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HOUSE OF REPRESENTATIVES

REPORT
105–240

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS BILL, 1998

AUGUST 5, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 2378]

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, 1998, 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 1998 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 1997:

Agency	Appropriated, 1997 (enacted to date)	Budget estimates, 1998	Recommended in bill	Bill compared with appropriated, 1997	Bill compared with budget estimates, 1998
Department of the Treasury	10,494,496,000	11,663,413,000	11,188,575,000	+694,079,000	-474,838,000
Postal Service	125,999,000	121,124,000	121,124,000	-4,875,000	....
Executive Office of the President and Funds Appropriated to the President	423,341,000	515,925,000	558,425,000	+135,084,000	+42,500,000
Independent Agencies	13,057,787,000	13,367,287,000	13,287,665,000	+229,878,000	-79,622,000
Grand total	24,101,623,000	25,667,749,000	25,155,789,000	+1,054,166,000	-511,960,000

RECOMMENDATION

The Committee has provided a total of $12.5 billion in discretionary resources for the agencies under its jurisdiction. After scorekeeping adjustments, this represents an increase of $674 million in budget authority from 1997 enacted levels and a decrease of $596 million from the amount requested by the President. The Committee's recommendation is the same as the amount provided to the subcommittee in its section 602(b) allocation.

GENERAL STATEMENT

Over the past two years, the Committee has been committed to restructuring, streamlining, and consolidating agencies and functions under its jurisdiction. While the Committee has been pleased with the efforts of some agencies in this regard, it remains seriously concerned about a clear lack of effort by others. Over the past two years, proposals for reform advanced by the Committee were undertaken because the Committee identified certain vulnerabilities in agency operations; they were also initiated because the Committee believed that restructuring and streamlining would ultimately result in a more efficient delivery of federal services. The Committee is concerned that, in certain instances, reforms and suggestions for modifications to agency operations have been ignored. In these instances, the Committee has taken action in order to ensure that these concerns are addressed in the upcoming year.

During the fiscal year 1998 hearing cycle, the Committee was concerned to discover certain systemic vulnerabilities among agency operations. Left ignored, the Committee believes that these vulnerabilities will not only expose federal taxpayers to unnecessary and wasteful spending, but may also result in programmatic failures. In every instance where the Committee has identified risk in agency operations, the Committee has taken remedial action.

The Committee takes this opportunity to reiterate that it takes its oversight responsibilities seriously. The Committee also believes that it must be consistent with the application of this responsibility; as such, the fiscal year 1998 recommendation does not exempt any agency from appropriate budgetary oversight, not even the Executive Office of the President. The Committee has made every attempt to be objective in its assessment of agency performance and it is only in those instances where the Committee finds potential for operational or systemic vulnerabilities that remedial action is taken.

The Committee is aware that there will be some instances, most notably within the Executive Office of the President, where critics will argue that Congressional oversight is unprecedented. The Committee has considered these concerns and believes that, perhaps, one of the reasons that certain systems and operations have become vulnerable to waste is precisely because oversight has been absent. The Committee also notes that, while oversight of some programs and agencies is unprecedented, it is not unjustified. The Committee is adamant that all agencies under its jurisdiction become accountable for the expenditure of taxpayer dollars; accountability is the cornerstone for success.

TARGETING HIGH RISK PROGRAMS AND ACTIVITIES

The Committee believes that certain programs and activities under its jurisdiction are at high risk of failure. The Committee urges the Administration to carefully review these activities and to take aggressive and comprehensive action.

In the area of technology investment, the Committee notes that it is pleased with the Office of Management and Budget's (OMB) directive of October 25, 1996, regarding investments in new technology government-wide. With this in mind, the Committee was surprised to see requests for appropriations that clearly did not meet the criteria established in that directive. For instance, in the case of the Customs' Automated Commercial Environment system, the Executive Office of the President's Capital Investment Plan, and the Internal Revenue Service's Tax System Modernization proposal, agencies failed to include key components such as a systems architecture plan, disciplined and structured management forums, and mature investment screening processes. The Committee believes that requests for appropriations for these particular systems were premature and, while the Committee recognizes the need for and has funded these initiatives, it has fenced these resources pending the development and submission of appropriate architectural blueprints. The Committee believes this action is necessary in order to reduce the risk of funding costly systems that may, ultimately, not meet agency business requirements.

The Committee was also surprised to learn of the $680 million shortfall in the General Service's Administration's Federal Building Fund (FBF). It is the responsibility of the General Services Administration to ensure a sound and achievable public buildings program. In the past, the Committee has assumed that GSA's estimates of income into the FBF have been accurate. Unfortunately, the Committee has based its recommendations for the construction of new federal buildings, border stations and Courthouses on these estimates. The Committee has been disappointed to learn that this account cannot sustain any new initiatives in the upcoming year and notes that the effect of this shortfall is that construction, repairs, and renovations on 19 Courthouses, 3 Border Stations, and 15 Federal Buildings will be delayed. The Committee will therefore now require the GSA to submit quarterly reports on FBF income and obligations as well as the total effect on underestimating revenues in this account over the past three years.

The Committee was pleased to see the President's revived commitment to federal drug efforts. However, the Committee is also concerned that the President's request to provide $175 million for an un-tried and un-tested initiative such as a media campaign brings with it substantial risk. The Committee has provided $195 million of the President's request but makes the obligation of these funds contingent upon the submission of a detailed strategy, including quantifiable measures of performance.

Finally, the Committee has recommended several significant changes to the funding of the Executive Residence of the White House. The Committee was concerned to learn that taxpayer dollars have been used to subsidize the cost of certain political events within the Executive Residence. While the Committee recognizes the President's prerogative to host political events within the White House complex, the Committee is opposed to what has amounted to the taxpayer subsidizing these events. The Committee notes that changes to the Executive Residence appropriation are being made to ensure full and open accountability within what the President has referred to as "the people's house".

ACCESS TO THE COMMITTEE

The Committee is extremely displeased to learn that, in at least two separate instances, agencies have directed that only designated individuals may communicate with the Appropriations Committee, thus severely limiting the crucial lines of communication between agencies and the Committee. The Committee is disdainful of such action. The Committee has a long history of communicating with agency budget and program managers who possess the detailed and intricate information that is critical to successful Committee operations. The Committee finds that this existing arrangement is effective and meets its needs. The Committee believes that communication of such detailed and intricate information on a second hand nature would put the effective and efficient oversight operations of the Committee in grave jeopardy. The Committee will simply not permit any changes to the established communication arrangement. In order to ensure that the lines of communication are kept open between the Committee and the agencies, the Committee has modified an existing general provision which states that no funds appropriated in this Act can be used to initiate and carry through with such action.

REPROGRAMMING AND TRANSFER REQUIREMENTS

The Committee is concerned about the number of changes being made to object classes, budget activities, program line items and program activities that do not meet the reprogramming guidelines established by the Committee. In some instances, the Committee has noted changes in object classes that exceed 100 percent. While the Committee does not wish to place unnecessary burdens on agencies in the submission of reprogramming requests, the Committee also believes that changes in the magnitude of 100 percent warrant the Committee's attention. The Committee has made modest modifications to the reprogramming requirements and urges budget officers to consult with the Committee prior to and during the submission of a reprogramming request.

The Committee repeats its expectation that agency justifications for proposed reprogramming requests should 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 1998 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,

in budget activity, program line item, or program activity involved is in excess of $500,000 or 10 percent of the object class, budget activity, program line item, or program activity;

(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 of the object class, budget activity, program line item, or program activity;

(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 or 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 reprogramming are interpreted by the Committee as circumventing the appropriations process and will not be condoned.

GOVERNMENT PERFORMANCE AND RESULTS ACT

The Committee considers the full and effective implementation of the Government Performance and Results Act, P.L. 103–62, to be a priority for all agencies of government.

Starting with fiscal year 1999, the Results Act requires each agency to "prepare an annual performance plan covering each program activity set forth in the budget of such agency". Specifically, for each program activity the agency is required to "establish performance goals to define the level of performance to be achieved by a program activity" and "performance indicators to be used in assessing the relevant outputs, service levels, and outcomes of each program activity".

The Committee takes this requirement of the Results Act very seriously and plans to carefully examine agency performance goals and measures during the appropriations process. As a result, starting with the fiscal year 1999 appropriations cycle, the Committee will consider agencies' progress in articulating clear, definitive, and results-oriented (outcome) goals and measures as it reviews requests for appropriations.

The Committee suggests agencies examine their program activities in light of their strategic goals to determine whether any changes or realignments would facilitate a more accurate and informed presentation of budgetary information. Agencies are encouraged to consult with the Committee as they consider such revisions prior to finalizing any requests pursuant to 31 U.S.C. 1104. The Committee will consider any requests with a view toward ensuring that fiscal year 1999 and subsequent budget submissions display amounts requested against program activity structures for which annual performance goals and measures have been established.

TITLE I—DEPARTMENT OF THE TREASURY

Departmental Offices

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$112,048,000
Budget estimate, fiscal year 1998	116,314,000
Recommended in the bill	113,410,000
Bill compared with:	
Appropriation, fiscal year 1997	+1,362,000
Budget estimate, fiscal year 1998	−2,904,000

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 Committee recommends $113,410,000 for the Departmental Offices appropriation. This is $2,904,000 below the request and $1,362,000 above the 1997 level. The Committee has provided $2,244,000 to maintain current levels, $558,000 for annualization of the 1997 pay raise, and $150,000 for diplomatic telecommunications. The Committee has provided adequate funding to allow the Department to provide no more than $500,000 in contract awards to the National Law Center for Inter-American Free Trade for the explicit purpose of supporting Federal government efforts to conduct legal research specific to relevant trade issues.

TRANSFER OF FUNDS FROM THE TREASURY INSPECTOR GENERAL APPROPRIATION

The Committee has included language in the appropriation for the Department of the Treasury, Inspector General, which transfers $26,034 to the Departmental Offices appropriation. These funds shall be used to reimburse Secret Service agents who apparently were the subject of an Inspector General investigation concerning testimony these agents gave to Congress. These funds shall be used to reimburse the agents for any attorney fees and costs they incurred with respect to that investigation. The Secretary shall pay these individuals in accordance with Section 117 of Title I of this Act.

OVERSIGHT AND MANAGEMENT ACCOUNTABILITY

The Committee is concerned about the apparent absence of oversight and management over the administrative functions of the Department and its bureaus. This lack of management has manifested itself in a lack of communication with Congress. To exacerbate the situation, the Department has at times issued decrees to bureaus prohibiting or limiting communication with Congressional panels.

Congressionally-imposed reporting requirements and communication with the bureaus are the tools used by this Committee and others, to communicate concerns and to exercise oversight. It is a basic tenet of Federal agency management to take all steps necessary to respond to these communications and requirements in a punctual and professional manner. The Committee is hopeful that the Department of Treasury will recognize its requirement to ensure adequate oversight and management and will soon actively address this issue.

COMPLIANCE WITH CONGRESSIONAL DIRECTION

The Committee is extremely concerned to learn of a recent opinion issued by the Office of General Counsel that report language which accompanied the 1996 Treasury Appropriations Act does not supersede report language which accompanied the 1988 Appropriations Act. Specifically, although the 1996 report language very clearly stated that it was the Committee's intent to overturn the 1998 report language, the General Counsel's opinion does not recognize this intent. The Committee has carefully reviewed circumstances surrounding the General Counsel's opinion on this matter and, although the Committee is aware that it may not be privy to all of the information surrounding this opinion, it does, unfortunately, believe that the General Counsel may have been motivated by political concerns rather than sound program management in issuing this opinion. The Committee notes that the effect of the opinion of the General Counsel was to stop all activity related to an item of Congressional interest. In effect, despite the fact that the report accompanied a bill signed into law by the President, the General Counsel in effect "vetoed" a single provision included in that bill. The Committee will carefully follow all subsequent intervention by the Office of the General Counsel on this issue.

The Committee takes this opportunity to remind the Office of the General Counsel that the best evidence of Committee intent relating to programs, projects and activities funded through this Appropriations bill is the report accompanying the bill. The Department of Treasury should continue to rely on Committee report language to interpret Congressional intent.

FINANCIAL MANAGEMENT ACCOUNTABILITY TRANSPORTATION TRUST FUNDS

The Committee is concerned by the Department of Treasury's stewardship of the federal government's transportation trust funds and the lack of proper accounting of receipts into these funds.

In 1994, the Treasury Department incorrectly recorded receipts to the highway trust fund which resulted in the $1.5 billion overestimation of 1995 contributions. More recently, the Treasury Department improperly informed the Federal Aviation Administration (FAA) that incoming receipts to the airport and airway trust fund would be credited to the trust fund, not knowing that legislative authority to do so had expired. In addition, the Internal Revenue Service (IRS) provided an opinion to major air carriers that had the effect of deferring $1 billion in tax collections to the airport and airway trust fund, an opinion which was not transmitted to the Treasury Department or the FAA. In combination, these actions nearly required the FAA to terminate all airport improvement grants and most facilities and equipment contracts until fiscal year 1998 which potentially jeopardized aviation safety and security.

The Treasury Department may also have miscalculated the receipts to the mass transit account of the highway trust fund. This has precluded the Federal Transit Authority from negotiating anticipated full funding grant agreements.

The Treasury Department has a fiduciary responsibility for proper management of the trust funds but, as these situations suggest, has not always demonstrated accountability in this obligation. Therefore, the Committee directs the Secretary of the Treasury to provide, within 30 days of enactment of this Act, a report that identifies the specific corrective actions which will be undertaken to ensure accountability of the transportation trust funds and, with regard to receipts coming into these funds, will ensure effective communication with the Department of Transportation.

PERSONNEL PRACTICES

The Committee applauds the Secretary of the Treasury for his innovative efforts in under taking the recent study of personnel practices in Departmental Offices. The Committee is aware that several opportunities for flexibility in personnel regulations currently exist in Title 5 USC such as the performance based organization initiative that was recently considered by the United States Mint. The Committee encourages the Secretary of the Treasury, on a Department-wide basis, to develop appropriate flexibility in personnel regulations including participating in demonstration projects under the direction of the United States Office of Personnel Management. The Secretary of the Treasury should report back to the Committee on Appropriations no later than November 30, 1997, on the status of flexibility in personnel regulations.

BANKRUPTCIES

The Committee is concerned about the rising number of bankruptcies in the United States and the causes thereof, and its effects on creditors. Therefore, the Committee has included $200,000 for the Secretary, or his designee, to study the relationship between gambling and bankruptcies. The study shall identify, but not be limited to, the number of bankruptcies caused by gambling debts, and the effect on payments to the U.S. Treasury. The Secretary shall report on his findings to the Committee no later than May 15, 1998.

MODERNIZATION MANAGEMENT BOARD

The Committee is pleased that the Department of Treasury has continued to move forward with the establishment of a permanent Modernization Management Board (MMB). The Committee agrees that this organization can be structured to provide the necessary framework for oversight of the Internal Revenue Service (IRS) modernization initiatives, as well as other on-going modernization initiatives throughout the Department.

The Committee is concerned that the MMB has not yet received the adequate level of attention from senior management officials necessary for "institutionalizing" the Board. For example, there has been no creation of the appropriate organizational structure and no permanent funding mechanism identified. The Committee believes this situation must be corrected as soon as possible. The MMB should have permanent staff and detailees which compose experienced professionals in the areas of information technology, management reform, and Federal procurement. The Committee believes that the Department should not only recruit detailees to supplement the staff of the Board from the IRS, but also from other cabinet level agencies. The Committee reiterates that the MMB should obtain assistance from the Defense Software Managers Network which has experience in Federal large-scale systems development and the Defense Acquisition University, which can provide technical assistance in the area of program management.

RESTORATION OF CABINET-LEVEL COMPENSATION

The Committee has included a provision (Section 118) which restores the compensation of the Secretary of the Treasury to the same level as that of other Cabinet-level officers.

The Committee understands that when former Secretary of the Treasury, Senator Lloyd Bentsen, assumed the Office of the Secretary, the compensation of that position was reduced by Public Law 103–02 in order to avoid the prohibition in article 1, section 6, clause 2 of the Constitution. The Constitution does not allow a Senator or Representative to be appointed to any office whose emoluments or pay have been increased as a result of Congressional action during the tenure of that Senator or Representative.

Due to enactment of Public Law 103–02, the pay of the Secretary of the Treasury is no longer comparable to that of the other Cabinet-level officers. Section 118 will prospectively remedy this situation and restore the compensation of the Secretary of the Treasury to that of other Cabinet-level officers.

STUDY OF TAGGANTS IN BLACK AND SMOKELESS POWDER

Section 113(3) of the Fiscal Year 1997 Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act required that the Secretary enter into a contract with the National

Academy of Sciences to conduct a study of the tagging of smokeless and black powder by any viable technology for purposes of detection and identification, to be conducted by an independent panel of 5 experts appointed by the Academy. That report was to be presented to Congress by 12 months after enactment, or September 30, 1997. Because the Academy and the Secretary have not yet agreed upon a statement of work, the bill provides an extension of this deadline to September 30, 1998.

Office of Professional Responsibility

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$1,500,000
Budget estimate, fiscal year 1998	1,625,000
Recommended in the bill	1,500,000
Bill compared with:	
Appropriation, fiscal year 1997	— — —
Budget Estimate, fiscal year 1998	−125,000

MISSION

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

RECOMMENDATION

The Committee is pleased that the Office of Professional Responsibility (OPR) has gotten underway, and expects to see it focus on strengthening the credibility and integrity of Treasury law enforcement bureaus. The Committee intended for OPR to concentrate primarily on internal affairs matters and systems, including undertaking investigations on its own initiative. It recognizes that the Under Secretary for Enforcement has structured the OPR as a larger organization, with a wider scope of policy oversight than originally anticipated by the Committee. Nonetheless, the Committee has made it clear that it would oppose any attempt by OPR to exercise operational control over Treasury's law enforcement bureaus and organizations, and would view any such effort with great concern.

CUSTOMS INTEGRITY

The Committee directs, in bill language, the Under Secretary of Enforcement to task OPR to undertake an aggressive and comprehensive review of allegations of corruption among Customs officials, particularly inspection operations along the southwest border. The Committee includes this provision in bill language because the Department has failed to respond to the Committee's May 2, 1997 request for the Undersecretary to undertake this review. Such a review should look at charges of professional misconduct and corruption, but also examine the efficacy of departmental and bureau internal affairs systems. The members of this Committee have the highest regard for Customs officers, their demonstrated professionalism and commitment to public service, and are committed to seeing that Customs and other Treasury law enforcement agencies receive the support they need to reach the highest standards of professional service. However, the Committee is concerned that the bureau may be vulnerable to criminal pressures, particularly where it faces enormous workloads, as occurs at many of the sites along the Nation's southern border.

This comprehensive review of Customs' integrity issues should carefully assess those systems that were intended to preserve that integrity. It was precisely this sort of departmental-level effort for which OPR was established. The review would help resolve persistent concerns, and in so doing strengthen Treasury law enforcement agencies.

AUTOMATION ENHANCEMENTS

Appropriation, fiscal year 1997 to date	$27,100,000
Budget estimate, fiscal year 1998	29,389,000
Recommended in the bill	25,889,000
Bill compared with:	
Appropriation, fiscal year 1997	−1,211,000
Budget Estimate, fiscal year 1998	−3,500,000

MISSION

This appropriation was established by the Treasury, Postal Service and General Government Appropriations Act, 1997. This appropriation funds Treasury bureaus, at the Secretary's discretion, to modernize business process and increase efficiency through technology investments.

