1996	+2,518,000
Budget Estimate, fiscal year 1997	-12,130,000

MISSION

The Departmental Offices' function in the Treasury Department is to provide basic support to the Secretary of the Treasury, who

is the chief operating executive of the Department. The Secretary of the Treasury maintains the primary role in formulating and managing the domestic and international tax and financial policies of the Federal Government. The Secretary's responsibilities funded by the Salaries and Expenses appropriation include: recommending and implementing United States domestic and international economic and tax policy; fiscal policy; governing the fiscal operations of the Government; maintaining foreign assets control; managing the public debt; overseeing the law enforcement functions carried out by the Treasury Department; managing development of financial policy; representing the United States on international monetary, trade and investment issues; overseeing Treasury Department overseas operations; and directing the administrative operations of the Treasury Department.

RECOMMENDATION

The funding level provided by the Committee includes a \$654,000 reduction from travel, a \$500,000 reduction from OASIA overhead, and a \$250,000 reduction as identified by the Department for program changes. Within the proposed funding level, the Committee directs that up to \$1,000,000 be used for a re-engineering study of the Human Resources division to develop a model to lower costs and improve efficiency; that up to \$790,000 be used to accommodate the cost of relocating employees while repairs are ongoing at the Main Treasury Building; and that up to \$300,000 be used to develop a plan to privatize government assets. The Departmental Offices request of \$5,600,000 for an International Trade Data System has been provided in the Customs Service portion of the Automation Enhancement appropriation. The request of \$2,639,000 for office-type automation upgrades was increased to \$6,500,000 to cover two years of estimated requirements and funded in the Automation Enhancement appropriation. The Committee has included language directing that up to \$500,000 shall be used to carry out Section 528 of this Act.

PRIVATE SECTOR TAX DEBT COLLECTION

The Committee has included a new provision (Sec. 117) which transfers \$13,000,000 from the Internal Revenue Service (IRS) to Departmental Offices to initiate a second private sector debt collection program which focuses on tax debt which is classified by IRS as "currently not collectible," "available for collection actions," and "deferred (lower value accounts)." The Committee takes this action because of its disappointment with the current contracting initiative and its concern that the IRS has not established a viable program which can be expanded and used in the future.

The Committee notes, that as of September 30, 1995, the amount of taxes, penalties, and interest in the "currently not collectible" categories of "defunct/no asset corporations," "unable to locate," "unable to contact," and "other," totaled \$43,400,000,000. The majority of this is not currently being worked by the IRS because the IRS has determined that the time and energy necessary to collect this debt it is not cost-beneficial. Providing resources through contract to address the \$43,400,000,000 is a way of supplementing IRS staffing and collecting amounts which IRS is not actively pursuing.

The IRS is currently collecting the debt identified as “available for collection actions,” which totaled \$36,600,000,000 on September 30, 1995, at the Automated Calling Sites (ACS) as well as by Revenue Officers. The Committee believes that the most cost effective manner of collecting this debt is through the ACS and directs that contracting efforts for the collection of debt classified as “available for collection actions,” should not be made to the detriment of ACS staffing and funding levels.

The IRS is not actively collecting debt classified as “deferred (lower value accounts),” which totaled \$1,600,000,000 on September 30, 1995. IRS is not actively collecting this debt because IRS has determined that it is not cost-beneficial due to the low dollar value of the debt. Providing resources through contract to address the \$1,600,000,000 is again a way of supplementing IRS staffing and collecting amounts which IRS is not actively pursuing.

The Committee directs that the Secretary of the Treasury provide to the Committee within 60 days of enactment of this Act, a proposal to establish this new contracting initiative. The proposal should include a timetable for implementing the contract, performance measures which will be used to compare IRS cost and performance with private sector cost and performance. Additionally, the proposal should include an option for continuing and expanding the initiative if it proves cost-beneficial.

INTERGOVERNMENTAL INFORMATION TECHNOLOGY ENTERPRISE PANEL

The Committee strongly supports the efforts of the Department of the Treasury in the development of intergovernmental information technology policies and programs. Therefore, the Committee directs that, within the funds appropriated for Departmental Offices, not less than \$750,000 shall be made available for the Intergovernmental Information Technology Enterprise Panel.

USE OF UNOBLIGATED BALANCES

Section 515 of this Act allows agencies to use up to fifty percent of the unobligated balances from the previous year for authorized purposes. The Committee believes that the best use of these unobligated funds is the acquisition of equipment and software which improve the productivity of the Department, which satisfy requirements of the Chief Financial Officers Act, or support Franchise Fund activities. Funds used in accordance with Section 515 of this Act, shall be in addition to amounts provided in the current appropriation.

FIRE AT MAIN TREASURY BUILDING

The Committee appreciates the work of a large team of firefighters and others who prevented more serious damage during a June 26th fire at the historic Main Treasury Building. However, the Committee recognizes that there was extensive damage and will work with the Department of the Treasury to provide needed restoration and reconstruction funds as soon as possible.

AUTOMATION ENHANCEMENTS

Appropriation, fiscal year 1996 to date .....	.....
Budget estimate, fiscal year 1997 .....	.....
Recommended in the bill	\$27,100,000
Bill compared with:	
Appropriation, fiscal year 1996	+27,100,000
Budget estimate, fiscal year 1997	+27,100,000

RECOMMENDATION

The Committee has included a total of \$27,100,000 for the development and acquisition of automatic data processing equipment, software, and services for the Department of the Treasury. These funds, which are available for two years, may be transferred to accounts and in amounts as necessary to satisfy the requirements of the Department's offices, bureaus, and organizations. When transferred, these funds shall be in addition to the amounts appropriated in this Act for these offices, bureaus, and organizations. Furthermore, all authorities vested in the acquisition of the necessary services, equipment, and software may transfer to the Department's offices, bureaus, and other organizations as the funds are transferred. None of these funds shall be used to support any Internal Revenue Service systems, including Tax Systems Modernization.

The funds should be transferred as follows:

Departmental Offices.—\$6,500,000 for the economic decision support system, the automated management of Treasury documents system, and systems to support the streamlining of administrative services. The Committee is very pleased that the request for Departmental Offices automation enhancements was accompanied by a detailed plan for development and acquisition which emphasizes purchase of off-the-shelf technology.

Customs Service.—\$15,000,000 for the Automated Commercial Environment (ACE) and \$5,600,000 for the International Trade Data System (ITDS).

Customs Automated Commercial Environment (ACE): A recent GAO report on the modernization of the Customs Service states that Customs' efforts to build a new information system: "are vulnerable to failure because the agency is not effectively applying best practices to mitigate the serious risks associated with such an ambitious systems modernization effort. For example, contrary to best practices, Customs selected hardware, software, and telecommunications for ACE and other systems before it redesigned its key business processes. In addition, Customs is not applying specific criteria in assessing projects and analyzing project costs and benefits. Finally, Customs has not established clear accountability for ensuring that NCAP requirements are successfully implemented." (*Customs Service Modernization: Strategic Information Management Must Be Improved for National Automation Program To Succeed*)

The Committee is concerned that the issues raised by the GAO report are of the same character as the problems the Committee has found regarding the Internal Revenue Service's Tax Systems Modernization (TSM) program. In the case of both ACE and TSM,

the agency has proceeded with system development before completing a blueprint for the system.

The Committee has included legislative language prohibiting expenditure of any of these funds without prior approval of the House and Senate Committees on Appropriations. The Committee directs the Customs Service to submit a report addressing all of the concerns outlined in the GAO study. The Committee will request the General Accounting Office to comment on the Customs Service is submitted report.

International Trade Data System (ITDS): The Administration proposed transferring \$5,600,000 from the Customs Service to Departmental Offices for the continuation of work to develop an international trade data system and to begin operation of a North American Trade Automation Prototype. The Committee rejects this proposal because it believes that the Departmental Offices account is not an appropriate location for information systems development.

Nevertheless, the Committee recognizes that the ITDS is by nature an interagency project, with 60 federal agencies collecting and disseminating data on international trade, and directs the Customs Service to operate and develop the system under the direction of an interagency board.

As was the case with the Automated Commercial Environment, the Committee believes that the Administration should proceed with this project only after creating an appropriate blueprint for the new system. The Committee therefore includes language to prohibit expenditure of these funds without advance approval of the House and Senate Committees on Appropriations, and directs the Customs Service and the interagency group to provide a report and blueprint for approval.

AVAILABILITY OF DATA TO CONGRESS

The Committee believes that in order to enhance the ability of the Congress to work with the Executive Branch in providing budgets, the Treasury Department and the Office of Management and Budget, should work with the Legislative Branch to make current budget data available "online". It would be beneficial if the system being developed by the Department to upgrade its capabilities in the area of tracking overall government expenditures could provide up to date spending information to the Congress in an on-line format.

OFFICE OF INSPECTOR GENERAL AND INTERNAL AUDIT OF THE
INTERNAL REVENUE SERVICE
SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$29,319,000
Budget estimate, fiscal year 1997	30,153,000
Recommended in the bill	135,925,000
Bill compared with:	
Appropriation, fiscal year 1996	+106,606,000
Budget estimate, fiscal year 1997	+105,772,000

MISSION

This appropriation provides agencywide audit and investigative functions to identify and correct operational and administrative deficiencies which create conditions for existing or potential instances

of fraud, waste, and mismanagement. The audit function provides program audit, contract audit, and financial statement audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Program audits review and evaluate all facets of agency operations. Financial statement audits assess whether financial statements fairly present the agency's financial condition and results of operations, the adequacy of accounting controls, and compliance with laws and regulations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. This appropriation also provides for internal investigations made by the office of Internal Affairs and Inspection in the Bureau of Alcohol, Tobacco and Firearms, the Customs Service, and the Secret Service and, internal audits and internal investigations of the Inspection Service at the Internal Revenue Service.

The Inspectors General Auditor Training Institute provides the necessary facilities, equipment, and support services for conducting auditor training for the Federal Government Inspector General community. Institute personnel develop and deliver instructional programs related to basic government audit skills. The cost of training is recovered by tuition charged to a student's agency.

OFFICE OF INSPECTOR GENERAL AND INTERNAL AUDIT OF THE
INTERNAL REVENUE SERVICE

The Committee has moved \$106,606,000 and 1,300 full-time equivalents from the Internal Revenue Service (IRS) to a new account, "Office of Inspector General and Internal Audit", with the intention of strengthening the independence and autonomy of internal audit and investigations. The internal audit and investigations functions of the IRS also have an enhanced reporting structure with director that the chief of this function report to the Deputy Secretary of the Treasury. The Committee's recommendation is not intended to suggest a lack of confidence in the IRS structure. The Committee simply desires to preserve the inspection service tradition of constructive advice to management focused on improving IRS programs and operations through an autonomous and independent structure.

There have been concerns raised that the Inspector General (IG), acting as a reviewer of government actions, hinders agencies in considering innovative ideas and plans for fear that the IG will later disapprove the action. It would be more effective if the IG would provide constructive input at an earlier stage of the process to assist the agency in making management decisions. The IG at the General Services Administration (GSA) participated in GSA's FORM analysis at the initial stages of the process and in doing so helped the agency develop a better program. The Treasury IG and the IRS Internal Audit and Investigation organizations should consider this type of approach to ensure concerns are raised at an earlier point in the process of management decision making.

INDEPENDENT LEGAL COUNSEL

The Committee remains concerned about the problems which could arise if the Inspector General does not have legal counsel which is separate and independent from the Treasury General Counsel, an issue which was raised by the Committee in its fiscal year 1996 report. The current situation which provides the Inspector General's Legal Counsel with a level of independence does not fully address the Committee's concerns which were first raised in House Report 104-183. The Committee believes that the growing responsibilities of the Inspector General, especially with the transfer of IRS Internal Audit functions to the Office Inspector General, highlight the need for a truly independent legal counsel and requests that the Secretary resolve this long standing issue.

OFFICE OF PROFESSIONAL RESPONSIBILITY

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date .....	.....
Budget estimate, fiscal year 1997 .....	.....
Recommended in the bill (by transfer)	(\$3,000,000)
Bill compared with:	
Appropriation, fiscal year 1996	(+\$3,000,000)
Budget estimate, fiscal year 1997	(+\$3,000,000)

MISSION

This appropriation provides salaries and expenses for the oversight of internal affairs investigations within Treasury law enforcement bureaus.

RECOMMENDATION

The Committee is concerned about oversight over Treasury law enforcement bureaus. While the reports commissioned by the Under Secretary on the raid on the Branch Davidian compound and the "Good O' Boy" Roundup were of excellent quality and laudable, they were ad hoc, temporary, and took place only after a great deal of media exposure. It is possible that there are other incidents, less followed by the media, that merit the same level of the scrutiny as Waco and the "Good O' Boy" Roundup by the Under Secretary.

The Committee finds that the oversight of the Inspector General (IG) is not sufficient to address this concern. The IG does not have authority to require action by Treasury bureaus on investigations and does not have sufficient criminal investigators to initiate its own work or review the work of internal affairs bureaus.

The Committee is furthermore concerned with the differences in internal affairs procedures used by Treasury and the Department of Justice, as described by the General Accounting Office in its report "Use of Force: ATF Policy, Training and Review Process Are Comparable to DEA's and FBI's." According to GAO, the Department of Justice often uses the attorneys within the Criminal Division or the Civil Rights Division to direct internal investigations of shooting incidents or allegations of use of excessive force. The Treasury Department has no counterpart organization to perform this role.

To correct this imbalance and create an acceptable alternative, the Committee directs the establishment of an Office of Professional Responsibility (OPR) within the Office of the Under Secretary for Enforcement. It is the Committee's intention that OPR will have the authority to undertake, on its own initiative, investigations such as the "Good O' Boy" Roundup; convene panels of outside experts to review allegations; and provide quality control for all internal affairs offices. The Committee believes that the staff must be composed of experienced law enforcement personnel with extensive investigative experience. The Committee also intends for OPR to have oversight over all Treasury law enforcement officers and bureaus, including the Bureau of Alcohol, Tobacco and Firearms, the U.S. Customs Service, the Internal Revenue Service, the Secret Service, the Federal Law Enforcement Training Center, and the Financial Crimes Enforcement Network. However, this oversight is not intended to interfere with the Inspector General Act, nor the exemptions granted by this Act to the Secret Service as they relate to classified and highly sensitive protection information.

The Committee expects the Under Secretary for Enforcement to determine the precise authorities and responsibilities of this office. Before obligating resources for that office, the Committee directs the Under Secretary to submit a plan including an organizational chart, staffing levels, position descriptions and a list of authorities, to the House and Senate Committees on Appropriations for approval no later than February 1, 1997.

The Committee establishes this office out of concern that all law enforcement agencies have adequate and appropriate oversight. It does not believe that Treasury bureaus require any more or better oversight than other Federal law enforcement agencies, or that the vast majority of Treasury law enforcement agents conform to anything less than the highest standards of conduct on or off duty.

TREASURY BUILDINGS AND ANNEX REPAIR AND RESTORATION

Appropriation, fiscal year 1996 to date	\$21,491,000
Budget estimate, fiscal year 1997	7,684,000
Recommended in the bill	22,892,000
Bill compared with:	
Appropriation, fiscal year 1996	- 1,299,000
Budget estimate, fiscal year 1997	+12,508,000

MISSION

This appropriation funds repairs, selected improvements, and construction necessary to maintain the Main Treasury, the Treasury Annex, and other Treasury buildings.

RECOMMENDATION

The Committee has included \$6,978,000 for site acquisition and design of the ATF National Laboratory and Fire Investigation, Research and Development Center and \$8,200,000 for the construction of an educational facility at the Rowley Secret Service Training Center. Both of these projects are subject to authorization by the House Committee on Transportation and Infrastructure.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$22,198,000
Budget estimate, fiscal year 1997	23,137,000
Recommended in the bill	22,387,000
Bill compared with:	
Appropriation, fiscal year 1996	+189,000
Budget estimate, fiscal year 1997	- 750,000

MISSION

The Financial Crimes Enforcement Network (FinCEN) has responsibility for implementing Treasury money laundering regulations through administration of the Bank Secrecy Act, 31 U.S.C. section 5311, et seq., and serves as a United States Government source for the systematic collation and analysis of information to assist in the investigation of money laundering and other financial crimes. FinCEN implements these responsibilities through analytical and technological platforms geared to combat money laundering through prevention—using its regulatory authority in partnership with the financial sector; detection—combining technology with all-source intelligence to identify both underlying criminal financial activity as well as emerging trends and patterns of domestic and international money laundering; and enforcement—empowering other agencies at the Federal, State and local, and international levels to take action against financial criminals through the transfer of information and expertise.

RECOMMENDATION

The Committee concurs with the President’s request with three exceptions. The Committee included \$1,000,000 requested by the Administration to combat emerging money laundering threats in the Violent Crime Trust Fund, rather than the salaries and expenses account. The Committee denied \$50,000 of the amount requested to maintain current levels, since legislation increasing agency contributions to employee retirement accounts did not pass. The Committee provided an additional \$300,000 for two full-time equivalent employees to provide outreach to Federal law enforcement.

OUTREACH TO FEDERAL LAW ENFORCEMENT

The Committee is concerned that Federal law enforcement officers are not taking full advantage of FinCEN’s services. Data shows that certain law enforcement agencies are making better use of FinCEN’s services than others, and that a small number of law enforcement officers account for a majority of requests.

The Committee believes that this imbalance can be corrected through education and outreach, including regular surveys of field agents to identify their needs and satisfaction with FinCEN, visits to field offices to identify regional information requirements and describe services, and expanded training at all levels in how to use effectively FinCEN’s resources. This will allow Federal agents to become more familiar with FinCEN’s services, and also FinCEN analysts to become more familiar with the needs of the agencies it

serves. The Committee has therefore provided an additional \$300,000 and 2 FTE to be dedicated to outreach efforts.

REIMBURSEMENT FOR SERVICES

The Committee has included legislative language allowing the Director of FinCEN to accept reimbursement from other Federal law agencies for extraordinary service on specific projects, such as assigning FinCEN analysts to work full time on a particular task force. Provision of such service will be at the discretion of the Director.

TREASURY FORFEITURE FUND

(LIMITATION ON AVAILABILITY OF DEPOSITS)

Appropriation, fiscal year 1996 to date	\$10,000,000
Budget estimate, fiscal year 1997	10,000,000
Recommended in the bill	7,500,000
Bill compared with:	
Appropriation, fiscal year 1996	-2,500,000
Budget estimate, fiscal year 1997	-2,500,000

MISSION

P.L. 102-393 authorized the establishment of the Treasury Forfeiture Fund, replacing the Customs Forfeiture Fund, and making it available to pay or reimburse certain costs and expenses related to seizures and forfeitures that occur pursuant to the Treasury Department's law enforcement activities. The Coast Guard also participates in the program.

RECOMMENDATION

The Committee provides legislative language allowing use of the fund's resources for the law enforcement wireless communications project.

FEDERAL WIRELESS COMMUNICATIONS PROJECT

Over time, law enforcement and public safety communications systems have developed separately to serve the needs of particular entities. When joint operations, natural disasters, or emergency responses require a coordinated response from multiple levels of government, communications across divergent systems operating on different radio frequencies are difficult to achieve. This Committee is therefore appropriating \$7,500,000 to the Federal Law Enforcement Wireless Users Group (FLEWUG), an interagency group led by the Departments of Justice and Treasury to develop a communication system compatible both among Federal agencies and state and local entities. The Committee anticipates that an additional \$7,500,000 will be appropriated to the Department of Justice for the same purpose.

TRANSFER TO SPECIAL FORFEITURE FUND

The Committee has included legislative language transferring the \$21,922,000 excess surplus balance that had been transferred to ONDCP pursuant to 31 U.S.C. §9703(g)(3)(A) back to the Treasury Forfeiture Fund.

VIOLENT CRIME REDUCTION PROGRAMS

Appropriation, fiscal year 1996 to date	\$76,514,000
Budget estimate, fiscal year 1997	97,200,000
Recommended in the bill	97,005,000
Bill compared with:	
Appropriation, fiscal year 1996	+20,486,000
Budget estimate, fiscal year 1997	-200,000

MISSION

Amounts for the Department of the Treasury's portion of Crime Control Programs are derived from transfers from the Violent Crime Reduction Trust Fund (VCRTF) as authorized by the Crime Control and Law Enforcement Act of 1994.

RECOMMENDATION

The Committee provides an appropriation of \$97,000,000 for Violent Crime Reduction Programs, the full amount of the Committee's allocation.

U.S. Customs Service	\$15,005,000
Vehicle replacement	2,000,000
Joint Customs-INS research on integrated port management	1,000,000
Maintenance and operation of Operation Hardline equipment	9,000,000
Southwest border equipment replacement and upgrades	3,005,000
U.S. Secret Service	20,200,000
Counterfeiting	5,000,000
Forensic technologies to aid missing and exploited children investigations	1,600,000
Financial Institution Fraud	3,000,000
TRIP	800,000
Child Exploitation Unit	1,400,000
White House Security	8,400,000
Office of the Secretary	5,971,000
Taggant Study	5,971,000
Financial Crimes Enforcement Network	1,000,000
Money laundering threats initiative	1,000,000
Bureau of Alcohol, Tobacco and Firearms	54,824,000
G.R.E.A.T./grants and contracts with local governments	7,200,000
Administration and operation of G.R.E.A.T. Program	2,500,000
CEASEFIRE initiative	3,662,000
Enhance training and purchase replacement equipment	41,462,000

NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN

The Committee is impressed with the work of the National Center for Missing and Exploited Children (NCMEC) which has, to date, played a role in the recovery of more than 31,000 children, worked more than 47,000 cases involving missing and exploited children, handled more than 935,000 telephone calls through their toll free Hotline, and trained more than 137,000 law enforcement

officers nationwide. To date, NCMEC has focused almost exclusively on missing children.

During the course of the year, the Committee heard testimony from various law enforcement agencies under its jurisdiction on cases involving exploited children, particularly child pornography. The Committee also heard testimony regarding the potential exploitation of children through the Internet. The Committee is concerned that efforts to combat sexual offenses against children have been largely ignored. To address these concerns, the Committee has included \$1,400,000 in the Crime Bill Trust Fund for enhanced efforts of the Secret Service to target crimes against children; of this amount, \$400,000 is for two additional full time employees within the Secret Service to target child exploitation and pornography; \$765,000 is dedicated to the NCMEC to establish an Exploited Child Unit and \$235,000 is provided to support the training of additional volunteers through NCMEC's project ALERT. The Committee has included funds to support the operations of the Exploited Child's Unit for FY 1997, FY 1998 and FY 1999; outyear funding for the unit is included in the Secret Service's Base appropriation, while start-up funds are included through the Crime Trust Fund. The Committee assumes continued funding of \$1.6 million through the Secret Service to enhance the use of forensic technology in the investigation of missing and exploited children.

The Committee encourages the Secret Service to coordinate all efforts related to missing and exploited children with the U.S. Postal Service, the Customs Service, and the General Services Administration.

CEASEFIRE

The Committee has provided \$3,662,000 to continue ATF's CEASEFIRE program, which is designed to use advanced computer technology to speed the identification and matching of bullets and cartridge casings found at crime scenes. The centerpiece of the CEASEFIRE program is the Integrated Ballistics Imaging System (IBIS), which saves ballistics examiners time and effort by comparing hundreds of recovered bullets and cartridge casings automatically.

The Committee urges ATF to favorably consider the City of Omaha, Nebraska, the Nebraska State Highway Patrol and other Nebraska law enforcement agencies as part of this program as well as Hennepin County, Minnesota and the city of Minneapolis.

BORDER TECHNOLOGY RESEARCH

The Committee provides \$1,000,000 for a joint project with the Immigration and Naturalization Service (INS) to facilitate trade and enforcement along the U.S.-Mexico border in California. The Committee finds that both Customs and INS have been using information technology in a haphazard fashion. This funding will be used for a pilot project to integrate information systems and data gathering so as to maximize enforcement efforts while minimizing delays to commerce and travel across the border.

TREASURY FRANCHISE FUND

The Department of Treasury was chosen as a pilot Franchise Fund under P.L. 103-356, the Government Management and Reform Act of 1994. Beginning in 1997, financial and administrative services included in the Franchise Fund will be financed on a fee-for-service basis which in the case of the Treasury's Fund, would be for financial, debt collection, and administrative services.

Activities that will be included in the Fund are debt collection, financial training, and accounting cross servicing. The Fund concept is intended to increase competition for government and financial administrative services resulting in lower costs and higher quality.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$36,070,000
Budget estimate, fiscal year 1997	50,518,000
Recommended in the bill	51,681,000
Bill compared with:	
Appropriation, fiscal year 1996	+15,611,000
Budget estimate, fiscal year 1997	+1,163,000

MISSION

The Federal Law Enforcement Training Center provides the necessary facilities, equipment, and support services for conducting advanced, specialized, and refresher training for Federal law enforcement personnel. This appropriation is for operating expenses of the Center, for research in law enforcement training methods, and curriculum content. In addition, the Center has a reimbursable program to accommodate the training requirements of various Federal agencies. As funds are available, law enforcement training is provided to certain State and local law enforcement personnel on a space-available basis.

RECOMMENDATION

The Committee concurs with the Administration's request with three exceptions. The Committee denies \$206,000 of the \$1,458,000 that had been requested to maintain current levels because the expected increase to Federal retirement contributions did not pass into law. The Committee provides funding in the salaries and expenses account for two initiatives that the Administration had initially proposed to be funded through the Violent Crime Reduction Trust Fund: \$355,000 and 2 FTE for new training building support and \$1,014,000 for general training that had been initially provided in fiscal year 1996.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

Appropriation, fiscal year 1996 to date	\$9,663,000
Budget estimate, fiscal year 1997	9,884,000
Recommended in the bill	18,884,000
Bill compared with:	
Appropriation, fiscal year 1996	+9,221,000
Budget estimate, fiscal year 1997	+9,000,000

MISSION

This account provides for the acquisition, construction, improvement, equipment, furnishing and related costs for expansion and maintenance of facilities of the Federal Law Enforcement Training Center.

RECOMMENDATION

The Committee is concerned that the Administration requested no resources for new construction at Glyngo, Georgia for the second year in a row. The fact that the Immigration and Naturalization Service created a satellite facility in Charleston, South Carolina to accommodate a surge in its training is evidence that master plan construction projects are absolutely essential. For that reason, the committee provides an additional \$9,000,000 for master plan projects.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$184,300,000
Budget estimate, fiscal year 1997	200,070,000
Recommended in the bill	191,799,000
Bill compared with:	
Appropriation, fiscal year 1996	+7,499,000
Budget estimate, fiscal year 1997	-8,271,000

MISSION

The Financial Management Service (FMS) is responsible for improving the quality of Government financial management and collecting Federal debt. As the Government's central financial agent, FMS receives and disburses public monies, maintains Government accounts, and reports on the status of the Government's finances. FMS is also accountable for developing and implementing the most reliable and efficient financial methods and systems to manage and improve the Government's cash management, credit management, and debt collection programs.

Based on the Debt Collection Improvement Act of 1996, the FMS became the primary agency for the collecting of Federal non-tax debt which is due and owed to the government. Through FMS, there is a coordinated effort to collect debt from those who have defaulted on agreements with the Federal government.

BUDGET JUSTIFICATION MATERIAL

In addition to its annual appropriation, the Financial Management Service (FMS) receives income for reimbursable services performed for Federal agencies and trust funds, primarily for payment and claims processing, and accounting and financial operations. In fiscal year 1997, FMS estimates that income for its reimbursable program will be approximately \$183,000,000. However, income from the reimbursable program is not reported to Congress because it is not "part of the President's request." The Committee believes that this type of information should be included in budget justification materials submitted to Congress and directs FMS provide historical tables on its reimbursable programs, including income bro-

ken out by largest volume customers and FTEs, with the submission of the fiscal year 1998 budget request.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$377,971,000
Budget estimate, fiscal year 1997	406,005,000
Recommended in the bill	389,982,000
Bill compared with:	
Appropriation, fiscal year 1996	+12,011,000
Budget estimate, fiscal year 1997	-16,023,000

MISSION

The Bureau of Alcohol, Tobacco and Firearms is responsible for the enforcement of laws designed to eliminate certain illicit activities and to regulate lawful activities relating to distilled spirits, beer, wine and nonbeverage alcohol products, tobacco, firearms, and explosives.

CHURCH FIRE INVESTIGATIONS

The Bureau of Alcohol, Tobacco and Firearms has investigated 65 church fires in just 18 months—36 of which have taken place at predominantly African-American churches. The largest numbers of arsons have occurred in South Carolina, North Carolina, Tennessee and Louisiana; but we have incidents as far north as New York and as far west as Arizona. Approximately 135 ATF special agents have been assigned to the active investigations in the Southeast, and ATF has employed all of its resources, including National Response Teams, certified fire investigators and accelerant detecting canines to investigate these crimes. Although a conspiracy was uncovered involving at least two fires in South Carolina, no interstate or national conspiracy has yet been uncovered.

The Committee intends to do everything in its power to stop these crimes, and has therefore provided \$12,011,000 in supplemental appropriations for fiscal year 1996 under Title VII of this bill and an additional \$12,011,000 in fiscal year 1997 appropriations for these investigations. Resources will be used for overtime, travel, offices, phones, reward money, equipment, and any other legitimate expenditures directly associated with church fire investigations. These resources may also be used to offset the cost of joint Federal, state and local task forces working on these cases.

ATF OPERATIONS

The Committee is concerned by reports that ATF does not have sufficient resources to provide proper training and equipment to its personnel. ATF management estimates that it should expend about 23 percent of its resources on “operations”—all of the legitimate expenditures of a law enforcement agency other than salaries, benefits, rent and utilities. This includes training, computer equipment, vehicles, weapons, surveillance equipment, and other materials and services necessary to conduct investigations, arrests, and audits. ATF has informed the Committee that it requires about \$122,441

per year to fully equip and train an average full time employee. Fiscal year 1996 appropriations fall short of this amount, providing less than \$100,000 per employee.

The President's Budget fails to address this issue. In fiscal year 1996, ATF has 3,918 full-time equivalent employees. The resources necessary to support this level of employment is about \$480 million—far greater than the Administration's proposed funding of \$406 million.

The Committee will not continue to allow agents or inspectors to perform their duties without sufficient training and equipment. To continue to do so would be a recipe for disaster.

The Committee intends to accomplish its goal of providing sufficient resources for ATF operations through a two-pronged approach: selective downsizing and resources targeted for training and equipment under the Crime Trust Fund.

DOWNSIZING ATF

In light of ATF's training and equipment needs, the Committee finds that the current staffing levels of ATF are not sustainable over the long run given current budgetary constraints. The Committee therefore assumes that ATF will reduce staff by about 10 percent—from the 1996 on board level of 3,918 to 3,473, a staffing cut of 445 full-time equivalent employees. The Committee understands that ATF hired a large group of agents between 1972 and 1976, and that many of these agents are at or near retirement. Encouraging many of the more experienced agents to take buyouts will allow the agency to remake itself into a law enforcement organization that is somewhat smaller, but better trained and better equipped to operate in the difficult law enforcement environment of today.

The Committee intends that this downsizing be entirely voluntary. Mandatory reductions force the youngest and brightest workers out of an agency. The Committee therefore has included a legislative provision authorizing ATF to offer separation incentive packages to its employees as well as a prohibition on any reductions in force. The Committee has included legislative language requiring ATF to submit a revised staffing plan before implementing any buyouts.

TRAINING INITIATIVE

After completion of the proposed downsizing, the Committee intends that ATF employees be as well trained and equipped as any law enforcement group in government. The Committee therefore has included \$41,462,000 in the Violent Crime Trust Fund to upgrade training and to purchase needed equipment for all ATF employees.

TECHNICAL ASSUMPTIONS

The Committee concurs with the technical assumptions of the President's Budget with the following exceptions:

The Committee denies the requested \$9,100,000 for follow-on funding for National Response Teams and other second year expenses of last year's counter-terrorism initiative. The Committee

assumes gross savings of \$25,534,000 as a result of downsizing, and provides an additional \$13,408,000 to cover the cost of buyouts.