RECOMMENDATION

Building on last year's initial appropriation, the Committee recommends a total of $25,889,000 for the continued development and acquisition of automatic data processing equipment, software, and services for the Department of the Treasury. These funds, which will remain available for two years, may be transferred to accounts and in amounts as required to satisfy the needs of the Department and its offices, bureaus and organizations and will be in addition to those amounts otherwise appropriated in this Act to such entities.

The Committee has also included language which extends, until September 30, 1999 the availability of $12,000,000 of funds provided in fiscal year 1997. This extension is needed because the June 26, 1996 fire at the Main Treasury building has caused major delays in the 1997 automation plan.

The funds should be transferred as follows:

Customs Service.—$11,500,000 for the Automated Commercial Environment (ACE). The Committee acknowledges that Customs has taken some important steps to eliminate weaknesses in its systems modernization efforts, including the establishment of clear accountability and the initiation of necessary investment planning processes. However, the Committee is still awaiting the proposed architecture plan for this system, and wants to see that plan reviewed and approved by Custom's recently established Investment Review Board and the Department's Modernization Management Board. For FY 1998, the Committee is proposing legislative language to provide $11,500,000 for continued development and implementation of ACE, which together with the funding that was fenced in the FY 1997 appropriation will provide approximately the level of funding requested. However, funding would only become available after the systems architecture plan has been submitted to the Committee and reviewed by the Government Accounting Office.

Departmental offices.—$14,389,000, of which the Committee recommends $5,600,000 for the International Trade Data System and $8,789,000 for the Departmental Offices modernization plan.

International Trade Data System

The Committee is supportive of efforts made under the North American Trade Automation Project to streamline customs procedures to reduce the costs of trade and expedite shipments across national borders. It is in the nation's long term economic interest to continue such streamlining efforts and expand them where appropriate to other major trading partners. The Committee therefore directs the Department to provide $500,000 in fiscal year 1998 in support of the Global Transpark Network Customs Information Project (GTPN/CIP).

Office of Inspector General

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$29,770,000
Budget estimate, fiscal year 1998	31,333,000
Recommended in the bill	30,927,000
Bill compared with:	
Appropriation, fiscal year 1997	+1,157,000
Budget Estimate, fiscal year 1998	−406,000

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.

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.

RECOMMENDATION

The Committee recommends $30,927,000 for the Department of the Treasury Inspector General appropriation. This is $406,000 below the request and $1,157,000 over the 1997 level. This recommendation includes $595,000 to maintain current levels, $162,000 for annualization of the 1997 pay raise, and $400,000 to hire additional financial audit staff to replace departing General Accounting Office auditors.

REIMBURSEMENT OF ATTORNEY FEES FOR SECRET SERVICE PERSONNEL

The Committee has included language directing that $26,034 be transferred to the Departmental Offices appropriation to reimburse Secret Service Agents for legal costs incurred during an apparent investigation of their testimony to Congress. While the IG has testified that these two agents were not the subject of a criminal investigation, the IG later acknowledged that, early in the investigation, it was possibly labeled as "criminal." Whatever the circumstances, these agents were led to believe that the IG was conducting a criminal investigation of their role in preparing and providing Congressional testimony and, as such, retained legal counsel and incurred legal fees in preparation of the investigation. The Agents should be reimbursed for these fees according to the requirements of Section 117 of Title I of this Act.

TREASURY BUILDINGS AND ANNEX REPAIR AND RESTORATION

Appropriation, fiscal year 1997 to date	$28,213,000
Budget estimate, fiscal year 1998	12,484,000
Recommended in the bill	6,484,000
Bill compared with:	
Appropriation, fiscal year 1997	−6,729,000
Budget Estimate, fiscal year 1998	−21,000,000

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 $6,484,000 for the Treasury Building and Annex Repair and Restoration appropriation. This is $6,000,000 less than the request and $21,729,000 less than 1997. In fiscal year 1997, the Congress provided additional funds for the repair and alteration of the Main Treasury building which was heavily damaged by a June 1996 fire. The 1997 additional funds were a one-time requirement and are therefore reflected as a reduction in the Committee's 1998 recommendation.

FIRE DAMAGE AT THE MAIN TREASURY BUILDING

On July 26, 1996, the Main Treasury building was heavily damaged by a fire. To accommodate the repair and alteration of this building, the Committee approved a reprogramming of $11,500,000, authorized the use of $4,500,000 of unobligated funds available from previous appropriations for repair, and then provided a fiscal year 1997 appropriation of $20,529,000 which was added to the base 1997 funding request of $7,684,000. The fiscal year 1998 request assumes a reduction of $15,729,000 associated with the one-time costs of the fire, rather than the $20,529,000 provided, for a base 1998 funding request of $12,484,000. The Committee appreciates the fact that fire damage repair may still be ongoing, but is reluctant to increase the base repair and alteration funding by over 62% from the 1997 base level. Therefore, the Committee has reduced the 1998 budget request for repair and alteration to $6,484,000. The Committee believes this level should be adequate to meet the needs of the Department of Treasury's requirement to repair and maintain its buildings.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$22,387,000
Budget estimate, fiscal year 1998	23,006,000
Recommended in the bill	22,835,000
Bill compared with:	
Appropriation, fiscal year 1997	+448,000
Budget Estimate, fiscal year 1998	−171,000

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 collection and analysis of information to assist in the investigation of money laundering and other financial crimes. FinCEN also represents U.S. interests in international efforts to combat money laundering through its participation in the Financial Action Task Force (FATF) of the Group of Seven. 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 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, but allows a more modest increase of 2 percent for maintaining current levels and meeting labor costs. The Committee denies without prejudice the additional funding requested from the Violent Crime Reduction Trust Fund for the study of international cyber-payment systems.

OUTREACH TO AND ACCESS BY STATE AND LOCAL LAW ENFORCEMENT

Last year the Committee expressed its desire to see a greater emphasis placed upon making FinCEN's resources more available to and better known by Federal law enforcement officers. Along with this, State and local law enforcement is increasingly becoming engaged in efforts to break trafficking organizations that make use of money laundering techniques and other forms of financial crime that may be vulnerable to the resources that FinCEN can bring to bear. The Committee would like to see an effort made to increase the access by local law enforcement to the tools FinCEN can provide, such as its GATEWAY system. FinCEN should also explore ways in which it can cooperate with technological efforts being made by local law enforcement agencies in money laundering investigations, such as those being supported by the Counterdrug Technology Assessment Center.

TREASURY FORFEITURE FUND

(LIMITATION ON AVAILABILITY OF DEPOSITS)

Appropriation, fiscal year 1997 to date	$10,000,000
Budget estimate, fiscal year 1998	9,500,000
Recommended in the bill	— — —
Bill compared with:	
Appropriation, fiscal year 1997	−10,000,000
Budget Estimate, fiscal year 1998	−9,500,000

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

Given the expected large Treasury Forfeiture Fund balances, the Committee denies the request for an appropriation of funds.

SUPER SURPLUS AND THE SECRETARY'S ENFORCEMENT FUND

The Committee is aware that the Treasury Forfeiture Fund has a sizable surplus which is available to the Secretary for application to law enforcement requirements both within Treasury and throughout government. The Committee has a strong interest in seeing such funding used to maintain Treasury's critical law enforcement resource requirements, and expects to see the Department's plan for using these funds in a timely fashion. Such requirements could include investment in Customs non-intrusive inspection technologies, and improving laboratory facilities and supplies for Customs and ATF. The Committee directs that the Department use $19,800,000 of such surplus as follows: $4,200,000 for the Bureau of Alcohol, Tobacco and Firearms for ballistics identification technology, including the purchase, maintenance and upgrading of equipment for State and local law enforcement agencies; $3,000,000 for the Secret Service financial fraud operation; $6,100,000 for Secret Service activities related to the Federal Law Enforcement Wireless Users Group (FLEWUG); $2,000,000 for the Secret Service's Rowley Training Center for necessary additional maintenance requirements; $4,000,000 to fund the cost of rotation of Customs inspectors; and $500,000 to produce, in consultation with the trade and industry, an objective, non-political, fact-based guide to firearms and ammunition identification, type, technology, and history, and to make this guide available to the Congress and the public.

VIOLENT CRIME REDUCTION PROGRAMS

Appropriation, fiscal year 1997 to date	$97,000,000
Budget estimate, fiscal year 1998	118,200,000
Recommended in the bill	96,486,000
Bill compared with:	
Appropriation, fiscal year 1997	−514,000
Budget Estimate, fiscal year 1998	−21,714,000

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.

Bureau of Alcohol, Tobacco and Firearms:	
Firearms trafficking	$6,000,000
Administration of GREAT Program	3,000,000
GREAT grants and contracts with local government	8,000,000
Arson and Explosives Clearinghouse/Repository	1,608,000
Increased explosives inspections	5,458,000
Base Restoration: Cars and Equipment	5,462,000
Subtotal, ATF	29,528,000
U.S. Customs Service:	
Anti-Smuggling Initiative	15,000,000
Agent and Inspector Relocation	4,000,000
Canopies for Secondary Inspection	1,100,000
Laboratory Modernization	5,735,000
Vehicle Replacement Program	10,000,000
Automated License Plate Readers	7,800,000
Subtotal, Customs	43,635,000
U.S. Secret Service:	
White House Security	9,323,000
Counterfeiting	5,000,000
Forensic Technologies	2,514,000
Subtotal, Secret Service	16,837,000
Financial Crimes Enforcement Network: Treasury Department Secure Intranet Communication	1,000,000
Federal Law Enforcement Training Center: Rural Drug Training	1,000,000
Office of National Drug Control Policy: Counterdrug Technology Assessment Center	5,000,000
Total	97,000,000

GREAT PROGRAM

The Committee continues to support funding the Gang Resistance Education and Training (GREAT) program through the VCRTF, and provides $8,000,000 for grants to local law enforcement organizations and $3,000,000 for ATF administrative support, training and related activities. The Committee knows that there have been requests for new GREAT programs in Terre Haute, Indiana and Jefferson County, Kentucky. However, the Committee wishes to emphasize that this project, in keeping with the authorization of the Violent Crime Reduction Trust Fund, is scheduled to expire in 2000.

COUNTERDRUG TECHNOLOGY TRANSFER PROGRAM

The Committee provides $5,000,000 to the Counterdrug Technology Assessment Center (CTAC) of the Office of National Drug Control Policy (ONDCP) to establish a program for transferring technology to State and local law enforcement agencies. An additional $7,500,000 is provided to the Office of National Drug Control Policy for this purpose. Since its inception, CTAC has worked with many law enforcement agencies and prosecutors to find technological solutions to critical law enforcement problems, and many valuable applications have been developed. The Committee directs that this funding be used to initiate a pilot program to transfer these technologies to these agencies who may otherwise be unable to profit from the developments due to limited budgets or a lack of technological expertise. The Committee directs CTAC to initiate this program under the direction of the Chief Scientist, ONDCP, with the advice of experts from State and local law enforcement, and in cooperation with High Intensity Drug Trafficking Area (HIDTA) programs to identify the technologies to be transferred and locations to be served. The Committee assumes that priority will be given to identifying candidates for transfer in the currently designated HIDTAs, and expects that CTAC and HIDTA will also weigh the ability and willingness of potential recipients to share in the costs of new technology, either through in-kind or direct contributions. The Committee also directs the Chief Scientist to submit a report to Congress evaluating the performance of the program not later than 18 months from the date of the first transfer, as well as a strategic plan for countrywide deployment of technology.

ATF HEADQUARTERS

The Committee is aware of the security and operational deficiencies of the present Washington, DC headquarters location and urges ATF to coordinate action with the authorizing committees in both the House and the Senate to approve a relocation prospectus. However, because the prospectus has not been approved by the House, no funding has been provided for site acquisition or preparation, including necessary environmental remediation and infrastructure improvement costs.

FINCEN FOREIGN GOVERNMENT ASSISTANCE

The Committee is impressed by the efforts of the Financial Crimes Enforcement Center to encourage the cooperative efforts with foreign governments and financial institutions in defeating international money laundering and similar financial crime. However, the Committee believes that such assistance falls in the category of foreign assistance, and should therefore be requested by the Department of State.

SECRET SERVICE

For the Secret Service, the Committee recommends $16,837,000, a reduction of $3,827,000 from the President's request and a reduction of $3,163,000 from fiscal year 1997. The Committee denies the President's request to transfer $5,000,000 for Secret Service counterfeiting efforts from the Violent Crime Reduction Trust Fund to the Secret Service's Salaries and Expense Account and provides $3,000,000 for investigations of Financial Institution Fraud through the Treasury Forfeiture Fund. In addition, the Committee denies the President's request of $6,341,000 for the construction and renovation of police booths, entry posts and "Presidential Post" bollards along Pennsylvania Avenue. While the Committee believes these are important efforts, the Committee also finds that other efforts related to the protection of the President are a higher priority for the upcoming fiscal year. The Committee includes a total of $9,323,000 for White House Security through the Crime Trust Fund in fiscal year 1998. Additional funds of $4,000,000 for this effort are included in the Secret Service's Salaries and Expenses appropriation.

CHILD EXPLOITATION UNIT

In fiscal year 1997, the Committee provided start up costs for the operation of the Exploited Child Unit at the National Center for Missing and Exploited Children as well as sufficient funds for the operation of this unit through fiscal year 1999. The Committee has had the opportunity to review the work of this Unit and is pleased with the progress being made in the integration of investigations of exploited children with investigations being conducted through the National Center for Missing and Exploited Children in recovering missing children. The Committee wishes to express its continued support for the work of this Center as well as the cooperation being provided by the Secret Service through the use of forensic technologies. The Committee has provided an additional $514,000 for the fourth year of operation of the Exploited Child Unit of the National Center for Missing and Exploited Children and encourages the Center to provide the Committee with periodic status reports of its investigative efforts.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$56,185,000
Budget estimate, fiscal year 1998	65,663,000
Recommended in the bill	64,663,000
Bill compared with:	
Appropriation, fiscal year 1997	+8,478,000
Budget Estimate, fiscal year 1998	−1,000,000

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 provides the $3,701,000 requested for facility improvement and service costs associated with recent expansion of the Center, and the $4,777,000 required to cover annualization of pay and the full funding of additional basic training workload. However, the Committee provides a 2 per cent increase for costs of inflation.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS AND RELATED EXPENSES

Appropriation, fiscal year 1997 to date	$21,584,000
Budget estimate, fiscal year 1998	11,111,000
Recommended in the bill	32,548,000
Bill compared with:	
Appropriation, fiscal year 1997	+10,964,000
Budget Estimate, fiscal year 1998	+21,437,000

MISSION

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

RECOMMENDATION

The Committee provides $32,548,000 for continuation of Master Plan for construction at Glynco, Georgia and Artesia, New Mexico. This meets the President's request, but also includes the funding that the Administration requested in the Violent Crime Reduction Trust Fund. With this level of construction, the Committee understands that FLETC will be able to complete the third phase of its plan.

INTERAGENCY LAW ENFORCEMENT

INTERAGENCY CRIME AND DRUG ENFORCEMENT

Appropriation, fiscal year 1997 to date	— — —
Budget estimate, fiscal year 1998	$73,794,000
Recommended in the bill	73,794,000
Bill compared with:	
Appropriation, fiscal year 1997	+73,794,000
Budget Estimate, fiscal year 1998	— — —

MISSION

This program consists of nine regional task forces which consolidate resources and expertise of 11 member Federal agencies, in cooperation with State and local investigators and prosecutors, to target and destroy major narcotic trafficking and money laundering organizations. The funding for Treasury Department participation was previously funded in the Department of Justice appropriation. With the funding provided here, Treasury will administer its own program through its Departmental Offices.

Financial Management Services

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$196,518,000
Budget estimate, fiscal year 1998	202,560,000
Recommended in the bill	199,675,000
Bill compared with:	
Appropriation, fiscal year 1997	+3,157,000
Budget Estimate, fiscal year 1998	−2,885,000

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.

RECOMMENDATION

The Committee recommends $199,657,000 for the Financial Management Service appropriation. This is $2,885,000 less than the request and $3,157,000 above the 1997 level. The Committee has provided $3,930,000 to maintain current levels, $827,000 for annualization of the 1997 pay raise, and $2,000,000 for costs associated with Century Data Change requirements.

DEBT COLLECTION

The Debt Collection Act of 1996 authorized the FMS to hire private sector debt collection agencies to collect debt owed to the Federal government. The Committee understands that under the agreements which FMS has established with these agencies, the FMS is paying the cost of performing background checks on collection agency personnel. The Internal Revenue Service (IRS) and other Federal agencies which have contracted with the private sector for debt collection activities require the contractor to pay for these costs. The Committee recommends that the FMS consider following the example of the IRS and require the contractor to pay for the cost of performing background checks on collection agency personnel.

PERMANENT INDEFINITE APPROPRIATION

The Committee has included language to establish a permanent indefinite appropriation to reimburse Federal Reserve banks for services in their capacity as depositaries and fiscal agents on behalf of the Treasury Department.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$460,394,000
Budget estimate, fiscal year 1998	496,954,000
Recommended in the bill	477,649,000
Bill compared with:	
Appropriation, fiscal year 1997	+17,255,000
Budget Estimate, fiscal year 1998	−19,305,000

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.

RECOMMENDATION

The Committee recommends $477,649,000, an increase of $17,255,000 over the fiscal year 1997 appropriated level and $19,305,000 below the President's request. This includes slightly less than half the request for "base restoration" funding and allows a 2 per cent increase for "maintaining current levels" rather than the 2.7% requested. The recommendation also includes $3,974,000 requested by the President for the expansion of the Canine Explosives Detection program.

BASE RESTORATION

The Committee concurs with the need to fund activities that are essential to ATF's ability to carry out its mission, such as informant pay, secure and adequate data processing capability, and essential laboratory and investigation equipment. The Committee provides $4,000,000 for base restoration, to include agent cashier costs, technology, and telecommunications. An additional $5,462,000 is funded through the Violent Crime Reduction Trust Fund.

RETURN OF STOLEN FIREARMS

The Committee understands there may have been instances where individuals who subsequently legally own a registered firearm reported as stolen and found as a result of law enforcement efforts utilizing the Federal Trace System have not been notified of the recovery of the firearm and have not had the firearm returned to them despite the fact that the owner was not under criminal investigation, and had not been seized as evidence or legally forfeited. The Committee also understands that the Bureau of Alcohol, Tobacco and Firearms makes every effort to notify such individuals and arrange for the return of the legally owned firearm. Further, there have been indications that many State and local law enforcement offices lack sufficient resources to identify and contact the lawful owner of a firearm. Therefore, the Committee directs ATF to cooperate with State and local law enforcement to ensure the prompt return of recovered firearms to their legal owners where (1) the firearms were reported as stolen by its lawful owner; (2) the firearms have not been seized as evidence or forfeited in accordance with law; and (3) the lawful owner is not the subject of a criminal investigation.

BALLISTICS IMAGING SYSTEMS

The Committee is aware of the capabilities of the ATF CEASEFIRE system, but remains concerned at the slow progress in achieving interoperability between the ATF system and that of the Federal Bureau of Investigation. The Committee directs ATF to work with the Department, the FBI, and OMB to resolve these issues expeditiously. For the present, the Committee retains the 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.

As noted above, the Committee directs the Department that $4,200,000 of the super surplus of the Treasury Forfeiture Fund be used to fund procurement of new systems and maintenance of existing ones.