SHOOTING INCIDENT REVIEW BOARD

The Committee was concerned to learn from the GAO report on ATF's use of force that its policy in reviewing shooting incidents differs from the FBI and DEA in one important respect: DEA and FBI include at least one outside representative on their shooting incident review panels, while ATF does not. Although ATF does have a representative from its General Counsel on its Shooting Incident Review Board (SIRB), and the ATF General Counsel reports to the overall Treasury General Counsel, the Committee believes that this does not provide a sufficiently "outside" perspective for the panel. The Committee therefore directs that ATF add two outside representatives to its SIRB, to be designated by the Undersecretary for Enforcement.

PROFESSIONAL REVIEW BOARD

The Professional Review Board (PRB) is composed of the following members: the Chief of the Office of Enforcement's (OE) Enforcement Management staff; the Deputy Assistance Director of the Office of Science and Information Technology, the Chief of Laboratory Services of the Office of Science and Information Technology, the Chief of OE's Alcohol and Tobacco Programs Division, and the Chief of the Office of Training and Development. The Committee is concerned that there is not sufficient representation on the PRB of individuals from outside of ATF. The Committee therefore directs that ATF add two law enforcement representatives to its PRB, to be designated by the Undersecretary for Enforcement.

AIR PROGRAM

The Committee concurs with the Administration in terminating the ATF air program. The Committee has included bill language that directs that ATF transfer its aircraft to the U.S. Customs Service, and directs the Customs Service to assign top priority to ATF requests for air assistance, second only to its primary mission of drug interdiction.

BALLISTICS IMAGING SYSTEMS

The Committee is aware that both ATF and the Federal Bureau of Investigation have developed ballistics imaging systems and are subsidizing their purchase for state and local law enforcement agencies. The Committee is concerned that the Federal government not provide two such systems to any particular crime lab, and has included a legislative prohibition on using appropriated resources to provide subsidized equipment to state or local authorities who have already obtained similar equipment through a federal grant or subsidy.

CANINE TRAINING

ATF has developed the only scientifically-based canine detection program operated by law enforcement. The ATF-trained canines are capable of detecting up to 19,000 explosive compounds in much

smaller amounts than any mechanical instrument available today. ATF's program has been very successful overseas, with ATF-trained canines already meeting with success in Cyprus, Greece, Egypt, Israel and Chile. Unfortunately, law enforcement agencies in the United States have not benefited from this program. There is only one of these canines in use in the U.S. today.

The Committee has provided legislative language allowing ATF to accept reimbursement from state and local agencies for training explosive and fire accelerant detecting canines and their handlers.

CANINE EXPLOSION DETECTION PILOT PROGRAM

The Committee is concerned that there exists within the Federal government multiple canine explosion detection programs which may be duplicative and wasteful. Furthermore, the Committee is concerned that consistent guidelines, methodologies, protocols, and standards are not available for these various explosives-detecting canine programs. Therefore, the Committee directs the Bureau of Alcohol, Tobacco, and Firearms (ATF) to establish a joint canine explosives detection pilot program with the Federal Aviation Administration (FAA) at either Washington National or Dulles International airports or both in order to foster cooperation, coordination, and consistency between the two explosives-detecting canine programs. ATF and FAA shall submit their joint report to the House and Senate Appropriations Committee.

PAPERWORK REDUCTION

The Committee has learned that ATF operates in a paper and report-intensive environment that has long since been abandoned by other law enforcement agencies. The Committee directs ATF to examine its internal reporting requirements for series 1811 agents, compare them to the requirements of other federal agencies, and report back to the Committee with a paperwork reduction plan.

GREAT PROGRAM

The Committee commends ATF for its outstanding efforts as part of the GREAT (Gang Resistance Education and Training) program, which utilizes ATF personnel on a voluntary basis to work with young people in schools to promote a crime-free and gang-free environment. The nascent program in El Paso, Texas has been particularly effective in addressing youth and gang violence.

LABORATORY FACILITIES

The Committee has denied the Administration's request for \$62,000,000 and a separate account within ATF for new laboratory facilities. The Committee has included \$6,978,000 for design and site preparation for such a facility in the Treasury Buildings and Annex Repair and Restoration account.

OUT OF BUSINESS DEALER RECORDS

The Committee is concerned that there has been some confusion with the meaning of the legislative prohibition on "consolidating or centralizing" the records of Federal firearms licensees. The Committee has added a provision which makes it clear that ATF may

retrieve out of business dealer records by the serial number or model of a firearm, but specifically prohibits the creation of an out of business records database in which records may be retrieved by the name of an individual or any personal identification such as social security or drivers license number.

VOLUNTARY RESTRAINT AGREEMENT WITH RUSSIA

The Committee understands that on April 4, 1996, the United States and Russia entered into a Voluntary Restraint Agreement (VRA) to prevent Russia from exporting certain firearms and ammunition to the United States. The Committee directs the Administration to report on the steps it intends to take to monitor or enforce this agreement, and what, if any, role will be played by the Bureau of Alcohol, Tobacco and Firearms in monitoring or enforcement, as well as the legal authority for such a role. The Committee requests this report no later than November 1, 1996.

UNITED NATIONS COMMITTEE ON FIREARMS

The Committee understands that the United Nations' Ninth Congress on the Prevention of Crime and the Treatment of Offenders in Cairo, Egypt, which took place in May, 1995, passed a resolution to study four topics: criminal cases, accidents and suicides in which firearms are involved; illegal transnational traffic in firearms; national legislation relevant to firearms regulation; and firearms regulation initiatives at the regional and interregional level. The intent of the resolution was to establish a basis for the consideration of measures to regulate firearms. The study will be presented to the Commission for the Prevention of Crime and Treatment of Offenders, which will then make recommendations to the Economic and Social Council of the United Nations.

The Committee understands that ATF personnel are providing technical assistance on this project to the United States delegation. The Committee directs that ATF provide the Committee with a report on the cost of this project to the United States; the progress of this study; the expected recommendations and whether the recommendations conflict with current U.S. law; and its expected date of completion.

RELIEF FROM FEDERAL FIREARMS DISABILITIES

The Committee has modified a continuing provision prohibiting the Bureau of Alcohol, Tobacco and Firearms from acting upon applications for relief from Federal firearms disabilities. The modification holds that refusal to act upon such applications shall not be subject to judicial review for any felon convicted of a violent crime, firearms violation, or drug related crime.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$1,387,153,000
Budget estimate, fiscal year 1997	1,466,170,000
Recommended in the bill	1,489,224,000

Bill compared with:		
Appropriation, fiscal year 1996	+102,071,000	
Appropriation, fiscal year 1997	+23,054,000	

MISSION

The United States Customs Service is the Nation's principal border agency. Its mission is to ensure that all goods entering and exiting the United States do so in accordance with all United States laws and regulations. This mission includes enforcing U.S. laws intended to prevent illegal trade practices; protecting the American public and environment from the introduction of prohibited hazardous and noxious products; assessing and collecting revenue in the form of duties, taxes, and fees on imported merchandise; regulating the movement of persons, carriers, merchandise, and commodities between the United States and other nations, while facilitating the movement of all legitimate cargo, carriers, travelers, and mail; interdicting narcotics and other contraband; and enforcing certain provisions of the export control laws of the United States.

RECOMMENDATION

The Committee denies \$7,696,000 of the amounts requested to maintain current operations. This will not be needed because expected legislative changes in retirement contributions never materialized.

STOPPING DRUGS AT THE BORDER

During the 1980's, the United States made significant progress in reducing drug abuse. Over the course of that decade, illicit drug use fell by more than half—from 25 million users in 1979 to just over 11 million in 1992. "Casual" cocaine use fell by nearly 80 percent between 1985 and 1992, while total cocaine use fell 55 percent between 1988 and 1992—from 2.9 to 1.3 million users.

Now, despite many years with some success, we are seeing dramatic reversals: The number of teenagers using drugs increased by over 50 percent in two years, from 2.4 million in 1992 to 3.8 million in 1994. Marijuana use by 14 and 15 year olds increased 200 percent over the same period. One in three high school seniors smokes marijuana today.

These statistics are significant because research now tells us that casual drug use among teenagers today leads to hard-core drug abuse tomorrow. Those who reach age 21 without ever using drugs almost never try them later in life. 60 percent of adolescents who use marijuana before age 15 will later use cocaine. If these trends among our young continue, we will have an epidemic by the first years of the 21st century.

The Committee believes that, in part, this reversal in the struggle against drugs can be traced back to 1993, when the Administration advocated a shift in expenditures from drug interdiction to strategies targeted to source countries. As a result of this change in policy, the amount of cocaine and marijuana seized or turned away by the Customs Service, Coast Guard and Department of Defense fell by half in three years—from 435 kilograms per day in 1993 to 205 kilograms per day in 1995. The price of drugs also fell.

Between February 1993 and February 1995, the retail price of a gram of cocaine fell from \$172 to \$137. Heroin prices dropped more—from \$2,032 to \$1,278 per gram over the same period.

The lesson here is that we can never walk away from law enforcement, or interdiction or prevention programs because the problem just gets worse as soon as we leave.

This year, the Administration is requesting \$65,000,000 for Operation Hardline, an effort to enhance security along the Southwest border by adding 657 inspectors, canine officers, agents and support personnel to the border along with enough equipment to do their job.

The Committee concurs in this request, and has provided the entire \$65,000,000 in Hardline funding. However, the Committee believes the President's request does not go far enough. Our struggle against drugs requires stronger enforcement, not just in the land between Mexico and the United States, but also in the sea and the air. Drug smugglers have been turning to the Virgin Islands, Puerto Rico and Miami to find easier routes into the U.S., using aircraft and boats to drop shipments off in Caribbean waters and the Florida coast. We need to rebuild our aerial surveillance program to address all of these efforts.

The Committee therefore provides an additional \$28,000,000 to fund Operation Gateway, a coordinated effort to reduce air and marine smuggling throughout the Caribbean. These resources shall be used for both people and equipment, including the purchase of 2 light helicopters, C-12 aircraft, 4 new vessels for Puerto Rico and 3 for the Virgin Islands; as well as operations and maintenance funds for all of these craft, 10 additional enforcement positions for Puerto Rico, 12 for the Virgin Islands, facilities to house the new craft and people, and new equipment to make smuggling more difficult in all ports of entry.

In addition, the Committee intends to make a down payment on restoring the Customs air program infrastructure to its condition in 1992. The Committee has therefore set aside \$28,000,000 to upgrade air program resources. This includes \$10 million to refurbish ten excess C-12 aircraft for deployment in the Caribbean, \$8 million for restoration of lost HU-25 aircraft, and \$10 million for restoration of aerostats along the Southwest border and at certain choke points in the Caribbean. These resources shall be available for obligation after September 30, 1997.

HEADQUARTERS STAFFING REDUCTIONS

The Customs Service, in its reorganization plan entitled "People, Processes and Partnerships" proposed to reduce headquarters staffing by one third. The Committee concurs that the major business of the Customs Service is accomplished along the border and at ports of entry, not at headquarters, and directs the Customs Service to proceed with these overhead staffing reductions of about 367 FTE expeditiously. In order to ensure these staffing reductions occur without undo hardships for employees, the Committee has included legislative language allowing Customs to offer buyouts to its headquarters staff, setting aside \$11,058,000 for that purpose. The Committee assumes gross savings of \$20,596,000 from this reduc-

tion. This estimate assumes that these reductions will be complete by the end of the first quarter, fiscal year 1997.

Reductions to headquarters staff allow the Committee to fund specific drug interdiction strategies along the border, including Operation Hardline and Operation Gateway.

AUTOMATED COMMERCIAL ENVIRONMENT

The Committee is concerned by the results of a recent GAO report on the modernization of the Customs Service, which concludes that Customs' efforts: "are vulnerable to failure because the agency is not effectively applying best practices to mitigate the serious risks associated with such an ambitious systems modernization effort. For example, contrary to best practices, Customs selected hardware, software, and telecommunications for ACE and other systems before it redesigned its key business processes. In addition, Customs is not applying specific criteria in assessing projects and analyzing project costs and benefits. Finally, Customs has not established clear accountability for ensuring that NCAP requirements are successfully implemented." (*Customs Service Modernization: Strategic Information Management Must Be Improved for National Automation Program To Succeed*)

The Committee is concerned that the issues raised by the GAO report are of the same character as the problems the Committee has found regarding the Internal Revenue Service's Tax Systems Modernization (TSM) program. In the case of both ACE and TSM, the agency has proceeded with system development before completing a blueprint.

The Committee has including legislative language prohibiting expenditure of any of these funds without prior approval of the House and Senate Committees on Appropriations. The Committee directs the Customs Service to submit a report addressing all of the concerns outlined in the GAO study. The Committee will request the General Accounting Office to comment on the Customs submission.

GATE PROGRAM

The Committee is concerned that implementation of the General Aviation Telephonic Entry, or "GATE" program has been delayed indefinitely. The GATE program is intended to facilitate entry of general aviation into the United States, while still preserving security by maintaining random checks of incoming private aircraft. The Committee has included legislative language directing that the Customs Service begin implementation of this program within 30 days of enactment of this act.

TRADE ENFORCEMENT IN ASIA

The Committee provides \$3,005,000 to enhance enforcement of trade laws in Asia, particularly with regard to violations of Intellectual Property Right (IPR) agreements and forced labor statutes. This includes an additional 18 Customs Inspectors, 9 Import Specialists and 3 Operational Analysis specialists in Los Angeles, San Francisco and Seattle, as well as additional criminal investigators overseas in Singapore, Hong Kong and Beijing.

SPIRIT OF ST. LOUIS AIRPORT

The Spirit of St. Louis Airport in St. Louis County, Missouri is the second busiest airport in the FAA's Central Region, yet it is the only major airport facility in the region without 24 hour a day Customs clearance. The lack of Customs service at the airport hampers the facility's utility in relieving air traffic at Lambert International Airport, increases delays for the general traveling public, and poses significant difficulties for general aviation fleet operators based at that airport. For that reason, the Committee directs the Customs Service to designate the Spirit of St. Louis Airport as an international port of entry.

MONEY LAUNDERING ACTIVITIES

While interdicting narcotics at the border may disrupt the lines of distribution of the major drug cartels, the key to shutting them down is to disrupt the flow of money. The drug cartels seem to have an endless supply of narcotics. The Treasury Department, however, can affect the flow of dollars. The Committee therefore urges the Customs Service to assign money laundering investigations a high priority when allocating the \$65 million appropriated for Operation Hardline and the \$28 million appropriated for Operation Gateway.

DEDICATED COMMUTER LANE

The Committee is interested in the results of Project SENTRI (Secure Electronic Network for Travelers' Rapid Inspection), which began operational tests on November 1, 1995, at Otay Mesa, California. Under this project, pre-screened vehicles crossing the international border travel over a traffic lane dedicated to the exclusive use of the participants in this project. As these vehicles approach the border, an automated system electronically inspects the drivers, passengers, and the vehicles to ensure that they are enrolled in the project and have met the requirements for entry into the United States.

The Committee is aware that there is a great need to facilitate the flow of traffic and trade between the United States and Mexico, particularly at one of its largest ports of entry, El Paso, Texas. If the test of Project SENTRI at Otay Mesa, California meets with success, El Paso would be an excellent second test site. The Committee directs the Customs Service to report back with a plan to develop such a test in El Paso, including an estimate of the cost of such a test; the construction and equipment such a test would require; any legislative impediments to initiating this test; and a timetable for development and implementation. The Committee should receive this report no later than February 1, 1997.

NAFTA AND TEXTILE ENFORCEMENT

The Administration requested and the Congress approved in fiscal years 1995 and 1996 \$18 million and 186 full-time equivalent employees for the Customs Service to enforce the NAFTA and GATT trade agreements, particularly with regard to textiles and apparel. In fiscal year 1997, the Committee again provides full funding for this initiative and expects the Customs Service to use

its resources for vigorous NAFTA and GATT enforcement, particularly with regard to textile and apparel trade rules.

NOTIFICATION OF POLICY CHANGES

The Customs Service announced on June 14 several changes in policy and regulation designed to prevent transshipment of Chinese-made apparel through Hong Kong. These measures were designed to take effect on June 17. These measures include five requirements: (1) provide original signatures by factories and subcontractors on textile declarations; (2) certification by importers that these declarations are accurate; (3) single entry bonds for all entries; (4) conditional releases for a 180-day period; (5) all merchandise must be available for inspection by Customs Service verification teams in Hong Kong. This change in policy will affect cotton nightwear, cotton underwear, cotton dresses, cotton and wool skirts, and cotton and wool men's and boys' suits.

The Committee finds that the timing of this action is onerous. Importers only received 72 hour official notice—48 of those occurring over a weekend. Although the Committee fully supports all efforts to strengthen enforcement of U.S. trade laws, the Committee finds that it is unreasonable to expect law-abiding importers to implement major policy and procedural changes with so little advance notice. The Committee has therefore added a provision to the Customs Service appropriation requiring that it provide at least 30 days notice for any similar changes in regulations or policies.

CHILD PORNOGRAPHY

The Committee is concerned that it took seven months after enactment of the 1996 appropriations bill for the Customs Service to make available \$50,000 from available funds for the Child Pornography Tipline, as directed by Senate Report 104-121. The Committee repeats its direction to provide \$50,000 from available funds to promote public awareness of the Child Pornography Tipline and directs the Service to coordinate its efforts with the National Center for Missing and Exploited Children, the U.S. Postal Service, the U.S. Secret Service and the General Services Administration.

AIR AND MARINE INTERDICTION PROCUREMENT

Appropriation, fiscal year 1995 to date .....	.....
Budget Estimate, fiscal year 1996 .....	.....
Recommended in the bill	\$28,000,000
Bill compared with:	
Appropriation, fiscal year 1995	+28,000,000
Budget estimate, fiscal year 1996	+28,000,000

MISSION

The account has been established to procure air and marine vessels for the Customs air and marine interdiction program, which combats the illegal entry of narcotics and other goods into the United States.

RECOMMENDATION

The \$28,000,000 appropriation shall be available for the following purposes: \$10 million for refurbishing ten excess C-12 aircraft

for deployment in the Caribbean in support of long-term transit zone interdiction; \$8 million for restoration of Falcon interceptor HU-25 aircraft, and 10 million for the restoration of aerostats along the Southwest and Southeast borders.

OPERATION AND MAINTENANCE, AIR & MARINE INTERDICTION
PROGRAMS

Appropriation, fiscal year 1996 to date	\$64,843,000
Budget estimate, fiscal year 1997	83,363,000
Recommended in the bill	83,363,000
Bill compared with:	
Appropriation, fiscal year 1996	+18,520,000
Budget estimate, fiscal year 1997	

MISSION

The Customs Air and Marine Interdiction Program combats the illegal entry of narcotics and other goods into the United States. This appropriation provides all operations and maintenance for the Customs air and marine program and support for the interdiction of narcotics by other Federal, State and local agencies.

ATF AIR PROGRAM

The Committee has terminated the ATF air program and directs ATF to transfer its remaining aircraft to the U.S. Customs Service. The Committee directs the Customs Service to assign top priority to ATF requests for air assistance, second only to the primary mission of drug interdiction. It is the intention of the Committee that such services be provided without reimbursement.

CUSTOMS SERVICES AT SMALL AIRPORTS
(TO BE DERIVED FROM FEES COLLECTED)

Appropriation, fiscal year 1996 to date	\$1,406,000
Budget estimate, fiscal year 1997	2,406,000
Recommended in the bill	2,406,000
Bill compared with:	
Appropriation, fiscal year 1996	+1,000,000
Budget estimate, fiscal year 1997	

MISSION

Customs charges user fees at certain small airports where the volume or value of business is insufficient to justify the availability of Customs services. The funds generated from these user fees are applied to expenditures incurred in providing Customs services at each of these designated small airports.

RECOMMENDATION

The Committee provides such sums as may be necessary for all expenditures covered by user fees at small airports.

HARBOR MAINTENANCE FEE COLLECTION

Appropriation, fiscal year 1996 to date	\$3,000,000
Budget estimate, fiscal year 1997	3,000,000
Recommended in the bill	3,000,000
Bill compared with:	
Appropriation, fiscal year 1996	
Budget estimate, fiscal year 1997	

MISSION

The Harbor Maintenance Fee is established to provide resources to the Army Corps of Engineers for the improvement of American channels and harbors. It is assessed on the value of commercial imports and exports delivered to or from certain specified ports. The fee is collected by the U.S. Customs Service and deposited into the Harbor Maintenance Trust Fund. In fiscal year 1997, \$3,000,000 will be transferred from the Harbor Maintenance Trust Fund to the Customs Service Salaries and Expenses appropriation to offset costs incurred by Customs in collecting Harbor Maintenance Fees.

BUREAU OF ENGRAVING AND PRINTING

Currency Production	\$428,400,000
Estimated currency produced	10.2 billion
Postage Stamp Production	\$78,600,000
Estimated stamps produced	25.0 billion
Securities, Commissions, certificates, other	\$5,000,000
Estimated number	54.0 million

MISSION

The Bureau of Engraving and Printing, a non-appropriated fund account, designs, manufactures, and supplies Federal Reserve notes, various public debt instruments, as well as most evidences of a financial character issued by the United States, such as postage and internal revenue stamps. The Bureau executes certain printings for various territories administered by the United States, particularly postage and revenue stamps.

The operations of the Bureau are financed by means of a revolving fund established in accordance with the provisions of Public Law 656, August 4, 1950 (31 U.S.C. 181), which requires the Bureau to be reimbursed by customer agencies for all costs of manufacturing products and services performed. The Bureau is also authorized to assess amounts to acquire capital equipment and provide for working capital needs. The anticipated work volume is based on estimates of requirements submitted by agencies served.

STRATEGIC PLAN

The Strategic Business Plan for 1996 which was submitted by the BEP, while a fair overview of what the BEP should strive to accomplish, does not contain a basis to measure performance. The BEP, similar to the U.S. Mint, is an organization which easily lends itself to performance measurement.

The Committee had hoped to address the possibility of moving the BEP into a Performance Based Organization, but does not believe the Strategic Plan offers a solid basis for measuring performance which is necessary for a successful Performance Based Organization. It is unfortunate that the BEP cannot move as quickly as the U.S. Mint to embrace strong performance measurement standards. The Committee directs the BEP to submit, with the 1998 President's budget request, a report which details performance measurement standards which will be used by the BEP to justify its operating costs and staffing allocations.

RE-DESIGN OF THE \$1 BILL

To combat international counterfeiting threats to the United States, the Department of Treasury is redesigning Federal Reserve Notes. On March 26, the first of the newly designed \$100 Federal Reserve Notes were placed into circulation. The remainder of the Federal Reserve Notes will be redesigned and are expected to begin circulating soon.

Replacing the estimated 6.1 billion circulating \$1 Federal Reserve Notes with newly designed notes containing special anti-counterfeiting properties may well be cost prohibitive. Furthermore, efforts have been initiated to replace the \$1 Federal Reserve Note with a \$1 coin which, if successful, would render the \$1 Federal Reserve Note obsolete. It would not be prudent to pursue expensive anti-counterfeiting measures for the \$1 Federal Reserve Note when issues surrounding the introduction of a \$1 coin have not yet been resolved.

Therefore, the Committee directs the Department of Treasury and the Bureau of Engraving and Printing not to pursue the redesign of the \$1 Federal Reserve Note at this time.

PROCUREMENT REGULATIONS

The Committee has inserted a new provision (Sec. 526) which authorizes the waiver of laws governing procurement or public contracts for BEP programs and activities. This exemption which terminates after three years will allow the BEP to react more readily to its customers' ever changing needs by utilizing the best business practices of the commercial marketplace. The exemption would also provide the BEP with the flexibility to rapidly procure state-of-the-art technology necessary to respond to requirements for security and counterfeit deterrent features for the Nation's currency.

The BEP shall develop internal controls which will continue to protect the interest of the government. The Inspector General shall assist in developing these controls, which should not be onerous, but adequate to satisfy all concerned parties.

WEB PRESS

The Committee is concerned that the Bureau of Engraving and Printing (BEP) has not followed through on Congressional direction contained in the House report which accompanies Public Law 104-52 concerning development of the Web Press.

On December 1, 1995, the BEP sent a letter to the Committee requesting additional time to review the Web Press development, stating that after this review it would inform the Committee of its plan with respect to the future of the Web Press. Additionally, the letter stated that the Committee would receive periodic updates on this project and a promise that the use of the press would be discontinued if not fully operational by April 1996. The Committee accepted the delay in implementing the Congressional direction so that the new Director of the BEP would have adequate time to perform his review.

In response to questions submitted by the Committee, the BEP indicated that the Department of Treasury is reviewing its options with regard to the Web Press. The Committee repeats its direction

that BEP immediately suspend development and implementation of the Web Press. Furthermore, the Committee directs the BEP to submit a report by December 1, 1996 which details plans for the use of the space which will be vacated with the removal of the Web Press.

UNITED STATES MINT

U.S. MINT

Circulating Coinage 1997	\$995,160,000
Estimated number of coins	20.3 billion
Numismatic and Investment Products	\$274,727,000
Estimated number of coins	10.0 billion

MISSION

The United States Mint manufactures coins, receives deposits of gold and silver bullion, and safeguards the Government's holdings of monetary metals.

In fiscal year 1996, Congress established the United States Mint Public Enterprise Fund which authorizes the U.S. Mint to use proceeds from the sale of coins to finance the cost of its operations. This has eliminated the need for future appropriations to support the mission of the U.S. Mint.

REPORTS SUBMITTED TO COMMITTEE

The Committee is very pleased with the format of the information submitted with the 1997 President's budget as well as the first quarter reports on the operations of the Enterprise Fund and the U.S. Mint's Strategic Plan. The Committee directs the Director of the U.S. Mint continue to provide this information to the Committee.

SALE OF GOLD AND PLATINUM COINS

The Committee has included two provisions (Sec. 523 and Sec. 524) which allow the Secretary of the Treasury to expand the sale of gold bullion and platinum coins for the Numismatic Coin program. These provisions will allow the U.S. Mint, in addition to its American Eagle gold bullion coins (.9167 fine), to mint .9999 gold bullion coins and platinum bullion coins.

Recent market studies identify growing markets for gold and platinum bullion products. The studies, however, reveal a strong preference in these markets for "pure" gold (24 karat) bullion coins. Sec. 523 will allow the U.S. Mint to enter this market in addition to its command of the 22 karat market. Sec. 524 will allow the U.S. Mint to enter the platinum coin market.

Receipts from the sales of these additional programs is estimated at \$21,100,000 in 1997 and \$88,900,000 over five years and will be deposited into the General Fund of the Treasury for deficit reduction.

IMPROVED PERSONNEL MANAGEMENT DEMONSTRATION PROJECT

The Committee has included a provision (Sec. 527) which authorizes the U.S. Mint to establish a demonstration project to test

changes in personnel management policies and procedures which would result in improved Federal personnel management under the authorities of Chapter 47 of title 5, United States Code. The Committee had hoped to provide greater authorities to allow the establishment of a Performance Based Organization (PBO) for the U.S. Mint, but the inclusion of such legislation was not feasible at this time. However, the Committee believes that within the authorities granted by title 5, the U.S. Mint should be able to begin the process of changing personnel management policies and procedures so that overall U.S. Mint operations could become a performance-based organization.

The Director of the U.S. Mint should keep the Committee apprised of the actions taken to implement this provision. This should be done with an initial report on what actions will be taken to implement this provision and quarterly reports thereafter on the organization's performance under this provision.

The Committee recognizes that this is a bold new concept which will require significant input and possible revision on the part of the Department of Treasury and the U.S. Mint. The Department and the U.S. Mint should continue to work with the Committee to establish valid measures and plans for implementation.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

Appropriation, fiscal year 1996 to date	\$170,000,000
Budget estimate, fiscal year 1997	171,910,000
Recommended in the bill	165,335,000
Bill compared with:	
Appropriation, fiscal year 1996	- 4,665,000
Budget estimate, fiscal year 1997	- 6,575,000

MISSION

This appropriation provides funds for the conduct of all public debt operations and the promotion of the sale of U.S. savings-type securities.

RECOMMENDATION

The Bureau of Public Debt (BPD) currently estimates a fiscal year 1997 requirement for 1,825 full-time equivalent (FTE) positions. However, the President's 1997 budget originally requested 1,875 FTEs for the BPD. The result is that the 1997 budget is overestimated by \$2,280,000 and 50 FTEs. The Committee has reduced the BPD budget to reflect the most recent estimates of requirements for the upcoming fiscal year.

UNOBLIGATED BALANCES

Since fiscal year 1992, the Bureau of Public Debt (BPD) has consistently overstated its annual budget requirements and has ended each year with a substantial amount of unobligated one-year funds. From fiscal year 1992 through 1995, this overstating of budget requirements totaled nearly \$22,000,000 in one-year funds. The Committee is concerned that such budgeting practices appear to allow the Department to "park" funds at the BPD for use by other orga-

nizations at a later point in time. This is not acceptable because it does not allow the Committee full view of the agency's true requirements. The Committee directs the Department of Treasury's Office of Budget to ensure that this practice is not continued and that future requests for BPD accurately represent the agency's requirements.

INTERNAL REVENUE SERVICE

The Committee has provided a total of \$6,571,968,000 for the Internal Revenue Service (IRS) for taxpayer assistance, processing of tax returns, collection activities, tax fraud and financial investigations, compliance activities, ADP support of operations, tax systems modernization, and overall management of the organization. This is a 10.5 percent reduction from 1996 levels and 17.8 percent below the President's request.

The IRS has been directed by Congress to enforce some of the most unpopular laws of the United States and the Committee acknowledges that this is a difficult task. However, the Committee believes that, within the funds provided, the IRS should be able to accomplish its mission. The funding level provided, when compared to other activities financed by tax dollars, appears adequate for IRS' mission. The Committee notes, for example, that in 1997, the U.S. Army, with \$6,320,026,000, will procure its required aircraft, missiles, ammunition, and tanks; not to mention the hundreds of other miscellaneous items it needs such as tents, radios, and parachutes. Additionally, the U.S. Marine Corps, with \$6,102,108,000, will pay its 174,000 active duty members who are sent to some the most dangerous regions on earth to protect American interests. When taken in this context, the Committee is certain that the IRS will also consider the amount appropriated adequate for its mission.

PROCESSING, ASSISTANCE, AND MANAGEMENT

Appropriation, fiscal year 1996 to date	\$1,723,764,000
Budget estimate, fiscal year 1997	1,779,663,000
Recommended in the bill	1,616,379,000
Bill compared with:	
Appropriation, fiscal year 1996	- 107,385,000
Budget estimate, fiscal year 1997	- 163,284,000

MISSION

This appropriation provides for processing tax returns and related documents, processing data for compiling statistics of income, assisting taxpayers in correct filing of their returns and in paying taxes that are due overall planning, and direction of the Internal Revenue Service, and management of financial resources and procurement.

RECOMMENDATION

The Committee recommends reducing the following accounts to the 1994 funding levels: travel a reduction of \$396,000 and resource management a reduction of \$21,414,000. Additionally, the Committee accepted the recommendation by IRS to reduce this account by \$17,104,000 in compliance with Executive Order 12837.

The breakout by activity is as follows: taxpayer services \$482,049,000, returns processing \$829,666,000, resource management \$198,215,000, and management services \$106,449,000. As discussed below, the Committee also reduced this account by \$106,606,000 for the Inspection functions.

OPPORTUNITIES FOR OUTSOURCING RETURNS PROCESSING

The Committee believes that outsourcing some of the work associated with returns may be efficient, including such activities as sorting mail, data entry, and check processing. The Committee directs the Commissioner to study the potential costs and benefits and provide a report no later than December 31, 1996, describing the potential for efficiencies through outsourcing certain returns processing activities.

SCHOOL BUS SERVICES

Many school districts procure bus service from individuals who own their own busses and run their own small businesses. The IRS has recently determined that these individuals should be considered employees of the school system, not contractors. This is a tremendous burden for the affected school districts that must pay back payroll taxes for individuals which were originally hired as contractors.