TRAFFICKING IN CONTRABAND CIGARETTES

The Committee is aware that the ATF is conducting an investigation of businesses located on Indian lands that are evading payment of State cigarette taxes under the authority of Contraband Cigarette Trafficking Act. Such evasion deprives States of hundreds of millions of dollars in tax revenues each year, including Oklahoma ($27 million), Washington ($63 million), New York ($65 million), and Michigan ($75 million). The Committee understands that the ATF is conducting an investigation at this time focused on such violations in Oklahoma and Kansas at a cost of $2,000,000, as part of its plans to eventually obligate as much as $8,000,000 to conduct this investigation on a nationwide basis. The Committee directs the ATF to fully fund these investigations.

CHURCH ARSON

Since January 1995, there have been 403 incidents of arson, bombings, or attempted bombings of houses of worship. In June 1996, the Administration responded by making investigation and prevention of church arsons a national priority and created the National Church Arson Task Force. The Committee is impressed with the number of arrests since formation of the Task Force and supports the efforts of ATF to investigate and determine the cause of every church fire. The Committee also directs ATF to continue its prevention efforts, particularly the distribution of the Church Threat Assessment Guide.

ATF HEADQUARTERS STAFFING

The bureau has chosen to maintain its relatively high level of headquarters staffing, despite clear direction from the Committee last year that reductions were in order. The principal argument offered by the bureau is that headquarters staff need to remain at their present levels because of the increase in workload associated with the church arson investigation, counter-terrorism and other initiatives. The Committee has denied $11,000,000 requested for base restoration but notes that it would be willing to entertain requests to reprogram for this purpose should ATF demonstrate its willingness to reduce the current size of its headquarters staff accordingly.

ATF EXPLOSIVES INSPECTORS

The Committee has included $5,458,000 for additional explosive inspectors in the Violent Crime Reduction Trust Fund, but observes that this would establish a new program base that would require continued annual appropriations.

LABORATORY FACILITIES AND HEADQUARTERS

Appropriation, fiscal year 1997 to date	$6,978,000
Budget estimate, fiscal year 1998	55,022,000
Recommended in the bill	55,022,000
Bill compared with:	
Appropriation, fiscal year 1997	+48,044,000
Budget Estimate, fiscal year 1998	— — —

NATIONAL TRACING CENTER

The Committee supports the practice of compiling information for the purpose of identifying individual criminal offenders and alleged offenders related to specific criminal and civil investigations. However, the Committee does not understand the rationale behind ATF's policies as they relate to the maintenance of a tracing record on individuals beyond the scope and time frame required for specific investigations, although it has been told that the Bureau may need such trace records in order to identify possible witnesses. Furthermore, ATF's current policy appears to set no time on how long such records can be maintained, since the trace record database was created eight years ago and no records have yet been deleted. The Committee therefore directs ATF to clarify its practices related to the collection and maintenance of records on the acquisition and disposition of firearms by Federal firearms licensees for use in criminal or civil enforcement or firearms trace systems, and in particular on the length of time such records are kept.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$1,549,585,000
Budget estimate, fiscal year 1998	1,566,826,000
Recommended in the bill	1,526,078,000
Bill compared with:	
Appropriation, fiscal year 1997	−23,507,000
Budget Estimate, fiscal year 1998	−40,748,000

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 provides $1,526,078,000, which includes most of the President's request. Additional items are funded instead under the Violent Crime Trust Fund, including laboratory modernization, vehicle replacement, and automated license plate readers. In addition, the Committee assumes a lower inflation rate (2%) to maintain non-pay levels than was assumed in the Administration request. Also included in this is $5,000,000 for ongoing Customhouse renovation, as well as $300,000 to fully staff the dedicated commuter lane in El Paso.

STANTON STREET BRIDGE DEDICATED COMMUTER LANE, EL PASO, TEXAS

The Committee recognizes the need to facilitate the flow of traffic and trade between the United States and Mexico in El Paso, Texas. To help achieve this objective, the U.S. Customs Service, the Immigration and Naturalization Service, the U.S. Department of Agriculture, and the El Paso business and trade community have been analyzing a plan to locate a dedicated commuter lane ("DCL") at the Staton Street Bridge site—a site preferred by both the U.S. and Mexican trade communities.

The Committee understands that the lack of an allocation for U.S. Customs inspector staffing for the Stanton Street DCL is an impediment to its establishment. The Committee directs the Customs Service to work with the INS and both the U.S. and Mexican trade communities to implement the Stanton Street DCL, and provides $300,000 for the salaries and related costs of Customs inspectors to work at the site. The Committee expects Customs to include sufficient funding in its fiscal year 1999 budget and in following years for continued Customs operations at the Stanton Street DCL.

CARGO THEFT

The Committee recognizes that high-value cargo theft presents a growing and highly costly form of crime—particularly at major ports of entry in areas such as Florida, New York, New Jersey, and California. The Committee, therefore, urges Customs to review this problem and to commit necessary resources in cooperation with other federal, state, and local law enforcement agencies to address it. Further, Customs shall report back to the Committee on measures it has taken and its strategy to provide a long-term solution.

DRUG INTERDICTION EFFORTS

The Committee recognizes that the US Customs Service plays a critical role in this nation's efforts to achieve a drug-free America by the year 2001. In many respects, Customs is the first line of defense against the flow of illegal narcotics into our country. The Committee also recognizes that the southwest border remains particularly vulnerable—despite a dramatic increase in funding for drug interdiction efforts in California, Arizona, New Mexico, and Texas provided by Congress in the past 2 years.

The Committee has made every effort to provide adequate funding for Customs to carry out their dual mission to facilitate legal trade while keeping illegal drugs out of the country. This is not an easy task, and the Committee intends to work within its fiscal constraints to provide the necessary resources to allow Customs to continue to make progress in large ports of entry like Otay Mesa, California and to bolster operations in places like Douglas, Arizona where resources are limited and the workload is overwhelming.

The Committee urges the Secretary of the Treasury to work with the Office of Management and Budget to ensure that full consideration is given to Customs' requirements in the development of the annual budget request, and adequate funding be provided to allow Customs to fully carry out their mission on the southwest border.

NON-INTRUSIVE INSPECTION TECHNOLOGIES

The Committee continues to support Customs' ability to make the best use of its scarce resources by using non-intrusive inspection technologies such as automated targeting systems, x-ray, gamma-ray, and pulsed fast neutron analysis (PFNA). The Committee has seen excellent study results that show the promise of such systems as high energy x-ray systems, as well as the PFNA and gamma ray cargo vehicle detection technologies. While some of these promising technologies may be too expensive to consider for deployment at this time, the Committee would strongly encourage Customs to test these technologies, whenever possible, under real border or port inspection conditions. The Committee is committed to improving Customs' ability to detect narcotics coming into this country, particularly in the guise of commercial shipments, and therefore directs that investments in such technology and processes be approved by the Customs Investment Review Board (IRB) and Treasury's Modernization Management Board before a decision is made to proceed with deployment of any single technology or system.

The Committee approves the request by the President for $15 million for the acquisition and deployment of two higher energy seaport x-ray systems and automated targeting systems to be used at high risk ports of entry. The Committee believes that such technology can significantly improve the effectiveness of U.S. drug interdiction efforts, reduce the amount of cargo theft, and facilitate the movement of legal imports.

The Committee notes that the port of Miami is already one of the busiest in the nation; for example, between October 1996 and February 1997 Miami was the fourth busiest United States seaport in terms of container arrivals. Cargo imports are also growing rapidly in Miami; the number of cargo entries cleared through the airport and seaport of Miami increased by 18 percent in the last two years. At the same time, drug traffickers have apparently redirected their smuggling towards south Florida in response to the increase in law enforcement resources for both Operation Hardline along the Mexican border and Operation Gateway in Puerto Rico. This year over half of all cocaine seizures in commercial cargo in the country have occured in Miami. Accordingly, the Committee concludes that Miami is a high risk port of entry and strongly encourages the Customs Service to deploy one of these x-ray systems in Miami. The Committee directs the Customs Service to report back on the site selection for the second system prior to deployment of that system.

CHILD PORNOGRAPHY

The Committee remains strongly supportive of efforts to combat child pornography, and in particular the cooperative efforts with the National Center for Missing and Exploited Children. (NCMEC). The Committee therefore directs that Customs provide $50,000 from available funds to promote public awareness of the Child Pornography Tipline and to coordinate Customs' efforts with NCMEC, the U.S. Postal Service, the U.S. Secret Service, and the General Services Administration.

FOREIGN TRADE ZONES

The Committee is concerned that Customs has not kept up in its efforts to work with U.S. Foreign Trade Zones (FTZ) and their users following changes pursuant to the Customs Modernization Act. In particular, the Committee understands that Port Directors have not received adequate education and training on FTZ operations and related Customs procedures, with the result that decision making is ad hoc, varying from port to port. The Committee therefore directs Customs to report to the Committee by February 1, 1998 on Customs plans to achieve uniformity in treatment across the country, and improve the training of port directors and other relevant personnel.

The Committee is also aware that the Customs Service has not automated Customs Form 214, the admissions document for all goods admitted to U.S. FTZ. CF 214 notifies Customs of merchandise admitted to a foreign-trade zone, thereby transferring liability of merchandise to the foreign-trade zone operators. The U.S. Census Bureau relies on the timely filing of CF 214 to track import/export statistics. In addition, agencies such as the Food and Drug Administration could utilize the automated CF 214 data to verify compliance with U.S. laws. The Committee recognizes that Customs may be planning to include CF 214 automation as part of its Automated Commercial Environment (ACE), but encourages the bureau to consider ways, consistent with that approach, to move from manual processing as soon as possible, including automating under the existing Automated Commercial System.

ENFORCEMENT OF THE NORTH AMERICAN FREE TRADE AGREEMENT

The Committee underscores the importance of the Customs Service's enforcement of the peanut provisions of the North American Free Trade Agreement (NAFTA), specifically the rule of origin requirement and Marketing Order 146. The Committee supports the Service's efforts to put the necessary regulations in place and make good on its enforcement commitments and directs Customs to continue these enforcement efforts.

CUSTOMS SERVICE REGULATIONS

The Committee anticipates that the U.S. Customs Service will finalize by January 1, 1998 proposed regulations (RIN–1515–AB61) clarifying the requirements for the country of origin label on imported frozen fruits and vegetables.

CUSTOMS FACILITIES, CONSTRUCTION, IMPROVEMENTS AND RELATED EXPENSES

Appropriation, fiscal year 1997 to date	— — —
Budget estimate, fiscal year 1998	$5,512,000
Recommended in the bill	— — —
Bill compared with:	
Appropriation, fiscal year 1997	— — —
Budget Estimate, fiscal year 1998	−5,512,000

MISSION

This account would provide funding for major Customs construction, repair, and facility improvements initiatives.

RECOMMENDATION

The Committee denies funding at this time for a second hangar at Corpus Christi to house the new P–3 AEW aircraft. The Committee recognizes that such facilities, which would provide protection from corrosive weather conditions, are important to extending the useful flying life of the aircraft. However, it appears the delay in the delivery schedule for the aircraft may not justify present expenditure for new construction. The Committee will be willing to consider this request at such time as Customs reports that the P–3 delivery schedule is firm. The Committee would not object if the Secretary chose to fund such construction from any super surplus that might become available in the Treasury Forfeiture Fund with advance approval from the Committee.

CUSTOMS OPERATIONS, MAINTENANCE, AND PROCUREMENT

AIR & MARINE INTERDICTION PROGRAMS

Appropriation, fiscal year 1997 to date	$83,363,000
Budget estimate, fiscal year 1998	92,758,000
Recommended in the bill	97,258,000
Bill compared with:	
Appropriation, fiscal year 1997	+13,895,000
Budget Estimate, fiscal year 1998	+4,500,000

MISSION

The Customs Air and Marine Interdiction Program combats the illegal entry of narcotics and other items into the United States.

This appropriation provides all operations, maintenance and procurement for the Customs air and marine program and support for the interdiction of narcotics by other Federal, State, and local agencies. Included in this mission is the requirement to support the Bureau of Alcohol, Tobacco and Firearms.

RECOMMENDATION

The Committee concurs with the President's request for this activity, with the addition of the provision listed below.

BLACK HAWK HELICOPTERS

The Committee recognizes that the UH–60, Black Hawk helicopter represents a mainstay Customs asset in its mission to track and intercept smugglers seeking to enter U.S. airspace. In order to improve the operational capability of the Black Hawks, the Committee includes $4,500,000 in this appropriation to be used to equip the Customs fleet with forward looking infrared (FLIR) capability for night operations. The Committee has also taken this action in order to address its concerns that the Air Interdiction Division has not demonstrated adequate foresight in management of its resources, both in terms of adequately equipping and in staffing its helicopter operations. Adequate night vision equipment for helicopter operations, as well as scheduling so as to maintain appropriate crew size for operations, are essential requirements for mission effectiveness.

AIR OPERATION STAFFING LEVELS

The Committee is concerned that some Customs air operations may be conducted with inadequate crew size, thus potentially risking the safety of Customs officers or jeopardizing the success of the interdiction mission. The Committee requests that Customs report on its record in maintaining the appropriate number of crew members and officers to meet mission requirements.

P–3 AIRBORNE EARLY WARNING OPERATIONS

The Committee last year provided funding for the retrofitting of two P–3 AEW aircraft to enhance the nation's counterdrug efforts in the source and transit zones, which would bring the total number in the Customs fleet to six. The Committee is concerned that the funding provided to the Department of Defense has not been transferred to Customs to permit work to begin on the second P–3, and thus the delivery date of that aircraft has been unnecessarily delayed. The P–3 surveillance mission is critical to the nation's interdiction effort, and the Committee is concerned that there may be a gap in coverage as the Defense Department reduces its mission operations. The Committee requests Customs to report by January 31, 1998 on the status of the P–3 retrofitting program, including an assessment of the current operational requirements, and the potential impact on interdiction effectiveness were the fleet to be expanded by one or two additional P–3 AEW aircraft.

CUSTOMS SERVICES AT SMALL AIRPORTS

(TO BE DERIVED FROM FEES COLLECTED)

Appropriation, fiscal year 1997 to date	$2,406,000
Budget estimate, fiscal year 1998	2,406,000
Recommended in the bill	2,406,000
Bill compared with:	
Appropriation, fiscal year 1997	— — —
Budget Estimate, fiscal year 1998	— — —

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 1997 to date	$3,000,000
Budget estimate, fiscal year 1998	3,000,000
Recommended in the bill	3,000,000
Bill compared with:	
Appropriation, fiscal year 1997	— — —
Budget Estimate, fiscal year 1998	— — —

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 1998, $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.

RECOMMENDATION

The Committee concurs with the President's request of $3,000,000.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

Appropriation, fiscal year 1997 to date	$165,335,000
Budget estimate, fiscal year 1998	169,426,000
Recommended in the bill	169,426,000
Bill compared with:	
Appropriation, fiscal year 1997	+4,091,000
Budget Estimate, fiscal year 1998	— — —

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 Committee recommends an appropriation of $173,826,000, offset by $4,400,000 in receipts for a final appropriation of $169,426,000, for the Bureau of the Public Debt (BPD). This is the same as the budget request, and $4,091,000 over 1997. This recommendation includes $3,032,000 to maintain current levels, $599,000 for annualization of the 1997 pay raise, and $460,000 for a new program to issue inflation-indexed securities.

TRUST FUND REIMBURSEMENT

The Committee has included language which permits the BPD to be reimbursed for the administrative services it provides to the various trust funds. The Committee notes that this provision does not conflict with those provisions which permit the Financial Management Service be reimbursed for the administrative services it provides to other trust funds.

BUREAU OF ENGRAVING AND PRINTING

	1997	1998
Federal Reserve Notes	9.6 billion	10 billion
Postage Stamps	25 billion	25 billion
Securities, commissions, etc	54 million	54 million
Cost of operations	$463 million	$477 million
Revenue	$476 million	$497 million

MISSION

The Bureau of Engraving and Printing (BEP), a non-appropriated revolving 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 BEP executes certain printings for various territories administered by the United States, particularly postage and revenue stamps.

The operations of the BEP 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 BEP to be reimbursed by customer agencies for all costs of manufacturing products and services performed. The BEP 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.

PROCUREMENT OF DISTINCTIVE CURRENCY PAPER

The Committee has included a provision (Sec. 116) which is the same provision included in the conference report 105–119, the 1997 Emergency Supplemental Appropriations. This provision prohibits the award of a new contract for the production of distinctive currency paper until certain requirements are met, limits the "bridge" contract to 24 months, and requires the Secretary of the Department of the Treasury to certify that the price under the terms of any "bridge" contract is fair and reasonable and that the terms of any "bridge" contract are customary and appropriate according to Federal procurement regulations. The Secretary is also required to report to the Committees on Appropriations on the price and profit levels of any "bridge" contract at the time of certification.

The Bureau of Engraving and Printing (BEP) and the Department of the Treasury have had a 117-year virtual sole-source supplier of distinctive currency paper. The result is that the federal government has a single supplier of distinctive currency paper. The Committee believes Congress should have a neutral-party assessment of the potential for disruption of currency paper production with a sole-source supplier and the optimum circumstances for government procurement of distinctive currency paper, including the benefits and costs and the advantages and disadvantages which might accrue from competition in the procurement of distinctive currency paper.

The Department of the Treasury prohibited the BEP from furnishing capital to contractors to induce competition, which was contained in Solicitation No. BEP–96–13 (TN). The Department of the Treasury directed the BEP to issue Solicitation No. BEP–97–13 (TN) which does not furnish capital to contractors to induce competition. Solicitation No. BEP–97–13 (TN) seeks bidders for a four-year, multi-hundred-million dollar contract, which commences on October 1, 1998.

The Committee believes that before the contract for this solicitation can be awarded, additional information and the opportunity for Congressional oversight is required. Therefore, the provision prohibits the BEP and the Department of the Treasury from awarding the contract for the current solicitation until the General Accounting Office (GAO) has conducted a comprehensive analysis of the optimum circumstances for government procurement of distinctive currency paper and has reported its findings to the House and Senate Committees on Appropriations. The provision also limits the "bridge" contract to 24 months, and requires the Secretary of the Department of the Treasury to certify that the price under the terms of any "bridge" contract is fair and reasonable and that the terms of any "bridge" contract are customary and appropriate according to Federal procurement regulations. The "bridge" contract is necessary to ensure the supply of currency paper until such time as the aforementioned restrictions are removed.

The Committee directs the GAO to report on the current limitations on competition in currency paper procurement; the fairness and reasonableness of prices paid for currency paper and passport paper; possible alternatives to the current procurement situation, including the impact of Federal acquisition guidelines on supply competition; the potential for disruption of U.S. currency paper and passport paper supplies by the inability of the single government supplier to meet contract requirements and the adequacy of contingency supply arrangements made by the single government supplier; the impact of security requirements, especially the need for Federal law enforcement agencies to monitor paper production and security features, on any contract arrangement; the role of the Bureau of Engraving and Printing and the Department of the Treasury in the development of competitive proposals for the production of currency paper; and the impact of capitalization requirements on distinctive currency paper contracts.

NEW FACILITY

The Bureau of Engraving and Printing (BEP) produces approximately 10 billion Federal Reserve Notes at its two facilities. Approximately half of the notes are produced at the Washington, DC facility; the remainder is produced at the Western Currency Facility in Fort Worth, Texas. The Committee recognizes that the Washington, DC facility, due to its age and design, is inadequate to meet the operational and security requirements of the BEP. The Committee believes that the cost to maintain the Washington, DC facility outweighs the operational benefits gained by continuing to produce currency at its current location and that the BEP should consider a relocation strategy which allows them to replace this location.

The Committee recognizes that security concerns may require the government to have more than one facility capable of producing Federal Reserve Notes. Therefore, the BEP needs a new facility to replace the existing Washington, DC facility. The BEP should endeavor to find the most suitable location, given all the requirements of currency production and distribution.

The Committee directs that the BEP address these concerns by planning for a facility to replace the current DC facility. The Committee expects the BEP to thoroughly study the most cost effective options that meet the requirements for the new facility. The Committee also expects the BEP to use this opportunity to address the need for increased security and production efficiency. The study should also review options for maintaining a presence for tourists at the current Washington, DC facility. The Committee directs that the report addressing these concerns be submitted to the Committee no later than May 1, 1998.

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.

COMPENSATION FOR POLICE FORCES AT THE U.S. MINT AND THE BUREAU OF ENGRAVING AND PRINTING

The Committee has included a new general provision (Sec. 123) which authorizes the Secretary of the Department of the Treasury, or his designee, to establish compensation rates for the police forces of the U.S. Mint and the Bureau of Engraving and Printing. Should the U.S. Mint be granted authority under a Performance Based Organization (PBO) concept, to develop alternative personnel systems without regard to title 5, such authority would supersede the authority contained in this provision, Sec. 123.

The Committee is concerned about the overall implication of making changes in police officer pay on an incremental, bureau by bureau, basis. The Committee is concerned that this approach leads to competition among Federal agencies for police officer positions, causing compensation and retirement costs to widely vary for similar positions in different agencies. The Committee understands that issues associated with revising Federal police officer compensation and retirement will soon be addressed by the Government Reform and Oversight Committee. The Committee directs the Secretary of the Treasury to develop an overall plan to address the needs of the Department's police force through enhancements to pay and retirement, and present that plan to the Government Reform and Oversight Committee.

UNITED STATES MINT

	Circulating coins	Numismatic coins	Protection
1997:			
Number of coins	20 billion	11 million	
Cost of operations	$288.7 million	$298 million	$12.1 million
Revenue	$904.6 million	$303 million	
1998:			
Number of coins	20.5 billion	11 million.	
Cost of operations	$307.9 million	$296 million	$16.7 million
Revenue	$949.2 million	$303 million	

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 1997, 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.

REPORT ON INVENTORY OF RARE COINS

The Committee is aware that the U.S. Mint has in its possession, a stock of rare coins. It is unclear the value of these coins because the U.S. Mint has not conducted a thorough inventory of this stock. The Committee directs the U.S. Mint to complete an inventory of its rare coin stock and to note the current market value of each of these coins. This inventory should be submitted to the Committee on Appropriations and the House Committee on Banking and Financial Services no later than June 1, 1998.

PLATINUM COIN PROGRAM

The Treasury, Postal Service and General Government Appropriations Act, 1997, (Public Law 104–208) included a provision (Section 524) which provided authority to the Secretary of the Treasury to mint a platinum coin for sale. This provision was based on language which was originally included as part of the Commemorative Coin reform bill which passed the House of Representatives. Section 524 provided authority of the U.S. Mint to use, and then replenish, platinum from the national stockpile which is under the authority of the Department of Defense.

The Committee understands that the Department of Defense has worked with the U.S. Mint to arrange an opportunity for the Mint to use a portion of the platinum stockpile as a "working stock" to initiate the platinum coin program which was authorized in Public Law 104–208. The Committee is very pleased that this arrangement will allow the Mint to expeditiously implement the platinum coin program. As part of the agreement, the Mint will incur any costs associated with refining some of the platinum provided as stock. The Committee agrees with this requirement but wants to ensure that at such time as the Department of Defense requests this stock be returned, that the Mint has the opportunity to be reimbursed for costs associated with refining that stock which is returned.

PERFORMANCE BASED ORGANIZATION

In the conference report which accompanied the 1997 appropriations bill, the Appropriations Committee provided a clear opportunity for the Administration to propose bold personnel initiatives on a test basis at the U.S. Mint. The conference report directed the Department of Treasury to submit, with the 1998 budget request, legislation necessary to implement a Performance-Based Organization (PBO) at the U.S. Mint. The Committee is disappointed that the Administration ignored this directive. This was clearly an opportunity to promote the Administration's concept of PBOs; an opportunity not seized by the Department. It is difficult to appreciate why the Department of Treasury is suggesting relief from certain personnel regulations at the Internal Revenue Service and yet is not willing to following through on such an opportunity with other branches within the Department.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE AND MANAGEMENT

Appropriation, fiscal year 1997 to date	$1,790,328,000
Account realignment, 1997	+1,091,529,000
Current operating level, fiscal year 1997	2,881,857,000
Budget estimate, fiscal year 1998	2,943,174,000
Recommended in the bill	2,915,100,000
Bill compared with:	
Appropriation, fiscal year 1997	+1,124,772,000
Current operating level, fiscal year 1997	+33,243,000
Budget Estimate, fiscal year 1998	−28,074,000

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. In fiscal year 1997, the Internal Revenue Service realigned its accounting structure and transferred new responsibilities to this account: matching information returns with tax returns; and all rent and utilities payments.

RECOMMENDATION

The Committee recommends $2,915,100,000 for the Processing, Assistance and Management appropriation. This is $28,074,000 less than the request, $1,124,772,000 over the 1997 appropriated level, and $33,243,000 over the current operating level. This Committee has provided $38,473,000 to maintain current levels, $13,866,000 for the annualization of the 1997 pay raise, and $12,035,000 for the transfer from other Internal Revenue Service (IRS) organizations. This recommendation also includes a $30,000,000 rent reduction and $1,108,000 reduction for the opinion research organizations. The Committee recognizes that this recommendation requires the IRS to fund the estimated $10,966,000 in mandatory workload increases with additional funding.

REGULATIONS REGARDING CONDUCT OF NON-PROFIT VENTURES

The report which accompanied the Treasury, Postal Service and General Government Appropriations, 1997 (P.L. 104–208), incorporated by reference, language contained in the Senate's report 104–330 concerning tax-exempt organizations and the tour industry. This is a continuing issue in fiscal year 1998 because of increased growth in the number of tax exempt organizations that choose to engage in commercial activities. The apparent ambiguities in the definition of what is and is not taxable, contribute to the ongoing controversy.

The 1997 report directed the Internal Revenue Service to review this situation and take steps, if necessary, to develop regulations clarifying the "substantially related" test as it applies to tax exempt travel and tour activities. The IRS has not yet developed regulations to clarify this issue. The Committee believes that this issue must be resolved soon and requests the IRS to work with the appropriate Congressional committees to develop the necessary regulations before April 15, 1998.

BROOKHAVEN CUSTOMER SERVICE CENTER

The Committee is disturbed by the lack of progress being made on the proposed renovation plans of the IRS Center in Brookhaven, New York. Due to the inability of the IRS to finalize its plans for the center, the project is at least three years behind schedule. The Committee notes that the IRS and GSA have previously agreed to move forward on this project. The Committee is disappointed that IRS has fallen so far behind on a project the Committee believes is a priority. The Committee strongly urges the IRS to move this project forward. Therefore, the Committee requires the IRS to provide quarterly reports to the Committee on the progress of the project to ensure that the construction schedule, put forth by the IRS, is maintained.

WALK-IN SERVICE CENTERS

Despite the assurances of the Internal Revenue Service that it will adequately staff and maintain its walk-in service centers, the Committee understands that these problems continue. According to information obtained by the Committee, a certain walk-in service center was recently closed and taxpayers encountered a note which stated that IRS's inability to provide assistance was because the Center was understaffed and underpaid. The note further suggested that the taxpayer contact Congress to complain.

The Committee finds this behavior unacceptable.

Since 1994, and despite reductions in other IRS accounts, Congress has provided a 21% increase in funding for taxpayer services and returns processing. The Committee has done so to fulfill its commitment that taxpayers receive the services for which they are entitled. Furthermore, since fiscal year 1996, the Committee has included a provision which requires the IRS to maintain, as a minimum, the same level of service which was provided in fiscal year 1995.

To the Committee, the more significant issue is an appearance of unacceptable political activity on the part of government employees. The Committee believes that such activity should concern the Commissioner of the Internal Revenue Service and the Secretary of the Treasury. Therefore, the Committee requests the Commissioner, and the Secretary take appropriate action to remind IRS employees that their responsibility is to assist taxpayers in an efficient and courteous manner and that any attempt by employees to use government time and equipment for political activity is unacceptable.

BLANK PAGES IN TAX FORMS AND INSTRUCTION BOOKLETS

The Committee believes the IRS should work with various Federal law enforcement agencies to provide public service access to blank pages in the Federal tax forms and instruction booklets. For example, the Committee believes that these blank pages could be used to disseminate information on missing and exploited children.

The Committee urges the IRS to work in cooperation with organizations such as the National Center for Missing and Exploited Children to develop a productive use of blank pages in the tax forms and instruction booklets.

FINANCIAL MANAGEMENT ACCOUNTABILITY

The Committee believes a fundamental lack of financial management still remains at the IRS. For two years, the GAO has pointed out that the IRS has not yet received a clean opinion of its compliance with the Chief Financial Officers' (CFO) Act. The IRS' financial management systems are not in compliance with the accounting requirements of the CFO Act and the timetable for correcting the deficiencies identified by the GAO remains in flux. Indeed, the timetable for correcting these deficiencies changed between the time of the Commissioner's March 5, 1997, testimony before the Subcommittee and the time the IRS responded to questions for the record from that same hearing.

The Committee is extremely concerned that the Administration annually requests funds in excess of seven billion dollars to operate the IRS, yet the IRS cannot provide Congress with an accounting summary which details how the previous years appropriated funds were spent. In order for the Committee to properly execute its primary mission of oversight, it is essential that the Committee have accurate accounting statements from previous fiscal years to fully assess the proposals under consideration.

Therefore, in an effort to improve financial accountability at the IRS, the Committee directs the IRS to correct the deficiencies identified by the GAO by December 31, 1997 and that the Commissioner submit to the Committee by January 15, 1998, a certification that corrective action has been accomplished on all GAO recommendations associated with financial management.

OVERSIGHT AND MANAGEMENT ACCOUNTABILITY

The Committee is disappointed in the lack of management attention which IRS gives to providing Congress requested information. This lack of attention has deprived the Committee of the information necessary to provide adequate oversight.

For example, the Committee has requested quarterly reports on fiscal year 1997 funding and staffing levels, and progress made in correcting problems identified by the General Accounting Office (GAO). In some cases IRS has not provided the information and in other cases, has provided the information at an extremely late date.

This situation has made it difficult for the Committee to complete its work in an efficient manner. The lack of attention to the necessity to provide requested information, contributes to an overall impression that the IRS is disdainful of Congressional oversight. The Committee wishes to reiterate that its responsibility is oversight and the IRS has a responsibility to provide information to assist the Committee in this role.

In an effort to improve management accountability at the IRS, and to provide necessary and timely information to the Committee, the IRS shall submit quarterly reports, no later than 15 days after the close of each quarter, as follows: (1) planned and actual FTE levels; (2) progress made in implementing all the recommendations made by the GAO in its July 1995 report on modernization; (3) progress made in implementing modernization; and, (4) an information systems funding profile.

With regard to the report on FTE levels, the IRS should break out planned and actual FTEs funded, by program, for each IRS appropriation.

With regard to the report on the progress made in implementing the GAO recommendations, the IRS should create a matrix which lists each GAO recommendation, identifies a schedule for implementing the recommendation, identifies the date the recommendations was fully implemented, and identifies which recommendations have not yet been implemented. For recommendations not yet implemented, the report must provide a date when implementation will occur and a justification of why the recommendation has not been implemented.

With regard to the report on implementing modernization, the IRS should develop a schedule of dates to accomplish all major tasks within the modernization program, establish a budget for each task, and develop objective criteria to determine if the task was fully accomplished on time and within budget. The IRS should have the GAO review these performance measure to determine if the measures are similar to those used throughout the federal government to track development and deployment of major information systems.

With regard to the report on a project by project funding profile for information systems, the IRS should create a matrix which provides information for each program (e.g. Year 2000 conversion, Data Center Consolidation) and/or project (e.g. ICP). The report should include a quarterly expenditure plan for amounts appropriated by object class code for each fiscal year date when appropriated amount expires, and FTEs. The report should also include actual quarterly expenditures by object class code for each fiscal year unobligated balance by object class code the quarter in which obligations occurred by object class, and actual FTEs.

FIELD OFFICE REORGANIZATION

The Committee is concerned about reports that the ongoing IRS Field Office Reorganization may affect customer service in rural areas. The Committee directs that, before the Field Office Reorganization can be completed, that the Secretary of the Treasury submit a report to the House Appropriations Committee on the impact such a reorganization will have on the provision of taxpayer services in rural areas.

ELECTRONIC FILING INITIATIVE

The Committee has included a provision (Sec. 122) which directs the IRS to initiate an electronic filing project which would pay companies to provide free electronic tax return filing services to taxpayers. The initiative would require IRS to pay such companies up to $3.00 for each return filed electronically. The payment would only be made if the company provides the electronic filing service free to the taxpayer. This initiative should be set up through Federal procurement mechanisms and should require certification by participating companies that taxpayer rights are protected and that the companies meet privacy and other requirements established by the IRS.

The Report of the National Commission on Restructuring the Internal Revenue Service includes a recommendation that the Internal Revenue Service increase the number of electronically-filed tax returns by paying tax preparers for each return filed in an electronic mode. The Restructuring Commission estimated that the IRS' cost to process electronic filing tax returns is $1.15 per return versus its estimate of $7.00 to process each tax return filed in paper format. Therefore, an increase in electronic filing will reduce, by almost $6.00 per return, overall processing costs for the IRS. Section 122 requires the IRS to offset the cost of this initiative by reducing its seasonal workforce which is hired to process returns filed in a paper format.

By far, the greater benefit of this initiative to the individual taxpayer, is that the information transmitted in electronic format goes directly to the master file, it is significantly error-free. Basic transcription errors caused when data from paper-filed tax returns is manually entered into the computer files, compounds other errors and drives the overall IRS error rate on tax data entry to almost 21 percent. Therefore, the electronic-filing initiative contained in Section 122 will increase the accuracy of IRS information and will help the IRS reduce the number of incorrect notices sent to taxpayers, reduce staff time devoted to correcting errors, and provide assurances to taxpayers that the information they provided to IRS is the same information entered into IRS computer files. This electronic-filing initiative will also provide the taxpayer with assurance that IRS actually received his or her tax form. The IRS acknowledges receipt of electronically-filed tax returns, but does not provide the same acknowledgment for paperfiled tax returns.

The Committee directs that the electronic filing initiative included in Section 122 shall only apply to Form 1040's and any related information which is usually filed with this annual tax form. Other forms, such as quarterly 940 and 941 forms, should not be included in this initiative. The Committee stresses that this initiative is designed to increase the number of electronically-filed annual Form 1040 tax returns filed by individual and married taxpayers.

The IRS should provide quarterly reports to the Committee on its implementation of this initiative.

TAX LAW ENFORCEMENT

Appropriation, fiscal year 1997 to date	$4,104,211,000
Account realignment, 1997	−1,067,993,000
Current operating level, fiscal year 1997	3,049,218,000
Budget estimate, fiscal year 1998	3,153,722,000
Recommended in the bill	3,108,300,000
Bill compared with:.	
Appropriation, fiscal year 1997	−995,911,000
Current operating level, fiscal year 1997	+59,082,000
Budget Estimate, fiscal year 1998	−45,422,000

MISSION

This appropriation provides for the examination of tax returns, both domestic and international; the administrative and judicial settlement of taxpayer appeals of examination findings; 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 $3,108,300,000 for the Tax Law Enforcement appropriation. This is $45,422,000 less than the request, $995,911,000 less than the 1997 appropriated level, and $59,082,000 over the 1997 current operating level. The Committee has provided $50,703,000 to maintain current operating levels, $20,849,000 for the annualization of the 1997 pay raise, and $928,000 for the transfer from other IRS organizations.

PRIVATE SECTOR DEBT COLLECTION

RESCISSION

The Committee has rescinded $10,000,000 from funds made available for the Tax Law Enforcement appropriation in fiscal year 1997. This rescission should be applied to the $13,000,000 which the Congress directed the IRS transfer to the Departmental Offices appropriation under Section 117 of the Treasury, Postal Service and General Government Appropriations Act, 1997.

The Committee has also included a rescission of $4,500,000 from funds provided in fiscal year 1996 for the original pilot project on private sector debt collection. These funds remain available due to the decision by the Internal Revenue Service to suspend the original project pending review.

The $13,000,000 transferred under Section 117 was for the express purpose of the Department initiating a second pilot project using private sector collection agencies to collect delinquent tax debt owed to the Federal government. The Department did not initiate this second pilot but simply directed the IRS to develop another project similar to first pilot project which was ongoing. Through an administrative mechanism, the Departmental Offices appropriation has provided reimbursement to the IRS for efforts associated with implementing the second pilot project.

It has come to the Committee's attention that, for a variety of reasons, this second pilot project is not designed in such a way as to provide usable information to the IRS or to Congress. Therefore, the Committee has requested that IRS and the Department of Treasury halt the implementation of this second pilot project.

Since the $13,000,000 was for a purpose of implementing a project which the Committee has now suspended, the funds are no longer required for that purpose and are therefore available for rescission. However, the Committee recognizes that the IRS has invested approximately $3,000,000 to administer the project thus far and has, therefore, rescinded only the remaining amount of $10,000,000. The Departmental Offices appropriation should expeditiously transfer funds as necessary to the IRS to accommodate this rescission.

The Committee has also included a provision (Sec. 121) which repeals Section 117 of the Treasury, Postal Service and General Government Appropriations Act, 1997. This repeals the requirement to conduct this second project.

ENFORCEMENT OF THE TIP REPORTING ALTERNATIVE COMMITMENT AGREEMENT

The Committee is concerned about the methods which the IRS apparently uses to enforce compliance with the Tip Reporting Alternative Commitment Agreement (TRAC). TRAC is a voluntary agreement which has been developed by the IRS and the restaurant industry as means of improving the reporting of tip income. The Committee is concerned about reports that the IRS may be compelling members of the restaurant industry to accept this voluntary agreement by intimating that the business will be subject to an audit if the agreement is not signed.

The committee acknowledges that IRS has the authority to perform audits in compliance with the tax code. However, the Committee is concerned when it receives reports that some taxpayers may perceive that IRS uses its audit authority as a means of intimidation. In this case, compelling the adoption of the voluntary TRAC agreement. The Committee believes IRS should stress its taxpayer services role by working with taxpayers to ensure compliance.

INFORMATION SYSTEMS

Appropriation, fiscal year 1997 to date	$1,323,075,000
Account realignment, 1997	−36,536,000
Current operating level, fiscal year 1997	1,286,539,000
Budget estimate, fiscal year 1998	1,272,487,000
Recommended in the bill	1,292,500,000
Bill compared with:	
Appropriation, fiscal year 1997	−30,575,000
Current operating level, fiscal year 1997	+5,961,000
Budget Estimate, fiscal year 1998	+20,013,000

MISSION

This appropriation provides for Service-wide data processing support, including the evaluation, development, and implementation of computer systems (including software and hardware) requirements.

RECOMMENDATION

The Committee has included $1,292,500,000 for the Information Systems appropriation. This is $20,013,000 more than the request, $30,575,000 less than the 1997 appropriated level and $5,961,000 over the current operating level. The increase is associated with the Committee's desire to provide additional funding for the Century Date Change requirements: the IRS requested $84,936,000 and the Committee has provided $105,000,000, a $20,064,000 increase. The Committee also includes language which makes all these funds available until September 30, 1999.