The IRS should work with the appropriate Congressional committees to ensure that this situation is resolved and relief is granted to the affected school districts.

TAXPAYER SERVICES

In Public Law 104-134, the Omnibus Consolidated Rescissions and Appropriations Act of 1996, Congress included a provision directing the IRS to restore taxpayer services to the 1995 levels. This action was prompted by the IRS decision to drastically reduce the hours of operation at walk-in taxpayer service centers during 1996. This IRS decision appeared ill advised, especially during tax season, and caused serious problems for many taxpayers who needed assistance from the IRS.

The Committee has included the provision once again and requires the IRS reinstate taxpayer services to 1995 levels.

HOLTSVILLE, NEW YORK IRS SERVICE CENTER

The Committee is concerned about the progress being made on the proposed renovation of the IRS Service Center in Holtsville, New York into a regional customer service center. Due to the inability of the IRS to finalize its plan for the renovation, the project is at least two years behind schedule. Therefore, the Committee requests that the IRS provide a detailed report to the Committee, within 90 days of enactment, its plans to establish the regional customer service center in Holtsville, New York.

TAX POLICY

The Committee is concerned that the IRS too often involves itself in the development of tax policy issues rather than concentrating on how to administer current tax law. The Committee believes that

IRS should perform administrative and operational functions as they relate to tax policy and should not be involved with developing tax policy. The Department of Treasury currently has in place an organizational structure with responsibility for developing and producing tax policy and therefore IRS' actions with regard to developing tax policy appear duplicative.

TAX LAW ENFORCEMENT

Appropriation, fiscal year 1996 to date	\$4,097,294,000
Budget estimate, fiscal year 1997	4,527,821,000
Recommended in the bill	4,052,586,000
Bill compared with:	
Appropriation, fiscal year 1996	- 44,708,000
Budget estimate, fiscal year 1997	- 475,235,000

MISSION

This appropriation provides for the examination of tax returns, both domestic and international, and the administrative and judicial settlement of taxpayer appeals of examination findings. It also provides for technical rulings, monitoring employee pension plans, determining qualifications of organizations seeking tax-exempt status, examining tax returns of exempt organizations, enforcing statutes relating to detection and investigation of criminal violations of the internal revenue laws, collecting unpaid accounts, compiling statistics of income and compliance research, and securing unfiled tax returns and payments.

RECOMMENDATION

The Committee recommends reducing the following accounts to the 1994 funding levels: travel by \$8,727,000; resource management by \$50,807,000; and compliance research by \$7,842,000. Additionally, the Committee accepted the recommendation by IRS to reduce this account by \$18,821,000 in compliance with Executive Order 12837 and \$3,096,000 to reflect a 1996 reprogramming action. As discussed below, the Committee did not provide the total Administration request of \$359,000,000 for the Revenue Protection Initiative and therefore did not assume the \$67,500,000 in savings associated with full implementation.

COMPLIANCE INITIATIVE

The Administration requested \$359,000,000 for the Revenue Protection Initiative which is also known as the Compliance Initiative. The Compliance Initiative was started in fiscal year 1995 as a 5-year, \$2,000,000,000 program to increase the amount of taxes collected. In fiscal year 1996, the Committee did not have adequate resources to fund the second year of this 5-year program. The Committee regrets that, once again, it simply does not have adequate resources to re-start this program at the level requested.

COMPLIANCE RESEARCH

The Committee is concerned that the IRS is pursuing "lifestyle" audits of taxpayers that appear to go beyond the traditional audit approach. In a lifestyle audit, the IRS not only inquires as to the legitimacy of tax deduction claims by the taxpayer, it also ques-

tions the ability of the taxpayer to support what the IRS auditor perceives is the taxpayer's lifestyle. Such questions appear inappropriate as part of an IRS audit and the IRS should suspend such questioning as a matter of course.

Additionally, the Committee has eliminated the appropriation language request of \$1,000,000 for Compliance Research.

CRIMINAL INVESTIGATIVE DIVISION (CID)

The Committee believes that the work performed by the CID, especially in the area of motor fuel excise tax evasion and bankruptcy fraud, to be some of the most important law enforcement efforts within the Department of the Treasury. It is the Committee's desire to protect the investment which has been made in these efforts by setting a "floor" on the CID funding and staffing levels. Therefore, within the amounts appropriated, the Committee directs that the funding level for the Criminal Investigative Division (CID) be no less than \$437,778,000, an increase of \$27,462,000 over the 1997 request. Any reduction to this level requires prior approval from the House Appropriations Committee.

IRS PERFORMANCE MEASURES

The Committee is very concerned that the IRS has not yet developed adequate performance measures to analyze its cost and performance. Since fiscal year 1995, the Committee has been urging the Department of the Treasury to implement performance measures as a way to justify budget requests. Additionally, the Government and Performance Results Act (GPRA) requires agencies develop a strategic plan and methods for measuring performance against the plan. The IRS has not provided a strategic plan or adequate performance measures which can be used to measure cost and performance. The Committee directs that a strategic plan and detailed performance measures be submitted with the fiscal year 1998 budget request. This request is consistent with the requirements contained in the GPRA.

INFORMATION SYSTEMS

Appropriation, fiscal year 1996 to date	\$1,527,154,000
Budget estimate, fiscal year 1997	1,687,674,000
Recommended in the bill	1,077,450,000
Bill compared with:	
Appropriation, fiscal year 1996	- 449,704,000
Budget estimate, fiscal year 1997	- 610,224,000

MISSION

This appropriation provides for servicewide data processing support, including the evaluation, development, and implementation of computer systems, software, and hardware requirements. This appropriation also includes funds for Tax Systems Modernization.

TAX SYSTEMS MODERNIZATION

The Committee has provided a total of \$424,500,000 in new funds for the Tax Systems Modernization (TSM) project, \$270,500,000 less than was provided in 1996 and \$250,500,000 less than the Department of Treasury's revised request. Additionally,

the Committee has rescinded \$174,447,000 from funds appropriated in prior years. To offset the fiscal year 1996 supplemental for ATF's Church Fire investigations, the Committee further rescinds \$12,011,000 from unobligated fiscal year 1996 funds (included under Title VII).

The Committee has included language "fencing" the entire amount appropriated for TSM until the Internal Revenue Service (IRS) establishes a restructured contractual relationship with the commercial sector. If the IRS determines that such restructuring should include the development of a new contract, the Committee has included language directing the transfer of necessary TSM funds to the Department of Defense for this activity. It is the Committee's position that the Department of Defense will conduct all activities associated with the development of a request for proposal (RFP), conducting a bidder's conference, evaluation of responses to the RFP, and contract award. The Committee also directs the Associate Commissioner of the IRS for Modernization, to assist the Department of Defense by providing data, information, and general oversight on behalf of the IRS.

The Committee has included language limiting the number of IRS employees in support of TSM to 150 FTEs, a reduction of 2,016 FTEs, from the 1996 estimated levels. The Committee further limits the total size of the Government Procurement Management Office to 50 individuals.

MANAGEMENT OF TSM PROGRAM

In fiscal year 1996, Congress provided \$695,000,000 for TSM, "fencing" \$100,000,000 until the Department of Treasury submitted a report which addressed project priorities, a plan to mitigate the deficiencies identified by the General Accounting Office (GAO), a milestone schedule for development and implementation of TSM, and a plan to expand the utilization of external expertise for systems development and total program management. On May 6, 1996, the Department of Treasury and the Internal Revenue Service submitted a well written report which did address, at least in part, the Committee's request. However, the report, entitled, "Report to the House and Senate Appropriations Committees, Progress Report on IRS's Management and Implementation of Tax Systems Modernization," did not fully address all of the Committee's concerns. Specifically, IRS continues to operate TSM without a complete systems architecture in place, has not committed to a specific date at which time this architecture will be in place, and continues many modernization efforts in-house despite compelling evidence that these efforts are better suited for outsourcing.

In response to how IRS would implement corrections to GAO-identified deficiencies, the Committee found that Treasury's May 6 report simply identified plans which IRS is the process of developing and organizations the IRS is in the process of creating. Unfortunately, there is only modest evidence that concrete actions for improvement have been taken. Additionally the Committee believes these plans identified by IRS will require a tremendous amount of attention and follow-through, something which is a systemic and fundamental problem at the IRS. Given past performance, the Committee is not confident that IRS will complete the plans identi-

fied in the report and then implement necessary changes in the process used to manage and develop TSM.

As required by the report which accompanied the Treasury, Postal Service, and General Government Appropriations Act, 1996, the GAO reviewed the May 6, 1996, Treasury Department report to determine if IRS had corrected the deficiencies identified by GAO's April 1995 report to Congress. On June 7, 1996, GAO provided the Committee with its assessment and acknowledged IRS is moving in the right direction. However, the GAO also states:

“* * * the IRS still does not have (1) effective strategic information management practices needed to manage TSM as an investment, (2) mature and disciplined software development processes needed to assure that systems built will perform as intended, (3) a completed systems architecture that is detailed enough to guide and control systems development, and (4) a schedule for accomplishing any of the above * * *”

This assessment is very concerning to the Committee. It appears that, while there is much movement at IRS, there is no discernible forward progress. There is action—creating of organizations, titles, and plans for improvement—but it is unclear whether this action will ever culminate in an IRS that has improved processes for effectively managing TSM development and implementation.

The Committee believes that the major problem with the plans IRS is developing is that they are an attempt to put a new management design, focused on a single point of control and accountability, on top of an old management structure which does not readily accept change and promotes consensus decision making, not centralized control and accountability. The Committee is not confident that these plans will come to fruition given that the current IRS culture is clearly in conflict with a modernized, integrated, and efficient organization.

As the Committee has pursued aggressive oversight over TSM, it has found that the TSM program has not been provided sufficient management support because it is perceived by many within IRS as a threat to their independence and autonomy. Traditionally, IRS is an organization which disperses authority and responsibility to all of the various factions within the organization. The Committee believes that TSM, with its use of modern technology to provide integrated data management, is in conflict with IRS' management style and therefore, is not accepted. Furthermore, the efficiencies which will be produced by TSM may ultimately lead to staffing reductions; reductions which are not perceived as beneficial to IRS as an organization.

The Committee believes that only by fully implementing the recommendations of the GAO, as identified in its April 1995 report, will the IRS ever gain control of this multi-billion dollar development program. The IRS must implement the GAO recommendations before the Committee will consider IRS actions in compliance with Congressional direction. The Committee stands willing to assist the IRS as it seeks to improve its operations with the full implementation of TSM, but it is not willing to put any more money into TSM until drastic and measurable action is taken by the IRS.

The Committee believes that drastic action includes “outsourcing” TSM development, integration, testing, and implementation of the program. Within the amount appropriated for TSM, the Committee has provided \$50,000,000 for the IRS to initiate a restructured contractual relationship with a private sector company to accomplish this outsourcing objective. The Committee believes the private sector company should be responsible for all activities associated with delivering a system which meets IRS requirements, including the design of a systems architecture, and technical system requirements.

There are many dedicated individuals within the IRS who are determined to see TSM succeed. The Committee believes that what has been lacking is the institutional will necessary to put aside factionalism and unite behind a workable strategy for TSM. It is imperative that the factions within the IRS structure turn over authority and responsibility to the Associate Commissioner of IRS for Modernization and the new program management structure. Absent this action, the Committee believes TSM will fail.

The Committee also believes that only through strong management of all information systems development activities, will the IRS ever gain control of its modernization program. A single person accountable to the Commissioner for all systems development activities will ensure that the systems will support IRS in the future. Therefore, the Committee agrees with the GAO in recommending that the Commissioner of IRS give the Associate Commissioner of IRS for Modernization, management and control responsibility for all systems development activities, including those of IRS’ research and development division. All systems, both TSM and non-TSM, must undergo review for approval by the Investment Review Board and be prioritized based on explicit decision criteria which measure the cost-benefit of the development effort. With regards to TSM, the Associate Commissioner of IRS for Modernization, through the new IRS program management structure, should be responsible for developing functional requirements, managing the restructured contractual relationship, budgetary issues, and acceptance testing. Furthermore, the Associate Commissioner should be responsible for implementing necessary changes to current legacy systems. These actions must be completed within 30 days of enactment of this Act and the Commissioner of IRS should send notification to the Committee that this action has been completed.

The Committee believes that the new management structure which enhances technology and contract management efforts through the Chief Information Officer (CIO) will not be changed and will supplement the overall efforts of managing TSM and other technology improvement efforts.

Another continuing problem with the TSM program is that its definition continually changes, with projects flowing in and out of “TSM” depending on the overall funding level. If funding is high, a majority of projects are considered part of TSM. If money is cut, fewer projects are considered TSM. Therefore, the Committee directs that the definition of TSM be considered the program and projects identified in the May 6, 1996 Treasury Department report. If any program or project is added to or deleted from the projects identified in the May 1996 report, the Department of Treasury

must notify the Committees on Appropriations of the House and Senate of the change. The notification must include a justification for adding or deleting the program or project, an analysis of the impact on budgetary and staffing levels and, if a project is being added, a certification that the program or project is identified and included in the approved systems architecture. Furthermore, no funds outside of the \$424,500,000 which has been identified for TSM may be used to support TSM programs or projects. Funds available for other information systems requirements shall not be used to support TSM without prior approval from the Committee on Appropriations of the House and Senate.

EFFECTIVE MANAGEMENT ORGANIZATION

The Treasury Department has established a Modernization Management Board to review IRS's plans, decisions, and progress. The Committee is very pleased with the establishment of this Board and believes, if structured correctly and provided with authority to enforce its recommendations, this "TSM control board" will be effective. The Board should obtain assistance from the Department of Defense Software Managers Network which has experience in Federal large-scale systems development and from the Defense Acquisition University which can provide technical assistance in the area of program management. The Board should be responsible for providing expert independent assessment of progress and assist in the restructuring, integrating, and improving of TSM planning and budgeting.

NON-TSM SYSTEMS DEVELOPMENT

The Committee believes that within the funds appropriated, the IRS will be able to fully fund current operations for the Legacy system for which the IRS requested \$670,169,000. The Committee has not reduced funding for the Legacy system.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

Section 101. The Committee has included a provision which allows the transfer of funds between Internal Revenue Service appropriations. The transfer is limited to 5 percent of the appropriation and is subject to prior Congressional approval.

Section 102. The Committee has included a provision which requires the Internal Revenue Service maintain a training program in taxpayers' rights, dealing courteously with the taxpayers, and cross cultural relations.

Section 103. The Committee has included a new provision which requires the Internal Revenue Service maintain taxpayer services at not less than 1995 levels.

Section 104. The Committee has included a new provision which requires the Internal Revenue Service receive prior approval before it can obligate funds for separation agreements in accordance with section 525 of this Act. Section 525 allows for voluntary separation of employees under certain circumstances. The IRS must submit, for Congressional approval, a management plan for the use of this authority.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$531,944,000
Budget estimate, fiscal year 1997	516,182,000
Recommended in the bill	528,368,000
Bill compared with:	
Appropriation, fiscal year 1996	- 3,578,000
Budget estimate, fiscal year 1997	+12,186,000

MISSION

The Secret Service is responsible for the security of the President, the Vice President and other dignitaries and designated individuals; for enforcement of laws relating to obligations and securities of the United States and financial crimes such as financial institution fraud and other fraud; and for protection of the White House and other buildings within Washington, DC.

RECOMMENDATION

The Committee includes \$23,195,000 for additional white House Security upgrades, an increase of \$4,325,000 from the amount requested by the President. The Committee provides \$4,000,000 for additional White House security requirements through the Salaries and Expenses Account instead of \$2,639,000 through the Crime Bill Trust Fund, as proposed by the President. The Committee includes an additional \$1,361,000 beyond the President's request to support additional Secret Service staffing requirements identified in the "White House Security Review". Finally, the Committee has included \$1.2 million in the base appropriation, available on September 30, 1997, for the second and third year of operational costs associated with the Exploited Child Unit at the National Center for Missing and Exploited Children.

The Committee is concerned that law enforcement sedans, surveillance vans and follow up vehicles continue to exceed current federal replacement standards for both age and mileage. The Committee includes the full amount of the President's request for the replacement of vehicles in the security fleet.

The Committee has reduced the amount requested by the President to maintain current services by \$2,842,000. The President's budget assumed enactment of legislation to increase the employers contribution to the Civil Service Retirement System; since this legislation will not be enacted, these savings are available. The Committee also denies the President's request to reduce overtime pay by \$4,000,000 as well as a transfer of \$3,032,000 from salaries and expenses to the Crime Bill Trust Fund.

ACQUISITION, CONSTRUCTION, IMPROVEMENT AND RELATED EXPENSES

Appropriation, fiscal year 1996 to date	
Budget estimate, fiscal year 1997	\$29,165,000
Recommended in the bill	31,298,000
Bill compared with:	
Appropriation, fiscal year 1996	+31,298,000
Budget estimate, fiscal year 1997	+2,133,000

MISSION

The Committee has established a new account for the acquisition, construction, improvement, equipment, furnishing and related costs for construction and maintenance of the new Secret Service Headquarters Building.

RECOMMENDATION

The Committee has included \$2,133,000 for mainframe computer and software system upgrades through the Acquisition and Construction Account instead of the Crime Bill Trust Fund as proposed by the President.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

Section 111. The Committee continues the provision requiring the Secretary of Treasury to comply with certain reprogramming guidelines when obligating or expending funds for law enforcement activities.

Sec. 112. The Committee continues the provision allowing the Department of Treasury to purchase uniforms, insurance, and motor vehicles without regard to the general purchase price limitation, and enter into contracts with the State Department for health and medical services for Treasury employees in overseas locations.

Sec. 113. The Committee continues the provision restricting the use of funds appropriated to the IRS if employees or private sector employees under contract to the IRS are not in compliance with the Fair Debt Collection Practices Act.

Sec. 114. The Committee continues the provision mandating the IRS institute policies and procedures which safeguard the confidentiality of taxpayer information.

Sec. 115. The Committee continues the provision requiring expenditure of funds so as not to diminish efforts under the Federal Alcohol Administration Act.

Sec. 116. The Committee inserts this provision which modifies the Treasury Forfeiture Fund to discontinue transfers between the Treasury Forfeiture Fund and the Special Forfeiture Fund.

Sec. 117. The Committee inserts this provision which provides \$13,000,000 in IRS funding to continue the current contract for private sector debt collection and transfers another \$13,000,000 to the Departmental Offices Appropriation to initiate a second contract.

Sec. 118. The Committee inserts this provision which creates a priority placement and job retraining program for employees who have been, or are about to be, separated from government service as a result of a reduction in force. The Treasury Department shall provide such employees priority placement for other Treasury vacancies as they occur, may provide job placement and counseling services, and shall refer eligible employees for possible positions with any new private sector contractor working as part of the Internal Revenue Service's Tax Systems Modernization (TSM) program.

TITLE II—POSTAL SERVICE

PAYMENTS TO THE POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

Appropriation, fiscal year 1996 to date	\$85,080,000
Budget estimate, fiscal year 1997	102,817,000
Recommended in the bill	85,080,000
Bill compared with:	
Appropriation, fiscal year 1996	
Budget estimate, fiscal year 1997	- 17,737,000

PAYMENT TO THE POSTAL SERVICE FUND FOR NONFUNDED LIABILITIES

Appropriation, fiscal year 1996 to date	\$36,828,000
Budget estimate, fiscal year 1997	
Recommended in the bill	
Bill compared with:	
Appropriation, fiscal year 1996	- 36,828,000
Budget estimate, fiscal year 1997	

RECOMMENDATION

The Committee's recommendation includes \$61,433,000, as requested by the Postal Service, for free mail for the blind and overseas voting, and \$23,617,000 of the \$29,000,000 requested for the revenue forgone reimbursement. Because of budgetary constraints, the Committee recommends no funding for the \$12,384,000 reconciliation adjustment and defers, without prejudice, funding for this item.

Although the Committee was unable to provide any resources for the reconciliation adjustment and only partial funding for the revenue forgone reimbursement, the Committee continues to recognize the obligation of the Congress to reimburse the Postal Service for these expenses.

CHILD PORNOGRAPHY

The Committee commends the U.S. Postal Service for its outstanding work combating child pornography. To date, Postal Inspectors have conducted more than 2,600 child pornography investigations, resulting in over 2,400 arrests. Last month, after two years of investigation, the Postal Inspection Service successfully shut down the largest known commercial distributor of child pornography in U.S. history operating out of San Ysidro, California and Mexico. The Committee believes that federal child pornography efforts have been largely ignored and, as such, provides additional funds for these investigations in the U.S. Customs Service and the U.S. Secret Service. Additionally, the Committee has earmarked \$1.0 million through the Crime Bill Trust Fund to enhance the child pornography work of the National Center for Missing and Exploited Children. The Committee urges the Postal Service to coordinate their efforts with these groups as well as the General Services Administration so as to maximize national child pornography investigations.

AMERICAN CANYON, CALIFORNIA ZIP CODE

The Committee is disappointed that the Postal Service has continued to deny the City of American Canyon, California, its own zip code. Despite the fact that American Canyon is a separately incorporated municipality of more than 8,000 residents in Napa County, it is assigned the same zip code as the city of Vallejo in Solano County. Not only is this a matter of civic identity, but the situation disadvantages the city and its residents. Mail intended for Solano County residents is misdelivered, and residents have to drive more than six miles to obtain postal services. The unified zip code also makes it difficult for the State Controller and the State Board of Equalization to apportion state subvention funds to cities.

The Committee notes that many communities smaller than American Canyon have their own zip codes. Even President Clinton has a special zip code so friends can write him directly and privately. Under such circumstances, the Committee strongly encourages senior management to reconsider the Postal Service decision and assign American Canyon its own zip code.

POSTAL SERVICE IN NORTHERN VIRGINIA

The Committee is concerned about postal service in the northern Virginia region. While service has improved, it had the lowest on-time delivery performance on overnight local First-Class mail in the nation in the second quarter of FY 1996. Although the northern Virginia postal service has achieved record levels for on-time delivery performance in the third quarter of FY 1996, northern Virginia still ranks as one of the lowest in the nation. Therefore, the Committee directs the U.S. Postal Service to provide the Committee with a progress report on efforts to improve mail service in northern Virginia. Such report should review the effectiveness of reforms that have been implemented and should detail other actions to be taken to improve mail delivery in northern Virginia. This report shall be submitted to the Committee two weeks after the FY 1996 fourth quarter service performance report is issued.

POST OFFICE AT STONY BROOK, NEW YORK

The Committee recognizes that the U.S. Post Office located in Stony Brook, New York is a vital part of the downtown area. In fact, the community of Stony Brook has expressed its overwhelming support for retaining the Post Office in its present location. It has come to the attention of the Committee that the Post Office is pursuing several innovative strategies for retaining the Post Office in Stony Brook and the Committee strongly encourages the Post Office to continue to pursue every alternative which allows them to remain at their present location. We urge them to follow through with a 30–35 year commitment to the community of Stony Brook.

SPARTA TOWNSHIP POST OFFICE

The Committee is aware that a new Post Office is needed in Sparta, New Jersey and understands that the Postal Service is currently reviewing various options for a new facility. While the Committee realizes that the Sparta Post Office must go through the normal process, the Committee supports the proposed project and

encourages the Postal Service to continue working with the residents of Sparta to ensure that an updated facility is acquired.

KINNELON BOROUGH, NEW JERSEY ZIP CODE

The Committee believes that the Postal Service should reconsider its decision to deny Kinnelon Borough, New Jersey its own zip code. Despite the fact that Kinnelon is a separate incorporated municipality of more than 8,000 residents in Morris County, it is assigned three separate zip codes. The Committee notes that many communities smaller than Kinnelon Borough have their own zip codes. Under such circumstances, the Committee strongly encourages the Postal Service to give further consideration to assigning Kinnelon Borough its own zip code.

RECYCLING HOTLINE

The Committee is aware that, since 1992, the United States Postal Service and other Government agencies have been encouraged to participate in programs with the private sector to effectively reduce environmental degradation. The Postal Service has been working to expand a successful regional environmental/recycling hotline to a nationwide network. This program has won a number of awards and the Committee congratulates the Postal Service for its participation in it. The Committee encourages the Postal Service to continue such efforts and to report to the Committee on its involvement with the recycling hotline within 60 days of enactment of this legislation.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

TOTAL REDUCTIONS WITHIN THE EXECUTIVE OFFICE OF THE PRESIDENT

Excluding the Office of National Drug Control Policy and drug related activities, the Committee assumes savings of \$1,843,000 from 1996 levels and \$1,000,000 from the levels requested by the President for activities funded through the various Executive Office of the President accounts.

TRAVEL OF EXECUTIVE OFFICE OF THE PRESIDENT EMPLOYEES

The Committee is concerned with the growth in travel obligations for accounts within the Executive Office of the President. Assuming the President's request for travel in 1997, obligations have grown by 38 percent since 1992, including a growth of 370 percent within the Office of Policy Development and 157 percent for the Council of Economic Advisers. The Committee finds this growth excessive and urges a careful review of travel to ensure that it is necessary to support the President's policy priorities.

COMPUTER MODERNIZATION

For the past two years, the Office of Administration has committed to providing the subcommittee with blueprints, schedules and priorities for computer modernization efforts within the Executive Office of the President. To date, the Committee has received no

such blueprint. The Committee is adamant that it will not continue to fund computer software and hardware purchases without the appropriate blueprints and schedules needed to build efficient automation systems. The Committee has fenced all funding for all computer hardware and software purchases, including those for maintenance and replacement, pending the submission and approval of a modernization blueprint.

COMPENSATION OF THE PRESIDENT AND THE WHITE HOUSE OFFICE

COMPENSATION OF THE PRESIDENT

Appropriation, fiscal year 1996 to date	\$250,000
Budget estimate, fiscal year 1997	250,000
Recommended in the bill	250,000
Bill compared with:	
Appropriation, fiscal year 1996	
Budget estimate, fiscal year 1997	

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$39,459,000
Budget estimate, fiscal year 1997	40,193,000
Recommended in the bill	40,193,000
Bill compared with:	
Appropriation, fiscal year 1996	+734,000
Budget estimate, fiscal year 1997	

MISSION

These funds provide for the compensation of the President and official expenses. Those funds also provide the President with staff assistance and provide administrative services for the direct support of the President.

BACKGROUND INVESTIGATION REPORTS

The Committee has included bill language based upon the President's announced policy of June 14, 1996 concerning background investigation reports and the written consent of the person who is the subject of the investigation. Under that policy, when an extraordinary circumstance exists concerning national security or a criminal investigation and written consent cannot be obtained, such circumstances must be set forth in a letter of justification signed by the Counsel to the President and concurred in by the Attorney General or the Deputy Attorney General.

The Committee is concerned about the invasion of privacy of private individuals that has occurred when employees of the White House improperly acquired FBI background files of former administration employees. The Committee urges a thorough and timely investigation into this situation.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

Appropriation, fiscal year 1996 to date	\$7,827,000
Budget estimate, fiscal year 1997	7,827,000
Recommended in the bill	7,827,000
Bill compared with:	
Appropriation, fiscal year 1996	
Budget estimate, fiscal year 1997	

MISSION

These funds provide for the care, maintenance, and operation of the Executive Residence.

YOUNG AMERICANS CHEF PROGRAM

The Committee understands that the position of intern for the Young Americans Chef Program is currently vacant and the National Park Service does not anticipate filling it in the current fiscal year. The Committee repeats its position that the Executive Residence should review the appropriateness of continuing this program in light of tight budgetary constraints.

SPECIAL ASSISTANCE TO THE PRESIDENT AND THE OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

Appropriation, fiscal year 1996 to date	\$324,000
Budget estimate, fiscal year 1997	324,000
Recommended in the bill	324,000
Bill compared with:	
Appropriation, fiscal year 1996 .....	.....
Budget estimate, fiscal year 1997 .....	.....

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$3,280,000
Budget estimate, fiscal year 1997	3,280,000
Recommended in the bill	3,280,000
Bill compared with:	
Appropriation, fiscal year 1996 .....	.....
Budget estimate, fiscal year 1997 .....	.....

MISSION

These funds are to be used by the Vice President to carry out responsibilities assigned him by the President and by various statutes. These funds also provide for the care and operation of the Vice President's official residence. Also included in this presentation are the operations of a gift fund for the official residence of the Vice President.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$3,180,000
Budget estimate, fiscal year 1997	3,439,000
Recommended in the bill	3,439,000
Bill compared with:	
Appropriation, fiscal year 1996	+259,000
Budget estimate, fiscal year 1997 .....	.....

MISSION

The Council of Economic Advisers analyzes the national economy and its various segments, advises the President on economic developments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal Government, and assists in preparation of the annual Economic Report of the President to Congress.

SPECIAL PERSONNEL SERVICES

The Committee notes that obligations for special personnel services have grown by 130 percent since 1992. The Committee urges the CEA to review the average cost per special employee and to submit, as part of its 1998 budget request, a justification for the use of this category of employee versus a full time employee equivalent. This justification should include a cost comparison of each category of employee.

DUPLICATION OF EFFORT: ECONOMIC ADVICE TO THE PRESIDENT

The Committee is pleased with the report submitted by the Council of Economic Advisers regarding its unique role in providing economic advice to the President. The Committee feels that the CEA plays an important role in providing impartial advice to the President and, as such, continues funding the Council during the upcoming fiscal year. The Committee remains concerned, however, that there is duplication of effort in this regard within the EOP and addresses this issue within the Office of Management and Budget.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$3,867,000
Budget estimate, fiscal year 1997	3,867,000
Recommended in the bill	3,867,000
Bill compared with:	
Appropriation, fiscal year 1996 .....	.....
Budget estimate, fiscal year 1997 .....	.....

MISSION

The Office of Policy Development supports the National Economic Council and the Domestic Policy Council in carrying out their responsibilities to advise and assist the President in the formulation, coordination, and implementation of economic and domestic policy. The Office of Policy Development also provides support for other domestic policy development and implementation activities as directed by the President.

FY 1998 BUDGET SUBMISSION

The Committee is concerned that the Office of Administration was unable to account for obligations by Object Class within the Office of Policy Development for the Domestic Policy Council and the National Economic Council. As part of its FY 1998 budget submission, the Committee directs the Office of Administration to submit a budget request by Object Class for the Domestic Policy Council and the National Economic Council.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$6,648,000
Budget estimate, fiscal year 1997	6,648,000
Recommended in the bill	6,648,000
Bill compared with:	
Appropriation, fiscal year 1996	
Budget estimate, fiscal year 1997	

MISSION

The National Security Council advises the President on the integration of domestic, foreign, and military policies relating to national security.

SPECIAL PERSONNEL SERVICES

The Committee notes that obligations for special personnel services have grown by an unjustifiable 811 percent since 1992. While the Committee supports the use of detailees and other special employees for the important work of the NSC, the Committee urges the NSC to be more prudent in its use of such employees.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$25,736,000
Budget estimate, fiscal year 1997	26,100,000
Recommended in the bill	26,100,000
Bill compared with:	
Appropriation, fiscal year 1996	+364,000
Budget estimate, fiscal year 1997	

MISSION

The Office of Administration's mission is to provide high-quality, cost-effective, administrative services to the Executive Office of the President. These services, defined by Executive Order 12028 of 1977, include financial, personnel, library and records services, information management systems support, and general office services.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$55,573,000
Budget estimate, fiscal year 1997	55,573,000
Recommended in the bill	55,573,000
Bill compared with:	
Appropriation, fiscal year 1996	
Budget estimate, fiscal year 1997	

MISSION

The Office of Management and Budget assists the President in the discharge of budgetary, economic, management, and other executive responsibilities.

ECONOMIC ADVICE TO THE PRESIDENT

Government wide, there are 5,796 economists employed in 51 different federal agencies including 27 full time employees within OMB, 15 senior economists at the Council of Economic Advisers and 21 full time employees of the National Economic Council. Last year, the Committee became concerned about the duplication of effort within the Executive Office of the President as it relates to providing the President with economic advice, particularly the duplicative roles of OMB, NEC and the CEA. While the Committee understands the role each group plays in both the Troika and the overall coordination of economic policy within the Executive Branch, the Committee can not justify 28 full time economists within OMB, six of whom are simply charged with providing economic policy "backup" and liaison with Treasury on tax policy and tax expenditures. The Committee directs OMB to report back, as part of its 1998 budget request, on savings that can be achieved by eliminating these six positions.

SES EMPLOYMENT LEVELS

OMB currently employs 75 SES employees making the ratio of SES employees to total OMB employees 1:7. The Committee finds this ratio excessive and directs OMB to submit, as part of its FY 1998 budget request, justification for these SES levels and a position description for each SES employee.

YEAR 2000 SOFTWARE CONVERSION

The Committee is concerned by reports that the federal government may be underestimating the potential complexity and cost of converting date fields in software code, especially embedded systems, to accommodate operation in the year 2000. Virtually all of today's computer software programs have a two-digit date year field instead of a four-digit year date field. Consequently, at the turn of the century, computers will be unable to differentiate between the years "1900" and "2000". If this software problem is not addressed promptly, the Committee is concerned that the vast majority of date sensitive computer information may be rendered unusable.

The Committee directs the Office of Management and Budget to assess the risk to government systems of software programs that are not equipped to handle the change of date caused by the turn of the century. OMB should consult with federal agencies and submit to the House Committee on Appropriations, the House Committee on Government Reform and Oversight, and the House Science Committee a report which (1) includes a cost estimate to ensure software code date field conversion by the year 2000; (2) delineates a planned strategy to ensure that all information technology, as defined by the Information Technology Management Reform Act of 1996, purchased by an agency will operate in 2000 without technical modifications; and (3) a time table for implementation of the planned strategy. This report should be submitted no later than November 1, 1996.

INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES

As part of the National Performance Review, the State Department and other Departments and agencies with an overseas presence have been working cooperatively through the President's Management Council to devise a new system to allocate costs of staff and operations overseas, to replace the current Foreign Affairs Administrative Support system. This new system, known as International Cooperative Administrative Support Services, ICASS, would make the allocation of costs among participating agencies more transparent and establish local councils to make the provision of administrative services more responsive to the needs of each agency. Currently, pilot projects are underway in 4 countries, and in fiscal year 1997, all posts will be participating in a test of the system. The new system is to be fully implemented in fiscal year 1998, including the new allocations of costs. Consequently, the Office of Management and Budget is directed to ensure that in the President's budget submission for fiscal year 1998, each Federal agency budget for the cost of its overseas presence in accordance with ICASS and display its request accordingly, and to carry out full implementation of ICASS in fiscal year 1998.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$26,900,000
Budget estimate, fiscal year 1997	34,838,000
Recommended in the bill	34,838,000
Bill compared with:	
Appropriation, fiscal year 1996	+7,938,000
Budget estimate, fiscal year 1997 .....	.....

MISSION

The Office of National Drug Control Policy, established by the Anti-Drug Abuse Act of 1988, is charged with developing policies, objectives and priorities for the National Drug Control Program as defined by the Act and Executive Order 12880.

RECOMMENDATION

The Committee recommendation includes \$17,000,000 for counternarcotics research and development, \$1,000,000 for policy research and evaluation, \$14,750,000 for the salaries and expenses of the office, \$1,000,000 for conferences on model state drug laws and \$1,268,000 for public service announcements aimed at the prevention of narcotics addiction.

PUBLIC SERVICE ANNOUNCEMENTS

The Committee has been impressed by the work of the Partnership for a Drug Free America as well as other organizations and individuals who volunteer time for drug abuse prevention advertisements. Convincing the young never to try illicit narcotics is ultimately the only way to "win" the struggle against drug abuse. The Committee has therefore included \$1,268,000 to support the production and dissemination of additional public service announcements.

MODEL STATE DRUG LAW CONFERENCES

The Committee has been pleased to support implementation of model state drug law conferences, which bring together educators, drug prevention and treatment experts, law enforcement and corrections officials, district and county attorneys and others to discuss the latest innovations in anti-drug abuse programs. These conferences serve as a valuable tool for those on the front lines to share information about what works and what doesn't. The Committee provides a second installment of \$1,000,000 to continue the work of these conferences. The Committee will continue to fund these conferences until they have taken place in all 50 states.

SENIOR STAFF OF THE OFFICE OF NATIONAL DRUG CONTROL POLICY

The Committee would like to express its disappointment with the quality of work of senior staff in the Office of National Drug Policy. Over the course of the past year, this Committee has directed that office to complete at least two specific tasks: adjudicate a technical disagreement between the Bureau of Alcohol, Tobacco and Firearms and the Federal Bureau of Investigation relating to the development of ballistics technology, and implement a series of conferences on model state drug laws. In both instances, ONDCP failed to complete these tasks in a timely and professional manner and, in fact, directly challenged and circumvented Congressional intention regarding the obligation of funds. Specifically, in the first case, the Committee received complaints of bias and a lack of professionalism from private industry, local law enforcement, and Federal agencies. In the second, ONDCP delayed five months over "technical problems" with what should have been a routine contract, causing the cancellation of several conferences and jeopardizing the implementation of several more. In both cases, the Committee was forced to intervene to correct the matter, in the first instance taking the issue out of ONDCP's jurisdiction, and in the second writing legislation forcing ONDCP to follow the Congress' direction.

BLOATED BUREAUCRACY AT ONDCP

The Committee was dismayed by ONDCP's draft staffing plan and organizational chart as submitted on May 31, 1996. It appears that ONDCP has taken Congressional support for the new Drug Czar's office to an extreme, proposing a bloated bureaucracy with exaggerated staffing requirements.

The Committee understands that there are numerous and complex federal programs that address the nation's drug problem, and that ONDCP is responsible for coordinating all federal drug efforts. However, ONDCP's proposed organization places nearly half of its personnel in administrative overhead of one sort or another. In reviewing the proposed organizational chart, the Committee found offices with overlapping functions: a "Strategic Planning" office, a "Strategy Implementation & Evaluation" office and a "Programs, Budget, Research & Data" office. The Committee also believes that individual offices are bloated and overly graded. For instance, the Chief of Staff's office has a Chief of Staff (with a salary of \$122,688 per year), a Secretary to the Chief of Staff (\$38,262), an Executive

Assistant (\$70,804), a Deputy Chief of Staff (\$83,284), a Secretary to the Deputy Chief of Staff (\$38,262), a Staff Assistant (\$34,747), a Staff Assistant (\$31,459), an Assistant for Support Services (\$83,284), a Support Specialist (\$38,262), a Supply/Mail Specialist (\$31,459), an Administrative Support Assistant (\$28,404), a Correspondence Manager (\$59,917), a Correspondence Specialist (\$50,388), a Correspondence Specialist (\$50,388), an Administrative Specialist (\$38,262), Assistant for Personnel (\$59,917), an Administrative Support Specialist (\$28,404), an Assistant for Budget (\$70,804) and a Budget Specialist (\$50,388). Overall, 1 in 10 ONDCP employees will earn over \$100,000.

The Committee fails to see how this type of bureaucratic overhead contributes to the war on drugs. The Committee also finds it incredible that a 154-person organization with the majority of its operational budget tied to simple pay and rent requirements would find it necessary to hire two full time staff that are paid \$70,804 and \$50,388 a year, respectively, to review internal budget matters. The Committee believes that the proposed staffing chart, as submitted on May 31, 1996, is empire building at its worst. As such, the Committee directs that ONDCP reduce its staffing plan by 25 positions and provide the Committee a revised chart no later than February 1, 1997. The Committee has used savings from limiting ONDCP's staffing upgrades to 129 full time employees, instead of the proposed 154, to fund public service announcements and conferences on model state drug laws. The Committee notes that the proposed staffing level of 129 will be an increase of 90 employees from the level on board at the beginning of fiscal year 1996.

OPPORTUNITIES FOR ONDCP

While the Committee has many concerns regarding ONDCP and its operations, it also recognizes the continuing need for strong, central direction of our Federal drug efforts. Under respected new leadership, ONDCP has the opportunity to aggressively pursue opportunities to expand and improve the coordinated Federal efforts. The need for ONDCP remains very high given the continuing drug crisis across the country. The Committee therefore hopes that identified problems can be resolved quickly so that ONDCP can continue and improve its very critical work.

UNANTICIPATED NEEDS

Appropriation, fiscal year 1996 to date	\$1,000,000
Budget estimate, fiscal year 1997	1,000,000
Recommended in the bill .....	.....
Bill compared with:	
Appropriation, fiscal year 1996	-1,000,000
Budget estimate, fiscal year 1997	-1,000,000

MISSION

These funds enable the President to meet unanticipated exigencies in support of the national interest, security or defense.

RECOMMENDATION

Since 1989, funds have been obligated from this account only once: in 1994 when \$250,000 was obligated to start up the John F.

Kennedy Records Review Board. The Committee believes there are other more pressing priorities requiring funding in the upcoming fiscal year. In the event that the President requires the use of funds for unanticipated needs, the Committee is willing to consider either a supplemental or a transfer request.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

Appropriation, fiscal year 1996 to date	\$103,000,000
Budget estimate, fiscal year 1997	103,000,000
Recommended in the bill	113,000,000
Bill compared with:	
Appropriation, fiscal year 1996	+10,000,000
Budget estimate, fiscal year 1997	+10,000,000

MISSION

The High Intensity Drug Trafficking Areas (HIDTA) Program was established by the Anti-Drug Abuse Act of 1988 to provide assistance to Federal and State and local law enforcement entities operating in those areas most adversely affected by drug trafficking. Since January 1990, the Director of the Office of National Drug Control Policy has designated seven areas as HIDTAs: New York, Los Angeles, Miami, Houston, Baltimore/Washington, Puerto Rico/Virgin Islands, and the Southwest Border.

RECOMMENDATION

The Committee has included legislative language establishing new High Intensity Drug Trafficking Areas in Lake County, Indiana; the Gulf Coast states of Louisiana, Alabama, and Mississippi; and the Midwest states of Iowa, Missouri, Nebraska, South Dakota, and Kansas.

METHAMPHETAMINE USE IN THE MIDWEST

The Committee is concerned with the rise of methamphetamine ("meth") use in the Midwest. In Des Moines, meth seizures increased more than 4,000 percent in 1994 over the previous year. Overall, Iowa saw a 400 percent increase in meth seizures from fiscal year 1994 to fiscal year 1995. Methamphetamines are highly addictive. When ingested, they cause insomnia for several days at a stretch. They initially induce euphoria and high-energy, but later lead to paranoia, violent behavior and deep depression. Ample supplies mean relatively low prices. The meth "high" lasts much longer than the "high" from the more expensive cocaine. The rural Midwest is a popular location for meth manufacturers because the production process causes a foul odor. Open spaces and low population density allow them to engage in this process without arousing suspicion. Methamphetamines are produced and transported throughout the Midwest, including the states of Iowa, Missouri, Nebraska, South Dakota, and Kansas.

For these reasons, the Committee has provided \$5,000,000 for a Midwest High Intensity Drug Trafficking Area focusing on methamphetamine use and production in a five state area including Iowa, Missouri, Nebraska, South Dakota and Kansas.

DRUG TRAFFICKING IN LAKE COUNTY, INDIANA

Lake County, Indiana has phenomenal problems with drug-related violence and crime. Located along the drug trade route between Chicago and Detroit, Lake County is increasingly being used as a hub for drug activities. As a result, the City of Gary, located in northern Lake County, led the nation for the past two out of three years in murders per capita. Gary police estimate that one out of every fourteen city residents is now a gang member. The Gangster Disciples, one of the nation's largest gangs, recently applied to use Gary's convention center to hold a national gang summit.

The Committee therefore directs of Office of National Drug Control Policy to establish a High Intensity Drug Trafficking Area in Lake County, Indiana and has provided \$3,000,000 for this purpose in 1997.

SOUTHWEST BORDER HIDTA

Some drug trafficking estimates indicate that 70 percent of all cocaine comes from Mexico and, of that, 45 percent comes through the El Paso, Texas area. The Committee commends the work of the Southwest border HIDTA, and believes that the efforts of that HIDTA will be crucial in stemming the flow of drugs into this country. The Committee urges the Director of ONDCP to assign a high priority to funding this HIDTA.

DRUG TRAFFICKING ALONG THE GULF COAST

The Committee is aware that the Gulf Coast states of Alabama, Louisiana, and Mississippi are experiencing high volumes of air, marine, and overland drug traffic. To fill the gap between existing High Intensity Drug Trafficking Areas (HIDTA's) in the Miami area and the Southwest Border, the Committee directs the Office of National Drug Control Policy to designate the states of Alabama, Louisiana and Mississippi as a HIDTA. The Committee has provided \$2,000,000 for establishment of the Gulf Coast states HIDTA.

TITLE IV—INDEPENDENT AGENCIES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$1,800,000
Budget estimate, fiscal year 1997	1,800,000
Recommended in the bill	1,800,000
Bill compared with:	
Appropriation, fiscal year 1996 .....	.....
Budget estimate, fiscal year 1997 .....	.....

MISSION

The Committee for Purchase From People Who Are Blind or Severely Disabled was established by the Wagner-O'Day Act of 1938, as amended. Its primary objective is to increase the employment opportunities for people who are blind or have other severe disabilities and, whenever possible, to prepare them to engage in competitive employment.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$26,521,000
Budget estimate, fiscal year 1997	29,371,000
Recommended in the bill	27,524,000
Bill compared with:	
Appropriation, fiscal year 1996	+1,003,000
Budget estimate, fiscal year 1997	-1,847,000

MISSION

The Commission administers the disclosure of campaign finance information, enforces limitations on contributions and expenditures, supervises the public funding of Presidential elections, and performs other tasks related to Federal elections.

RECOMMENDATION

The Committee has carefully reviewed FEC's request, the President's recommendations and the pending House reauthorization. Given current funding constraints, the Committee found it necessary to sort through these various recommendations on the basis of items that are necessary for the FEC to meet its statutory responsibilities versus those that are simply nice to have. The Committee has also established computer modernization as a top priority and is convinced that, through a modernized organizational process, FEC can more effectively meet its statutory responsibilities. Overall, the Committee's recommendation is 3 percent above the 1996 appropriated level and is based on the following assumptions:

FULL TIME EMPLOYMENT LEVELS

The Committee's recommendation assumes full salary and benefit increases to support 310 full time employee equivalents, a reduction of 3 full time employees from the current operating level. As discussed below, the Committee has applied this reduction to the Press Office.

PRESS OFFICE

The Committee is concerned that FEC employs 5 full time employees in the Press Office. While FEC has a statutory responsibility to respond to press inquiries, the Committee feels 5 full time employees for an organization of FEC's size is excessive. The Committee notes that the Department of the Treasury, which oversees an annual operating budget of \$10.4 billion and over 140,000 employees, has 5 full time press employees with one additional employee dedicated to media inquiries on an ad hoc basis.

FEC has maintained that the Press Office plays a critical role in furthering public disclosure and promoting voluntary compliance with the law. The Committee has found, however, that the FEC does not measure of "voluntary compliance"; thus it is difficult to measure the Press Office's impact on this objective. The Committee also believes there is considerable overlap of disclosure activities among the Press Office, the Information Division, the Data Division and Public Records.

The Committee notes that, during the 1992–1994 election cycles, Press Office workloads dropped significantly and FEC anticipates only a modest increase in the number of people served in 1996. Additionally, during 1995 and 1996 the FEC has been making certain information available through the Internet and, in February of 1996, initiated a “home page” on the World Wide Web. Information previously available only through contact with FEC staff, including the Press Office, can now be accessed electronically including: summary financial information about candidates including campaign receipts, disbursements, cash-on-hand and debt; news releases summarizing campaign finance activity; and information for the general public including a guide for participation in federal elections.

Given these considerations, and recognizing that there is some need to have media questions answered by a press “expert”, the Committee has included sufficient funds for 2 full time press employees. The Committee is confident that FEC’s statutory disclosure responsibilities will not be impacted by this action. In the event that FEC finds it is unable to meet its statutory responsibilities with two full time press employees, the Committee will consider a reprogramming request.

TUITION PAYMENTS

The Committee continues to question the necessity of funding tuition assistance payments to FEC employees. While the Committee fully supports employees continuing their education, in a era of scarce resources, it is difficult to justify the continued support of this expenditure particularly since it has no discernible effect on FEC’s ability to meet its statutory responsibilities.

TRAVEL

Since 1991, FEC travel expenditures have grown by more than 60 percent. The Committee has frozen FEC travel at 1991 levels. The Committee believes that FEC travel should begin to decrease as FEC begins to modernize itself and is able to communicate with outside persons electronically.

ADP, ELECTRONIC FILING AND SINGLE POINT OF ENTRY

The FEC is requesting \$3,260,000 in FY 1997 to begin the next stage of a 5 year \$20,762,000 computer modernization effort including electronic filing and single point of entry. The Committee commends the FEC on its report to the Committee regarding these initiatives, as directed in the 1996 appropriations bill. The FEC has provided the Committee with a clear blueprint for modernization, including appropriate schedules and priorities. The Committee has reduced FEC’s request by \$760,000, fencing \$2,500,000 for computer modernization, including electronic filing and single point of entry. This represents an increase of more than 60 percent from the 1996 level of \$1.5 million.

The Committee is convinced that, while the cost estimates provided in the December 1995 report on modernization are valid, the FEC can secure better pricing for both hardware and software procurement. As such, the Committee directs FEC to complete its

modernization plan for FY 1997 as submitted to the Committee in the FEC's FY 1997 budget request.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$20,542,000
Budget estimate, fiscal year 1997	21,988,000
Recommended in the bill	21,588,000
Bill compared with:	
Appropriation, fiscal year 1996	+1,046,000
Budget estimate, fiscal year 1997	-400,000

MISSION

The Federal Labor Relations Authority (FLRA) serves as a neutral party in the settlement of disputes that arise between unions, employees, and agencies on matters outlined in the Federal Service Labor Management Relations statute, decides major policy issues, prescribes regulations, and disseminates information appropriate to the needs of agencies, labor organizations, and the public. Establishment of the FLRA gives full recognition to the role of the Federal Government as an employer.

RECOMMENDATION

The Committee denies the net increase of 5 FTE, but provides sufficient resources to cover pay raises and inflation.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

CONSTRUCTION AND ACQUISITION

Limitations on availability of revenue (not an appropriation):	
Fiscal year 1996 to date	\$545,002,000
Budget estimate, fiscal year 1997	715,179,000
Recommended in the bill	540,000,000
Bill compared with:	
Appropriation, fiscal year 1996	-5,002,000
Budget estimate, fiscal year 1997	-175,179,000

RECOMMENDATIONS

The Committee has made \$540,000,000 available from the Federal Buildings Fund for the construction and acquisition of Federal buildings.

The Committee has listed the projects in the legislative language but has not specifically identified the amount designated for each project. The Committee believes that within the \$540,000,000 made available, the General Services Administration (GSA) should have adequate funds to design and build the projects as listed. The Committee directs the Administrator of General Services to report to the Committee, within 90 days of enactment of this Act, on a funding strategy for each project based upon the \$540,000,000 made available for construction and acquisition.

Additionally, the Committee has included a provision which requires a minimum 10 percent reduction in U.S. Courthouse construction costs. The Committee believes that GSA has many cost

cutting suggestions which it has shared with the Judiciary that, if used, would achieve the savings envisioned by this provision. Furthermore, the Committee believes that the current design guide used as a basis for U.S. Courthouse design and construction, while beneficial, is too liberal and needs to be reexamined by the Judicial Conference of the United States and GSA to ensure that courthouse construction represents the absolute best use of taxpayer dollars. This reexamination should result in a new design guide which must be completed no later than April 1, 1997.

The Committee expects that serious action must be taken to reduce the design and construction of facilities that are costly and inefficient. The Committee therefore directs that the revised design guide include changes that will result in significant savings in current and future courthouse construction. This revised design guide should be developed through a working committee that consists of representatives from the Judicial Conference, the GSA, and the OMB.

The Committee has included a provision (Sec. 405), similar to a provision carried in both 1996 and 1997, which prohibits the expenditure of funds for the submission of a fiscal year 1998 request for U.S. Courthouse construction which does not meet the design guide standards and does not reflect the priorities of the Judicial Conference of the United States. The provision has been changed to include language requiring a standardized courtroom utilization study for requested projects.

MORATORIUM ON NEW CONSTRUCTION

The General Services Administration (GSA) through its Federal Buildings Fund (FBF), supports the construction and acquisition of Federal buildings, including U.S. Courthouses, office buildings, laboratories, and border stations. The House Budget Resolution for fiscal year 1997 includes the assumption of \$545,000,000 in savings associated with continuing the 1996 moratorium on new Federal building construction. Unfortunately, this number was calculated by using the 1996 limitation on new construction and is not relevant to the 1997 program. Furthermore, because of the way the FBF operates, these savings are not achievable. The true reduction in the President's request that could be achieved from a moratorium on new construction is \$70,785,000 in budget authority and \$2,123,000 in outlays. The conference agreement on the 1997 Budget does not address the issue of a moratorium.

Not only are the savings assumed in the Budget Resolution impossible to achieve in 1997, but the Committee is also concerned that continuing this moratorium will severely impact the ability of the Congress to insure the proper execution of government programs. The vast majority of the construction program is for special purpose facilities such as U.S. Courthouses and U.S. Customs Service-Immigration and Naturalization Service Border Stations, which are needed to support crime control activities. Furthermore, Congress will eventually need to construct these facilities. The longer we delay actual construction, the more costly the construction becomes due to inflation and lost opportunities. Additionally, the Committee believes that deferring construction needlessly defers economic growth in those areas of the country where construction

is planned. A six-year moratorium as proposed by the fiscal year 1997 House Budget Resolution, translates into a 10 to 15 year delay in economic activity, job growth, and personal earnings in the affected states.

For these reasons, the Committee has not implemented the House Budget Resolution recommendation of a blanket moratorium; instead the Committee has achieved significant savings in the construction program with a thorough analysis of each project. The Committee has provided \$540,000,000 for new construction; \$175,179,000 less than the 1997 President's request and \$5,002,000 less than 1996 levels.

Additionally, the Committee has included language requiring that the cost of U.S. Courthouse construction be reduced by at least 10 percent by curtailing planned interior finishes, and increasing efficiencies in the design and construction of projects. Furthermore, the Committee requires that the fiscal year 1998 request for U.S. Courthouse construction include only those courthouses which meet design guide standards for construction.

The Committee directs that these design guide standards increase the efficiencies of courthouse design because statistics show that for every 1 percent increase in design efficiency there is a \$900,000 reduction in cost. The design guide standards must increase efficiencies.

REPAIRS AND ALTERATIONS

Limitations on availability of revenue (not an appropriation):	
Fiscal year 1996 to date	\$637,000,000
Budget estimate, fiscal year 1997	775,034,000
Recommended in the bill	635,000,000
Bill compared with:	
Appropriation, fiscal year 1996	- 2,000,000
Budget estimate, fiscal year 1997	- 140,034,000

RECOMMENDATION

The Committee has made \$635,000,000 available from the Federal Buildings Fund for the repair and alteration of Federal buildings.

The Committee has listed the projects in the legislative language but has not specifically identified the amount designated for each project. The Committee believes that within the \$635,000,000 made available, the General Services Administration (GSA) should have adequate funds for necessary repairs and alterations on the projects as listed. The Committee directs the Administrator of General Services to report to the Committee, within 90 days of enactment of this Act, on a funding strategy for each project based upon the \$635,000,000 made available for repairs and alterations.

ENVIRONMENTAL CLEAN UP ACTIVITIES

SOUTHEAST FEDERAL CENTER

The Committee has included \$20,000,000 for clean up of environmental contamination at the Southeast Federal Center (SEFC) in Washington, DC. According to tests conducted by the GSA, the SEFC is contaminated with PCB's, asbestos, heavy metals, and

volatile organic compounds. Additionally, biological hazardous waste has been found in some of the existing buildings.

On April 19, 1996, the Environmental Protection Agency (EPA) requested GSA submit an application for a Storm Water Discharge Permit. This request is the result of a multi-media inspection conducted at the SEFC during May, 1995 to locate contamination sources of the Anacostia River. Specifically, the EPA wants to ensure that GSA is complying with applicable laws and regulations concerning conservation and toxic substances. The results of the EPA requested study is an indication there may be contaminants entering the Anacostia River from the SEFC storm sewers.

To initiate corrective action, the Administration requested \$29,999,000 in new construction funds. The Committee has provided \$20,000,000 for this purpose. The Committee requests that the Administrator keep it informed of the plans and total cost of the remediation requirements.

HOLTSVILLE-BROOKHAVEN IRS SERVICE CENTER

In fiscal year 1995, Congress provided \$19,183,000 for an Administration-proposed renovation of the IRS Service Center in Holtsville, New York. Due to the inability of the IRS to finalize plans for this facility, the GSA was not able to obligate these funds. In fiscal year 1997, the Administration has proposed a "re-scoped" renovation project for the Holtsville/Brookhaven IRS Service Center based on the finalized IRS plans for this facility

Due to the change in IRS plans, the Committee agreed to a March 27, 1996, GSA request to reprogram \$13,483,000 from fiscal year 1995 funds made available for the Holtsville IRS Service Center project which remained unobligated. The Committee has included language which extends the availability of the remaining \$5,700,000 until September 30, 1998. The \$5,700,000 balance in fiscal year 1995 unobligated funds will be retained and used in the construction phase of the re-scoped project requested in fiscal year 1997. This \$5,700,000 is in addition to the \$2,272,000 requested by the Administration to initiate the re-scoped project for the Brookhaven IRS Service Center.

SPACE REQUIREMENTS ANALYSIS

The Committee directs the Administrator of General Services to submit a space requirements analysis study for Johnstown, Pennsylvania. This 11(b) study should be submitted to the appropriate Congressional committees.

U.S. COURTHOUSE—BALTIMORE

The Committee understands that there are structural, operational, and functional deficiencies at the Edward A. Garmatz Federal Building and U.S. Courthouse in Baltimore, Maryland. These problems may well hamper the building's usefulness as a courthouse and detract from substantial urban renewal surrounding its location. The Committee directs GSA to develop a master plan for the interior and exterior of the courthouse which addresses these problems.

REQUIREMENTS OF THE SMITHSONIAN INSTITUTION

The Committee understands that the Smithsonian Institution has a desire to consolidate its office space in a building with close proximity to the Smithsonian's Castle building. The Smithsonian has contacted the GSA concerning space which may be available that would meet their needs. The GSA should report to the Committee on the options which may be available to accommodate the Smithsonian's requirements.

BUILDING SECURITY ENHANCEMENTS

The Committee has provided a total \$240,000,000, the amount requested, to fund necessary expenses for enhancement of Federal building security. The Committee requests the Administrator of General Services provide a report to the Committee which details, by agency and organization, the security enhancements which have been funded to date by GSA, as well as those planned in fiscal years 1997 and 1998. For those expenses for which GSA has received reimbursement, the GSA should note the amount of the reimbursement. The report should also address the costs associated with retrofitting all federal facilities with security window film to mitigate potential losses, as stipulated in a June 28, 1995, Presidential memorandum. This report should accompany the fiscal year 1998 budget submission.

INTERNATIONAL BOUNDARY AND WATER COMMISSION (IBWC)

The Committee is aware that the GSA is evaluating options to provide appropriate office space for a new IBWC headquarters building in El Paso, Texas. It is unclear at this time if this will be done through the leasing of commercial office space or the construction of a new building. The Committee directs the GSA to continue working with the IBWC on an adequate and appropriate plan for providing necessary office space for a new headquarters building.

OPERATIONS AND LEASING

Consistent with Congressional intent to streamline the budget process, the Committee has combined the funds traditionally made available for "Rental of Space" and "Building Operations." This action will provide GSA with greater flexibility in executing its business-like approach advocated by the Administrator and the Commissioner of Public Buildings during the Committee's GSA hearing. Although the language provides a single limitation of \$3,903,205,000, it is the Committee's intent that \$1,559,410,000 be made available for Building Operations and \$2,343,795,000 be made available for Rental of Space. The Committee directs that the accounting for these two activities remain separate; funds may be transferred between the accounts without prior Congressional approval.

AUTOMATION ENHANCEMENTS

The Committee has established a new account within the Federal Building Fund, the Automation Enhancements account, and has made \$4,800,000 available for activities associated with automation enhancements. These funds are to be used for the development and

acquisition of automatic data processing equipment, software, and services for the Public Buildings Service. However, none of the funds shall be available until the Commissioner of Public Buildings has submitted for approval to the Committees on Appropriations of the House and Senates a report which sets out a systems investment plan that identifies, evaluates, and prioritizes all system enhancements planned for fiscal year 1997; a milestone schedule for the development and implementation of all projects included in the systems investment plan; and a certification that a systems architecture plan, if necessary, exists and will be used for systems development.

WESTERN HUMAN NUTRITION RESEARCH CENTER

The Western Human Nutrition Research Center (WHNRC), is operated by the Agricultural Research Service (ARS) of the U.S. Department of Agriculture (USDA), and is located at the Presidio in San Francisco. Because of increasing rent, WHNRC will move to the campus of the University of California, Davis, California. Before the move can take place, construction of a custom building is required. The Committee directs GSA to render all possible assistance to the ARS and the USDA in performing the architectural and engineering studies needed to plan and design the custom building.

U.S. DEPARTMENT OF AGRICULTURE, DAVIS, CALIFORNIA

The Committee is disappointed, that despite repeated requests that GSA work with the U.S. Department of Agriculture (USDA) in Davis, California to collocate a number of USDA state offices, the development of the collocation facility has not proceeded as quickly as hoped. The Committee expects that construction of the USDA collection facility at Davis, California, will commence as soon as possible.

U.S. CUSTOMSHOUSE IN NEW ORLEANS, LOUISIANA

The Committee directs the Administrator of General Services to ensure that \$3,500,000 be made available to continue the historic renovation of vacant, underutilized, and unrenovated space in the U.S. Customshouse in New Orleans, Louisiana. The Committee strongly supports continuing and completing the renovation of this National Landmark to ensure that this building is properly maintained for existing Federal tenants and to accommodate additional leases through existing memorandums of understanding.

U.S. COURTHOUSE, HARRISONBURG, VIRGINIA

The Committee understands that the General Services Administration (GSA) has diligently worked with Judge James H. Michael, Jr., the Administrative Office of the United States Courts, the U.S. Marshals Service, and the U.S. Postal Service to finalize plans to repair, alter, and renovate the second floor of the Harrisonburg Courthouse which is in serious disrepair and is not adequate to accommodate existing needs. The Fourth Circuit Judicial Council met in April, 1996, and approved Judge Michael's request to renovate the second floor of the building to meet the immediate space needs of the court. Furthermore, the GSA testified that "[t]he repairs and

alterations will be made during fiscal year 1997.” Given these events and circumstances, the Committee urges the GSA and Postal Service to continue working with all interested parties and directs the GSA to go forward with the necessary repairs and alterations to the Harrisonburg Courthouse in fiscal year 1997.

U.S. COURTHOUSE, SAVANNAH, GEORGIA

The Savannah historic district is a unique architectural resource which requires careful guardianship. The GSA has made significant efforts to ensure that the construction of a new Courthouse Annex is compatible with the district’s unique character. To facilitate the GSA in this regard, the Committee has included a provision (Sec. 409) directing the Administrator of General Services to ensure that the materials used for the project are fully compatible with the facade of the existing Savannah Federal Building—U.S. Courthouse. The Committee takes this action to ensure compatibility with the existing Savannah historic district and to ensure that the Annex will not endanger the National Landmark status of the Savannah historic district.