These funds shall be used for the following purposes:

Operational Systems	$949,300,000
Stay-in Business:	
Century Date Change	105,000,000
DIS/RPS Replacement	44,026,000
Quality Assurance	7,212,000
Interim RGLS	5,100,000
Program Infrastructure:	
Modernization Management	8,227,000
Performance Management Office	3,300,000
Systems Standards & Evaluation	5,800,000
Investment Infrastructure:	
Data Center Consolidation	157,700,000
Retraining/re-deployment of staff	7,000,000

In addition, the Committee has removed the fiscal year 1997 legislative language limiting $130,075,000 in appropriations to TSM development and deployment. The IRS has stated that it will use these funds for systems that support modernization, Century Date Change, and Data Center Consolidation.

MODERNIZATION

The Committee is pleased that the IRS has produced a Modernization Blueprint which was presented to Congress on May 15, 1997. The Committee believes that this is a step in the right direction. While there have been a number of plans in the past, this Blueprint appears to be a solid product which IRS can use to develop a more detailed plan for implementation. The Committee believes the most important thing for the IRS at this point is to follow through on the processes and procedures it has established for investment review and systems life cycle and follow the plan presented in the May 15 Blueprint. Furthermore, there is much that can be done to implement progress on modernization "groundwork" and the IRS should not delay this progress.

In 1997, Congress directed that the IRS turn over the majority of its Tax Systems Modernization (TSM) work to the private sector. The Committee is pleased that the IRS has embraced this concept and apparently intends to relinquish IRS' hold on the development and implementation of modernization through a new partnership with the private sector. Particularly encouraging is the release of the Request for Comment (RFC) for a prime/integrator contractor. The Committee has long been convinced that a modernization program could be realized if the IRS would assume a more traditional program management role and allow the private sector experts to perform the systems design, development, and implementation. However, the Committee believes this should be a reasonable partnership with appropriate levels of investment by both parties.

The Committee agrees that the IRS should seek a partnership with the private sector, but shuffling private sector contracts with IRS employees and changing labels will accomplish nothing. This partnership opportunity must be used to dramatically restructure the Information Systems (IS) organization in a manner that will allow future partnerships with the private sector to succeed. The Committee believes that, once the requirements of the Century Date Change are fulfilled, the IS organization should be drastically reduced. While there is a legitimate need to ensure that existing systems and systems coming on line have sufficient staffing to operate and maintain them, the IS organization can accommodate these requirements with fewer staff. The IRS should submit a plan, with the 1999 budget request, which identifies how the Committee's direction will be implemented through staffing reductions in the years 2000–2004.

The Committee believes that, in fiscal year 1998, the Government Program Management Office (GPMO) should be reduced and should contain no more than 100 IRS employees. There should be a consolidation of all IS contractor management into a single organization within the GPMO. The role of the GPMO with regards to modernization shall be limited to traditional program management responsibilities: 1) managing the prime contractor to ensure the IRS Modernization Blueprint is being met on-cost and on-schedule; 2) planning and tracking budgetary resources; 3) evaluating and approving acceptance testing; and, 4) communicating with oversight and review groups and taxpayers.

MODERNIZATION MANAGEMENT BOARD

The Committee directs that $2,000,000 of the funds provided shall be made available to the Modernization Management Board (MMB) for the ongoing oversight operations of the MMB.

DATA CENTER CONSOLIDATION

The Committee has included $157,700,000 in the 1998 appropriation for data center consolidation. The Committee understands that IRS plans to reprogram approximately $43,000,000 in 1997 funds to initiate this consolidation in 1997.

The Committee is very pleased that this program can move forward at this time due to the tremendous benefits and cost savings which can be realized through implementation. The benefits include making the computer centers compliant with year 2000 requirements, replacing outdated technology, and setting the platform for the future modernization architecture. Additionally, the IRS claims this consolidation will produce over $300,000,000 savings through future cost reductions and a reduction of over 600 in the level of employees over a two year time period.

The Committee has included $7,000,000 for any required retraining or redeployment costs which the IRS would need to incur as a result of the Consolidation. The Committee suggests that, to the extent possible, the IRS move any displaced personnel into Customer Service activities.

CENTURY DATE CHANGE

The Committee is concerned that the $105,000,000 provided for the Century Date Change (CDC) conversion process will not be adequate to meet the requirements of the IRS. However, the Committee does not believe it can provide additional funds at this time.

The Committee provided $45,000,000 in fiscal year 1997 for this program. Additionally, the Committee understands that the IRS will soon submit a $44,000,000 reprogramming which would provide a total of $89,000,000 for CDC in 1997.

Additionally, the Committee is concerned that without a current inventory of systems and a verified need to upgrade these systems to a Year 2000 compliant state, it is impossible to determine if the budget request, or any additional funding requirement, will be judiciously invested. Therefore, the Committee directs the IRS to provide, by October 1, 1997, a listing of its current inventory of systems, an identification of those which require an upgrade to make them Year 2000-compliant, a brief description of what is required to upgrade this system, a milestone chart for completion of such an upgrade program, and an overall cost estimate for the upgrades.

INFORMATION TECHNOLOGY INVESTMENTS

Appropriation, fiscal year 1997 to date	— — —
Budget estimate, fiscal year 1998	$500,000,000
Recommended in the bill	326,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+326,000,000
Budget Estimate, fiscal year 1998	−174,000,000

MISSION

The creation of the Information Technology Investment Account responds to the requirements of the Federal Acquisition Streamlining Act of 1994 and the Information Technology Management Reform Act of 1996 and represents new capital projects, formerly designated as Tax Systems Modernization in the "Information Systems" account within the Internal Revenue Service (IRS).

RECOMMENDATION

The Committee has included $326,000,000 for the Technology Investment Account. This is $174,000,000 less than the request and $326,000,000 over the 1997 level. The Committee has also included language limiting the obligation of these funds until certain conditions are met.

MODERNIZATION

The Committee agrees with the intent of this request which is to set aside funds for the implementation of the Modernization Blueprint which was provided to Congress on May 15, 1997. The Committee has made these funds available until September 30, 2000, but has restricted obligation until September 30, 1998.

The Committee has also included language which prohibits the expenditure of these funds until the IRS and the Department of the Treasury submit to Congress, for approval, a plan for expenditures. The plan must: (1) implement the Modernization Blueprint; (2) meet the information systems investment guidelines established by the Office of Management and Budget; (3) be reviewed and approved by the IRS' Investment Review Board, the Office of Management and Budget, and the Modernization Management Board; (4) meet the requirements of the IRS' Systems Life Cycle program; and (5) be in compliance with acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal government.

With regard to Phase IV of the Modernization Blueprint, the Committee is very pleased to see that the IRS has addressed the pilot paper submissions processing program. The Committee recommends that the Office of Management and Budget work with the

IRS to expeditiously implement this program. The Committee directs the IRS to submit a copy of its May 15, 1997, Modernization Blueprint to the Federal Chief Information Officer (CIO) Council for review. The Council is comprised of a majority of CIOs throughout the Federal government, encompassing years of experience and commitment to information systems modernization. The CIO Council, or its appropriate Sub-council, should provide a report to the Committee on its analysis of the Modernization Blueprint.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

Section 101. The Committee continues this provision which allows the transfer of 5 percent of the appropriations, subject to Congressional approval.

Sec. 102. The Committee continues this provision which requires the IRS to maintain a training program in taxpayer's rights, dealing courteously with the taxpayers, and cross cultural relations.

Sec. 103. The Committee continues this provision which requires the IRS maintain taxpayer services at not less than 1995 levels.

Sec. 104. The Committee has continued this provision, previously carried under "General Provisions—Department of the Treasury," which prohibits the expenditure of funds for the collection of taxes unless the conduct of offices and employees of the IRS complies with the Fair Debt Collection Practices Act.

Sec. 105. The Committee has continued this provision, previously carried under "General Provisions—Department of the Treasury," which requires the IRS to institute policies and procedures which will safeguard the confidentiality of taxpayer information.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$531,288,000
Budget estimate, fiscal year 1998	575,971,000
Recommended in the bill	555,736,000
Bill compared with:	
Appropriation, fiscal year 1997	+24,448,000
Budget Estimate, fiscal year 1998	−20,235,000

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 recommends $555,736,000, an increase of $24,448,000 from fiscal year 1997 appropriated levels and a reduction of $20,235,000 from the President's request. Additional funds of $16,837,000 are provided to the Secret Service through the Violent Crime Reduction Trust Fund and $5,775,000 through the Acquisition, Construction and Related Expenses Account.

The Committee includes $6.1 million for FLEWUG through the Treasury Forfeiture Fund. Included in the Salaries and Expenses accounts is $6.7 million for vehicle replacement, $16.8 million for maintaining current levels, and $1.6 million for base operations. The Committee denies the transfer of $5 million from the Crime Trust Fund.

WHITE HOUSE SECURITY

The Committee provides a total of $13,324,000 for additional efforts of the Secret Service related to White House Security in the upcoming year. Of this amount, $4,000,000 is provided through the Salaries and Expenses appropriation and the balance is funded through the Violent Crime Reduction Trust Fund.

These funds will cover the shortfall anticipated during the upcoming year from hiring 277 additional full time employees in fiscal year 1997. The Committee denies, without prejudice, funding for an additional 27 technical and clerical positions in the upcoming year.

The Committee notes that, since the completion of the "White House Security Review," the Committee has funded $51,748,000 of the total anticipated requirement of approximately $62,000,000. The Committee will continue to fund the recommendations of the "White House Security Review" as resources become available and anticipate that complete funding will be provided in fiscal year 1999.

PAY REFORM, UNIFORMED DIVISION

The USSS has submitted a proposal to place all Uniformed Division officers in a single pay scale, establish new rates of basic pay for all members of the Uniformed Division and establish a new salary class for the Chief of the Uniformed Division. The Committee includes this proposal as Sec. 120 of the Treasury General Provisions.

ACQUISITION, CONSTRUCTION, IMPROVEMENT AND RELATED EXPENSES

Appropriation, fiscal year 1997 to date	$37,365,000
Budget estimate, fiscal year 1998	9,176,000
Recommended in the bill	5,775,000
Bill compared with:	
Appropriation, fiscal year 1997	−31,590,000
Budget Estimate, fiscal year 1998	−3,401,000

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 recommends $5,775,000, a reduction of $3,401,000 from the amount requested by the President and a reduction of $31,590,000 from 1997 appropriated levels. The Committee denies the request of $2,000,000 for additional maintenance requirements of the Rowley Training Center (RTC) and, instead, funds this requirement through the Treasury Forfeiture Fund. The

Committee notes that the request for RTC is an increase of 19 percent above the FY 1997 level. The Committee directs the Secret Service to submit, as part of its FY 1999 budget, a detailed justification for the RTC, including an Object Class Analysis.

GENERAL PROVISIONS—TREASURY DEPARTMENT

Sec. 111. The Committee has continued this provision which requires the Secretary of the Treasury to comply with certain reprogramming guidelines when obligating or expending funds for law enforcement activities.

Sec. 112. The Committee continues this provision which allows the Department of the 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 this provision which requires expenditures of funds so as not to diminish efforts under the Federal Alcohol Administration Act.

Sec. 114. The Committee has included a new provision which authorizes transfers, up to 2 percent, between law enforcement appropriations under certain circumstances.

Sec. 115. The Committee has included a new provision which authorizes transfers, up to 2 percent, between Departmental Offices, Office of Inspector General, Financial Management Service, and the Bureau of the Public Debt appropriations under certain circumstances.

Sec. 116. The Committee has included a new provision which limits the contractual term for distinctive currency paper and requires a General Accounting Office report prior to the award of the new currency paper contract. This is the same provision which was included in the conference report 105–119, the 1997 Emergency Supplemental Appropriations for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those in Bosnia.

Sec. 117. The Committee has included a new provision which requires the reimbursement of Secret Service personnel for certain fees and costs.

Sec. 118. The Committee has included a new provision which adjusts the compensation for the Secretary of the Treasury. This adjustment will take effect with the appointment of the next Secretary.

The Committee understands that when former Secretary of the Treasury Lloyd Bensten assumed the Office of the Secretary, the pay of that position was reduced by Public Law 103–02, 107 Stat. 4 (1993), in order to avoid the prohibition in article 1, section 6, clause 2 of the Constitution. The Constitution does not allow a Senator or Representative to be appointed to any office whose emoluments or pay have been increased as a result of Congressional action during the tenure of that Senator or Representative. The Committee has included bill language to prospectively remedy this situation which will go into effect for the next Secretary.

Sec. 119. The Committee has included a new provision limiting the amount of time the Department may use in responding to a request by the Committee.

For many years, the Committee has been frustrated by the failure of the bureaus, agencies, and offices of the Department of Treasury to provide the Committee with testimony, hearing transcript edits, and responses to official questions for the hearing record in a timely manner. The Committee has found itself unable to properly assimilate testimony prior to scheduled hearings because of the inherent bureaucracy in the Department's clearing process. Additionally, the Committee's ability to have its hearing volumes printed in a timely manner has been compromised by this apparent disrespect for the time sensitive nature of the Committee's business.

The Committee regrets that it must include language to address this situation.

The Committee realizes that the Department has no intention of delaying or inhibiting the work of Congress or the best interests of taxpayers, and hopes that inclusion of this language will help to streamline the clearance process within the Department.

Sec. 120. The Committee includes a new provision which establishes pay reform for the Uniformed Division of the Secret Service.

Sec. 121. The Committee has included a new provision which repeals Section 117 of the fiscal year 1997 appropriation dealing with the second private sector debt collection project.

Sec. 122. The Committee has included a new provision which directs the IRS to initiate an electronic filing project.

Sec. 123. The Committee has included a new general provision which addresses compensation rates of police officers at the BEP and the U.S. mint.

TITLE II—POSTAL SERVICE

Payments to the Postal Service

PAYMENT TO THE POSTAL SERVICE FUND

Appropriation, fiscal year 1997 to date	$85,080,000
Budget estimate, fiscal year 1998	86,274,000
Recommended in the bill	86,274,000
Bill compared with:	
Appropriation, fiscal year 1997	+1,194,000
Budget Estimate, fiscal year 1998	— — —

PAYMENT TO THE POSTAL SERVICE FUND FOR NONFUNDED LIABILITIES

Appropriation, fiscal year 1997 to date	$35,536,000
Budget estimate, fiscal year 1998	34,850,000
Recommended in the bill	34,850,000
Bill compared with:	
Appropriation, fiscal year 1997	−686,000
Budget Estimate, fiscal year 1998	— — —

RECOMMENDATION

The Committee recommends $86,274,000 for Payment to the Postal Service Fund and $34,850,000 for Payments to the Postal Service Fund for Nonfunded Liabilities. These amounts are identical to the amounts requested by the Postal Service. For Payment to the Postal Service Fund for Nonfunded Liabilities, the Committee's recommendation is above the President's request by

$34,850,000 as the President requested no funds for this account in fiscal year 1998.

POST OFFICE IN WEST POINT, ALABAMA

The Committee is concerned about the postal needs of the residents of West Point, Alabama, located in Cullman County. The Committee recommends that the United States Postal Service study and evaluate the need for a post office in West Point, Alabama, working with local officials and community leaders. The Committee further recommends that the United States Postal Service report its findings to the Committee.

POST OFFICE IN SNEAD, ALABAMA

The Committee is concerned about the postal needs of the residents of Snead, Alabama, located in Blount County. The Committee recommends that the United States Postal Service study and evaluate the need for a post office in Snead, Alabama, working with local officials and community leaders. The Committee further recommends that the United States Postal Service report its findings to the Committee.

POST OFFICE IN SARDIS CITY, ALABAMA

The Committee is concerned about the postal needs of the residents of Sardis City, AL 35956, located in Etowah County. The Committee recommends that the United States Postal Service study and evaluate the need for a post office in Sardis, Alabama, working with local officials and community leaders. The Committee further recommends that the United States Postal Service report its findings to the Committee.

POST OFFICE IN SAND ROCK, ALABAMA

The Committee is concerned about the postal needs of the residents of Sand Rock, AL, located in Cherokee County. The Committee recommends that the United States Postal Service study and evaluate the need for a zip code and post office in Sand Rock, Alabama, working with local officials and community leaders. The Committee further recommends that the United States Postal Service report its findings to the Committee.

LOCAL ZONING REQUIREMENTS

The Committee is aware that, consistent with other federal construction activities, the Postal Service is exempt from local zoning ordinances and building code requirements. The Committee is concerned that, in some instances, this may have a negative impact on certain local communities. The Committee is also aware of the Postal Service's "Community Relations Guide for U.S. Postal Service Facilities Projects", dated June 1997, that includes enhanced procedures for community involvement in decisions related to facility renovations, relocations, closings and consolidations. The Committee encourages Postal Service efforts to ensure meaningful community input into these decisions.

NON-POSTAL COMMERCIAL ACTIVITIES

The Committee has recently been made aware of concerns within the small business community relating to certain "non-postal" commercial activities and packaging services. The non-postal commercial activities recently initiated by the Postal Service include the sale of T-shirts, neckties, greeting cards, stationery, and other gift items.

The Committee continues to have an interest in non-postal commercial activities and packaging services, and therefore directs the Postal Service to report, as part of its FY 1999 budget submission, on the non-postal and packaging activities offered by the Postal Service including a description of each service, the potential benefits to postal customers, an assessment of how these services contribute to providing uniform postal services at uniform rates, an estimate of net revenue generated, and, if applicable, an assessment of the potential impact of non-postal and packaging operations on the small business community. The Committee also urges the Postal Service to refrain from entering new non-postal and packaging activities until the report has been submitted.

The Committee also notes that the House Government Reform and Oversight Committee is considering postal reform legislation and among the issues which it may consider is the issue of competition by the Postal Service in these areas. The Committee will make this report available to that Committee and encourages it to consider action in this area as part of its postal reform legislation or as separate legislation.

GLOBAL PACKAGE LINK

The Committee is concerned about the efforts of the United States Postal Service to expand its Global Package Link Service and believes that a one year freeze on expansion of this service is necessary. This freeze will give the GAO and the appropriate Congressional committees time to study the international mail market and provide results to Congress and the public for review. The freeze prohibits the expansion of the Global Package Link Service by adding countries not already participating as of the effective date of this Act, changing qualifications for using the service, or offering features not previously offered. It is the intent of the Committee that the term "Global Package Link Service" means the merchandise delivery service offered by the United States Postal Service for international delivery (and customs clearance) of retail merchandise sold by large volume catalog retailers or other retailers. Such term includes the International Package Consignment Service and any other similar service offered by the Postal Service.

POSTAL SERVICE IN DAVIS MOUNTAIN RESORT, TEXAS

The Committee is aware of concerns about the postal needs of the residents of Davis Mountain Resort, Texas located in Jeff Davis County. The Committee recommends that the United States Postal Service study and evaluate restoring service to Davis Mountain Resort, Texas, working with local officials and community leaders. The Committee further recommends that the United States Postal Service report its findings to the Committee by December 31, 1997.

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

COMPENSATION OF THE PRESIDENT AND THE WHITE HOUSE OFFICE

COMPENSATION OF THE PRESIDENT

Appropriation, fiscal year 1997 to date	$250,000
Budget estimate, fiscal year 1998	250,000
Recommended in the bill	250,000
Bill compared with:	
Appropriation, fiscal year 1997	— — —
Budget Estimate, fiscal year 1998	— — —

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$40,193,000
Budget estimate, fiscal year 1998	51,199,000
Recommended in the bill	51,199,000
Bill compared with:	
Appropriation, fiscal year 1997	+11,006,000
Budget Estimate, fiscal year 1998	— — —

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.

RECOMMENDATION

For the White House Office Salaries and Expenses account, the Committee recommends $51,199,000, an increase of $11,006,000 above the fiscal year 1997 appropriated level and the same as the President's request. This includes a transfer of $9,800,000 from the Department of Defense. The Committee fences $873,000 of the funds requested for automated data processing pending the submission of an architectural blueprint by the Office of Administration that defines the information technology requirements of the Executive Office of the President.

WHITE HOUSE COMMUNICATIONS AGENCY

As requested by the Administration, the Committee has included $9,800,000 for the reimbursement of support services to the White House Office from the White House Communications Agency (WHCA). These funds have been transferred from the Department of Defense in accordance with PL 104–201, the 1997 Defense Authorization Act. The Committee has included these funds as a separate line item within the White House appropriation to interject accountability and address concerns raised in the past about WHCA operations.

WHCA OPERATIONS

In November of 1995 and April of 1996, the DOD Inspector General issued audits of the operations and management of the WHCA. In general, the Inspector General found that WHCA was supporting a variety of White House operations that went beyond the original mission of the agency and that WHCA failed to have adequate procedures in place for accountability of both services and equipment. The Committee understands that the transfer of funds from the Department of Defense to the White House Office is merely a book keeping transfer and, as such, fails to see how this will address the management and accountability problems identified by the Inspector General.

The Committee directs the White House Office to establish a system for tracking and verifying all reimbursements made to WHCA and to report to the House Committee on Appropriations on this system no later than November 1, 1997. In addition, the Committee directs the White House Office, as part of its annual budget submission, to provide a detailed accounting of reimbursements made to WHCA in the current fiscal year and an estimate of reimbursements for the upcoming year. This submission should include a description of the types of services reimbursed.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

Appropriation, fiscal year 1997 to date	$7,827,000
Budget estimate, fiscal year 1998	8,045,000
Recommended in the bill	8,045,000
Bill compared with:	
Appropriation, fiscal year 1997	+218,000
Budget Estimate, fiscal year 1998	— — —

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of $8,045,000, the amount requested by the President, and an increase of $218,000 from the amounts appropriated in fiscal year 1997. The Committee recommends several new legislative provisions for Executive Residence activities, including bill language establishing a new account for the reimbursable operating expense program, and bill language ensuring timely reimbursement to the federal government for both political and non-political events held within the Executive Residence. The specific parameters of these and other provisions, as well as the concerns of the Committee, are explained below.

PREPAYMENT OF POLITICAL EVENTS

The Committee is concerned that, historically, appropriations made for the care and maintenance of the Executive Residence have been used as advance payment for political events. The Committee bases this concern on information learned during fiscal year 1998 hearing cycle that the Operating Expense account is used as an initial source of funds to pay for both political and non-political events within the Executive Residence. The Committee is concerned that federal appropriations are being used to pay for partisan political activities. The Committee is particularly concerned about this practice because of the number and cost of these events. For instance, during fiscal year 1996, there were 73 political events at the White House for a total cost of $639,000. Over the past three years, the President has hosted 103 political coffees in the White House.

While the Committee is pleased to know that the costs of political events are reimbursed by non-federal sources, it has serious concerns about the lengthy delays between the date the event was held and the date of reimbursement. In some instances, payments for political events were not made for more than 6 months. In these cases federal taxpayer dollars were essentially used to float loans for political events hosted in the White House. The Committee notes that appropriated funds are generally not available for political purposes and believes this is an inappropriate use of this particular account.

In order to address this concern, the Committee has included a separate account for all reimbursable events, including partisan political activities. The Committee wishes to emphasize that this provision will have no impact on the hosting of political events; it will merely require that these events be paid for through the reimbursable program.

BUDGETARY CONTROLS FOR REIMBURSABLE OPERATING EXPENSES

The Committee is concerned about the absence of appropriate budgetary controls within the reimbursable program of the Executive Residence. Specifically, during the fiscal year 1998 hearing cycle, the Committee learned that there are no limits on the budgetary resources available to this program and, in essence, that these funds are being used to replenish federal appropriations. Reimbursable activities have grown from $845,000 in FY 1992 to an estimated $2,024,000 in FY 1998, an increase of 136 percent.

The Committee acknowledges the President's prerogative to host these events and does not object to the use of the reimbursable program as a mechanism to finance both political and non-political events in the White House. It is not the Committee's intent to limit the official and ceremonial functions of the Presidency. However, the Committee also believes there should be a greater degree of budgetary accountability as it relates to financing political events. In order to address this concern, the Committee has established a new account for the reimbursable program.

PREPAYMENT OF POLITICAL EVENTS

The Committee believes that federal tax dollars should not be used as a source of advance payment for political events. In order to address this concern, the Committee has included a new provision requiring the Executive Residence to collect, in advance, the cost of reimbursable services provided for political events. The Committee recognizes that, in some instances, it may be difficult to estimate the exact cost of a particular event. The Committee directs the Executive Residence to develop a system that will provide an accurate estimate these costs. The Committee also directs the Executive Residence, as part of its annual reporting requirements, to include a comparison of prepayment amounts to actual event costs. In the event that prepayment amounts do not fully offset the cost of events, prompt collection provisions will apply. Finally, the Committee requires the national committee of the political party of the President to provide a deposit of $25,000 at the beginning of the fiscal year to be used as a source of advance payment for political events hosted by that Committee that cannot be adequately anticipated and paid for in advance. The Committee expects that after this fund is drawn down to pay for such events, the Residence would seek replenishment from the national committee.

COST OF OVERNIGHT STAYS

The Committee is concerned that federal appropriations are being used to finance unofficial activities within the Executive Residence and, in particular, overnight stays of non-relative guests of the President and First Family. Again, the Committee acknowledges the President's prerogative to host overnight guests within the Executive Residence. However, the Committee has learned that some of these guests may have been granted access to the Lincoln bedroom for political gains. The Committee is not only concerned that the historical residence of the White House is being used for political purposes but also that the cost of hosting 938 overnight guests is being subsidized by the taxpayer.

The Committee made every attempt to ascertain the true cost of overnight stays within the Executive Residence, the actual number of stays, and documentation that the cost of these stays, if any, were appropriately reimbursed. Unfortunately, the White House failed to respond to questions related to these matters. As such, the Committee has no way of verifying that payments have been made for the expenses of overnight guests at the White House. Although the White House suggests that these payments have been verified through audits by the General Accounting Office, the Committee notes that no such audit has occurred during the current Administration.

The Committee has included a new provision requiring the Executive Residence to develop a system for tracking reimbursable expenses within the Executive Residence including a system that provides a standard for the definition of political versus non-political events. In the interest of privacy, the Committee notes it is willing to accept documents and information related to reimbursable expenses of the First Family that may be submitted as part of this reporting requirement on a confidential basis. Finally, although the Committee reluctantly includes these reporting provisions in bill language, it feels it has no other alternative given the limited cooperation of the White House in responding to Committee requests for information during the fiscal year 1998 hearing cycle.

EXCESSIVE DELAYS IN REIMBURSEMENTS

The Committee is concerned to learn of the excessive delays in the reimbursement of certain events within the Executive Residence. In some cases, reimbursements have not been made for a year or more. In FY 1995, four political events hosted in September of 1995 were not reimbursed until October of 1996 and, in one instance, an October 1995 event was not reimbursed until January of 1997. The total cost of these events was approximately $67,000. The Committee recognizes that this is not a new problem. Delayed reimbursements are noted in past Presidential terms as well. However, the magnitude of the problem has grown in proportion to the number of events being hosted in the Executive Residence. In FY 1992, total reimbursements for 14 political events were $262,000; in FY 1996, total reimbursements for 73 political events were $639,000.

In order to address excessive delays in reimbursements for both non-political and political events, the Committee has included a new provision requiring prompt collection for reimbursable activities. The National Park Service testified that the average delay in reimbursement is between 90 and 120 days. The Committee has taken this into consideration in the development of its proposal and notes that the Debt Collection Act of 1982 requires prompt collection of debt owed to the federal government as well as penalties for late payment. Specifically, the Committee includes bill language requiring that the Executive Residence issue a bill for reimbursable activities within 60 days of the date of the event and that collection be made within 30 days of the bill date. In the event that payments exceed this time, the language requires that interest be charged at the standard rate required by the Debt Collection Act of 1982. Given the prepayment requirements for political events, the Committee anticipates that these debt collection provisions will be primarily applicable to non-political events.

ANNUAL REPORTING REQUIREMENTS

During the FY 1998 hearing cycle, the Committee was extremely frustrated by an inability to obtain comprehensive information on the operations of the reimbursable program within the Executive Residence. First, the White House declined the Committee's invitation to allow the Chief Usher and/or the Administrative Officer of the Executive Residence, the persons responsible for the day to day operations of the Executive Residence, to accompany the National Park Service to the Committee's appropriations hearing. During the hearing, the National Park Service was unable to answer a series of pertinent questions relating to the operations of the residence. Additionally, in response to the Committee's "Questions for the Record," the Executive Residence failed to provide additional information. While the Committee has no intention of jeopardizing certain confidential operations of the Executive Residence, it also believes the failure of the Executive Residence to respond to these questions thwarts the Committee's oversight responsibilities. In order to ensure effective oversight in the future, the Committee has included a new provision requiring the Executive Residence to report, within 90 days of the end of each fiscal year, on the reimbursable program within the Executive Residence. The Committee does not wish in any way to invade the privacy of the First Family in its own home, which is the Executive Residence. In the report the Committee seeks only an identification of the total reimbursable ceremonial events and the total reimbursable political events hosted in the Executive Residence. Again, the Committee includes these reporting requirements in bill language because of the limited cooperation of the White House during the fiscal year 1998 hearing cycle.

OVERTIME COSTS FOR DOMESTIC STAFF

The Committee was concerned to learn that overtime costs for the Domestic Staff have increased by 39 percent between fiscal year 1992 and fiscal year 1996 and that overtime costs associated with reimbursable events held within the Executive Residence have increased by 120 percent during this same period of time. The Committee notes that domestic staff work an average of 37 overtime hours per month and that overtime rates vary from a low of $16.59 per hour for a "Maid" to a high of $63.88 per hour for the "Pastry Chef". Given these rates and the increase in the number of events being held within the White House, it is not surprising that overtime costs have increased so dramatically.

The Committee directs the Executive Residence, as part of its annual reporting requirements on the costs of reimbursable events, to identify overtime costs for Domestic Staff. This identification should include overtime paid to: full time permanent employees, other than full time permanent employees, other personnel compensation and contractual services.

WHITE HOUSE REPAIR AND RESTORATION

Appropriation, fiscal year 1997 to date	— — —
Budget estimate, fiscal year 1998	$200,000
Recommended in the bill	200,000
Bill compared with:	
Appropriation, fiscal year 1997	+200,000
Budget Estimate, fiscal year 1998	— — —

MISSION

This account funds repair, alternation and improvement of the Executive Residence at the White House. A separate account was established in fiscal year 1996 to program and track expenditures for capital improvement projects at the Executive Residence.

RECOMMENDATION

The Committee recommends $200,000, the amount requested by the President. There were no funds appropriated to this account in fiscal year 1997.

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

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$3,280,000
Budget estimate, fiscal year 1998	3,378,000
Recommended in the bill	3,378,000
Bill compared with:	
Appropriation, fiscal year 1997	+98,000
Budget Estimate, fiscal year 1998	— — —

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.

RECOMMENDATION

The Committee recommends $3,378,000, the amount requested by the President and an increase of $98,000 over the fiscal year 1997 appropriated level. The Committee fences $69,800 of the funds requested for automated data processing pending the submission of an architectural blueprint by the Office of Administration that defines the information technology requirements of the Executive Office of the President.

OPERATING EXPENSES

Appropriation, fiscal year 1997 to date	$324,000
Budget estimate, fiscal year 1998	334,000
Recommended in the bill	334,000
Bill compared with:	
Appropriation, fiscal year 1997	+10,000
Budget Estimate, fiscal year 1998	— — —

RECOMMENDATION

The Committee recommends $334,000, an increase of $10,000 over 1997 appropriated levels and the same as the amount requested by the President.

Council of Economic Advisers

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$3,439,000
Budget estimate, fiscal year 1998	3,542,000
Recommended in the bill	3,542,000
Bill compared with:	
Appropriation, fiscal year 1997	+103,000
Budget Estimate, fiscal year 1998	— — —

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.

RECOMMENDATION

The Committee recommends $3,542,000, the amount requested by the President and an increase of $103,000 over the fiscal year 1997 appropriated level.

Office of Policy Development

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$3,867,000
Budget estimate, fiscal year 1998	3,983,000
Recommended in the bill	3,983,000
Bill compared with:	
Appropriation, fiscal year 1997	+116,000
Budget Estimate, fiscal year 1998	— — —

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.

RECOMMENDATION

The Committee recommends $3,983,000, the amount requested by the President and an increase of $116,000 over the fiscal year 1997 appropriated level. The Committee fences $30,000 of the funds requested for automated data processing pending the submission of an architectural blueprint by the Office of Administration that defines the information technology requirements of the Executive Office of the President.

National Security Council

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$6,648,000
Budget estimate, fiscal year 1998	6,648,000
Recommended in the bill	6,648,000
Bill compared with:	
Appropriation, fiscal year 1997	— — —
Budget Estimate, fiscal year 1998	— — —

MISSION

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

RECOMMENDATION

The Committee recommends $6,648,000, the amount requested by the President and at a level equal to the fiscal year 1997 appropriated level.

Office of Administration

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$26,100,000
Budget estimate, fiscal year 1998	28,883,000
Recommended in the bill	28,883,000
Bill compared with:	
Appropriation, fiscal year 1997	+2,783,000
Budget Estimate, fiscal year 1998	— — —

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.

RECOMMENDATION

The Committee has included $28,883,000 for the Office of Administration, the level requested by the President and an increase of $2,783,000 above the fiscal year 1997 appropriated level. The Committee continues to fence resources for automated data processing within the Executive Office of the President (EOP) pending the completion and submission of an architectural blueprint for capital investments. For the Office of Administration, the Committee has fenced $873,000 of the funds requested for automated data processing hardware and software. This is in addition to the fence of $1,150,000 for the Office of Administration's proposed Capital Investment Plan.

CAPITAL INVESTMENT PLAN

The Committee is pleased with the submission of the EOP's five year Capital Investment Plan on February 28, 1997. However, the Committee continues to have concerns regarding the development of this plan and, specifically, that the EOP has requested resources for the upcoming fiscal year for specific capital investments absent a complete architectural blueprint.

For fiscal year 1997, the Committee fenced $966,700 for various offices within the EOP for information technology. Based on the February 28, 1997 Capital Investment Plan, as well as information provided to the Committee during the fiscal year 1998 hearing cycle, the Committee released these funds but made $250,000 available for the sole purpose of developing an architectural blueprint. The Committee believes this architectural blueprint should be a priority for the Office of Administration and does not believe it is prudent to continue to fund remedial and incremental upgrades to the EOP computer system absent a comprehensive strategy.

The Committee has provided the $2,000,000 requested for the support of information technology within the EOP for the upcoming fiscal year. However, the Committee has fenced $1,150,000 of these funds pending the submission of an approved architectural blueprint. The Committee has made available $600,000 for the immediate requirements of ensuring that EOP computer systems are Year 2000 compliant and an additional $250,000 for those activities determined by the Office of Administration to be necessary for security maintenance activities of the EOP computer network.

Office of Management and Budget

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$55,573,000
Budget estimate, fiscal year 1998	57,240,000
Recommended in the bill	57,240,000
Bill compared with:	
Appropriation, fiscal year 1997	+1,667,000
Budget Estimate, fiscal year 1998	— — —

MISSION

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

RECOMMENDATION

The Committee recommends $57,240,000 the amount requested by the President and an increase of $1,667,000 over the fiscal year 1997 appropriated level.

YEAR 2000 SOFTWARE CONVERSION

The Committee has reviewed OMB's Year 2000 Report, submitted in compliance with the fiscal year 1997 appropriations language and continues to have significant concerns regarding the government's ability to have its computer systems ready for the century date conversion in the Year 2000. Specifically, the Committee is concerned that the government-wide estimate of $2.3 billion for Year 2000 is significantly understated, that various agencies are not allowing adequate time for the validation of converted systems, and that, government wide, inadequate attention is being paid to other date sensitive systems. The Committee finds that referring to Year 2000 as merely a "computer problem" ignores other systems that are also subject to failure at the turn of the century.

As OMB is the central management arm of the federal government, the Committee expects that OMB will not only take on this challenge in a centralized fashion, but will also be aggressive in its oversight of agencies as they begin to conform their date sensitive systems to Year 2000 compliance.

The Committee directs OMB to report to the House Committee on Appropriations, the House Committee on Government Reform and Oversight, and the House Science Committee, on a quarterly basis, on the progress being made on Year 2000 conversion. These reports should include a summary of agency costs to date and a comparison of these costs to those estimated in agency budget submissions. The Committee also directs OMB to review agency validation schedules and to report back on the adequacy of these validation schedules, including a summary of contingencies being developed by agencies in the event that validation schedules are inadequate and agency conversion is not complete by the Year 2000. As part of the validation review, OMB should report on agency preparedness for communication interfaces with systems external to the federal government, including state and local governments and the private sector. The Committee also directs OMB to identify other government wide systems that are date-sensitive as part of the first quarterly report submitted to the Committees.

TECHNOLOGY INVESTMENT INITIATIVES

The Committee was pleased to learn of OMB Directive M–97–02, dated October 25, 1996 regarding government wide technology investment initiatives. However, despite the clear direction included in this directive, the Committee is concerned to see several agencies under its jurisdiction come forward with technology investment initiatives that clearly do not meet the conditions set forth in that directive. Specifically, the Committee does not find that Customs' Automated Commercial Environment system, IRS's Tax Systems Modernization, and the Executive Office of the President's Capital Investment Plan meet the conditions of OMB's long term technology investment strategy. The Committee urges OMB to continue aggressive oversight of agency technology needs and to submit only those requests which meet the criteria set forth in OMB Directive M–97–02 in the President's fiscal year 1999 budget request.

PERSONNEL COSTING ASSUMPTIONS

The Committee was surprised to learn of the different personnel costing assumptions currently being utilized within the various branches of OMB for federal law enforcement personnel. In many instances, the lack of consistency within OMB has given what appears to be preferential treatment for the costing of personnel within the Department of Justice at the expense of law enforcement personnel within the Department of the Treasury. OMB is directed to review the personnel costing assumptions used to calculate the cost of new full time employee equivalents (FTE) for the Customs Service and other Treasury law enforcement bureaus and to report to the Committee on these assumptions. This report should also include a comparison to costing assumptions used by OMB for new FTE within the various law enforcement bureaus of the Department of Justice.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$35,838,000
Budget estimate, fiscal year 1998	36,016,000
Recommended in the bill	43,516,000
Bill compared with:	
Appropriation, fiscal year 1997	+7,678,000
Budget Estimate, fiscal year 1998	+7,500,000

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 $18,016,000 for the salaries and expenses of the office, $16,000,000 for counternarcotics research and development, $1,000,000 for policy research and evaluation, and $1,000,000 for conferences on model state drug laws. In addition, $5,000,000 is funded in the Violent Crime Reduction Trust Fund to initiate a counterdrug technology program.

MODEL STATE DRUG LAW CONFERENCES

The Committee continues to support implementation of model State drug law conferences, which provide a meeting place for educators, drug prevention and treatment experts, law enforcement and corrections officials, district and county attorneys and others to discuss innovations in anti-drug abuse programs. These conferences give those dealing with demand, supply, and law enforcement policy the opportunity to compare notes on what approaches do and do not succeed. To date, conferences have been held in nine States, with consistently successful results. The Committee provides a third installment of $1,000,000 to continue the work of these conferences, and will continue to fund them until they have taken place in all 50 States.