U.S. DEPARTMENT OF AGRICULTURE

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

The main facility of the National Veterinary Service Laboratory (NVSL) of the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) is located in an industrial area near Interstate 35 in Ames, Iowa. In addition, the APHIS rents commercial separate spaces for the Diagnostic Bacteriology Lab (DBL) and the Pathobiology Lab (PL). The rented facilities have been found by the Office of the Inspector General to be: “. . . inadequate in terms of safety and health . . .” These facilities must be replaced. Additionally, the APHIS should be consolidated into one facility to reduce costs and promote efficiency.

In fiscal year 1996, the Committee recognized the need to address these health and safety issues, especially at these laboratories that are located in commercial areas, and directed that \$100,000 be used to initiate design of a new facility. The Committee continues this commitment to addressing these serious issues by including language directing that such funds as may be necessary be available to continue this effort.

OUTSOURCING REAL ESTATE SERVICES

The GSA’s Public Buildings Service (PBS) has recently released a request for an “Expression of Interest” in a nation-wide contract for private sector involvement in conducting real estate services for the government. The Committee is pleased that PBS has taken this step because it signals a realization that there are some positive proposals being made by the private sector which can reduce costs and make PBS more efficient.

The Committee believes that many of efficiencies proposed by the private sector could be realized if PBS revised some of its internal regulations. When developing a Request for Proposal for this nation-wide contract, the PBS should keep in mind that passing along its own inefficiencies to a contractor, does not produce a true test

of private sector capabilities. Nor do such inefficiencies allow PBS employees to compete on a level playing field. Eliminating burdensome internal regulations can create an efficient and effective organization as has been shown by the Reinvention Laboratories in the Northwest/Arctic and Rocky Mountain Regions. To ensure that the contracting effort is fair and equitable to all parties, PBS should revise its own internal structure and regulations similar to what has been done in the Reinvention Laboratories.

While the Committee is pleased that PBS has released an "Expression of Interest," it is clear that PBS is not moving as fast as it could to implement the Committee's 1996 direction to test the concept of privatizing the Commercial Broker function. The Committee directed GSA to submit a plan to implement the privatization of the Commercial Broker function by March 31, 1996. The Committee did not receive this plan and can only conclude that GSA will not follow the Committee's 1996 direction. Therefore, the Committee once again directs GSA to submit a plan to implement the privatization of the Commercial Broker function. The plan should include an implementation date of December 1, 1996 and should address the method that will be used to compare and contrast efficiencies of maintaining the function in-house versus privatization.

POLICY AND OPERATIONS

Appropriation, fiscal year 1996 to date	\$119,091,000
Budget estimate, fiscal year 1997	109,473,000
Recommended in the bill	109,091,000
Bill compared with:	
Appropriation, fiscal year 1996	- 10,000,000
Budget estimate, fiscal year 1997	- 382,000

MISSION

This appropriations account consolidates policy, oversight, and asset management functions associated with real and personal property, supplies, acquisition, and information technology into a single account separate from operations. The establishment of this appropriations account is part of the Administration's effort to transform the General Services Administration (GSA) into an organization responsible for policy and oversight, and to place greater reliance on the private sector, as appropriate. The creation of this office will increase accountability for results, encourage innovation, and enhance government-wide planning.

RECOMMENDATION

The Committee has provided \$109,091,000 for GSA's policy and operations appropriation. Within this funding level, the GSA shall provide the ICN the same level of funding and support as was provided in fiscal year 1996.

Although the Committee remains concerned about combining these two functions into one account, the Committee has agreed to the President's request. However, the Committee continues to believe that combining the functions which establish Government-wide policies with the functions that support GSA operations has potential for conflict.

The budget justification material which has been supplied to the Committee indicates that of the \$109,473,000 request for Policy and Operations, approximately \$44,000,000 is for the Policy Office and \$65,000,000 is for the Operations Office. The Committee directs that these Offices remain separate entities and that funding for these Offices be accounted for separately. Furthermore, the Committee requests the Administrator of General Services, within 30 days of enactment of this Act, provide the Committee with a breakout, by object class, for the Policy Office and the Operations Office, detailing the 1997 request and how Congressional reductions were applied to the request. Additionally, the Committee requests that justification material submitted with the 1998 budget include object class breakouts for the separate Policy and Operations Offices.

EFFORTS TO FIND MISSING CHILDREN

The GSA has partnered with the National Center for Missing and Exploited Children (NCMEC) to implement federal efforts to help locate missing and exploited children. GSA's main responsibility is to post notices of missing children in Federal buildings. GSA has taken the initiative to use modern technology to disseminate the information by downloading missing children notices from the NCMEC data base via the Internet and circulating the notices to Federal buildings across the country. These missing children notices are then displayed on bulletin boards and kiosks containing automated computer displays in the lobbies of federal buildings. Furthermore, GSA is prototyping a new method of electronically distributing photographs of missing children. GSA is prototyping this method in conjunction with Con Edison in New York and the Polaroid Corporation.

The Committee is very pleased with these efforts and especially appreciates the work of GSA's Heartland Region, in Kansas City, Missouri, which developed this technological approach to assist in locating missing children.

GARBAGE COLLECTION BID PACKAGE

It has come to the attention of the Committee that the GSA has released a bid package for the collection of garbage at two federal buildings in Kansas City, Kansas. The bid package is 153 pages long, with 18 pages marked "deleted." It does not appear to the Committee that garbage collection, something that is done in the private sector each and every day, is as complex as GSA is making it out to be with a 153 page bid package. It is, of course, this type of thing that causes people to question the government's process for procuring services and prompts legitimate cries for procurement reform. This type of process also is more costly and inefficient.

The Committee requests the Administrator of General Services review the process which GSA uses to procure such services as garbage collection to ensure that the process used is appropriate and efficient.

POST FTS-2000 CONTRACT

The Committee, along with the House Committee on Government Reform and Oversight, is concerned about GSA's revised acquisition strategy for the Post FTS-2000 contract. In particular, given the ever-changing world of telecommunications services, the Committee believes that entering into a long-term and inflexible comprehensive contract, may be ill-advised.

Additionally, contracting for local services, while providing an opportunity for savings, is cause for concern because it is unclear how a nation-wide contract can accommodate variances in all areas of the country, and, in particular, rural areas. Therefore, GSA should evaluate the advisability of its approach before entering into such a contract. It appears that the largest savings in the area of local service will be in metropolitan areas of the country where there is strong competition among carriers and a large Federal government presence.

The Committee believes these types of changes must be addressed in order for GSA to take full advantage of rapid changes in the telecommunications services industry and technology. Therefore, the Committee directs the Administrator of General Services to review GSA's revised acquisition strategy for the Post FTS-2000 contract and report to the Committee on options to address the Committee's concerns prior to entering into such a contract.

FEDERAL CHILD CARE CENTERS

Based on testimony received from the General Services Administration, the Committee is concerned that the 103 federal child care centers "can only be used by an increasingly high level group of employees, due to the high cost of care." Therefore, the Committee directs the Office of Management and Budget to coordinate a government-wide review of federal child care centers to evaluate their effectiveness and determine how they may be improved to provide greater flexibility, access and availability to all federal employees. The Office of Management and Budget shall submit its findings and recommendations to the House and Senate Appropriations Committees and appropriate authorizing committees no later than April 30, 1997.

TELECOMMUTING CENTERS

The Committee has been a strong supporter of flexiplace telecommuting centers. According to GSA, by the end of 1996, it will have opened over a dozen such centers, with continued growth in 1997. However, the operation of these facilities has not been authorized and when GSA uses funds from the Federal Building Fund to support such operations, the Transportation and Infrastructure Committee of the House should be apprised of GSA's actions.

Nevertheless, there appears to be a great deal of interest in opening up these Federal facilities to non-Federal government and private entities. Therefore, the Committee has included a new provision (Sec. 406) which opens up the flexiplace telecommuting centers to non-Federal government and private entities when the center is not being fully utilized by Federal employees. However, in the interests of making the flexiplace telecommuting centers self-

supporting, the provision requires the Administrator to charge fees for the use of any telecommuting center to offset the cost of establishing and operating the center. Additionally, the provision authorizes GSA to provide technical assistance regarding alternative workplace arrangements and directs agencies to consider the use of alternative workplace arrangements when considering work space needs.

The expansion of the use of these facilities should be included in GSA's overall strategy and policy on the telecommuting center program. Additionally, the GSA should work with the committees of jurisdiction on any proposed expansion of this program. The Committee directs GSA submit a report, no later than February 1, 1997, which outlines the Federal government policy for managing and expanding the use of flexiplace telecommuting centers.

STANDARDS FOR WIRELESS COMMUNICATION EQUIPMENT

The Committee understands that there is considerable controversy over proposed federal telecommunications standards being promulgated by the GSA for the acquisition of Land Mobile Radio systems. It is unclear if these standards are being developed to dictate the acquisition of specific technology or the acquisition of certain performance standards. The Committee hopes that GSA is pursuing performance standards, as directed by the Federal Acquisition Streamlining Act of 1994 (FASA), and not specific technology. However, the issue is confused by verbal statements and written correspondence which appear to contradict each other. Therefore, the Committee requests the Administrator of General Services review the actions to date with regards to the development of these standards and report to the Committee no later than November 1, 1996, on his analysis of the process being pursued by the GSA. Additionally, if GSA plans to issue standards quickly in an attempt to "get in under the wire" and avoid requirements of FASA, it should immediately suspend action on the drafting and discussion of the standards as these actions are causing turmoil and confusion in the acquisition community.

PERRINE PRIMATE CENTER

The Committee understands that the NIH is considering excessing the Perrine Primate Center. The best use of this facility is as a site for medical research based on non-human primates and animal husbandry which benefits the public health. If and when control of this facility passes to GSA, the Committee directs GSA to maintain the best use for the facility and take into account the public benefit which has accrued and will continue to accrue from the current research, education, and training use at the site.

OFFICE OF INFORMATION TECHNOLOGY

The Committee is concerned that the Office of Information Technology may not be reviewing procurement requests as it has been tasked to do under various Federal procurement reform legislation. For example, although the Committee delegated to the Internal Revenue Service procurement authority for the Tax Systems Modernization (TSM) program, prior to this delegation, the Office of In-

formation Technology had not been providing the level of oversight necessary for a program this size.

While the Office of Information Technology had reviewed TSM requests for over eight years, it took no action to intervene when it was becoming evident that the IRS effort was far off course. The Office of Information Technology routinely granted delegation authority for procurement requests when the IRS had not provided a plan for how the equipment would be used or how it would be integrated into the TSM effort. By the time the GSA considered suspending the IRS's delegation authority, the program was out of control and Congress was required to step in with program direction.

The Committee hopes that with the new Chief Information Officer, the GSA's Office of Information Technology will be in a position to exercise more diligence when reviewing procurement requests.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 1996 to date	\$33,274,000
Budget estimate, fiscal year 1997	33,863,000
Recommended in the bill	33,274,000
Bill compared with:	
Appropriation, fiscal year 1996	
Budget estimate, fiscal year 1997	- 589,000

MISSION

This appropriation provides agencywide audit and investigative functions to identify and correct management and administrative deficiencies within GSA which create conditions for existing or potential instances of fraud, waste and mismanagement. The audit function provides internal audit and contract audit services. Contract audits provide professional advice to GSA contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of GSA operations and programs, test internal control systems, and develop information to improve operating efficiencies and enhance customer services. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations.

FORM ANALYSIS PROCESS

The Committee is very pleased that the Office of the Inspector General assisted the General Services Administration during the FORM analysis process. The IG transformed itself from an organization that reacts only after activities are implemented to a proactive organization that helped identify areas of concern during review of activities to be undertaken in the future. This effort was of great benefit to the GSA and a model for additional ways in which Inspectors General can assist in developing a Federal government that operates more efficiently.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriation, fiscal year 1996 to date	\$2,181,000
Budget estimate, fiscal year 1997	2,180,000
Recommended in the bill	2,180,000
Bill compared with:	
Appropriation, fiscal year 1996	- 1,000
Budget estimate, fiscal year 1997	

MISSION

This appropriation provides support consisting of pensions, office staffs, and related expenses for former Presidents Gerald R. Ford, Jimmy Carter, Ronald Reagan and George Bush and for pension and postal franking privileges for the widow of former President Lyndon B. Johnson. Also, this appropriation is authorized to provide funding for security and travel related expenses for each former President and the spouse of a former President pursuant to Section 531 of Public Law 103-329. As of October 1, 1998, pursuant to Public Law 103-123, support will be limited to pensions only for these individuals, including anyone who may become a surviving spouse of these former Presidents. Support for future former Presidents or their surviving spouse will also be limited to pensions only beginning five years after leaving office.

EXPENSES, PRESIDENTIAL TRANSITION

Appropriation, fiscal year 1996 to date	
Budget estimate, fiscal year 1997	\$5,600,000
Recommended in the bill	5,600,000
Bill compared with:	
Appropriation, fiscal year 1996	+5,600,000
Budget estimate, fiscal year 1997	

MISSION

Funds are appropriated in accordance with the Presidential Transition Act of 1963, as amended, to provide for an orderly transfer of executive leadership. New appropriations are generally requested in Presidential election years.

In the case where the President-elect is the incumbent President or in the case where the Vice President-elect is the incumbent Vice President, there shall be no expenditure of funds for the provision of services and facilities to such incumbent under this Act, and any funds appropriated for such purposes shall be returned to the general funds of the Treasury.

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 401. The Committee continues the provision providing for the crediting of amounts received as Federal agency rental payments to the Federal Buildings Funds.

Sec. 402. The Committee continues the provision providing funds for the hire of motor vehicles.

Sec. 403. The Committee continues the provision providing that funds made available for activities of the Federal Buildings Fund may be transferred between appropriations.

Sec. 404. The Committee inserts this provision repealing Section 10 of Public Law 100-440 which sets a limit on the number of employees in the FPS.

Sec. 405. The Committee continues the provision limiting funding for courthouse construction which do not meet certain standards of a capital improvement plan.

Sec. 406. The Committee modifies the provision authorizing GSA to accept and retain income to offset the cost of the flexiplace work telecommuting centers.

Sec. 407. The Committee inserts this provision providing no funds be used to implement a plan for the Ronald Reagan Building which would permit the Woodrow Wilson Center to pay less than the rate per square foot which is paid by other Federal entities.

Sec. 408. The Committee inserts this provision providing no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the amount requested by the Administration.

Sec. 409. The Committee inserts this provision ensuring the materials used for the facade on the United States Courthouse Annex, Savannah, Georgia project are compatible with the existing building.

Sec. 410. The Committee has inserted this new provision which allows the Administrator of General Services to retain the proceeds for the sales of real property for expenditure on any future real property activities.

JOHN F. KENNEDY ASSASSINATION RECORDS REVIEW BOARD

Appropriation, fiscal year 1996 to date	\$2,150,000
Budget estimate, fiscal year 1997	2,150,000
Recommended in the bill	2,150,000
Bill compared with:	
Appropriation, fiscal year 1996 .....	.....
Budget estimate, fiscal year 1997 .....	.....

MISSION

The John F. Kennedy Assassination Records Review Board was established to oversee an effort of enormous scope within a three year period. The Board is charged with locating and securing all records which relate to the assassination of President Kennedy. These records include those of at least fifteen Federal agencies, previous official investigation, the Presidential libraries, and many small governmental and private repositories throughout the country.

The purpose of the Board is to ensure the efficient, timely and full disclosure of these records to the American public. This effort is seen as perhaps the last opportunity to clear up the many lingering doubts and questions surrounding the assassination of President Kennedy.

Fiscal year 1997 is the Board's third and final year, and it will issue a final report upon its termination.

TERMINATION COSTS

The JFK Assassination Records Review Board, as authorized by P.L. 102-526, is mandated to identify, secure and make available all records related to the assassination of President Kennedy. By law, the Board has until October 1, 1996 to fulfill its mandate, plus

an additional year in the event that the Board has not completed its work. The Board anticipates full scale operations through July of 1997, issuing its final recommendations, and proceeding with an orderly shutdown.

The Committee has included the final appropriation for the Review Board with the full understanding that no additional funds will be required to meet the statutory obligations of the Board. The Committee commends the Board for completing its work within the authorized time frame.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$24,549,000
Budget estimate, fiscal year 1997	24,549,000
Recommended in the bill	23,297,000
Bill compared with:	
Appropriation, fiscal year 1996	-1,252,000
Budget estimate, fiscal year 1997	-1,252,000

MISSION

The Merit Systems Protection Board performs the adjudicatory functions necessary to maintain the civil service merit system. These include hearing appeals on adverse actions, reduction-in-force actions, and retirement. The Board reports to the President on whether merit systems are sufficiently free from prohibited personnel practices to protect the public interest.

RECOMMENDATION

The Committee concurs with the Administration's request, except for the denial of proposed expenditures of \$1,252,000 for merit systems studies. The Committee is aware of the fact that MSPB is authorized to perform occasional studies of the federal workforce and encourages it to do so. Nevertheless, the Committee believes the MSPB should respond to specific information requests from the Congress or the Administration on an item of interest, rather than maintain a permanent staff for ongoing studies. The occasional work can be completed through contract with a think tank, non-profit organization or consulting firm.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

Appropriation, fiscal year 1996 to date	\$199,633,000
Budget estimate, fiscal year 1997	196,964,000
Recommended in the bill	195,109,000
Bill compared with:	
Appropriation, fiscal year 1996	-4,524,000
Budget estimate, fiscal year 1997	-1,855,000

MISSION

The National Archives and Records Administration provides for basic operations dealing with management of the Government's archives and records, operation of Presidential libraries, and for the review for declassification of classified security information.

MANAGEMENT AT THE NATIONAL ARCHIVES AND RECORDS
ADMINISTRATION (NARA)

The NARA's role as national historian has emphasized the acquisition of records, almost to the exclusion of sound management principles. The Committee is pleased that current Archivist brings broad management experience to NARA, and believes his greatest challenge will be to marry the role of the historian with the role of the manager. The Committee urges the NARA to change its deep rooted culture of collecting and retaining everything and focus on how to better manage that which it collects and retains.

The Committee is very pleased that the Archivist has begun a corrective process with development of a strategic plan. According to NARA, this plan will address areas of concern and plans to correct any deficiencies. The Committee looks forward to reviewing the plan.

ELECTRONIC RECORDS

The NARA is ill-equipped to deal with its current substantial holding of electronic records and the reality of a future explosion of such records. NARA has managed to put on-line only limited indexing information to some of its holdings and services.

The NARA has not obligated the \$4,500,000 made available in fiscal year 1996 for expansion of Internet applications because it does not yet have an Information Resource Management (IRM) plan, or data standards. Furthermore, its internal support systems are inadequate and in need of upgrades and equipment.

The Committee is determined that all agencies wishing to pursue expanded use of technology must first prepare a solid blueprint for design, development, acquisition, and implementation. The Committee appreciates the fact that the new Archivist at NARA withheld the temptation to put together a less than adequate plan simply for the opportunity to spend the \$4,500,000 appropriated. The Committee looks forward to receiving a balanced and detailed plan from NARA on expansion in the area of electronic records.

CLASSIFICATION REFORM

The Committee directs the Archivist of the United States to submit to the Committee by January 1, 1997, an update of agency compliance with the declassification requirements of Section 3.4 of E.O. 12958, "Classified National Security Information," issued by the President on April 17, 1995. The Committee notes that section 5.6(c)(8) of E.O. 12598 requires agencies to account for the costs of their security classification, including the costs incurred by contractors in performing classified work for the Government. The Committee directs the Archivist to submit by May 1, 1997, an agency-by-agency report on fiscal year 1996 security classification costs (including contractor costs) and an estimate of fiscal year 1997 security classification costs to the House Committee on Appropriations.

RESCISSION

The Committee has included language rescinding \$4,500,000 from funds appropriated in fiscal year 1996 for cataloging, archiving and digitizing activities because the National Archives

and Records Administration has not developed a plan as to how these funds will be spent.

ENHANCEMENT OF EXHIBITIONS AT ARCHIVES II FACILITY

The NARA is encouraged to continue planning and implementing public displays and events at the Archives II facility. The Committee continues to hope that ongoing displays of the White House Gift Collection can be arranged at Archives II.

REPAIRS AND RESTORATION

Appropriation, fiscal year 1996 to date	\$1,500,000
Budget estimate, fiscal year 1997	2,750,000
Recommended in the bill	9,500,000
Bill compared with:	
Appropriation, fiscal year 1996	+8,000,000
Budget estimate, fiscal year 1997	+6,750,000

MISSION

This account provides for the repair, alteration, and improvement of Archives facilities and Presidential libraries nationwide. It will better enable the National Archives to maintain its facilities in proper condition for public visitors, researchers, and employees in NARA facilities, and also maintain the structural integrity of the buildings.

TRUMAN LIBRARY

The Committee has provided up to \$8,000,000 for the repair and renovation of the Truman Library in Independence, Missouri. The Committee understands that private funds totaling \$5,000,000 have been already raised to support the renovation of this facility. The Committee requests the National Archives to submit a plan for the expenditure of the federal funds before any funds are obligated.

ARCHIVES I RENOVATION

The Archives I facility in Washington, DC, is badly deteriorated. The NARA's primary solution is full renovation for Archives I plus expansion of Archives II to accommodate the displaced records, at a total cost of \$285,700,000. The NARA fallback solution involves renovating only the Rotunda at a cost of \$12,100,000. It is the Rotunda that serves as the repository for the Constitution, Bill of Rights, and the Declaration of Independence. Neither solution is practical. NARA's primary solution is far too costly for what it gets in return: two-thirds less storage space at a cost significantly higher than new construction. Remodeling only the Rotunda still leaves NARA with a deteriorating building. Additionally, NARA has not considered the possibility of reducing the amount and type of information archived at this facility and increasing the amount of material permanently moved to the Archives II facility.

Therefore, the Committee directs the NARA to develop a plan which will address health and safety concerns, protection of the Constitution, Bill of Rights, and the Declaration of Independence, and the expansion of space for the public. The plan should include total cost estimates and schedules for completion of work. The plan should be submitted to the Committee no later than March 1, 1997.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

Appropriation, fiscal year 1996 to date	\$5,000,000
Budget estimate, fiscal year 1997	4,000,000
Recommended in the bill	4,000,000
Bill compared with:	
Appropriation, fiscal year 1996	-1,000,000
Budget estimate, fiscal year 1997	

MISSION

This program provides for grants funding that the Commission makes, nationwide, to preserve and publish records that document American history. Administered within the National Archives, which preserves Federal records, the NHPRC helps state, local, and private institutions preserve non-Federal records, helps publish the papers of major figures in American history, and helps archivists and records managers improve their techniques, training, and ability to serve a range of information users.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$7,776,000
Budget estimate, fiscal year 1997	8,078,000
Recommended in the bill	8,078,000
Bill compared with:	
Appropriation, fiscal year 1996	+302,000
Budget estimate, fiscal year 1997	

MISSION

The Office of Government Ethics (OGE) provides overall direction of executive branch policies designed to prevent conflicts of interest and insure high ethical standards. The OGE discharges its responsibilities to preserve and promote public confidence in the integrity of executive branch officials by developing rules and regulations pertaining to conflicts of interest, post employment restrictions, standards of conduct, and public and confidential financial disclosure in the executive branch; by monitoring compliance with the public and confidential financial disclosure requirements of the Ethics in Government Act of 1978 and the Ethics Reform Act of 1989, to determine possible violations of applicable laws or regulations and recommending appropriate corrective action; by consulting with and assisting various officials in evaluating the effectiveness of applicable laws and the resolution of individual problems; by preparing formal advisory opinions, informal letter opinions, policy memoranda, and Federal Register entries on how to interpret and comply with the requirements on conflicts of interest, post employment, standards of conduct, and financial disclosure; and by issuing and amending regulations implementing the procurement integrity provisions relating to negotiating for employment, post employment, and gratuities in the Office of Federal Procurement Policy Act Amendments of 1988, P.L. 100-679.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$88,000,000
Budget estimate, fiscal year 1997	86,576,000
Recommended in the bill	86,576,000
Bill compared with:	
Appropriation, fiscal year 1996	- 1,424,000
Budget estimate, fiscal year 1997	

MISSION

The Office of Personnel Management (OPM) is the Government agency responsible for management of Federal human resource policy and oversight of the merit civil service system. Although individual agencies are increasingly responsible for personnel operations, OPM provides a Governmentwide policy framework for personnel matters, advises and assists agencies (often on a reimbursable basis), and ensures that agency operations are consistent with requirements of law, with emphasis on such issues as veterans preference. OPM oversees examining of applicants for employment, issues regulations and policies on hiring, classification and pay, training, investigations, and many other aspects of personnel management, and operates a reimbursable training program for the Government's managers and executives. OPM is also responsible for administering the retirement, health benefits and life insurance programs concerning most Federal employees, retired Federal employees, and their survivors.

HIRING TREASURY LAW ENFORCEMENT

The Committee is concerned regarding disparate hiring practices at different federal law enforcement agencies. In particular, the Customs Service, the Bureau of Alcohol, Tobacco and Firearms, and the Criminal Investigation Division of the Internal Revenue Service may be at a competitive disadvantage relative to other major law enforcement agencies that are exempt from the competitive hiring process. For that reason, the Committee directs the Secretary of the Treasury and the Director of the Office of Personnel Management to implement, not later than December 31, 1996, measures to assure that all criminal investigator positions (series 1811) are subject to hiring, conversion, and retention procedures similar to those currently in place for the United States Secret Service.

ALTERNATIVE DISPUTE RESOLUTION

In the fiscal year 1996 report, this Committee expressed a concern that the current system of five separate agencies adjudicating employee grievances is confusing and wasteful, and requested that the Administration investigate the process and report back to the Committee with recommendations for improvement. In that report, the Administration disagreed with the Committee. It found that the system is not broken, that the major problems with the system, to the extent that they exist, lie with the various Federal agencies, not with MSPB, FLRA, OSC, OPM and EEOC. The Administration

went on to propose some minor modifications to legislation that would alleviate certain overlapping jurisdictions.

After reviewing the report, the Committee cannot help but disagree with the Administration's conclusions. Numerous surveys have shown that the majority of federal managers and employees are confused and intimidated by the grievance system. The fact that a small number of personnel specialists find a certain logic to it means nothing if few people bother to learn about it or use it. The system must be reformed and streamlined from top to bottom. It must be made less legalistic and bureaucratic, the rights and responsibilities of both employees and managers must be made clearer to both, and the pace of adjudication must be made much faster. This means fewer layers of appeal both within line agencies as well as within the adjudicatory agencies.

Nevertheless, the Committee does agree with the Administration in one critical observation: most of the problem lies within line agencies, not the grievance agencies. Many line agencies have established lengthy internal appeals processes, duplicating much of the work of MSPB and the others. This sort of redundancy adds nothing to the process. The Committee therefore directs the Office of Personnel Management to take all necessary steps to eliminate internal agency appeals processes and substitute them with Alternative Dispute Resolution processes to the extent feasible.

With regard to consolidation of the adjudicatory agencies, the Committee finds that moving boxes around an organizational chart without changing underlying law will do nothing to make the process faster or more efficient. The Appropriations Committee therefore proposes no organizational changes of its own, and instead awaits action by the authorizing committee of jurisdiction, the Government Reform Committee, to change the underlying law.

VOTING RIGHTS ACT

The Committee includes language proposed by the Administration allowing federal employees acting as Voting Rights Act observers to receive per diem at their permanent duty station. Many qualified employees who serve as observers and are required to spend long hours at a hotel or other facility serving as a headquarters may not be paid per diem because the facility is in the city designated as their permanent duty station. Authorization for per diem and subsistence allowances makes it feasible for these qualified employees to serve as observers in their local areas and allows the Government to discontinue the practice of recruiting observers from distant locations and assuming the burden of significant travel costs.

FEDERAL PRESCRIPTION DRUG PLANS

Recently a number of significant benefit changes have been implemented under the Federal Employees Health Benefit Program (FEHBP), including a 20 percent copayment on retail pharmacy prescriptions provided under the Blue Cross/Blue Shield plan. The Committee is aware of concerns that there has been inadequate notice of changes and that the prescription coverage provision might well discourage use of local retail pharmacies.

The Committee hopes that OPM will continue to encourage all FEHBP plans to find alternative savings and hold down premiums. Much of the savings from the new prescription coverage comes directly from the retail copayments. OPM and its carriers should consider other commonly-used cost management options such as full utilization of drug manufacturer rebates and generic drug substitution.

Finally, the Committee directs OPM to require a standard, easily readable notice on the front of each plan brochure that says "FOR CHANGES IN BENEFITS SEE PAGE xxx" or some similar message directing readers to the page where changes are highlighted.

SENIOR EXECUTIVE PAY

In past years, members of the Senior Executive Service, Senior Level, Senior Technical, Board of Contract Appeal Judges and other similarly situated federal employees have not received the same comparability raise granted to all other federal employees. The Committee recognizes that during this time of government reorganization and downsizing, it is important that the career executive leadership, which bears the burden of leading their agencies through this difficult period, be treated in a fair and equitable manner. Therefore, the Committee urges the President to provide the same comparability and locality pay increases announced for all other employees to these career executives in January, 1997.

PROVIDING NON-PUBLIC INFORMATION OUTSIDE OF THE GOVERNMENT

The Committee understands that the Office of Personal Management provided the home addresses or designated mailing addresses of bargaining unit members to its labor unions. The Committee wishes to draw OPM's attention to section 514 of Public Law 104-52, the Treasury, Postal Service and General Government Appropriations Act of 1996, which states:

None of the funds made available in this Act may be used to provide any nonpublic information such as mailing or telephone lists to any person or any organization outside of the Federal government without the approval of the House and Senate Committees on Appropriations.

The Committee received no notice of this action, much less an opportunity to disapprove any such action. The Committee directs the Office of Personnel Management to explain, in writing, why it failed to provide any notification.

LIMITATION ON ADMINISTRATIVE EXPENSES

The Committee provides \$93,486,000 as a limitation on administrative expenses on trust activities, \$1,250,000 below the Administration's request of \$94,736,000. The Committee provided \$10,456,000 for the FERS Automated Processing System in fiscal year 1995, but OPM only obligated \$7,945,000. In fiscal year 1996, the Committee provided \$11,300,000, but OPM only obligated \$9,621,000. For fiscal year 1997, OPM requests a new limitation of \$3,500,000. The Committee provides only \$2,250,000 for development of the FERS automated processing system until OPM exhausts expenditures under the existing pipeline.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 1996 to date	\$4,009,000
Budget estimate, fiscal year 1997	960,000
Recommended in the bill	960,000
Bill compared with:	
Appropriation, fiscal year 1996	-3,049,000
Budget estimate, fiscal year 1997 .....	.....

MISSION

This appropriation provides agencywide audit, investigative, evaluation, and inspection functions to identify management and administrative deficiencies which may create conditions for fraud, waste and mismanagement. The audits function provides internal agency audit, insurance audit, and contract audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of agency operations, including financial statements. Evaluation and inspection services provide detailed technical evaluations of agency operations. Insurance audits review the operations of health and life insurance carriers, health care providers, and insurance subscribers. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriation, fiscal year 1996 to date	\$3,746,337,000
Budget estimate, fiscal year 1997	4,059,000,000
Recommended in the bill	4,059,000,000
Bill compared with:	
Appropriation, fiscal year 1996	+312,663,000
Budget estimate, fiscal year 1997 .....	.....

MISSION

This appropriation covers: (1) the Government's share of the cost of health insurance for 1,771,000 annuitants as defined in sections 8901 and 8906 of title 5, United States Code; (2) the Government's share of the cost of health insurance for about 12,000 annuitants (who were retired when the Federal employees health benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960; and (3) the government's contribution for payment of administrative expenses incurred by the Office of Personnel Management in administration of the act.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES LIFE INSURANCE

Appropriation, fiscal year 1996 to date	\$32,647,000
Budget estimate, fiscal year 1997	33,000,000
Recommended in the bill	33,000,000
Bill compared with:	
Appropriation, fiscal year 1996	+353,000
Budget estimate, fiscal year 1997 .....	.....

MISSION

This appropriation finances the Government's share of premiums, which is one-third the cost, for basic life insurance for annuitants retiring after December 31, 1989.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriation, fiscal year 1996 to date	\$7,945,998,000
Budget estimate, fiscal year 1997	7,989,000,000
Recommended in the bill	7,989,000,000
Bill compared with:	
Appropriation, fiscal year 1996	+43,002,000
Budget estimate, fiscal year 1997	

MISSION

This appropriation provides for payment of annuities, including the payment of annuities under special acts for persons employed on the construction of the Panama Canal or their widows and widows of employees of the Lighthouse Service; payment of government share of retirement costs financing the current year's costs of the unfunded liability resulting from any statute authorizing new or liberalized benefits, extension of retirement coverage, or pay increases; transfers for interest on unfunded liability and payment of military service annuities covering interest on the unfunded liability and annuity disbursements for military service; payments for spouse equity providing survivor annuities to eligible former spouses of annuitants who died between September 1978 and May 1986 and did not elect survivor coverage, and; transfers for payment of FERS supplemental liability covering annual amortization payments financing supplemental liabilities for FERS.

REVOLVING FUND

Appropriation, fiscal year 1996 to date	
Budget estimate, fiscal year 1997	\$5,000,000
Recommended in the bill	4,755,000
Bill compared with:	
Appropriation, fiscal year 1996	+4,755,000
Budget estimate, fiscal year 1997	-245,000

MISSION

This account has been established to allow OPM to accept reimbursement from other federal agencies for specified personnel services.

RECOMMENDATION

The Committee provides \$4,755,000 in budget authority to help reduce the accumulated Revolving Fund deficit resulting from ten years of successive losses. This amount is intended to offset an outstanding deficit of \$33,700,000, and not to provide any new services.

GENERAL PROVISIONS—OFFICE OF PERSONNEL MANAGEMENT

Section 421. The Committee included, at the request of the Administration, a modification to title 5, United States Code, which authorizes OPM to accept reimbursement for personnel manage-

ment services provided to revolving funds, government sponsored enterprises, and other “nonappropriated fund instrumentalities”. This is a technical correction that allows OPM to provide the same reimbursable service that it offers most federal agencies to these other entities.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$7,840,000
Budget estimate, fiscal year 1997	8,311,000
Recommended in the bill	7,840,000
Bill compared with:	
Appropriation, fiscal year 1996	
Budget estimate, fiscal year 1997	-471,000

MISSION

The Office of Special Counsel: (1) investigates Federal employee allegations of prohibited personnel practices (including reprisal for whistleblowing) and, when appropriate, prosecutes before the Merit Systems Protection Board; (2) provides a channel for whistleblowing by Federal employees; and (3) enforces the Hatch Act. The Office may transmit whistleblower allegations to the agency head concerned and require an agency investigation and a report to the Congress and the President when appropriate.

The Act to Reauthorize the Office of Special Counsel and for Other Purposes (P.L. 103-424, October 29, 1994) expanded the Office of Special Counsel’s responsibility. The Act extended all protections of the Office to approximately 80,000 medical employees of the Department of Veterans Affairs and whistleblower protections to certain employees of government corporations which employ 82,000 workers.

RECOMMENDATION

The Committee denies the increase of 7 full time equivalent employees between fiscal 1996 and 1997.

REAUTHORIZATION FOR THE OFFICE OF SPECIAL COUNSEL

On October 29, 1994, President Clinton signed into law H.R. 2970, legislation reauthorizing the Office of Special Counsel (P.L. 103-424). In his signing statement, the President identified constitutional concerns about Section 9 of the legislation, allowing an arbitrator to order an agency to take disciplinary action against a federal employee. The President’s signing statement drew attention to these questions and noted that he was instructing agencies “to follow appropriate procedures to protect the constitutional rights of such Federal employees and to consider the need for remedial legislation.” The Administration has not submitted any proposal for remedial legislation. The Committee directs the Administration to submit its proposal for remedial legislation to the appropriate authorizing committees as well as the House and Senate Committees on Appropriations.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

Appropriation, fiscal year 1996 to date	\$33,269,000
Budget estimate, fiscal year 1997	34,293,000
Recommended in the bill	33,269,000
Bill compared with:	
Appropriation, fiscal year 1996	
Budget estimate, fiscal year 1997	- 1,024,000

MISSION

The bulk of the Court's work is the trial and adjudication of controversies involving deficiencies in income, estate, and gift taxes. The Court also has jurisdiction to redetermine deficiencies in certain excise taxes; to issue declaratory judgments in the areas of qualification of retirement plans, exemption of charitable organizations and the status of certain governmental obligations; and to decide certain cases involving disclosure of tax information by the Commissioner of Internal Revenue.

TITLE V—GENERAL PROVISIONS

THIS ACT

Section 501. The Committee continues the provision limiting the expenditure of funds to the current year unless expressly provided in this Act.

Sec. 502. The Committee continues the provision limiting the expenditure of funds for consulting services under certain conditions.

Sec. 503. The Committee continues the provision regarding employment of certain categories of Federal employees.

Sec. 504. The Committee continues the provision prohibiting the use of funds to engage in activities which would prohibit the enforcement of section 307 of the 1930 Tariff Act.

Sec. 505. The Committee continues the provision prohibiting the transfer of control over the Federal Law Enforcement Training Center.

Sec. 506. The Committee continues the provision prohibiting the use of funds for certain propaganda purposes.

Sec. 507. The Committee continues the provision prohibiting the prevention of certain United States Postal Service employees from contacting their member of Congress.

Sec. 508. The Committee continues the provision authorizing donations of supplies and equipment to the Federal Executive Institute.

Sec. 509. The Committee continues the provision authorizing Secret Service to accept donations regarding protection of former Presidents.

Sec. 510. The Committee continues the provision concerning employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Sec. 511. The Committee continues the provision prohibiting the use of funds to provide any non-public mailing lists to any person or organization outside of the Federal Government.

Sec. 512. The Committee continues the provision concerning compliance with Buy American Act.

Sec. 513. The Committee continues the provision concerning prohibition of contracts which use certain goods not made in America.

Sec. 514. The Committee continues the provision concerning prohibition of contracts.

Sec. 515. The Committee continues the provision providing that fifty percent of unobligated balances may remain available for certain purposes.

Sec. 516. The Committee continues the provision prohibiting any increases in the travel object classification for any agency funded in this Act.

Sec. 517. The Committee continues and modifies the provision specifying the authority of the special police officers of the Bureau of Engraving and Printing and the U.S. Mint. The Committee has made this provision permanent law.

Sec. 518. The Committee continues the provision prohibiting funds in this Act to be used for abortions.

Sec. 519. The Committee continues the provision providing that Section 518 will not apply when the life of the mother would be endangered, or that the pregnancy is the result of an act of rape or incest.

Sec. 520. The Committee continues the provision prohibiting implementation of an ATF ruling pertaining to the citric acid content of vodka.

Sec. 521. The Committee inserts this provision providing personal services contractors employed by the Department of the Treasury to be considered as Federal employees for purposes of making available federal employee health and life insurance.

Sec. 522. The Committee inserts this provision reducing the number of political appointees at the U.S. Mint.

Sec. 523. The Committee inserts this provision which allows for the minting of 24 karat gold coins.

Sec. 524. The Committee inserts this provision which allows for the minting of platinum coins.

Sec. 525. The Committee has included a new provision that allows three agencies under its jurisdiction to provide voluntary separation incentive payments ("buyouts") to its employees to facilitate downsizing. Buyouts have several advantages over reductions in force: they do not harm agency morale to the same extent, avoid the "bumping" phenomena in which the last hired are always the first fired, and can cost less if they are done correctly.

The Committee is concerned that previous buyout efforts have been somewhat haphazard. Some agencies have offered buyouts to personnel that they intend to keep while not offering them to people whose positions will be eliminated.

The Committee intends to ensure that no such abuses will occur under this authority. Every buyout offer must be carefully and specifically targeted by geographic location, position, grade and organizational entity. Buyouts must be used only to the extent that they help reduce the size of the agency. Furthermore, the Committee is aware that agencies not under its jurisdiction have attempted to abuse prior buyout authority or extend such authority based on highly creative, but erroneous, legal reasoning.

It is the Committee's intent that buyouts only be completed as a consequence of the agency's strategic plan, that they be completed by February 1, 1997, that this provision will not be repeated in the future and that it save budgetary resources.

Sec. 526. The Committee has inserted this new provision which states laws governing procurement and public contracts shall not be applicable to the Bureau of Engraving and Printing (BEP) programs and operations. The authorities of this provision expire on September 30, 1999.

Sec. 527. The Committee has inserted this new provision which authorizes the establishment of a demonstration project pursuant to Title 5 authorities to test alternative management systems of the U.S. Mint.

Sec. 528. The Committee includes a new provision to reimburse the attorney fees and costs incurred by the former employees of the White House Travel Office whose employment in that office was terminated on May 19, 1993. Upon submission of documentation verifying the former employees' attorney fees and costs incurred as a result of that termination, the Secretary of the Treasury shall reimburse such fees and costs out of funds appropriated to departmental offices, salaries and expenses.

Sec. 529. The Committee includes a new provision which provides a restriction on the use of funds for the White House to request official background reports without the written consent of the individual who is the subject of the report.

TITLE VI—GOVERNMENTWIDE GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 601. The Committee continues the provision authorizing agencies to pay travel costs of the families of Federal employees to foreign duty to return to the United States in the event of a death or a life threatening illness of the employee.

Sec. 602. The Committee continues the provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Sec. 603. The Committee continues the provision authorizing reimbursement for travel, transportation, and subsistence expenses incurred for training classes, conferences, or other meetings in connection with the provision of child care services to Federal employees.

Sec. 604. The Committee continues the provision regarding price limitations on vehicles to be purchased by the Federal Government.

Sec. 605. The Committee continues the provision allowing funds made available to agencies for travel to also be used for quarters allowances and cost-of-living allowances.

Sec. 606. The Committee continues the provision prohibiting the Government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental U.S.

Sec. 607. The Committee continues the provision ensuring that agencies will have authority to pay GSA bills for space renovation and other services.

Sec. 608. The Committee continues the provision allowing agencies to finance the costs of recycling and waste prevention programs with proceeds from the sale of materials recovered through such programs.

Sec. 609. The Committee continues the provision providing that funds may be used to pay rent and other service costs in the District of Columbia.

Sec. 610. The Committee continues the provision restricting the President's recess appointment power.

Sec. 611. The Committee continues the provision authorizing agencies with delegated authority to make direct expenditures to operate, maintain, and repair its facilities using funds otherwise available to make rental payments to GSA.

Sec. 612. The Committee continues the provision allowing Federal agencies to use foreign credits for any purpose for which appropriations are made in the current fiscal year.

Sec. 613. The Committee continues the provision precluding the financing of groups by more than one Federal agency absent prior and specific statutory approval.

Sec. 614. The Committee continues the provision authorizing the Postal Service to employ guards and give them the same special police powers as GSA guards.

Sec. 615. The Committee continues the provision prohibiting the use of funds for enforcing regulations disapproved in accordance with the applicable law of the U.S.

Sec. 616. The Committee continues the provision limiting the pay increases of certain prevailing rate employees.

Sec. 617. The Committee continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Sec. 618. The Committee continues the provision prohibiting the expenditure of funds for the acquisition of additional law enforcement training facilities.

Sec. 619. The Committee continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Sec. 620. The Committee continues the provision requiring agencies to certify that a Schedule C appointment was not created solely or primarily to detail the employee to the White House.

Sec. 621. The Committee continues the provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment.

Sec. 622. The Committee continues the provision prohibiting the use of funds for travel expenses not directly related to official governmental duties.

Sec. 623. The Committee continues the provision requiring the President to certify that persons responsible for administering the Drug Free Workplace Program are not themselves the subject of random drug testing.

Sec. 624. The Committee continues the provision prohibiting Federal training not directly related to the performance of official duties.

Sec. 625. The Committee continues the provision prohibiting the expenditure of funds for implementation of agreements in non-disclosure policies unless certain provisions are included.

Sec. 626. The Committee continues the provision requiring mandatory use of FTS2000.

Sec. 627. The Committee inserts the provision extending the termination date regarding the franchise fund pilot program included in Public Law 103-356.

Sec. 628. The Committee continues the provision that limits the Secretary of the Treasury from making loans to foreign entities unless certain criteria are met.

Sec. 629. The Committee continues and modifies a provision providing law enforcement credit to law enforcement officers hired during the three year transition period before FERS was fully implemented.

Sec. 630. The Committee has inserted a new provision mandating that federal workers paid as part of this Act may not receive weekend or night differential pay for hours in which they did not work.

A 1993 court decision interpreting the leave provisions in title 5 of the United States Code held that federal employees who took leave on a Sunday for which they were scheduled to work (i.e., scheduled to work in advance of the work week) were entitled to Sunday premium pay even though they did not work. The General Accounting Office reviewed this practice in a May, 1995 report entitled *Sunday Premium Pay: Millions of Dollars in Sunday Premium Pay Are Paid to Employees on Leave*. It surveyed five agencies—FAA, Customs, the Department of Defense, Justice, and Veterans Affairs—and concluded that \$17.9 million of the \$146.1 million in Sunday premium pay was paid to employees on leave. The Department of Transportation Appropriations Act for 1995 prohibited premium pay for employees on leave within the Department of Transportation. This provision extends that provision to the entities appropriated under this Act.

Sec. 631. The Committee inserts as a new provision regarding lobbying by executive agency personnel.

Sec. 632. The Committee inserts as a new provision the text of H.R. 782, the “Federal Employee Representation Improvement Act”, which allows federal employees to represent the views of employee organizations like child care centers, health and fitness organizations, recreation associations, and professional associations before government agencies. This is a technical amendment to section 205 of title 18 and is needed to supersede a November 1994 Department of Justice legal opinion which prohibits this type of representation.

Sec. 633. The Committee inserts this new provision amending the disabled child survivor program of the Civil Service Retirement System by allowing benefits that had been terminated because of the marriage of the child to be renewed if that child divorces.

Sec. 634. The Committee has included a new provision allowing a Federal employee involuntarily separated from service due to a reduction in force to credit his annual leave toward meeting minimum age and service requirements, thereby qualifying such employee to an immediate annuity.

Sec. 635. The one-year “cooling off” provisions of section 207(c) are amended by section 6 of H.R. 3235, the “Office of Government Ethics Authorization Act of 1996.” With that section, SES level 4 employees will not be subject to the post-employment restrictions of section 207 of title 18, as was the intention by the 1989 Ethics in Government Act amendments. This section amends the last clause of the definition of “senior” official in Section 207(c)(2)(A)(ii) by tying the basic rate of pay to a level equal to or greater than that of Level 5 of the Senior Executive Service.

Section 207(c) of title 18 was amended in 1989 to define “senior” officials as those officials serving: (1) in a position listed on the Executive Schedule; (2) by serving in a position in the uniformed services ranked O-7 or above; (3) by serving in particular positions within the White House Office; (4) or by serving in any position for which the basic rate of pay is equal to or greater than that of an Executive Level V. In 1989, this last group (those persons serving in any position for which the basic rate of pay is equal to or greater than that of an Executive Level V) included those in the Senior Executive Service at levels 5 and 6.

This change is necessary because Congress has chosen for purposes unrelated to post-employment restrictions to freeze the rates of pay for positions on the Executive Level Schedule. The rates of pay for positions in the Senior Executive Service (“SES”) are set by the President through Executive Order. On January 7, 1996, Executive Order 12984 increased the basic rate of pay for a SES level 4 employee to an amount above that of an Executive Level V position. The result of Executive Order 12984 is the unintended consequence of SES level 4 employees subject to post-employment restrictions originally intended only for SES level 5 and 6 employees.

The need to add additional language to the TPO Appropriations is the result of a drafting error in H.R. 3235. H.R. 3235 ties the basic rate of pay to a level equal to or greater than that of Level 5 of the Senior Executive Service in section 207(c)(2)(A)(ii), but failed to change the last line of subsection 207(e)(6)(B). This language will ensure that the postemployment restrictions for executive branch employees are consistent with those of legislative branch employees.

Sec. 636. The Committee has included a new provision granting authority for Federal Government Agencies to pay a portion of the professional liability insurance costs incurred by certain of their employees.

**TITLE VII—SUPPLEMENTAL APPROPRIATIONS AND RESCIS-
SIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
1996**

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

The Bureau of Alcohol, Tobacco and Firearms has investigated 65 church fires in just 18 months—36 of which have taken place at predominantly African-American churches. The largest number of arsons have occurred in South Carolina, North Carolina, Tennessee and Louisiana; but we have incidents as far north as New

York and as far west as Arizona. Approximately 135 ATF special agents have been assigned to the active investigations in the Southeast, and ATF has employed all of its resources, including National Response Teams, certified fire investigators and accelerant detecting canines to investigate these crimes. Although a conspiracy was uncovered involving at least two fires in South Carolina, no interstate or national conspiracy has yet been uncovered.

The Committee intends to do everything in its power to stop these crimes, and has therefore provided \$12,011,000 in supplemental appropriations for fiscal year 1996 under Title VII of this bill as well as another \$12,011,000 in fiscal year 1997 appropriations. Resources will be used for overtime, travel, offices, phones, reward money, equipment, and any other legitimate expenditures directly associated with church fire investigations. These resources may also be used to offset the cost of joint Federal, state and local task forces working on these cases.

INTERNAL REVENUE SERVICE

INFORMATION SYSTEMS

(RESCISSION)

The Committee has included a rescission of \$12,011,000 from funds made available for tax systems modernization in fiscal year 1996.

APPROPRIATIONS CAN BE USED ONLY FOR THE PURPOSES FOR WHICH MADE

Title 31 of the United States Code makes clear that appropriations can be used only for the purposes for which they were appropriated as follows:

Section 1301. Application.

(a) Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.

COMPLIANCE WITH HOUSE RULES

DEFINITION OF "PROGRAM PROJECT AND ACTIVITY" AS PROVIDED FOR BY PUBLIC LAW 99-177, THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.

During fiscal year 1997, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), the following information provides the definition of the term "program, project and activity" for departments and agencies under the jurisdiction of the Treasury, Postal Service and General Government Subcommittee. The term "program, project and activity" shall include the most specific level of budget items identified in the Treasury, Postal Service, and General Government Appropriations Act, 1987 as passed the House including the House Report which accompanies that Act. (Under the above definition, the Federal Building Fund, the Bureau of Engraving and Printing Fund and other intragovernmental funds are exempt under section 255(g)(1) of Public Law 99-177.)

TRANSFER OF FUNDS

Pursuant to clause 1(b), rule X of the House of Representatives, the following table is submitted describing the transfer of funds provided in the accompanying bill.

The table shows, by title, department and agency, the appropriations affected by such transfers.

APPROPRIATION TRANSFERS RECOMMENDED IN THE BILL

Account to which transfer is to be made	Amount	Account from which transfer is to be made	Amount
State and local entities	59,000,000	Federal Drug Programs—HIDTA	59,000,000
Personnel Management	93,486,000	Trust fund of the Office of Personnel Management	93,486,000
Inspector General, OPM	8,645,000	Appropriate Trust Funds	8,645,000
Merit Systems Protection Board	2,430,000	Civil service retirement and disability fund	2,430,000
U.S. Customs Service	20,600,000	Automation Enhancement	20,600,000
Office of Professional Responsibility	3,000,000	U.S. Customs Service	3,000,000
Departmental Offices	13,000,000	Internal Revenue Service	13,000,000
Departmental Offices	6,500,000	Automation Enhancements	6,500,000
Secret Service Acquisition, Construction, Improvement and Related Expenses	8,200,000	Treasury Buildings and Annex Repair and Restoration	8,200,000
Department of Defense	365,400,000	Internal Revenue Service	365,400,000

RESCISSION OF FUNDS

In compliance with clause 1(b) of rule X of the House of Representatives, the Committee reports that it recommends rescissions in the bill, as follows:

Internal Revenue Service, Information Systems:	
Public Law 104–52	\$12,011,000
Public Law 104–52	100,000,000
Public Law 103–329	51,685,000
Public Law 102–393	2,421,000
Public Law 102–141	20,341,000
National Archives and Records Administration, Operating Expenses:	
Public Law 104–52	4,500,000
Total rescissions proposed in bill	190,958,000

COMPLIANCE WITH RULE XI, CLAUSE 2(1)(4)

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4), rule XI of the House of Representatives, the Committee estimates that enactment of this bill would have minimal overall inflationary impact on prices and costs in the operation of the national economy.

FIVE YEAR PROJECTIONS

In compliance with section 308(1)(C) of the Congressional Budget Act of 1974 (Public Law 93–344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

Outlays:	<i>In millions</i>
Budget authority	23,194
Fiscal year 1997	20,601
Fiscal year 1998	11,560
Fiscal year 1999	413

Fiscal year 2000	<i>In mil</i> 197
Fiscal year 2001 and beyond	197

COMPLIANCE WITH RULE XIII, CL. 3 (RAMSEYER RULE)

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 203 OF TITLE 3, UNITED STATES CODE

§ 203. Personnel, appointment, and vacancies

(a) The United States Secret Service Uniformed Division shall consist of such number of officers, with grades corresponding to similar officers of the Metropolitan Police force, and of such number of privates, with grade corresponding to that of private of the highest grade in the Metropolitan Police force, as may be necessary [but not exceeding twelve hundred in number].

* * * * *

TITLE 31, UNITED STATES CODE

* * * * *

Subtitle II—The Budget Process

* * * * *

CHAPTER 13—APPROPRIATIONS

* * * * *

Subchapter I—General

* * * * *

[§ 1306. Use of foreign credits

[Foreign credits owed to or owned by the Treasury are not available for expenditure by agencies except as provided annually in general appropriation laws.]

§ 1306. Use of foreign credits

(a) *IN GENERAL.—Foreign credits (including currencies) owed to or owned by the United States may be used by any agency for any purpose for which appropriations are made for the agency for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits), but only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency.*

(b) *EXCEPTION TO REIMBURSEMENT REQUIREMENT.—Credits described in subsection (a) that are received as exchanged allowances, or as the proceeds of the sale of personal property, may be used in*

whole or partial payment for the acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury.

* * * * *

Subtitle IV—Money

* * * * *

CHAPTER 51—COINS AND CURRENCY

* * * * *

Subchapter II—General Authority

* * * * *

§ 5112. Denominations, specifications, and design of coins

(a) * * *

* * * * *

(i)(1) * * *

* * * * *

(4)(A) Notwithstanding any other provisions of law and subject to subparagraph (B), the Secretary of the Treasury may change the diameter, weight, or design of any coin minted under this subsection or the fineness of the gold in the alloy of any such coin if the Secretary determines that the specific diameter, weight, design, or fineness of gold which differs from that otherwise required by law is appropriate for such coin.

(B) The Secretary may not mint any coin with respect to which a determination has been made by the Secretary under subparagraph (A) before the end of the 30-day period beginning on the date a notice of such determination is published in the Federal Register.

(C) *The Secretary may continue to mint and issue coins in accordance with the specifications contained in paragraphs (7), (8), (9), and (10) of subsection (a) and paragraph (1)(A) of this subsection at the same time the Secretary in minting and issuing other bullion and proof gold coins under this subsection in accordance with such program procedures and coin specifications, designs, varieties, quantities, denominations, and inscriptions as the Secretary, in the Secretary's discretion, may prescribe from time to time.*

* * * * *

(k) *The Secretary may mint and issue bullion and proof platinum coins in accordance with such specifications, designs, varieties, quantities, denominations, and inscriptions as the Secretary, in the Secretary's discretion, may prescribe from time to time.*

* * * * *

Subchapter III—United States Mint

§ 5131. Organization

(a) * * *

* * * * *

[(c) Each mint has a superintendent and an assayer appointed by the President, by and with the advice and consent of the Senate. The mint at Philadelphia has an engraver appointed by the President, by and with the advice and consent of the Senate.]

[(d)] (c) Laws on mints, officers and employees of mints, and punishment of offenses related to mints and minting coins apply to assay offices, as applicable.

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Subtitle VI—Miscellaneous

* * * * *

CHAPTER 97—MISCELLANEOUS

* * * * *

§ 9703. Department of the Treasury Forfeiture Fund

(a) * * *

* * * * *

(g) APPROPRIATIONS.—

(1) * * *

* * * * *

(3)(A) * * *

* * * * *

(C) The Secretary of the Treasury shall reserve an amount not to exceed \$30,000,000 from the unobligated balances remaining in the Customs Forfeiture Fund on September 30, 1992, and such amount shall be transferred to the Fund on October 1, 1992, or, if later, the date that is 15 days after the date of the enactment of this section. Such amount shall be available for any expenses or activities authorized under this section. At the end of fiscal year 1993, [and at the end of each fiscal year thereafter] 1994, 1995, and 1996, the Secretary shall reserve in the Fund an amount not to exceed \$50,000,000 of the unobligated balances in the Fund, or, if the Secretary determines that a greater amount is necessary for asset specific expenses, an amount equal to not more than 10 percent of the total obligations from the Fund in the preceding fiscal year. *At the end of fiscal year 1997, and at the end of each fiscal year thereafter, the Secretary shall reserve any amounts that are required to be retained in the Fund to ensure the availability of amounts in the subsequent fiscal year for purposes authorized under subsection (a).*

* * * * *



INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1989

(P.L. 100-440)

* * * * *

TITLE IV—INDEPENDENT AGENCIES

* * * * *

GENERAL SERVICES ADMINISTRATION—GENERAL PROVISIONS

* * * * *

【SEC. 10. The Administrator of General Services is authorized and directed to hire up to and maintain an annual average of not less than one thousand full-time equivalent positions for Federal Protective Officers. This shall be accomplished by increasing existing staff levels at the end of fiscal year 1988 at a rate of not less than fifty positions per year until the full-time equivalency of one thousand is attained by not later than fiscal year 1992.】

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SECTION 1304 OF TITLE 5, UNITED STATES CODE

§ 1304. Loyalty investigations; reports; revolving fund

(a) * * *

* * * * *

(e)(1) A revolving fund is available, to the Office without fiscal year limitation, for financing investigations, training, and such other functions as the Office is authorized or required to perform on a reimbursable basis, *including personnel management services performed at the request of individual agencies (which would otherwise be the responsibility of such agencies), or at the request of non-appropriated fund instrumentalities.* However, the functions which may be financed in any fiscal year by the fund are restricted to those functions which are covered by the budget estimates submitted to the Congress for that fiscal year. To the maximum extent feasible, each individual activity shall be conducted generally on an actual cost basis over a reasonable period of time.

* * * * *

SECTION 403 OF THE FEDERAL FINANCIAL MANAGEMENT ACT OF 1994

(P.L. 103-356)

SEC. 403. FRANCHISE FUND PILOT PROGRAMS.

(a) * * *

* * * * *

(f) **TERMINATION.**—The provisions of this section shall expire on October 1, **[1999] 2001.**

**SECTION 640 OF THE TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT APPROPRIATIONS ACT, 1996**

(P.L. 104-52)

SEC. 640. **[Service performed]** *Hereafter, service performed* during the period January 1, 1984, through December 31, 1986, which would, if performed after that period, be considered service as a law enforcement officer, as defined in section 8401(17) (A)(i)(II) and (B) of title 5, United States Code, shall be deemed service as a law enforcement officer for the purposes of chapter 84 of such title.

SECTION 205 OF TITLE 18, UNITED STATES CODE

**§ 205. Activities of officers and employees in claims against
and other matters affecting the Government**

(a) * * *

* * * * *

[(d) Nothing in subsection (a) or (b) prevents an officer or employee, if not inconsistent with the faithful performance of his duties, from acting without compensation as agent or attorney for, or otherwise representing, any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings in connection with those proceedings.]

(d)(1) Nothing in subsection (a) or (b) prevents an officer or employee, if not inconsistent with the faithful performance of that officer's or employee's duties, from acting without compensation as agent or attorney for, or otherwise representing—

(A) any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings in connection with those proceedings; or

(B) except as provided in paragraph (2), any cooperative, voluntary, professional, recreational, or similar organization or group not established or operated for profit, if a majority of the organization's or group's members are current officers or employees of the United States or of the District of Columbia, or their spouses or dependent children.

(2) Paragraph (1)(B) does not apply with respect to a covered matter that—

(A) is a claim under subsection (a)(1) or (b)(1);

(B) is a judicial or administrative proceeding where the organization or group is a party; or

(C) involves a grant, contract, or other agreement (including a request for any such grant, contract, or agreement) providing for the disbursement of Federal funds to the organization or group.

* * * * *

(i) Nothing in this section prevents an employee from acting pursuant to—

(1) chapter 71 of title 5;

(2) section 1004 or chapter 12 of title 39;

(3) section 3 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831b);

(4) chapter 10 of title I of the Foreign Service Act of 1980 (22 U.S.C. 4104 et seq.); or

(5) any provision of any other Federal or District of Columbia law that authorizes labor-management relations between an agency or instrumentality of the United States or the District of Columbia and any labor organization that represents its employees.

TITLE 5, UNITED STATES CODE

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Subpart G—Insurance and Annuities

* * * * *

CHAPTER 83—RETIREMENT

* * * * *

Subchapter III—Civil Service Retirement

* * * * *

§ 8336. Immediate retirement

(a) * * *

* * * * *

(a)(1) *An employee involuntarily separated from service due to a reduction in force shall, upon written election, be given credit for days of unused annual leave standing to such employee's credit under a formal leave system as of the date of separation, if and to the extent necessary in order to meet the minimum age and service requirements for title to an annuity under this section.*

(2) *The Office shall prescribe any regulations which may be necessary to carry out this subsection, including regulations under which contributions to the Fund shall, with respect to the days of leave for which credit is given under this subsection, be made—*

(A) *by the employee, equal to the employee contributions which would have been required for those days if separation had not occurred; and*

(B) *by the agency from which separated, equal to the Government contributions which would have been required if separation had not occurred.*

Contributions under the preceding sentence shall be determined based on the rate of basic pay lost in effect before separation.

(3) *Nothing in this subsection shall be considered—*

(A) *to allow credit to be given for any leave standing to the credit of the employee (other than by restoration) pursuant to subchapter III or IV of chapter 63 or other similar authority;*

(B) *to permit or require the making of any contributions to the Thrift Savings Fund with respect to any period after the date of separation; or*

(C) to make any days of annual leave creditable for purposes of section 8333, any determination of average pay, or any computation of annuity.

(4)(A) The taking of a lump-sum payment under section 5551 or other similar authority shall not make any of the leave to which such payment relates unavailable for purposes of this subsection.

(B) The use of any leave for purposes of this subsection shall not reduce the amount of leave for which a lump-sum payment is payable under section 5551 or other similar authority.

(5) This subsection shall apply with respect to separations occurring on or after the date of the enactment of this subsection and before July 1, 2002.

* * * * *

§ 8341. Survivor annuities

(a) * * *

* * * * *

(e)(1) For the purposes of this subsection, “former spouse” includes a former spouse who was married to an employee or Member for less than 9 months and a former spouse of an employee or Member who completed less than 18 months of service covered by this subchapter.

* * * * *

(4) If the annuity of a child under this subchapter terminates under paragraph (3)(E) because of marriage, then, if such marriage ends, such annuity shall resume on the first day of the month in which its ends, but only if—

(A) any lump sum paid is returned to the Fund; and

(B) that individual is not otherwise ineligible for such annuity.

* * * * *

CHAPTER 84—FEDERAL EMPLOYEES’ RETIREMENT SYSTEM

* * * * *

Subchapter II—Basic Annuity

* * * * *

§ 8412. Immediate retirement

(a) * * *

* * * * *

(i)(1) An employee involuntarily separated from service due to a reduction in force shall, upon written election, be given credit for days of unused annual leave standing to such employee’s credit under a formal leave system as of the date of separation, if and to the extent necessary in order to meet the minimum age and service requirements for title to an annuity under this section or section 8414.

(2) The Office shall prescribe any regulations which may be necessary to carry out this subsection, including regulations under

which contributions to be Fund shall, with respect to the days of leave for which credit is given under this subsection, be made—

(A) by the employee, equal to the employee contributions which would have been required for those days if separation had not occurred; and

(B) by the agency from which separated, equal to the Government contributions which would have been required if separation had not occurred.