COUNTERDRUG TECHNOLOGY TRANSFER PROGRAM

The Committee provides $7,500,000 to establish a program for transferring technology to State and local law enforcement agencies. An additional $5,000,000 is provided in the Violent Crime Reduction Trust Fund for this purpose.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

Appropriation, fiscal year 1997 to date	$127,102,000
Budget estimate, fiscal year 1998	140,207,000
Recommended in the bill	146,207,000
Bill compared with:	
Appropriation, fiscal year 1997	+19,105,000
Budget Estimate, fiscal year 1998	+6,000,000

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 or Congress have designated fifteen areas as HIDTAs: New York, Los Angeles, Miami, Houston, the Southwest Border, Baltimore/Washington, Puerto Rico/Virgin Islands, Chicago, Atlanta, Philadelphia/Camden; the Gulf Coast; Lake County, Indiana; the Midwest (Iowa, Kansas, Missouri, Nebraska, and South Dakota, focused on methamphetamine); the Pacific Northwest (Washington Cascades); and the Rocky Mountains (Colorado, Utah, and Wyoming).

RECOMMENDATION

The Committee concurs with the President's funding request, with the proviso that support will continue to be provided to established HIDTAs. The Committee includes bill language directing that all currently established HIDTA's be funded at no less than the fiscal year 1997 levels in fiscal year 1998. The Committee includes $5 million for a new HIDTA in the three state area of Kentucky, Tennessee and West Virginia and $1 million for a new HIDTA in central Florida.

SPECIAL FORFEITURE FUND

Appropriation, fiscal year 1997 to date	$112,900,000
Budget estimate, fiscal year 1998	175,000,000
Recommended in the bill	205,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+92,100,000
Budget Estimate, fiscal year 1998	+30,000,000

MISSION

The Special Forfeiture Fund was established by the Anti-Drug Abuse Act of 1988, as amended, to be administered by the Director of the Office of National Drug Control Policy. While the fund was originally authorized to receive deposits from the Department of Justice Assets Forfeiture Fund and the Treasury Forfeiture Fund, its current source of funding is General Fund appropriations.

RECOMMENDATION

The Committee provides $205,000,000, of which $195,000,000 is for the proposed media campaign and $10,000,000 is to initiate a new drug-free community matching grant program. The Committee has delayed the obligation of $46,000,000 of the media campaign funds due to funding constraints.

MEDIA CAMPAIGN

ONDCP has proposed a five-year media campaign at a total cost to the federal government of $875 million. An explicit assumption of this proposal is that the federal funds will be matched by private contributions. Together, this will represent an investment of nearly $1.8 billion. The Committee provides $195 million towards this effort. While the Committee is pleased that the Administration has revived its commitment to drug reduction efforts, the Committee also believes that an investment of this magnitude requires a comprehensive strategy. At this time, the Administration has neither developed a specific strategy nor identified how it would measure program performance.

In order to ensure accountability, the Committee requires the Director of ONDCP to certify that these funds will neither displace nor replace current anti-drug community based coalition efforts, and that no funds will be used for partisan political purposes. Additionally, the Committee requires ONDCP to develop a system to measure success in terms of outcomes of the campaign. The Committee believes that performance measures should capture the use of all categories of drugs as well as changes in the attitudes of youth towards drug use.

The Committee directs ONDCP to assess all media vehicles available for this campaign including, but not limited to, broadcast and print media, and the Internet. Further, the Committee directs ONDCP to consult with media and drug experts, such as the Ad Council and the Partnership for a Drug-Free America, in an effort to draw from the experience and expertise of individuals and organizations that have experience in this field. The Committee is convinced that close consultation with the private sector on the development and implementation of this campaign is critical to its success.

The Committee encourages ONDCP to fund programs supported by corporate, private, or non-profit contributions donated to establish statewide paid media drug prevention campaigns with appropriated funds from this account. Such statewide campaigns and their corporate funding should be proposed and established by March 1, 1998. Should multiple statewide campaigns be proposed, ONDCP has the discretion to choose which campaigns to support.

The Committee believes this media campaign, if properly executed, has the potential to produce concrete results by the year 2001. The Committee will closely track this campaign and its contribution to achieving a drug-free America, and directs ONDCP to submit quarterly reports on the obligation of funds as well as the specific parameters of the campaign. The Committee anticipates that future funding will be based on results.

DRUG-FREE COMMUNITIES

The accelerating rate of drug use by young Americans is a major concern that must be addressed. The Committee therefore provides $10,000,000 to support the initiation of matching grants to drug free communities, as authorized in the Drug-Free Communities Act of 1997. These funds will be used to support the establishment of local counterdrug efforts that are characterized by strong conditions for local initiative, support, and accountability. In addition, the requirement for participating communities to match funding will help ensure the degree of commitment necessary to success.

MIAMI YOUTH INITIATIVE

The Committee notes that the South Florida High Intensity Drug Trafficking Area, which was first designated by ONDCP in 1990, has already established programs in 11 South Florida communities to help them reduce the use of drugs by young people and has also funded drug treatment programs. The Committee expects that in awarding grants under this new program ONDCP will recognize both the need for additional resources in South Florida and the demonstrated commitment of the local communities in South Florida to reducing substance abuse among young people.

PARENTAL INVOLVEMENT

ONDCP's 1997 National Drug Control Strategy recognizes that parents are a critical part of dealing with the problems of drug prevention and abuse. However, it does not propose any initiatives to encourage parental involvement. The Committee directs ONDCP to report on the specific means that will be used to meet these objectives, particularly Objectives 1 and 5 of Strategic Goal 1, by December 31, 1997.

UNANTICIPATED NEEDS

Appropriation, fiscal year 1997 to date	— — —
Budget estimate, fiscal year 1998	$1,000,000
Recommended in the bill	— — —
Bill compared with:	
Appropriation, fiscal year 1997	— — —
Budget Estimate, fiscal year 1998	−1,000,000

MISSION

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

RECOMMENDATION

The Committee appropriates no funds to the Unanticipated Needs Account. 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 more other pressing priorities requiring funding in the upcoming fiscal year. In the event the President requires the use of funds for unanticipated needs, the Committee is willing to consider either a supplemental or a transfer request.

TITLE IV—INDEPENDENT AGENCIES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$1,800,000
Budget estimate, fiscal year 1998	1,940,000
Recommended in the bill	1,940,000
Bill compared with:	
Appropriation, fiscal year 1997	+140,000
Budget Estimate, fiscal year 1998	— — —

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.

RECOMMENDATION

The Committee concurs with the Administration's request.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$28,165,000
Budget estimate, fiscal year 1998	34,216,000
Recommended in the bill	30,350,000
Bill compared with:	
Appropriation, fiscal year 1997	+2,185,000
Budget Estimate, fiscal year 1998	−3,866,000

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 recommends $30,350,000, an increase of $2,185,000 from the fiscal year 1997 appropriated level and $3,866,000 below the amount requested by the FEC. In addition to the amounts provided through the Salaries and Expenses Account, the Committee has provided an additional $4.2 million for FEC's internal modernization efforts in Section 514 of the bill, bringing total funding for the FEC to slightly above the President's revised request of $34.2 million. Of the additional amount provided, $2.2 million is targeted to fully fund those components of FEC's proposed Case Management System that the Committee believes are critical to assisting the Office of General Counsel in meeting their statutory workload requirements but have been slipped by the FEC because of a lack of funding. The Committee provides an additional $2.0 million to accelerate the implementation of electronic filing. The Committee has made the obligation of these funds contingent upon the filling of all current Commissioner vacancies within the FEC as well as the enactment of legislation limiting the terms of Commissioner to one, six year term. Term limit legislation is included as Section 515 as part of the bill.

DISCLOSURE OF FEC FILINGS ON THE INTERNET

One of the primary goals of the FEC is to ensure full public disclosure of information on campaign contributions and expenditures. People around the nation should be entitled to easy and quick examination of the actual material that is filed by campaigns but these documents are currently available for viewing only at the offices of the FEC in Washington D.C. and a few other locations. Because the FEC currently images most campaign disclosure filings in "Tagged Image File Format" (TIFF), for transmission to other locations, including the office of the Clerk of the House, the additional cost of placing this imaged material, including all House, PAC and political party filings, on the Internet is not excessive.

The Government Printing Office (GPO) has offered to perform this function for a start-up cost of $300,000 in FY 1998, however, the Committee believes that the FEC should have an opportunity to manage the Internet disclosure process for a comparable or, if possible, a lower cost. Therefore, the Committee has provided

$300,000 for the specific purpose of establishing a system, no later than January 1, 1998, for disclosing and maintaining on the Internet, images of all filings with the FEC that are currently imaged and available to the Clerk of the House's office. The images shall be made available in a format which is directly viewable from commonly utilized Internet browsing software.

If within 60 days after enrollment of this legislation, the FEC determines that it can not provide the Internet access, the FEC is directed to inform, in writing, the Committee on Appropriations and the Committee on House Oversight of such action and directs the FEC to transfer $300,000 to GPO for the purpose of providing such access.

FEC FUNDING INCREASES

On an annual basis, the FEC appears before the Committee to request additional resources to meet the increased workloads associated with the past several election cycles. The Committee does not doubt that FEC's workloads have grown. The Committee does, however, take exception to the FEC's insistence that the only way workloads can be adequately managed is through a commensurate increase in appropriations. The Committee is concerned that, despite efforts to be prudent in the allocation of resources to the FEC, FEC's budget has grown by 65 percent since fiscal year 1991, including an increase of 22 percent in full time staff levels. Had the Committee provided FEC's revised request for fiscal year 1998, FEC's budget would have gone up by 100 percent since fiscal year 1991, including a 43 percent increase in staff.

Despite these increases, FEC appears before the Committee to testify that their resources are insufficient. What is perplexing to the Committee is that the FEC has no reservations about requesting an increase of 22 percent to support full time staff while simultaneously asserting that computer modernization efforts must be slipped due to a lack of resources. It is unfortunate that FEC does not have the same level of commitment to modernization that it does toward expanding the size of its staff.

Over the past several years, the Committee has made every effort to use its oversight authority to ensure that FEC's appropriations are sufficient to meet its statutory responsibilities. Nonetheless, it has become apparent to the Committee that, despite an increase of 65 percent over the past 6 years, the Committee can not satisfy FEC's insatiable appetite for more resources. Given the criticism leveled on the Committee for it oversight of FEC operations, the Committee has come to the conclusion that it can not, in good conscience, commit to more resources for the FEC absent an objective opinion of FEC's current operations. In order to address this concern, the Committee has included a new provision requiring an independent audit of FEC's performance and management.

PERFORMANCE AND TECHNOLOGICAL AUDIT

The Committee has included additional funds of $750,000 for the specific purpose of an independent technological and performance audit and management review of FEC operations. These funds are made available, by transfer, to the General Accounting Office (GAO) and shall be available for the GAO to enter in to a contract with an independent entity for the purpose of conducting this audit. The Committee directs the GAO to consult with the House Appropriations Committee and the House Oversight Committee on the parameters of this audit and wishes to make it clear that the audit outline, scope, content and resultant reports are the purview of these Committees, not of the GAO.

COMPUTER MODERNIZATION

To date, the Committee has been satisfied with FEC's computer modernization efforts. However, both the fiscal year 1997 supplemental and the fiscal year 1998 revised budget request were an extreme disappointment to the Committee in that these requests reflected a lack of commitment on the part of the FEC towards a modernized work environment. Unfortunately, additional resources for modernization were not requested in either of these documents.

The Committee is also extremely concerned that the FEC has slipped several crucial modernization projects, notably Groupware Development and the Imaging Strategy. Both of these systems are foundational requirements for the FEC's Case Management System. The Committee was disappointed that the fiscal year 1997 supplemental did not include resources for the FEC to expedite the development and deployment of these systems. The Committee provides additional funds of $2.2 million for these activities through section 514 of the bill.

APPROPRIATIONS JUSTIFICATION MATERIAL

While the Committee appreciates the FEC's efforts to provide comprehensive information on workloads in its annual appropriations justification material, the Committee does not think it is necessary to kill a forest in order to provide this information. The Committee finds the number of documents submitted redundant. The Committee directs the FEC, in consultation with the House Committee on Appropriations, to revise and streamline its appropriations justification material in order to minimize the number of documents submitted and maximize the quality of information.

Federal Labor Relations Authority

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$21,588,000
Budget estimate, fiscal year 1998	22,039,000
Recommended in the bill	21,803,000
Bill compared with:.	
Appropriation, fiscal year 1997	+215,000
Budget Estimate, fiscal year 1998	−236,000

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 provides $21,803,000 for the FLRA, in the expectation that the agency will make the necessary adjustments for inflation and pay costs by finding economies.

General Services Administration

FEDERAL BUILDINGS FUND

Limitations on availability of revenue (not an appropriation):	
Limitation on availability, fiscal year 1997 to date	$5,555,544,000
Limitation on availability, fiscal year 1998	4,969,934,000
Recommended in the bill	4,835,934,000
Bill compared with:	
Availability, fiscal year 1997	−719,610,000
Availability, fiscal year 1998	−134,000,000

MISSION

The Federal Buildings Fund (FBF) finances the activities of the Public Buildings Service which provides space and services for Federal agencies in a relationship similar to that of landlord and tenant. The FBF, established in 1975, replaces direct appropriations by using income derived from rent assessments which approximate commercial rates for comparable space and services. Therefore, the Appropriations Committee makes funds available through a process of placing limitations on obligations from the FBF as a way of allocating funds for various FBF activities. The Committee will appropriate funds into the FBF as a way of covering the difference between the total revenues coming into the FBF and the total limitation on the expenditure from the FBF.

In fiscal year 1998, the Administration assumes that $4,886,000,000 in rent revenues and miscellaneous income will be brought into the Fund; this compares to the fiscal year 1997 estimate of $5,155,000,000. The Administration's proposal also includes an $84,000,000 appropriation into the FBF to cover the difference between the assumed $4,886,000,000 in revenues and a request that $4,969,934,000 of the income will be obligated.

CONSTRUCTION AND ACQUISITION

Limitations on availability of revenue (not an appropriation):	
Limitation on availability, fiscal year 1997 to date	$657,711,000
Limitation on availability, fiscal year 1998	———
Recommended in the bill	———
Bill compared with:	
Availability, fiscal year 1997	−657,711,000
Availability, fiscal year 1998	———

RECOMMENDATION

The fiscal year 1998 budget request does not include a request to use revenues coming in to the FBF for the construction or acquisition of new federal buildings. The Committee agrees with the proposal, the consequence of which is a one-year moratorium on new construction.

Due to the inability of GSA to accurately calculate the amount of income coming into the FBF, the Administration and the Congress have, in past appropriations action, assumed a greater level of funds available for FBF activities than was actually collected. The poor assumptions on the part of the GSA lead the Congress to approve approximately $680,000,000 in construction and repair and alteration projects for which there was insufficient revenue to fund. Therefore the Administration's proposal in fiscal year 1998, is to let the FBF retain revenue without expenditure on new construction. The Committee agrees with this proposal.

DESIGN GUIDE FOR COURTHOUSES

The Committee has continued a provision (Section 404) which prohibits the Administration from transmitting a fiscal year 1999 request for courthouse construction that: (1) does not meet the design guide standards for construction; and, (2) does not reflect the priorities of the Judicial Conference of the United States. The provision also requires the 1999 courthouse construction request be accompanied by a standardized courtroom utilization study. The Committee's intent is to ensure that the GSA and the Office of Management and Budget work with the Judicial Conference on the development and implementation of design guide standards, budget proposals, and the establishment of a standardized utilization study.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

The Committee has included language requested by the Administration (Section 408) which retires the outstanding debt to the United States Treasury associated with assets transferred to GSA.

CHATTANOOGA, TENNESSEE COURTHOUSE REQUIREMENTS

The historic Solomon Federal Building and Courthouse is a source of great pride to Chattanooga, Tennessee, and should be preserved and used. Problems identified to date center around minor maintenance issues and parking for jurors, witnesses, attorneys, and other users of the federal building and courthouse. In order to properly evaluate the various alternatives, the Committee requests GSA to develop an 11(b) study of federal space requirements in Chattanooga.

The study shall include: a comprehensive survey of the current and future needs for courtroom and federal office space in Chattanooga; a survey and identification of existing space proximate to the Solomon Federal Building and Courthouse that meets any expansion needs identified, including space currently under the control of the Tennessee Valley Authority (TVA) that may be available due to TVA downsizing; a building evaluation survey of the Solomon Federal Building and Courthouse and development of a cost-effective plan to correct any deficiencies discovered; a survey of automobile parking and identification of the federal needs to properly serve the public; and, development of a plan providing alternatives to meeting the space needs that are timely and offer maximum benefits to the taxpayers.

The study should also take into consideration the views and needs of the local officials to assure local views are fully considered. The study shall be submitted to the Committee no later than March 31, 1998.

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.

TOLEDO, OHIO, FEDERAL OFFICE BUILDING

The Committee understands that the General Service Administration is considering the relocation of Federal space in Toledo, Ohio. The Committee wishes to acknowledge and encourage the cooperative effort being made by the City of Toledo, the Toledo-Lucas County Port Authority, in consultation with the GSA, to develop a financing agreement for the construction of a Federal complex that would house both federal executive agencies and Judiciary Branch courts and offices.

IMPACT OF FEDERAL BUILDING SECURITY REQUIREMENTS ON LOCAL COMMUNITIES

The Committee notes that local communities receive certain benefits when a Federal building is located in a downtown area. However, expanding Federal building security requirements may, in certain circumstances, negate this benefit due to an increasing financial burden for the community. Local communities such as Newark, New Jersey, have advised the Committee that Federal building security enhancements have resulted in significant cost and revenue loss.

The Committee believes that GSA should provide local communities an assessment of any additional costs which will be incurred due to enhanced Federal building security requirements. Additionally, the GSA should report to the Committee by January 15, 1998 on the situation in Newark, New Jersey, as well as how enhanced Federal building security has impacted other local communities.

FEDERAL OFFICE BUILDING, BAKERSFIELD, CALIFORNIA

The Committee includes a provision (Sec. 412) which requires that the General Services Administration dispose of the federal building, land and improvements at 800 Truxtun Avenue in Bakersfield, California through a process of competitive bidding as soon as possible, allowing transfer to a successful bidder promptly after federal occupancy of the building ends.

REPAIRS AND ALTERATIONS

Limitations on availability of revenue (not an appropriation):	
Limitation on availability, fiscal year 1997 to date	$639,000,000
Limitation on availability, fiscal year 1998	434,000,000
Recommended in the bill	300,000,000
Bill compared with:	
Availability, fiscal year 1997	−339,000,000
Availability, fiscal year 1998	−134,000,000

Repairs and alterations of public buildings as well as associated design and construction services are funded under this activity.

RECOMMENDATION

The Committee recommends no funding for the chlorofluorocarbons program instead of $50,000,000 as requested and no funding for the ICC Connecting Wing project instead of $84,000,000 as requested.

BROOKHAVEN IRS CUSTOMER SERVICE CENTER

The Committee is concerned about the progress being made on the proposed renovation plans of the Internal Revenue Service (IRS) Service Center in Brookhaven, New York. Due to the inability of the IRS to finalize its plans for the Center, the project is at least three years behind schedule. Therefore, the Committee directs GSA provide quarterly reports to the Committee on the progress of the project to ensure that the construction schedule, put forth by the IRS, is maintained.

In fiscal year 1997, Congress included language which extended the availability of $5,700,000 which was made available in fiscal year 1995, allowing these funds to be retained and used by GSA to initiate the construction phase of the modernization project for the Brookhaven Service Center. The Committee is distressed to learn that GSA has not yet utilized those funds in accordance with Congressional direction. Therefore, the Committee directs GSA to submit, within 60 days of enactment of this Act, provide a detailed accounting of these funds and a schedule for expending such funds by September 30, 1998.