Contributions under the preceding sentence shall be determined based on the rate of basic pay last in effect before separation.

(3) Nothing in this subsection shall be considered—

(A) to allow credit to be given for any leave standing to the credit of the employee (other than by restoration) pursuant to subchapter III or IV of chapter 63 or other similar authority;

(B) to permit or require the making of any contributions to the Thrift Savings Fund with respect to any period after the date of separation; or

(C) to make any days of annual leave creditable for purposes of section 8410, any determination of average pay, or any computation of annuity.

(4)(A) The taking of a lump-sum payment under section 5551 or other similar authority shall not make any of the leave to which such payment relates unavailable for purposes of this subsection.

(B) The use of any leave for purposes of this subsection shall not reduce the amount of leave for which a lump-sum payment is payable under section 5551 or other similar authority.

(5) This subsection shall apply with respect to separations occurring on or after the date of the enactment of this subsection and before July 1, 2002.

* * * * *

Subchapter IV—Survivor Annuities

* * * * *

§ 8443. Rights of a child

(a) * * *

(b) The annuity of a child under this subchapter—

(1) * * *

* * * * *

whichever occurs first. On the death of the surviving wife or husband or former wife or husband, or termination of the annuity of a child, the annuity of any other child or children shall be recomputed and paid as though the wife or husband, former wife or husband, or child had not survived the annuitant, employee, or Member. *If the annuity of a child under this subchapter terminates under subparagraph (E) because of marriage, then, if such marriage ends, such annuity shall resume on the first day of the month in which it ends, but only if any lump sum paid is returned to the Fund, and that individual is not otherwise ineligible for such annuity.*

* * * * *



SECTION 207 OF TITLE 18, UNITED STATES CODE

§ 207. Restrictions on former officers, employees, and elected officials of the executive and legislative branches

(a) * * *

* * * * *

(e) RESTRICTIONS ON MEMBERS OF CONGRESS AND OFFICERS AND EMPLOYEES OF THE LEGISLATIVE BRANCH.—

(1) * * *

* * * * *

(6) LIMITATION ON RESTRICTIONS.—(A) The restrictions contained in paragraphs (2), (3), and (4) apply only to acts by a former employee who, for at least 60 days, in the aggregate, during the 1-year period before that former employee's service as such employee terminated, was paid a rate of basic pay equal to or greater than an amount which is 75 percent of the basic rate of pay payable for a Member of the House of Congress in which such employee was employed.

(B) The restrictions contained in paragraph (5) apply only to acts by a former employee who, for at least 60 days, in the aggregate, during the 1-year period before that former employee's service as such employee terminated, was employed in a position for which the rate of basic pay, exclusive of any locality-based pay adjustment under section 5302 of title 5 (or any comparable adjustment pursuant to interim authority of the President), is equal to or greater than the basic rate of pay payable for [level V of the Executive Schedule] *level 5 of the Senior Executive Service*.

* * * * *

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the financial assistance to state and local governments are as follows:

	<i>In millions</i>
New budget authority	100,000,000
Fiscal year 1996 outlays resulting therefrom	78,000,000

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares the reports submitted under section 602(b) of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

[In millions of dollars]

	602(b) allocation		This bill	
	Budget au- thority	Outlays	Budget au- thority	Outlays
Discretionary:				
General purposes	11,016	10,971	11,016	10,971
Violent Crime Trust Fund	97	84	97	84
Total discretionary	11,113	11,055	11,113	11,055
Mandatory	12,479	12,477	12,511	12,509

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended.

COMPLIANCE WITH RULE XXI, CLAUSE 3

In compliance with rule XXI, clause 3, the Committee has inserted at the appropriate place in the report a description of the effects of provisions proposed in the accompanying bill which may be considered, under certain circumstance, to change the application of existing law, either directly or indirectly.

The bill provides, in some instances, for funding of agencies and activities where legislation has not yet been finalized. In addition, the bill carries language, in some instances, permitting activities not authorized by law, or exempting agencies from certain provisions of law, but which has been carried in appropriations acts for many years.

In title IV of the bill, in connection with the General Services Administration, certain limitations on availability of revenue in the Federal Buildings Fund and certain legislative provisions have been carried forward from last year. The Committee has included a provision requiring approval by the Appropriations Committee of additional repair and alteration projects, as well as several additional general provisions.

The bill continues a number of general provisions applying to agencies covered by the bill as well as certain provisions applying Government-wide. These provisions have been carried in the prior year appropriations bill, and a number of them have been carried for many years.

TITLE I—DEPARTMENT OF THE TREASURY

The Committee has continued language which provides funds for operation and maintenance of the Treasury Building and Annex, hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for real properties leased or owned overseas; official travel expenses, official reception and representation expenses; and unforeseen emergencies of a confidential nature.

AUTOMATION ENHANCEMENT

The Committee has created a new appropriation for the development and acquisition of automatic data processing equipment, software, and services, providing transfer authority, prohibiting expenditures for TSM, and limiting expenditure until approval.

OFFICE OF INSPECTOR GENERAL

The Committee has continued language which provides funds to carry out the provisions of the Inspector General Act of 1978, the hire of vehicles, official travel expenses, and unforeseen emergencies.

TREASURY BUILDINGS AND ANNEX REPAIR AND RESTORATION

The Committee has continued language which provides funds for the repair, alteration, and improvement of the Treasury Building and Annex. The Committee has inserted new language providing funds for the National Laboratory Center and Fire Investigation Research and Development Center and the Rowley Secret Service Training Center; limiting these funds until the projects are authorized.

FINANCIAL CRIMES ENFORCEMENT NETWORK

The Committee has continued language which provides funds for hire of vehicles and official reception and representation expenses and language allowing FinCEN to use appropriated resources for official reception and representation; the travel of non-federal personnel attending conferences or meetings involving financial law enforcement; the purchase of personal services contracts; and the procurement of cutting edge technologies in an expedited fashion, provided that total expenditures do not exceed \$500,000. The Committee inserted new language allowing FinCEN to provide assistance to federal law enforcement agencies with or without reimbursement.

TREASURY FORFEITURE FUND

The Committee inserts new language making amounts available for development of a Federal wireless communication system and language reversing the transfer of resources from the Treasury Forfeiture Fund to the Special Forfeiture Fund in the Office of National Drug Control Policy.

VIOLENT CRIME REDUCTION PROGRAMS

The Committee has included language allocating amounts authorized by sections 190001(e) and 32401 of Public Law 103-322.

TREASURY FRANCHISE FUND

The Committee has included new language establishing a Treasury Franchise Fund pilot project as authorized by section 403 of Public Law 103-356.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

The Committee has continued language which provides funds for material and support costs of basic training, the hire of vehicles, student athletic and related activities, uniform purchases, conducting and or participating in firearms matches, community relations for U.S. Postal Service law enforcement personnel and State and local law enforcement training, acceptance of gifts, training of pri-

vate sector security officials on a reimbursable space available basis, travel expenses of non-federal personnel to attend State and local course development meetings at the Center, the establishment of a fund to provide gifts for certain honor graduate students, directs the Director to present certain awards, allows for the provision of short term medical services for students undergoing training.

Authorization for the Federal Law Enforcement Training Center has not been enacted as of the date of this report.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED
EXPENSES

The Committee has continued language for construction, repair, and other expenses to remain available until expended.

FINANCIAL MANAGEMENT SERVICE

The Committee has continued language which provides funds to remain available until expended for systems modernization.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

The Committee has continued language which provides funds for the purchase of vehicles, the hire of aircraft, the services of expert witnesses, the payment of per diem and/or subsistence allowances for the National Response Team, official reception and representation expenses, training of State and local law enforcement agencies, the provision of laboratory assistance to State and local agencies, the payment of attorney's fees, the equipping of certain vessels, vehicles, equipment or aircraft; provides that no funds shall be used to consolidate or centralize the records pertaining to firearms licenses; and prohibits the payment of administrative expenses in changing the definition of curios or relics. The Committee has modified language prohibiting the transfer of ATF's functions to another federal agency. The Committee has included new language prohibiting provision of ballistics imaging equipment to state and local authorities under certain circumstances, providing for the transfer of the ATF air program to the Customs Service, prohibiting any reduction in force, prohibiting expenditure of separation incentive payments without advance approval of the House and Senate Committees on Appropriations, and prohibiting electronic retrieval of information gathered pursuant to 18 U.S.C. 923(g)(4) by name or personal identification. The Committee has modified a continuing provision prohibiting the Bureau of Alcohol, Tobacco and Firearms from acting upon applications for relief from Federal firearms disabilities. The modification hold that refusal to act upon such applications shall not be subject to judicial review for any felon convicted of a violent crime, firearms violation, or drug related crime.

UNITED STATES CUSTOMS SERVICE

The Committee has continued language which provides funds for the hire of vehicles, official reception and representation expenses, compensation to informers, rental space for pre-clearance operations, and part-time and temporary positions and uniforms. The

Committee has included new language directing the implementation of the General Aviation Telephonic Entry program, prohibiting any reduction in force, prohibiting the expenditure of voluntary separation incentive payments without approval of the House and Senate Committees on Appropriations, providing that the Spirit of St. Louis airport shall be designated a port of entry, and prohibiting major regulatory changes without 30 days notice.

HARBOR MAINTENANCE FEE COLLECTION

The Committee has included language relating to the use of collection of the Harbor Maintenance Fee pursuant to Public Law 103-182.

AIR INTERDICTION PROCUREMENT

The Committee inserted new language providing for the purchase and restoration of aircraft for the Customs air and marine interdiction program after September 30, 1997.

CUSTOMS SERVICE AT SMALL AIRPORTS

The Committee has continued language which provides funds for the provision of Customs services at certain small airports and provides that the funds may remain available until expended.

BUREAU OF THE PUBLIC DEBT

The Committee has continued language which provides funds for expenses associated with public debt issues.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

The Committee has provide funds for the direction, management, audit, security, purchase and hire of vehicles, services authorized by 5 USC, official reception and representation expenses, research processing tax returns, accounting, developing statistics of income, taxpayer assistance, hire of vehicles, services authorized by 5 USC.

TAX LAW ENFORCEMENT

The Committee has continued language which provides funds for determining and establishing tax liabilities, tax and enforcement litigation, technical rulings, examining employee plans and exempt organizations, investigations, securing tax returns, collection, purchase and hire of vehicles, services authorized by 5 USC.

INFORMATION SYSTEMS

The Committee has continued language which provides funds for data processing and telecommunications support, the hire of vehicles, services authorized by 5 USC, sets a minimum funding level for tax systems modernization, provides that certain funds shall remain available until expended and prohibits the expenditure of funds for tax systems modernization until certain conditions are met.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

Section 101. The Committee has included a provision which allows the transfer of funds between Internal Revenue Service appropriations. The transfer is limited to 5 percent of the appropriation and is subject to prior Congressional approval.

Section 102. The Committee has included a provision which requires the Internal Revenue Service maintain a training program in taxpayer's rights, dealing courteously with the taxpayers, and cross cultural relations.

Section 103. The Committee has included a new provision which requires the Internal Revenue Service maintain taxpayer services at not less than 1995 levels.

Section 104. The Committee has included a new provision which requires the Internal Revenue Service receive prior approval before it can obligate funds for separation agreements in accordance with Section 525 of this Act. Section 525 allows for voluntary separation of employees under certain circumstances. The IRS must submit for Congressional approval, a management plan for the use of this authority.

UNITED STATES SECRET SERVICE

The Committee has continued language which provides funds for the hire of motor vehicles, aircraft, training and assistance requested by State and local governments, services of expert witnesses, rental of certain buildings, improvements to buildings as may be necessary for protective functions, conducting of firearms matches, presentation of awards, travel of employees on protective missions, for repairs, alterations, and minor construction of the training center, making grants to conduct behavioral research, uniforms, research, and reimbursement for protection as authorized by law. The Committee has included new language making funds available as a grant for investigations of missing children.

ACQUISITION, CONSTRUCTION, IMPROVEMENT, AND RELATED EXPENSES

The Committee has included a new account for the acquisition, construction, improvement, and related expenses of the new Secret Services headquarters building.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

Section 111. The Committee continues the provision requiring the Secretary of Treasury to comply with certain reprogramming guidelines when obligating or expending funds for law enforcement activities.

Sec. 112. The Committee continues the provision allowing the Department of Treasury to purchase uniforms, insurance, and motor vehicles without regard to the general purchase price limitation, and enter into contracts with the State Department for health and medical services for Treasury employees in overseas locations.

Sec. 113. The Committee continues the provision restricting the use of funds appropriated to the IRS if employees or private sector

employees under contract to the IRS are not in compliance with the Fair Debt Collection Practices Act.

Sec. 114. The Committee continues the provision mandating that the IRS institute policies and procedures which safeguard the confidentiality of taxpayer information.

Sec. 115. The Committee continues the provision requiring expenditure of funds so as not to diminish efforts under the Federal Alcohol Administration Act.

Sec. 116. The Committee inserts this provision which modifies the Treasury Forfeiture Fund to discontinue transfers between the Treasury Forfeiture Fund and the Special Forfeiture Fund.

Sec. 117. The Committee inserts this provision which provides \$13,000,000 in IRS funding to continue the current contract for private sector debt collection and transfers another \$13,000,000 to the Departmental Offices Appropriation to initiate a second contract.

Sec. 118. The Committee inserts this provision which creates a priority placement and job retraining program for employees who have been, or are about to be, separated from government service as a result of a reduction in force. The Treasury Department shall provide such employees priority placement for other Treasury vacancies as they occur, may provide job placement and counseling services, and shall refer eligible employees for possible positions with any new private sector contractor working as part of the Internal Revenue Service's Tax Systems Modernization (TSM) program.

TITLE II—POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

The Committee has continued language which prohibits funds made available to the Postal Service from being used to close or consolidate certain post offices, from charging employees of local and child support agencies, provides funds for free mail for the blind, and for six day mail delivery and rural delivery of mail at existing levels.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT AND THE WHITE HOUSE OFFICE

The Committee has continued language which mandates that unused amounts of the President's expense allowance will revert to the Treasury and not be taxable to the President and which provides funds for service authorized by 5 USC, subsistence expenses, hire of vehicles, newspapers, periodicals, teletype news service, travel, and official entertainment expenses. The Committee includes a new provision fencing ADP funds until certain requirements are met.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

The Committee has continued languages which provides funds for operation and maintenance of the White House for official entertainment expenses.

SPECIAL ASSISTANCE TO THE PRESIDENT AND OFFICIAL RESIDENCE
OF THE VICE PRESIDENT

The Committee has included language which provides funds for operation and maintenance of the official residence of the Vice President, the hire of vehicles, official entertainment expenses and provides for the transfer of funds as necessary.

The Committee has continued language which enables the Vice President to provide assistance to the President, services authorized by 5 USC, subsistence, and the hire for vehicles. The Committee includes new provisions fencing ADP funds until certain requirements are met.

OFFICE OF POLICY DEVELOPMENT

The Committee has continued language which provides funds for expenses of the Office. The Committee includes a new provision fencing ADP funds until certain requirements are met.

NATIONAL SECURITY COUNCIL

The Committee has continued language which provides funds for expenses of the Council. The Committee includes a new provision fencing ADP funds until certain requirements are met.

OFFICE OF ADMINISTRATION

The Committee has continued language which provides funds for expenses of the Office and the hire of vehicles. The Committee includes a new provision fencing ADP funds until certain requirements are met.

OFFICE OF MANAGEMENT AND BUDGET

The Committee has continued language which provides funds for expenses, the hire of vehicles, carrying out provisions of 44 USC, directs that funds shall be applied only to items for which appropriations were made, prohibits the review of agricultural marketing orders and the alteration of certain testimony.

OFFICE OF NATIONAL DRUG CONTROL POLICY

The Committee has continued language which provides funds for expenses, research, official reception and representation expenses, participation in joint projects, the Counter-Drug Technology Assessment Center, and allows for the acceptance of gifts. The Committee has included new language providing resources for public service announcements and conferences on model state drug laws, and providing for the transfer of unobligated resources to the Treasury Forfeiture Fund.

FEDERAL DRUG CONTROL PROGRAMS—HIGH INTENSITY DRUG
TRAFFICKING AREAS PROGRAMS

The Committee has continued language which provides a certain level of funding for drug control activities for State and local and federal drug control efforts, and requires obligation of funds within a specified period of time. The Committee has included new lan-

guage designating new High Intensity Drug Trafficking Areas in the Midwest, the Gulf states, and Lake County, Indiana.

TITLE IV—INDEPENDENT AGENCIES

COMMISSION FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

The Committee has continued language which provides funds for expenses of the Committee.

FEDERAL ELECTION COMMISSION

The Committee has continued language which provides funds for expenses of the Commission and specifying a level of funding for internal automated data processing systems and reception and representation expenses.

FEDERAL LABOR RELATIONS AUTHORITY

The Committee has continued language which provides funds for the expenses of the authority, including authorized services, hire of experts and consultants, hire of passenger motor vehicles, and rental of conference rooms in the District of Columbia. The Committee has also continued a provision that public members of the Federal Service Impasse Panel may be paid travel expenses and that fees charged to non-Federal participants at labor-management relations conferences shall be credited and merged with this account.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

The Committee has continued language dealing with the conditions under which funds made available to the Federal Buildings Fund can be used and has designated certain projects which can be undertaken. Many technical provisions have been inserted regarding use of funds in the Federal Buildings Fund which are not specifically authorized by law.

The Committee has inserted language limiting funds available for construction and repair and alteration of building projects not authorized by law. A more detailed analysis of the Federal Buildings Funds can be found in the General Services Administration chapter of this report.

The Committee has inserted language concerning the Pennsylvania Avenue Development Corporation.

POLICY AND OVERSIGHT

The Committee has inserted language which provides funds for government-wide policy and oversight activities, the Board of Contract Appeals, authorized services, and official reception and representation expenses.

OPERATING EXPENSES

The Committee has continued language which provides funds for operations of the General Services Administration.

OFFICE OF INSPECTOR GENERAL

The Committee has continued language which provides funds for expenses for the Office, payment for information and detection of fraud, and awards.

ALLOWANCES AND OFFICE AND STAFF FOR FORMER PRESIDENTS

The Committee has continued language which provides funds for compliance with Public Law 95-138.

EXPENSES, PRESIDENTIAL TRANSITION

The Committee has inserted language which provides funds for the transition.

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 401. The Committee continues the provision providing for the crediting of amounts received as Federal agency rental payments to the Federal Buildings Funds.

Sec. 402. The Committee continues the provision providing funds for the hire of motor vehicles.

Sec. 403. The Committee continues the provision providing that funds made available for activities of the Federal Buildings Fund may be transferred between appropriations.

Sec. 404. The Committee inserts this provision repealing Section 10 of Public Law 100-440 which sets a limit on the number of employees in the FPS.

Sec. 405. The Committee continues the provision limiting funding for courthouse construction which do not meet certain standards of a capital improvement plan.

Sec. 406. The Committee continues the provision authorizing GSA to accept and retain income to offset the cost of the flexiplace work telecommuting centers.

Sec. 407. The Committee inserts this provision providing no funds be used to implement a plan for the Ronald Reagan Building which would permit the Woodrow Wilson Center to pay less than the rate per square foot which is paid by other Federal entities.

Sec. 408. The Committee inserts this provision providing no funds may be used increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the requested rate.

Sec. 409. The Committee inserts this provision ensuring the materials used for the facade on the United States Courthouse Annex, Savannah, Georgia project are compatible with the existing building.

Sec. 410. The Committee has inserted this new provision which allows the Administrator of General Services to retain the proceeds for the sales of real property for expenditure on any future real property activities.

JOHN F. KENNEDY ASSASSINATION RECORDS REVIEW BOARD

The Committee has continued language which provides funds for the Board.

MERIT SYSTEMS PROTECTION BOARD

The Committee has continued language which provides funds for the Board.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

The Committee has continued language which provides funds for the operations of the NARA including expenses necessary to move to a new facility.

REPAIRS AND RESTORATION—ARCHIVES FACILITIES AND PRESIDENTIAL LIBRARIES

The Committee has included language which provides funds for the repair, alteration, and improvement of archives facilities and presidential libraries.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

The Committee has included language which provides funds for the Commission.

OFFICE OF GOVERNMENT ETHICS

The Committee has continued language which provides funds for the Office.

OFFICE OF PERSONNEL MANAGEMENT

The Committee has continued language which provides for expenses of the Office, services authorized by 5 U.S.C. medical examinations under certain conditions, rental of conference rooms, hire of vehicles, official reception, and representation expenses, advances for reimbursement, acceptance of gifts, and awards for the national Civil Service Appreciation Conferences, health promotion and disease prevention programs, transfers to appropriate trust funds, prohibition on the payment of any physician, hospital or other provider of health care services who is excluded from providing services under certain Social Security Act provisions, prohibition of funds for the Legal Examining Unit, authority to accept certain donations for the White House Fellows program.

OFFICE OF INSPECTOR GENERAL

The Committee has continued language which provides funds for expenses of the Office, audit of the retirement and insurance programs, and the rental of conference rooms.

REVOLVING FUND

The Committee has provided authority to offset long-term losses in the revolving fund.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE HEALTH BENEFITS

The Committee has continued language which provides funds for the payment of the government contributions.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE
INSURANCE

The Committee has continued language which provides funds for the payment of the government contributions.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The Committee has continued language which provides funds for the payment of the government contributions.

GENERAL PROVISIONS—OFFICE OF PERSONNEL MANAGEMENT

Section 1. The Committee included, at the request of the Administration, a modification to title 5, United States Code, which authorizes OPM to accept reimbursement for personnel management services provided to revolving funds, government sponsored enterprises, and other “nonappropriated fund instrumentalities”

OFFICE OF SPECIAL COUNSEL

The Committee has continued language which provides funds for the Office.

UNITED STATES TAX COURT

The Committee has continued language which provides funds for the Court.

TITLE V—GENERAL PROVISIONS

THIS ACT

Section 501. The Committee continues the provision limiting the expenditure of funds to the current year unless expressly provided in this Act.

Sec. 502. The Committee continues the provision limiting the expenditure of funds for consulting services under certain conditions.

Sec. 503. The Committee continues the provision regarding employment of certain categories of Federal employees.

Sec. 504. The Committee continues the provision prohibiting the use of funds to engage in activities which would prohibit the enforcement of section 307 of the 1930 Tariff Act.

Sec. 505. The Committee continues the provision prohibiting the transfer of control over the Federal Law Enforcement Training Center.

Sec. 506. The Committee continues the provision prohibiting the use of funds for certain propaganda purposes.

Sec. 507. The Committee continues the provision prohibiting certain United States Postal Service employees from contacting their member of Congress.

Sec. 508. The Committee continues the provision authorizing donations of supplies and equipment to the Federal Executive Institute.

Sec. 509. The Committee continues the provision authorizing Secret Service to accept donations regarding protection of former Presidents.

Sec. 510. The Committee continues the provision concerning employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Sec. 511. The Committee continues the provision prohibiting the use of funds to provide any non-public mailing lists to any person or organization outside of the Federal Government.

Sec. 512. The Committee continues the provision concerning compliance with Buy American Act.

Sec. 513. The Committee continues the provision concerning prohibition of contracts which use certain goods not made in America.

Sec. 514. The Committee continues the provision concerning prohibition of contracts.

Sec. 515. The Committee continues the provision providing that fifty percent of unobligated balances may remain available for certain purposes.

Sec. 516. The Committee continues the provision prohibiting any increases in the travel object classification for any agency funded in this Act.

Sec. 517. The Committee continues and modifies the provision specifying the authority of the special police officers of the Bureau of Engraving and Printing and the U.S. Mint.

Sec. 518. The Committee continues the provision prohibiting funds in this Act to be used for abortions.

Sec. 519. The Committee continues the provision providing that Section 518 will not apply when the life of the mother would be endangered, or that the pregnancy is the result of an act of rape or incest.

Sec. 520. The Committee continues the provision prohibiting implementation of an ATF ruling pertaining to the citric acid content of vodka.

Sec. 521. The Committee inserts this provision providing personal services contractors employed by the Department of the Treasury to be considered as Federal employees for purposes of making available federal employee health and life insurance.

Sec. 522. The Committee inserts this provision reducing the number of political appointees at the U.S. Mint.

Sec. 523. The Committee inserts this provision which allows for the minting of 24 karat gold coins.

Sec. 524. The Committee inserts this provision which allows for the minting of platinum coins.

Sec. 525. The Committee has included a new provision that allows three agencies under its jurisdiction to provide voluntary separation incentive payments ("buyouts") to its employees to facilitate downsizing. Buyouts have several advantages over reductions in force: they do not harm agency morale to the same extent, avoid the "bumping" phenomena in which the last hired are always the first fired, and can cost less if they are done correctly.

The Committee is concerned that previous buyout efforts have been somewhat haphazard. Some agencies have offered buyouts to personnel that they intend to keep while not offering them to people whose positions will be eliminated.

The Committee intends to ensure that no such abuses will occur under this authority. Every buyout offer must be carefully and specifically targeted by geographic location, position, grade and organi-

zational entity. Buyouts must be used only to the extent that they help reduce the size of the agency.

The Committee intends that buyouts only be completed as a consequence of the agency's strategic plan, that they be completed by February 1, 1997, and that this provision will not be repeated in the future.

Sec. 526. The Committee has inserted this new provision which states laws governing procurement and public contract shall not be applicable to the Bureau of Engraving and Printing (BEP) programs and operations. The authorities of this provision expire on September 30, 1999.

Sec. 527. The Committee has inserted this new provision which authorizes the establishment a demonstration project pursuant to Title 5 authorities, to test alternative management systems.

Sec. 528. The Committee includes a new provision to reimburse the attorney fees and costs incurred by the former employees of the White House Travel Office whose employment in that office was terminated on May 19, 1993. Upon submission of documentation verifying the former employees attorney fees and costs incurred as a result of that termination, the Secretary of the Treasury shall reimburse such fees and costs out of funds appropriated to Departmental offices, salaries and expenses.

Sec. 529. The Committee includes a new provision which provides a restriction on the use of funds for the White House to request official background reports without the written consent of the individual who is the subject of the report.

TITLE VI—GOVERNMENTWIDE GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 601. The Committee continues the provision authorizing agencies to pay travel costs of the families of Federal employees to foreign duty to return to the United States in the event of a death or a life threatening illness of the employee.

Sec. 602. The Committee continues the provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Sec. 603. The Committee continues the provision authorizing reimbursement for travel, transportation, and subsistence expenses incurred for training classes, conferences, or other meetings in connection with the provision of child care services to Federal employees.

Sec. 604. The Committee continues the provision regarding price limitations on vehicles to be purchased by the Federal Government.

Sec. 605. The Committee continues the provision allowing funds made available to agencies for travel to also be used for quarters allowances and cost-of-living allowances.

Sec. 606. The Committee continues the provision prohibiting the Government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental U.S.

Sec. 607. The Committee continues the provision ensuring that agencies will have authority to pay GSA bills for space renovation and other services.

Sec. 608. The Committee continues the provision allowing agencies to finance the costs of recycling and waste prevention programs with proceeds from the sale of materials recovered through such programs.

Sec. 609. The Committee continues the provision providing that funds may be used to pay rent and other service costs in the District of Columbia.

Sec. 610. The Committee continues the provision restricting the President's recess reappointment power.

Sec. 611. The Committee continues the provision authorizing agencies with delegated authority to make direct expenditures to operate, maintain, and repair its facilities using funds otherwise available to make rental payments to GSA.

Sec. 612. The Committee continues the provision allowing Federal agencies to use foreign credits for any purpose for which appropriations are made in the current fiscal year.

Sec. 613. The Committee continues the provision precluding the financing of groups by more than one Federal agency absent prior and specific statutory approval.

Sec. 614. The Committee continues the provision authorizing the Postal Service to employ guards and give them the same special policy powers as GSA guards.

Sec. 615. The Committee continues the provision prohibiting the use of funds for enforcing regulations disapproved in accordance with the applicable law of the U.S.

Sec. 616. The Committee continues the provision limiting the pay increases of certain prevailing rate employees.

Sec. 617. The Committee continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Sec. 618. The Committee continues the provision prohibiting the expenditure of funds for the acquisition of additional law enforcement training facilities.

Sec. 619. The Committee continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Sec. 620. The Committee continues the provision requiring agencies to certify that a Schedule C appointment was not created solely or primarily to detail the employee to the White House.

Sec. 621. The Committee continues the provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment.

Sec. 622. The Committee continues the provision prohibiting the use of funds for travel expenses not directly related to official governmental duties.

Sec. 623. The Committee continues the provision requiring the President to certify that persons responsible for administering the Drug Free Workplace Program are not themselves the subject of random drug testing.

Sec. 624. The Committee continues the provision prohibiting Federal training not directly related to the performance of official duties.

Sec. 625. The Committee continues the provision prohibiting the expenditure of funds for implementation of agreements in non-disclosure policies unless certain provisions are included.

Sec. 626. The Committee continues the provision requiring mandatory use of FTS2000.

Sec. 627. The Committee inserts the provision extending the termination date regarding the franchise fund pilot program.

Sec. 628. The Committee continues the provision that limits the Secretary of the Treasury from making loans to foreign entities unless certain criteria are met.

Sec. 629. The Committee continues and modifies a provision providing law enforcement credit to law enforcement officers hired during the three year transition period before FERS was fully implemented.

Sec. 630. The Committee has inserted a new provision mandating that federal workers paid as part of this Act may not receive weekend or night differential pay for hours in which they did not work.

Sec. 631. The Committee inserts as a new provision regarding lobbying by executive agency personnel.

Sec. 632. The Committee inserts as a new provision the text of H.R. 782, the "Federal Employee Representation Improvement Act", which allows federal employees to represent the views of employee organizations like child care centers, health and fitness organizations, recreation associations, and professional associations before government agencies. This is a technical amendment to section 205 of title 18 and is needed to supersede a November 1994 Department of Justice legal opinion which prohibits this type of representation.

Sec. 633. The Committee inserts this new provision amending the disabled child survivor program of the Civil Service Retirement System by allowing benefits that had been terminated because of the marriage of the child to be renewed if that child divorces.

Sec. 634. The Committee has included a new provision allowing a Federal employee involuntarily separated from service due to a reduction in force to credit his annual leave toward meeting minimum age and service requirements, thereby qualifying such employee to an immediate annuity.

Sec. 635. The one-year "cooling off" provisions of section 207(c) are amended by section 6 of H.R. 3235, the "Office of Government Ethics Authorization Act of 1996." With that section, SES level 4 employees will not be subject to the post-employment restrictions of section 207 of title 18, as was the intention by the 1989 Ethics in Government Act amendments. This section amends the last clause of the definition of "senior" official in Section 207(c)(2)(A)(ii) by tying the basic rate of pay to a level equal to or greater than that of Level 5 of the Senior Executive Service.

Section 207(c) of title 18 was amended in 1989 to define "senior" officials as those officials serving: (1) in a position listed on the Executive Schedule; (2) by serving in a position in the uniformed services ranked O-7 or above; (3) by serving in particular positions within the White House Office; (4) or by serving in any position for which the basic rate of pay is equal to or greater than that of an Executive Level V. In 1989, this last group (those persons serving

in any position for which the basic rate of pay is equal to or greater than that of an Executive Level V) included those in the Senior Executive Service at levels 5 and 6.

This change is necessary because Congress has chosen for purposes unrelated to post-employment restrictions to freeze the rates of pay for positions on the Executive Level Schedule. The rates of pay for positions in the Senior Executive Service ("SES") are set by the President through Executive Order. On January 7, 1996, Executive Order 12984 increased the basic rate of pay for a SES level 4 employee to an amount above that of an Executive Level V position. The result of Executive Order 12984 is the unintended consequence of SES level 4 employees subject to postemployment restrictions originally intended only for SES level 5 and 6 employees.

The need to add additional language to the TPO Appropriations is the result of a drafting error in H.R. 3235. H.R. 3235 ties the basic rate of pay to a level equal to or greater than that of Level 5 of the Senior Executive Service in section 207(c)(2)(A)(ii), but failed to change the last line of subsection 207(e)(6)(B). This language will ensure that the postemployment restrictions for executive branch employees are consistent with those of legislative branch employees.

Sec. 636. The Committee has included a new provision granting authority for Federal Government Agencies to pay a portion of the professional liability insurance costs incurred by certain of their employees.

DETAILED EXPLANATIONS IN REPORT

It should be emphasized again that a more detailed statement describing the effect of the above provisions inserted or continued this year by the Committee which directly or indirectly change the application of existing law may be found at the appropriate place in this report.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following table lists the appropriations in the accompanying bill which are not authorized by law:

Treasury Department
Departmental Offices, except International Affairs and Official Travel
Office of Inspector General
Financial Crimes Enforcement Network
Federal Law Enforcement Training Center
Salaries and Expenses
Acquisition, Construction, Improvements & Related Expenses
Financial Management Service
Bureau of Alcohol, Tobacco and Firearms, except those activities related to the enforcement of tobacco smuggling and regulation of explosives
U.S. Customs Service
Salaries & Expenses

Operation and Maintenance, Air & Marine Interdiction
Programs
U.S. Mint
Bureau of the Public Debt
Internal Revenue Service
Processing, Assistance and Management
Tax Law Enforcement
Information Systems
U.S. Secret Service—except the Uniformed Division
Funds Appropriated to the President
High Intensity Drug Trafficking Areas Program
Office of Management and Budget, Office of Information and
Regulatory Affairs
Federal Election Commission
General Services Administration
Policy and Oversight

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(1)(2)(b) of rule XI of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 1

Date: June 27, 1996.

Measure: Fiscal Year 1997 Treasury, Postal Service Appropriations Bill.

Motion by: Mr. Hoyer.

Description of motion: To delete two general provisions that preclude funding of abortions in connection with any health benefit plan for Federal employees.

Results: Rejected: 16 Yeas, 22 Nays.

Members Voting Yea

Mr. Bonilla
Mr. Coleman
Mr. Dicks
Mr. Fazio
Mr. Frelinghuysen
Mr. Hefner
Mr. Hoyer
Mrs. Lowey
Mr. Miller
Mr. Obey
Ms. Pelosi
Mr. Porter
Mr. Sabo
Mr. Skaggs
Mr. Thornton
Mr. Visclosky

Members Voting Nay

Mr. Bevill
Mr. Bunn
Mr. Forbes
Mr. Hobson
Mr. Istook
Mr. Kingston
Mr. Knollenberg
Mr. Lightfoot
Mr. Livingston
Mr. Murtha
Mr. Myers
Mr. Nethercutt
Mr. Neumann
Mr. Packard
Mr. Parker
Mr. Regula
Mr. Rogers
Mr. Skeen
Mrs. Vucanovich
Mr. Walsh
Mr. Wicker
Mr. Young

ROLLCALL NO. 2

Date: June 27, 1996.

Measure: Fiscal Year 1997 Treasury, Postal Service Appropriations Bill.

Motion by: Mr. Hoyer.

Description of motion: To modify language directing the transfer of funds from IRS to DOD for the development of Tax Systems Modernization contracts from mandatory to permissive.

Results: Rejected: 18 Yeas, 23 Nays.

Members Voting Yea

Mr. Bevil
 Mr. Bonilla
 Mr. Bunn
 Mr. Coleman
 Mr. Dicks
 Mr. Durbin
 Mr. Fazio
 Mr. Hoyer
 Mrs. Lowey
 Mr. Murtha
 Mr. Obey
 Ms. Pelosi
 Mr. Sabo
 Mr. Skaggs
 Mr. Thornton
 Mr. Visclosky
 Mr. Yates
 Mr. Young

Members Voting Nay

Mr. Callahan
 Mr. Dickey
 Mr. Forbes
 Mr. Frelinghuysen
 Mr. Hobson
 Mr. Istook
 Mr. Kingston
 Mr. Knollenberg
 Mr. Lightfoot
 Mr. Livingston
 Mr. Miller
 Mr. Myers
 Mr. Nethercutt
 Mr. Neumann
 Mr. Packard
 Mr. Parker
 Mr. Porter
 Mr. Regula
 Mr. Rogers
 Mr. Skeen
 Mrs. Vucanovich
 Mr. Walsh
 Mr. Wicker

ROLLCALL NO. 3

Date: June 27, 1996.

Measure: Fiscal Year 1997 Treasury, Postal Service Appropriations Bill.

Motion by: Mr. Hoyer.

Description of motion: To decrease the amount of money earmarked for Tax Systems Modernization from \$424.5 million to \$324.5 million.

Results: Rejected: 16 Yeas, 26 Nays.

Members Voting Yea

Mr. Coleman
 Mr. Dicks
 Mr. Durbin
 Mr. Fazio
 Mr. Foglietta
 Mr. Hefner
 Mr. Hoyer
 Mrs. Lowey
 Mr. Murtha
 Mr. Obey
 Ms. Pelosi
 Mr. Sabo
 Mr. Skaggs
 Mr. Thornton
 Mr. Visclosky
 Mr. Yates

Members Voting Nay

Mr. Bonilla
 Mr. Bunn
 Mr. Callahan
 Mr. DeLay
 Mr. Forbes
 Mr. Frelinghuysen
 Mr. Hobson
 Mr. Istook
 Mr. Kingston
 Mr. Knollenberg
 Mr. Lightfoot
 Mr. Livingston
 Mr. Miller
 Mr. Myers
 Mr. Nethercutt
 Mr. Neumann
 Mr. Packard
 Mr. Parker
 Mr. Porter
 Mr. Regula
 Mr. Rogers
 Mr. Skeen
 Mrs. Vucanovich
 Mr. Walsh
 Mr. Wicker
 Mr. Young

ROLLCALL NO. 4

Date: June 27, 1996.

Measure: Fiscal Year 1997 Treasury, Postal Service Appropriations Bill.

Motion by: Mr. Hoyer.

Description of motion: To extend the date of authorized enhanced employee retirement "buyouts" from February 1, 1997 to March 31, 1997 and to allow employees eligible for retirement to receive such "buyouts".

Results: Rejected: 14 Yeas, 25 Nays.

Members Voting Yea

Mr. Bevill
Mr. Coleman
Mr. Durbin
Mr. Fazio
Mr. Foglietta
Mr. Hefner
Mr. Hoyer
Mrs. Lowey
Mr. Obey
Mr. Sabo
Mr. Skaggs
Mr. Thornton
Mr. Visclosky
Mr. Yates

Members Voting Nay

Mr. Bonilla
Mr. Callahan
Mr. DeLay
Mr. Forbes
Mr. Frelinghuysen
Mr. Hobson
Mr. Istook
Mr. Kingston
Mr. Knollenberg
Mr. Kolbe
Mr. Lightfoot
Mr. Livingston
Mr. Miller
Mr. Myers
Mr. Nethercutt
Mr. Neumann
Mr. Packard
Mr. Parker
Mr. Porter
Mr. Rogers
Mr. Skeen
Mrs. Vucanovich
Mr. Walsh
Mr. Wicker
Mr. Young

ROLLCALL NO. 5

Date: June 27, 1996.

Measure: Fiscal Year 1997 Treasury, Postal Service Appropriations Bill.

Motion by: Mr. Durbin.

Description of motion: To amend the previously agreed to Durbin amendment on judicial review of federal firearms disabilities, as amended by Mr. Obey which limited the prohibition on judicial review to felons convicted of certain crimes, to a strict prohibition on judicial review of relief of all federal firearms disabilities.

Result: Rejected: 12 Yeas, 24 Nays.

Members Voting Yea

Mr. Coleman
Mr. Durbin
Mr. Fazio
Mr. Hoyer
Mr. Istook
Mrs. Lowey
Ms. Pelosi
Mr. Porter
Mr. Sabo
Mr. Serrano
Mr. Visclosky
Mr. Yates

Members Voting Nay

Mr. Bonilla
Mr. Callahan
Mr. Forbes
Mr. Frelinghuysen
Mr. Hobson
Mr. Kingston
Mr. Knollenberg
Mr. Kolbe
Mr. Lightfoot
Mr. Livingston
Mr. Miller
Mr. Myers
Mr. Nethercutt
Mr. Neumann
Mr. Obey
Mr. Packard
Mr. Parker
Mr. Rogers
Mr. Skaggs
Mr. Skeen
Mr. Thornton
Mrs. Vucanovich
Mr. Walsh
Mr. Young

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997

(1) Agency and item	(2) Appropriated, 1996 (enacted to date)	(3) Budget estimates, 1997	(4) Recommended in bill	(5) Bill compared with appropriated, 1996	(6) Bill compared with budget estimates, 1997
TITLE I - DEPARTMENT OF THE TREASURY					
Departmental Offices.....	105,929,000	120,577,000	108,447,000	+ 2,518,000	-12,130,000
Automation Enhancement.....	.....	.....	27,100,000	+ 27,100,000	+ 27,100,000
Office of Inspector General.....	29,319,000	30,153,000	135,925,000	+ 106,606,000	+ 105,772,000
Office of Professional Responsibility (to be derived by transfer).....	.....	.....	(3,000,000)	(+ 3,000,000)	(+ 3,000,000)
Treasury Buildings and Annex Repair and Restoration.....	21,491,000	7,684,000	22,892,000	+ 1,401,000	+ 15,208,000
Financial Crimes Enforcement Network.....	22,198,000	23,137,000	22,387,000	+ 189,000	-750,000
Treasury Forfeiture Fund (limitation on availability of deposits).....	10,000,000	10,000,000	7,500,000	-2,500,000	-2,500,000
Violent Crime Reduction Programs:					
Departmental Offices.....	.....	.....	5,971,000	+ 5,971,000	+ 5,971,000
Bureau of Alcohol, Tobacco and Firearms.....	21,010,000	21,437,000	47,624,000	+ 26,614,000	+ 26,187,000
Gang Resistance Education and Training: Grants.....	7,200,000	7,200,000	7,200,000	.....	.....
United States Customs Service.....	25,690,000	35,283,000	15,005,000	-10,685,000	-20,278,000
United States Secret Service.....	21,600,000	28,761,000	20,200,000	-1,400,000	-8,561,000
Federal Law Enforcement Training Center: Salaries and Expenses.....	1,014,000	4,519,000	.....	-1,014,000	-4,519,000
Financial Crimes Enforcement Network.....	.....	.....	1,000,000	+ 1,000,000	+ 1,000,000
Total, Violent Crime Reduction Programs.....	76,514,000	97,200,000	97,000,000	+ 20,486,000	-200,000

Federal Law Enforcement Training Center:								
Salaries and Expenses.....	36,070,000	50,518,000	51,681,000	+ 15,611,000	+ 1,163,000			
Acquisition, Construction, Improvements, and Related Expenses.....	9,663,000	9,884,000	18,884,000	+ 9,221,000	+ 9,000,000			
Total, Federal Law Enforcement Training Center.....	45,733,000	60,402,000	70,565,000	+ 24,832,000	+ 10,163,000			
Financial Management Service.....	184,300,000	200,070,000	191,799,000	+ 7,499,000	- 8,271,000			
Bureau of Alcohol, Tobacco and Firearms:								
Salaries and Expenses.....	377,971,000	406,005,000	389,982,000	+ 12,011,000	- 16,023,000			
Laboratory facilities.....		62,000,000			- 62,000,000			
Total, Bureau of Alcohol, Tobacco and Firearms.....	377,971,000	468,005,000	389,982,000	+ 12,011,000	- 78,023,000			
United States Customs Service:								
Salaries and Expenses.....	1,387,153,000	1,466,170,000	1,489,224,000	+ 102,071,000	+ 23,054,000			
Operation and Maintenance, Air & Marine Interdiction Programs.....	64,843,000	83,363,000	83,363,000	+ 18,520,000				
Air Interdiction Procurement.....			28,000,000	+ 28,000,000	+ 28,000,000			
Customs Services at Small Airports (to be derived from fees collected).....	1,406,000	2,406,000	2,406,000	+ 1,000,000				
Harbor Maintenance Fee Collection.....	3,000,000	3,000,000	3,000,000					
Total, United States Customs Service.....	1,456,402,000	1,554,939,000	1,605,993,000	+ 149,591,000	+ 51,054,000			
Bureau of the Public Debt.....	170,000,000	171,910,000	165,335,000	- 4,665,000	- 6,575,000			
Payment of Government Losses in Shipment.....	500,000			- 500,000				

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued**

(1) Agency and item	(2) Appropriated, 1996 (enacted to date)	(3) Budget esti- mates, 1997	(4) Recommended in bill	(5) Bill compared with appro- priated, 1996	(6) Bill compared with budget estimates, 1997
Internal Revenue Service:					
Processing, Assistance, and Management	1,723,764,000	1,779,663,000	1,616,379,000	-107,385,000	-163,284,000
Tax Law Enforcement	4,097,294,000	4,527,821,000	4,052,586,000	-44,708,000	-475,235,000
Information Systems	1,527,154,000	1,687,674,000	1,077,450,000	-449,704,000	-610,224,000
Rescission .....	.....	.....	-174,447,000	-174,447,000	-174,447,000
Total, Internal Revenue Service	7,348,212,000	7,995,158,000	6,571,968,000	-776,244,000	-1,423,190,000
United States Secret Service:					
Salaries and Expenses	531,944,000	516,182,000	528,368,000	-3,576,000	+12,186,000
Acquisition, Construction, Improvement, and Related Expenses .....	.....	29,165,000	31,298,000	+31,298,000	+2,133,000
Total, United States Secret Service	531,944,000	545,347,000	559,666,000	+27,722,000	+14,319,000
Total, Title I, Department of the Treasury	10,380,513,000	11,284,582,000	9,976,559,000	-403,954,000	-1,308,023,000

TITLE II - POSTAL SERVICE					
Payment to the Postal Service Fund.....	85,080,000	102,817,000	85,080,000		-17,737,000
Payment to the Postal Service Fund for Nonfunded Liabilities	36,828,000			-36,828,000	
Total, Title II, Postal Service.....	121,908,000	102,817,000	85,080,000	-36,828,000	-17,737,000
TITLE III - EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT					
Compensation of the President & the White House Office:					
Compensation of the President.....	250,000	250,000	250,000		
Salaries and Expenses.....	39,459,000	40,193,000	40,193,000	+ 734,000	
Executive Residence at the White House:					
Operating Expenses	7,827,000	7,827,000	7,827,000		
White House Repair and Restoration	2,200,000			-2,200,000	
Special Assistance to the President and the Official Residence of the Vice President:					
Operating expenses.....	324,000	324,000	324,000		
Salaries and Expenses.....	3,280,000	3,280,000	3,280,000		
Council of Economic Advisers.....	3,180,000	3,439,000	3,439,000	+ 259,000	
Office of Policy Development.....	3,867,000	3,867,000	3,867,000		
National Security Council.....	6,648,000	6,648,000	6,648,000		
Office of Administration	25,736,000	26,100,000	26,100,000	+ 364,000	
Office of Management and Budget.....	55,573,000	55,573,000	55,573,000		
Office of National Drug Control Policy.....	26,900,000	34,838,000	34,838,000	+ 7,938,000	
Unanticipated Needs.....	1,000,000	1,000,000		-1,000,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued

(1) Agency and item	(2) Appropriated, 1996 (enacted to date)	(3) Budget estimates, 1997	(4) Recommended in bill	(5) Bill compared with appropriated, 1996	(6) Bill compared with budget estimates, 1997
Federal Drug Control Programs: High Intensity Drug Trafficking Areas Program	103,000,000	103,000,000	113,000,000	+ 10,000,000	+ 10,000,000
Total, Title III, Executive Office of the President and Funds Appropriated to the President.....	279,244,000	286,339,000	295,339,000	+ 16,095,000	+ 9,000,000
TITLE IV - INDEPENDENT AGENCIES					
Advisory Commission on Intergovernmental Relations.....	784,000			-784,000	
Administrative Conference of the United States.....	600,000			-600,000	
Committee for Purchase from People Who Are Blind or Severely Disabled	1,800,000	1,800,000	1,800,000		
Federal Election Commission	26,521,000	29,371,000	27,524,000	+ 1,003,000	-1,847,000
Federal Labor Relations Authority	20,542,000	21,988,000	21,588,000	+ 1,046,000	-400,000
General Services Administration:					
Federal Buildings Fund:					
Appropriation.....	82,600,000	517,925,000	209,193,000	+ 126,593,000	-308,732,000
Rescissions	(-55,000,000)			(+ 55,000,000)	
Limitations on availability of revenue:					
Construction & acquisition of facilities	(\$45,002,000)	(715,179,000)	(\$40,000,000)	(-5,002,000)	(-175,179,000)
Repairs and alterations	(637,000,000)	(775,034,000)	(635,000,000)	(-2,000,000)	(-140,034,000)
Installment acquisition payments.....	(181,963,000)	(173,075,000)	(173,075,000)		

Operations and leasing.....	(3,924,001,000)	(3,903,205,000)	(+ 274,454,000)	(-20,796,000)
Repayment of Debt.....	(88,312,000)	(88,312,000)	(+ 14,879,000)	(+ 20,000,000)
Environmental cleanup activities.....	(20,000,000)	(20,000,000)	(+ 20,000,000)	(+ 4,800,000)
Automation enhancements.....	(4,800,000)	(4,800,000)	(+ 4,800,000)	(+ 4,800,000)
Total, Federal Buildings Fund	82,600,000	209,193,000	+ 126,593,000	-308,732,000
(Limitations).....	(5,066,149,000)	(5,364,392,000)	(+ 298,243,000)	(-311,209,000)
Policy and Operations	119,091,000	109,091,000	-10,000,000	-382,000
Office of Inspector General.....	33,274,000	33,274,000		-589,000
Allowances and Office Staff for Former Presidents	2,181,000	2,180,000	-1,000	
Expenses, presidential transition.....	5,600,000	5,600,000	+ 5,600,000	
Total, General Services Administration	237,146,000	359,338,000	+ 122,192,000	-309,703,000
John F. Kennedy Assassination Record Review Board	2,150,000	2,150,000		
Merit Systems Protection Board:				
Salaries and Expenses.....	24,549,000	23,297,000	-1,252,000	-1,252,000
(Limitation on administrative expenses).....	(2,430,000)	(2,430,000)		
National Archives and Records Administration:				
Operating expenses.....	199,633,000	195,109,000	-4,524,000	-1,855,000
Reduction of debt.....	-4,012,000	-4,012,000		
Rescission.....	1,500,000	-4,500,000	-4,500,000	-4,500,000
Repairs and Restoration.....	5,000,000	9,500,000	+ 8,000,000	+ 6,750,000
National Historical Publications and Records Commission: Grants program.....	5,000,000	4,000,000	-1,000,000	
Total, National Archives and Records Admin	202,121,000	200,097,000	-2,024,000	+ 395,000
Office of Government Ethics	7,776,000	8,078,000	+ 302,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued

(1) Agency and item	(2) Appropriated, 1996 (enacted to date)	(3) Budget esti- mates, 1997	(4) Recommended in bill	(5) Bill compared with appro- priated, 1996	(6) Bill compared with budget estimates, 1997
Office of Personnel Management:					
Salaries and Expenses.....	88,000,000	86,576,000	86,576,000	-1,424,000	.....
(Limitation on administrative expenses).....	(102,536,000)	(94,736,000)	(93,486,000)	(-9,050,000)	(-1,250,000)
Office of Inspector General.....	4,009,000	960,000	960,000	-3,049,000	.....
(Limitation on administrative expenses).....	(6,181,000)	(8,645,000)	(8,645,000)	(+ 2,464,000)	.....
Revolving fund.....	.....	5,000,000	4,755,000	+ 4,755,000	-245,000
Government Payment for Annuitants, Employees Health Benefits.....	3,746,337,000	4,059,000,000	4,059,000,000	+ 312,663,000	.....
Government Payment for Annuitants, Employee Life Insurance.....	32,647,000	33,000,000	33,000,000	+ 353,000	.....
Payment to Civil Service Retirement and Disability Fund	7,945,998,000	7,989,000,000	7,989,000,000	+ 43,002,000	.....
Total, Office of Personnel Management.....	11,816,991,000	12,173,536,000	12,173,291,000	+ 356,300,000	-245,000
Office of Special Counsel.....	7,840,000	8,311,000	7,840,000	.....	-471,000
United States Tax Court.....	33,269,000	34,293,000	33,269,000	.....	-1,024,000
Total, Title IV, Independent Agencies.....	12,382,089,000	13,172,819,000	12,858,272,000	+ 476,183,000	-314,547,000
(Limitation on administrative expenses).....	(5,122,296,000)	(5,781,412,000)	(5,468,953,000)	(+ 346,657,000)	(-312,459,000)

TITLE VII - SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS					
Bureau of Alcohol, Tobacco and Firearms:					
Salaries and Expenses.....		12,011,000			+ 12,011,000
(By transfer)	(12,000,000)				(-12,000,000)
Internal Revenue Service:					
Information Systems (rescission).....		-12,011,000			-12,011,000
Grand total.....		23,215,250,000		+ 51,496,000	-1,631,307,000
Appropriations	24,846,557,000			(+ 230,443,000)	(-1,452,360,000)
Rescissions	(24,846,557,000)			(-178,947,000)	(-178,947,000)
(Limitations)	(5,781,412,000)		(5,468,953,000)	(+ 346,657,000)	(-312,459,000)

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued**

(1) Agency and item	(2) Appropriated, 1996 (enacted to date)	(3) Budget esti- mates, 1997	(4) Recommended in bill	(5) Bill compared with appro- priated, 1996	(6) Bill compared with budget estimates, 1997
Scorekeeping adjustments:					
Bureau of The Public Debt (Permanent).....	126,840,000	129,000,000	129,000,000	+ 2,160,000	.....
Mint revolving fund.....	60,230,000	.....	.....	-60,230,000	.....
Ethics Reform Act Adjustment.....	-6,000,000	.....	.....	+ 6,000,000	.....
Administrative reductions (P.L. 104-134).....	-21,000,000	.....	.....	+ 21,000,000	.....
GSA Federal building fund obligational authority	-191,910,000	.....	.....	+ 191,910,000	.....
Gold and platinum bullion.....	.....	.....	-21,000,000	-21,000,000	.....
Total, scorekeeping adjustments	-31,840,000	129,000,000	108,000,000	+ 139,840,000	-21,000,000
Total mandatory and discretionary	23,131,914,000	24,975,557,000	23,323,250,000	+ 191,336,000	-1,652,307,000
Mandatory	11,889,400,000	12,210,250,000	12,210,250,000	+ 320,850,000	.....
Discretionary:					
Crime trust fund.....	76,514,000	97,200,000	97,000,000	+ 20,486,000	-200,000
General purposes.....	11,166,000,000	12,668,107,000	11,016,000,000	-150,000,000	-1,652,107,000
Total, Discretionary	11,242,514,000	12,765,307,000	11,113,000,000	-129,514,000	-1,652,307,000

MINORITY VIEWS OF HON. STENY H. HOYER, HON. PETER
J. VISCLOSKY, AND HON. RONALD D. COLEMAN

We believe that it is unfortunate that because of the Subcommittee's inadequate allocation, there are not enough resources in the bill to adequately fund some of the basic functions of our government. For 1997 this allocation requires an overall reduction of \$130 million in budget authority and half a billion in outlays from the 1996 appropriated level. We simply don't have enough money to enable certain of the agencies funded in this bill to carry out their important responsibilities.

While this bill funds important increases in Treasury's law enforcement activities, many of these increases, that go far beyond the President's request, have been made at the expense of the Internal Revenue Service, a very important agency when it comes to deficit reduction.

Not only does this bill halt the compliance initiative found to enhance revenues so successfully in prior years, but it cuts into the base funding of IRS tax enforcement programs. Reducing tax law enforcement to \$44.7 million below the current level would result in an estimated annual revenue loss of \$640 million. Cuts like this will cost, not save, money in the long run. This bill would set aside \$26 million of IRS's limited funds to double the scope of the current pilot project on using private collection agencies to collect overdue taxes. We believe that until the results of this first pilot project are complete, this \$26 million would be better spent in IRS's telephone collection system, which could generate an additional \$665 million in revenue.

This bill seriously underfunds the information systems that are critical to processing tax returns and supporting required financial management activities; it cuts in half funding for tax systems modernization at the IRS, and ties the hands of the Treasury Department such that even the operational projects that GAO believes should be funded are halted.

We all recognize that this broad effort to update all aspects of IRS's computer and processing systems is a high priority that is critical as the agency prepares for the 21st century. We also are very concerned about the lack of results from IRS's efforts on Tax Systems Modernization (TSM). TSM has problems—TSM has had problems for many years, through three administrations. We're glad that Secretary Rubin and Deputy Secretary Summers have taken decisive action to begin to fix the TSM problems. But we disagree with the majority in trying to solve those problems by cutting funds for existing programs, micromanaging the Department, and mandating that the Department of Defense alone should handle finding the IRS a suitable new contractor to implement TSM. In fact, the Under Secretary of Defense for Acquisition and Technology wrote Chairman Lightfoot opposing the provision, indicating

that the approach in the bill of using DoD is “very unlikely to be successful.”

In addition, we disagree with the majority’s restrictive TSM language and reduced funding levels for all IRS, that would mandate the immediate elimination of as many as 7,500 positions throughout the agency.

We are very concerned with the negative impact on both the deficit and individual taxpayers that would result from this approach to IRS funding and management. And our concern is shared by the majority and minority on the Ways and Means Committee. In a letter to Chairman Livingston signed by Chairman Bill Archer, Ranking Minority Member Sam Gibbons, Nancy Johnson (Chairman of the Subcommittee on Oversight), and Robert Matsui, (Ranking Minority Member of the Subcommittee), the Ways and Means Committee expressed its serious concern that the funding levels in the Subcommittee’s mark “will seriously impair the IRS’s ability to perform its core responsibilities.” The Ways and Means Committee requested seven major changes in the subcommittee’s bill (summary attached), only two of which were given consideration in this bill. We believe the majority’s underfunding of the IRS is a grave mistake which must be corrected.

We remain concerned that the funding of IRS’s Office of Inspections through a joint account with the Treasury Department’s Inspector General should in no way decrease the valuable and necessary role that the Office of Inspections serves within the IRS. We are optimistic that the revised bill and report language transfers the funding to a new account but does not enhance the operational size of the Inspector General or change the valuable functions provided by the Office of Inspection to the IRS.

We continue to be disappointed that we are not fulfilling our agreement with the U.S. Postal Service. When the Postal Service became independent, we agreed to fund workers’ compensation for individuals who worked for the former Post Office Department. There was also agreement to reimburse the Postal Service for statutory reductions in postage rates for certain non-profit organizations and other mailers. Once again, we have failed to live up to our part of the agreement.

We are disappointed that the majority decided to retain a provision added last year which restricts a federal employee’s choice of a health care insurance plan by prohibiting “federal funds” from being used to purchase a policy which provides coverage for pregnancy termination, except in instances where the life of the mother is at risk, or where rape or incest were the cause of the pregnancy.

It is our position that the federal funds used for the purpose of purchasing health care coverage for federal employees are a part of the employee’s compensation package. Federal employees, like many other employees, receive compensation in the form of salary, health care benefits and retirement benefits. This is their money to use. They choose a health insurance plan and a portion of that is paid for with their health coverage benefit. That money is no more “federal funds” than is their salary after they have received it. The choice of policies is the employee’s alone. Therefore, the committee’s premise that it is the employer’s right to restrict the scope of coverage for legal medical services is wrong.

Finally, this bill unduly restricts the operations of our newly invigorated Office of National Drug Control Policy. The President has appointed a true leader in General McCaffrey, and we believe the majority is mistaken in reducing the staff he has requested even before he has an opportunity to prove their usefulness. General McCaffrey ought to be given the staff he needs to lead our government efforts toward a coordinated and successful national drug control strategy. We are concerned that the majority has unduly tied General McCaffrey's hands before he has had an opportunity to perform.

SUMMARY OF ACTIONS REQUESTED BY THE COMMITTEE ON WAYS
AND MEANS

1. *Funding for Non-TSM Information Systems.* The Subcommittee provided \$653 million in funds for IRS Legacy Systems, but total funding for non-TSM Information Systems is \$179.2 million and 1,700 FTEs below FY 1996 operating levels and over \$94 million below FY 1995 actual levels. In addition, the Subcommittee proposed to completely eliminate funding for a number of non-TSM Information Systems that are currently being used in returns processing, and critical financial management activities. The Ways and Means Committee strongly encourages the Appropriations Committee to restore funding of these important non-TSM Information Systems in order to assure that necessary functions performed by the IRS during the 1997 tax filing season are not disrupted and critical taxpayer services are not interrupted.

2. *Taxpayer Services.* The Subcommittee proposal includes language mandating the IRS to maintain Taxpayer Services walk-in sites at FY 1995 levels. The Ways and Means Committee strongly encourages the Appropriations Committee to delete this language in order to allow the IRS the necessary flexibility to determine how it can best serve the needs customer service need of taxpayers.

3. *Restrictions on TSM Funding.* The Subcommittee proposed a number of TSM management actions, including the fencing off of all TSM funds until the IRS establishes a restructured contractual arrangement with the private sector to develop TSM programs, and transfer of TSM procurement activities to the Department of Defense. The Ways and Means Committee strongly encourages the Appropriations Committee to delete funding restrictions on TSM and allow responsibility for execution of TSM to remain with the IRS under the direction of the Modernization Management Board recently established by the Treasury Department.

4. *Private Sector Tax Debt Collection.* The Subcommittee included a provision in its bill which transfers \$13 million from the IRS to Treasury to initiate a second private sector debt collection program. The Subcommittee bill also includes an additional \$13 million for expansion of the current IRS private debt collection pilot established by the FY 1996 Treasury, Postal Service and General Government appropriation. The collection of tax debts is a subject governed by provisions of the Internal Revenue Code and is within the jurisdiction of the Ways and Means Committee. We believe the Subcommittee's provisions relating to expanding the use of private collection agencies to collect delinquent tax debts are premature and request that they be deleted.

5. *Tax Collection Performance Measures.* The Subcommittee included a provision which prohibits the expenditure of funds for Tax Law Enforcement after February 1, 1997, unless the IRS develops "adequate" tax collection performance measures. Since the Subcommittee's proposal provides no indication as to the standards it will use to measure the "adequacy" of IRS's tax debt collection performance measures, we believe this provision is overly vague and places an arbitrary restriction which poses a serious risk of loss of federal revenues. We request that this restriction on the expenditure of Tax Law Enforcement funds be deleted.

6. *Transfer of IRS Inspection to the Treasury Inspector General.* The Subcommittee proposes to transfer \$106 million and 1,300 FTE positions from the Internal Audit and investigation functions of IRS to the Treasury Department's Office of the Inspector General (OIG). Several years ago, the Ways and Means Committee adopted legislation to create a statutory Inspector General position in Treasury, with authority to handle limited types of cases involving the IRS. We specifically rejected, at that time, the wholesale transfer of the IRS audit and inspection division to Treasury. Significant concerns were raised that such an action would impair, rather than enhance, the IRS Commissioner's management control over the agency and would dramatically increase the risk of politicizing the tax administration system. We continue to believe these concerns are meritorious and we strongly object to this proposal and request its deletion.

7. *Additional Legislative Riders.* The Ways and Means Committee strongly objects, on jurisdictional grounds, to the Subcommittee's inclusion of other substantive tax provisions in its bill, and requests that they be deleted. These proposals are legislative interpretations and suggested modifications of provisions of the Internal Revenue Code. The objectionable provisions include those with the following headings: (1) School Bus Services; (2) Tax Policy; (3) Homeowner Insurance; and (4) Compliance Research.

STENY H. HOYER.
PETER J. VISCLOSKY.
RONALD D. COLEMAN.

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