INSTALLATION OF WINDOW FILM

For the purpose of meeting minimum security standards as outlined by the Department of Justice and upgrading security in all government buildings, GSA should immediately initiate a program to ensure the application of security window film in all day care facilities located within buildings designated by the Department of Justice as Class IV and V.

INSTALLMENT ACQUISITION PAYMENTS

Limitations on availability of revenue (not an appropriation):	
Limitation on availability, fiscal year 1997 to date	$173,075,000
Limitation on availability, fiscal year 1998	142,542,000
Recommended in the bill	142,542,000
Bill compared with:	
Availability, fiscal year 1997	−30,533,000
Availability, fiscal year 1998	— — —

This activity funds the payments of principal, interest, and other required obligations for purchase contract facilities constructed under authority of the Public Buildings Amendment of 1972 as well as lease-purchase facilities which have been authorized by Congress since 1987.

RECOMMENDATION

The Committee recommends an obligational authority of $142,542,000 for the Installment Acquisition Payments account; the same amount as requested.

RENTAL OF SPACE

Limitations on availability of revenue (not an appropriation):	
Limitation on availability, fiscal year 1997 to date	$2,343,795,000
Limitation on availability, fiscal year 1998	2,275,340,000
Recommended in the bill	0
Bill compared with:	
Availability, fiscal year 1997	−68,455,000
Availability, fiscal year 1998	−2,275,340,000

This activity funds the recurring payments on commercial office space that GSA rents for various Federal agencies. GSA rents approximately 131 million square feet of space at an average cost of $17.75 per square foot.

RECOMMENDATION

The Committee recommends no obligational authority for the Rental of Space account. The Committee has funded this under a new activity called "Building Operations, Leasing Activities, and Rental of Space" which is detailed below.

BUILDING OPERATIONS

Limitations on availability of revenue (not an appropriation):	
Limitation on availability, fiscal year 1997 to date	$1,552,651,000
Limitation on availability, fiscal year 1998	−1,331,789,000
Recommended in the bill	0
Bill compared with:	
Availability, fiscal year 1997	−220,862,000
Availability, fiscal year 1998	−1,331,789,000

This activity provides for the operation of government-owed facilities and the related building services where the terms of the lease do not require the lessor to furnish such services. GSA provides building services in 241.3 million square feet of space in the 7,843 buildings under GSA's control. This activity also provides for the overall management and administration of all Public Building Service programs.

RECOMMENDATION

The Committee recommends no obligational level for building operations. The Committee has funded this under a new activity called "Building Operations, Leasing Activities, and Rental of Space" which is detailed below.

BUILDING OPERATIONS, LEASING ACTIVITIES, AND RENTAL OF SPACE

Limitations on availability of revenue (not an appropriation):	
Limitation on availability, fiscal year 1997 to date	0
Limitation on availability, fiscal year 1998	0
Recommended in the bill	$3,607,129,000
Bill compared with:	
Availability, fiscal year 1997	+3,607,129,000
Availability, fiscal year 1998	+3,607,129,000

This activity provides for the operation of government-owned facilities and the related building services where the terms of the lease do not require the lessor to furnish such services; provides for the overall management and administration of all Public Buildings Service programs; and the recurring payments on commercial office space that GSA rents for various Federal agencies.

RECOMMENDATION

The Committee has included $3,607,129,000 for building operations, leasing activities, and rental of space. This recommendation essentially merges two activities, Building Operations and Rental of Space, into a single activity. The Committee believes this will provide flexibility for the GSA to meet any future funding shortfalls without jeopardizing the amount set aside for "Basic Repairs and Alterations." However, the Committee stresses that GSA must maintain accountability of these funds and to the extent that it executes a Buildings Operation or Rental of Space program different from that submitted with the President's fiscal year 1998 budget request, GSA shall notify the Committee of the change.

TRAVEL EXPENDITURES FROM THE FEDERAL BUILDINGS FUND (FBF)

The Committee recognizes that the FBF is a reimbursable activity and concurs with such designation in the fiscal year 1998 budget. Although Congress places a limitation on the amount of funds which may be obligated from the FBF, the Committee recognizes the essential reimbursable nature of FBF activities.

As such, the Committee does not believe that the FBF should be treated differently than any other revolving fund for purposes of controlling travel expenditures. Consequently, the Committee agrees that the general provision carried under Title V of this Act which limits travel expenditures for appropriated fund accounts, should not apply to expenditures from the FBF.

U.S. COURTHOUSE, HAMMOND, INDIANA

The Committee understands that errors were made when the construction contract was awarded for the U.S. Courthouse in Hammond, Indiana, and the award has been successfully contested. This will require the GSA to reimburse certain legal expenses incurred by parties involved with the contract award. The estimated reimbursement ranges between $50,000 and $100,000.

The Committee directs that the GSA reprogram funds as necessary to cover this reimbursement from funds available in the Buildings Operations program for the Office of the Commissioner of the Public Buildings Service, to the construction line item for the U.S. Courthouse in Hammond, Indiana. This reprogramming shall be completed within 10 days of enactment of this Act.

NOAA BUILDING, BOULDER, COLORADO

The Committee notes that unforeseen environmental concerns and other factors may have an effect on the schedule for completing the NOAA facility currently under construction in Boulder, CO. The Committee reiterates the importance of completing this project on schedule and in a manner which comports with the needs of both NOAA and the local community, and urges the General Services Administration to take appropriate steps to identify and meet the requirements for timely completion of the project.

WHITE OAK FACILITY

The Committee directs the General Services Administration to prepare a business plan and implementation strategy for reuse of the former White Oak Naval Surface Warfare Center in Maryland. The Committee also urges GSA to continue working with the Food and Drug Administration to identify potential sources of funds required to complete the agency's consolidation project in a timely manner.

REQUESTED AND APPROVED ACTIVITIES

Limitations on availability of revenue (not an appropriation):	
Limitation on availability, fiscal year 1997 to date	— — —
Limitation on availability, fiscal year 1998	$680,543,000
Recommended in the bill	680,543,000
Bill compared with:	
Availability, fiscal year 1997	+680,543,000
Availability, fiscal year 1998	— — —

The 1998 request includes $680,543,000 in obligational authority to fund projects and programs requested by the Administration and approved by Congress by means of obligational authority authorized in prior years.

RECOMMENDATION

The Committee recommends an obligational authority of $680,543,000 for the Previously Appropriated Activities; the amount requested.

FINANCIAL ACCOUNTABILITY WITHIN THE FEDERAL BUILDINGS FUND

The GSA's Public Buildings Service (PBS) has acknowledged that, due to its inaccurate estimating of rental receipts coming into the Federal Buildings Fund (FBF), the balances in the FBF have not been adequate to support either the requested or the Congressionally approved Federal buildings construction, repair, and alteration programs. GSA estimates that due to inaccurate projections in 1996 and 1997, approximately $680 million in obligations were requested and approved from the FBF without adequate rental income to sustain such obligations.

This situation has caused the Administration to propose a virtual moratorium on all new construction as well as major repair and alteration projects. Rents charged in 1998 will be applied to building operations, security, payment of rents to commercial landlords, and other operational costs. To the extent that rental income exceeds these costs, this income will be used to "replenish" the FBF shortfall of $680 million.

The Committee has agreed with this approach because it is necessary to enforce financial accountability within PBS. The Committee does not believe it can support additional funding until such time as GSA can guarantee that revenues coming into the FBF are sufficient to support its requested new obligational authority program.

The Committee finds it alarming that PBS has not been able to accurately predict rental income into the FBF and did not make changes to future income based on actions taken in 1995 and 1996. Blaming the situation on inadequate computer software does not excuse PBS from its responsibility to ensure a sound and achievable program. Additionally, it is inexcusable that both PBS and the Administration recommended new obligational authority in 1996 and 1997 for construction, repair, and alteration projects which exceeded the amounts available for obligation.

The Committee directs the Administrator of GSA submit, no later than December 1, 1997, a report which outlines the total effect of underestimating rental income in fiscal years 1995, 1996, 1997, and 1998, including any impact this situation may have on the fiscal year 1999 construction, repair, and alteration program. The report should also address what procedures PBS has implemented to ensure this situation is not repeated in future fiscal years. The Committee also directs the Administrator to submit quarterly reports on FBF income and obligations by program. These quarterly reports should include the estimated and actual amounts for both income and obligations.

POLICY AND OPERATIONS

Appropriation, fiscal year 1997 to date	$110,173,000
Budget estimate, fiscal year 1998	104,487,000
Recommended in the bill	107,487,000
Bill compared with:	
Appropriation, fiscal year 1997	−2,686,000
Budget Estimate, fiscal year 1998	+3,000,000

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 recommends $107,487,000 for the Policy and Operations appropriation. This is $3,000,000 over the 1998 request and $2,686,000 less than the 1997 level.

PILOT PROJECT IN DIGITAL LEARNING TECHNOLOGIES

The Committee has included $3,000,000 for the initiation of a pilot project in the development, demonstration, and continuous research emerging digital learning technologies. These funds would be used for the development of hardware and software capabilities, network infrastructure and other start-up costs that will be the basis for the 21st Century Distributed Learning Environment in Education.

GOVERNOR'S ISLAND

Governor's Island is currently a federal asset and the U.S. government bears the responsibility of providing for and funding the upkeep of the island until the Congressionally-mandated sale date of 2002. In order to protect Governor's Island irreplaceable, historic landmarks from deterioration and to ensure the taxpayer investment made over the years, the Committee directs GSA and the U.S. Department of Transportation to develop an appropriate maintenance plan for this property and report back to Congress within 30 days of enactment of this act.

GOODWILL GAMES

The Committee encourages the General Services Administration to work with the communities of the 1998 Goodwill Games in assisting with planning and logistical support where possible. Depending on the availability and/or surpluses, such support may include technical assistance, operational and communications equipment and support, and storage space to help in the preparation of these games.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 1997 to date	$33,863,000
Budget estimate, fiscal year 1998	33,870,000
Recommended in the bill	33,870,000
Bill compared with:	
Appropriation, fiscal year 1997	+7,000
Budget Estimate, fiscal year 1998	— — —

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.

RECOMMENDATION

The Committee recommends $33,870,000 for the Inspector General appropriation. This is the amount of the 1998 request and $7,000 over the 1997 level.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriation, fiscal year 1997 to date	$2,180,000
Budget estimate, fiscal year 1998	2,250,000
Recommended in the bill	2,208,000
Bill compared with:	
Appropriation, fiscal year 1997	+28,000
Budget Estimate, fiscal year 1998	−42,000

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. The following table displays estimates for this account in the upcoming fiscal year.

FY 1998 BUDGET, GENERAL SERVICES ADMINISTRATION, ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

[In millions of dollars]

	FY 1998 request, former Presidents					
	Ford	Carter	Reagan	Bush	Widows	Total
Personnel compensation	.096	.096	.096	.096	.000	.384
Personnel benefits	.025	.005	.024	.041	.000	.095
Benefits for former personnel:						
Pensions	.148	.148	.148	.148	.020	.612
Travel	.050	.002	.026	.050	.000	.128
Rental payments to GSA	.075	.090	.270	.136	.000	.571
Communications, utilities and miscellaneous charges:						
Telephone	.017	.030	.015	.024	.000	.086
Postage	.006	.019	.010	.012	.002	.049
Printing	.006	.001	.014	.007	.000	.028
Other services	.024	.078	.075	.052	.000	.229
Supplies and materials	.008	.011	.016	.011	.000	.046
Equipment	.000	.016	.003	.003	.000	.022
Total obligations	.455	.496	.697	.580	.022	2.250

RECOMMENDATION

The Committee recommends $2,208,000 for the Allowances and Office Staff for Former Presidents. This is $42,000 less than the 1998 request and $28,000 over the 1997 level. The Committee's recommended reduction should be applied to the "Other Services" object class. The 1998 request for this object class is $229,000 while the 1997 current estimate of expenses for this object class is $75,000 and the 1996 actual expenditures were $51,000. It appears to the Committee that GSA simply overestimated the requirement for “Other Services” and the reduction of $42,000 will provide $187,000 in 1998 which should be sufficient to requirement.

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

Sec. 405. The Committee continues the 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 requested rate.

Sec. 406. The Committee has included a new provision repealing Section 10 of Public Law 100–440 which sets a limit on the number of employees in the FPS.

Sec. 407. The Committee has included a new provision which allows pilot information technology projects to be repaid from the Information Technology Fund.

Sec. 408. The Committee continues the provision ensuring the materials used for the facade on the United States Courthouse Annex, Savannah, Georgia project are compatible with the existing building.

Sec. 409. The Committee has included a new provision repealing Section 6 of Public Law 103–123.

Sec. 410. The Committee has included a new provision requested by the Administration which retires the outstanding debt to the United States Treasury associated with Pennsylvania Avenue Development Corporation assets transferred to GSA.

Sec. 411. The Committee has included a new provision which permits the GSA to pay small claims (up to $250,000) made against the Government. This language, which has previously been carried in the body of the Federal Buildings Fund appropriation language, provides the authority for GSA to use savings effected in other construction projects to pay legitimate claims made against the Government by contractors.

Sec. 412. The Committee has included a provision which addresses the sale of government-owned property in Bakersfield, California.

Sec. 413. The Committee has included a provision which repeals the effects of Section 1555 of the Federal Acquisition Streamlining Act.

JOHN F. KENNEDY ASSASSINATION RECORDS REVIEW BOARD

Appropriation, fiscal year 1997 to date	$2,150,000
Budget estimate, fiscal year 1998	1,600,000
Recommended in the bill	1,600,000
Bill compared with:	
Appropriation, fiscal year 1997	−550,000
Budget Estimate, fiscal year 1998	— — —

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.

RECOMMENDATION

The Committee recommends an appropriation of $1,600,000 for the John F. Kennedy Assassination Record Review Board. This is the same as the budget request and $550,000 below the fiscal year 1997 funding level. This recommendation includes $100,000 for termination related costs.

TERMINATION COSTS

The JFK Assassination Records Review Board, as authorized by P.L. 105–25, 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, 1998 to fulfill its mandate. Due to several factors including a delay in the appointment of the Board members, difficulties associated with hiring staff members and the scale and complexity the Board has encountered, the Board requires one additional year to complete its operations. The Board anticipates full-scale operations through July 31, 1998.

The Committee directs the Board to begin shutdown operations no later than August 1, 1998 and conclude termination proceedings no later than September 30, 1998 including completion of the final report and no employees remaining on board as of October 1, 1998. The Committee assumes the availability of $500,000 unobligated balances, as requested by the Administration in fiscal year 1998. The Committee notes that the Board was funded in fiscal year 1997 on the assumption that the current fiscal year would be the final year of operations.

Merit Systems Protection Board

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$23,923,000
Budget estimate, fiscal year 1998	24,450,000
Recommended in the bill	25,290,000
Bill compared with:	
Appropriation, fiscal year 1997	+1,367,000
Budget Estimate, fiscal year 1998	+840,000

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 Merit Systems Protection Board requested $1,110,000 in addition to the $24,450,000 requested by the President. This was to fund $840,000 in personnel compensation, to avoid possible reductions in force (RIF) in MSPB administrative judges, as well as $270,000 for additional costs of ADP upgrades. The Committee wants to ensure that MSPB retains the administrative judges necessary to process its case load, and therefore provides funding to ensure that MSPB can fully meet its caseload. Improvements in managing the data processing requirements of MSPB, and in developing methods of alternative dispute resolution, should continue to be explored as far as practicable. Because fair and timely resolution of appeals is necessary, the Committee expects MSPB to consult with it before carrying out any major RIF or otherwise significantly slowing its appeals process.

Morris K. Udall Scholarship In Excellence In National Environmental Policy Foundation

Appropriation, fiscal year 1997 to date	— — —
Budget estimate, fiscal year 1998	$2,000,000
Recommended in the bill	2,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+2,000,000
Budget Estimate, fiscal year 1998	— — —

MISSION

The Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation was authorized March 19, 1992, under Public Law 102–259.

RECOMMENDATION

The Committee recommends $2,000,000 for the Federal Payment to the Morris K. Udall Scholarship in Excellence in Natural Environmental Policy Foundation. This is the amount requested and $2,000,000 over the 1997 level. This appropriation was requested for, and shall only be used for, increasing the number of scholarships provided to qualifying students.

National Archives and Records Administration

OPERATING EXPENSES

Appropriation, fiscal year 1997 to date	$196,963,000
Budget estimate, fiscal year 1998	206,479,000
Recommended in the bill	202,354,000
Bill compared with:	
Appropriation, fiscal year 1997	+5,391,000
Budget Estimate, fiscal year 1998	−4,125,000

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.

RECOMMENDATION

The Committee recommends $202,354,000 for the National Archives and Records Administration appropriation; a reduction of $4,125,000 from the requested level.

MANAGEMENT OF THE NATIONAL ARCHIVES AND RECORDS ADMINISTRATION (NARA)

The National Archives and Records Administration has a vital role in protecting our national historical records. While the importance of this mission cannot be overstated, the Committee is concerned that NARA often forgoes cost-effective management in order to maintain the status quo of retaining all documents in paper form. While the Committee understands the importance of paper documents, it is concerned that the NARA is showing reluctance in adapting to more modern, and less costly, alternatives to maintaining documents in paper form. The Committee would urge the NARA to continue to explore ways in which less costly storage can be obtained.

The Committee would also like to note that it appreciates the NARA's efforts in developing a strategic plan. However, while the plan was informative, it did not go far enough in developing milestones, conforming to new GPRA guidelines, and providing specifics about NARA's future. The Committee would urge NARA to continue to develop goals for solving looming problems, such as storage space, maintaining electronic records and developing plans for housing federal records.

PRESERVATION FUNDING

The fiscal year 1998 NARA Budget Justifications include approximately $2 million dollars for preservation. The Committee feels that preservation should be one of, if not the, top priority of the NARA. With this in mind, the Committee would urge the NARA to develop a plan on five-year funding for preservation. The Committee was not able to justify the increase this year but would like to be able to consider it in fiscal year 1999. The Committee would urge the NARA to use $552,000 in the increased funding to provide cold storage preservation for the most fragile nontextual records until a long term plan is developed. The Committee directs the Archivist to submit a report, with the President's budget, on these options.

CLASSIFICATION REFORM

The Committee directs the Archivist of the United States to submit to the Committee by Febrary 1, 1998, an update of agency compliance with the declassification requirements of Section 3.4 of Executive Order 12958, "Classified National Security Information," issued by the President on April 17, 1995. The Committee notes that section 5.6(c)(8) of that executive order 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, 1998, an agency-by-agency report on fiscal year 1997 security classification costs (including contractor costs) and an estimate of fiscal year 1998 security classification costs to the House Committee on Appropriations.

The Committee further directs the Office of Management and Budget (OMB) to take steps to ensure agency compliance with sections 1.2, 1.3, 1.6, 1.8, and 1.9 of Executive Order 12598 and to submit by February 1, 1998, an agency-by-agency report on such compliance. The OMB shall include in the report, information on action taken by each agency to minimize the amount of classified material produced, consistent with the responsibilities and operational necessities of the agency.

REPAIRS AND RESTORATION

Appropriation, fiscal year 1997 to date	$16,229,000
Budget estimate, fiscal year 1998	6,650,000
Recommended in the bill	6,650,000
Bill compared with:	
Appropriation, fiscal year 1997	−9,579,000
Budget Estimate, fiscal year 1998	— — —

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.

RECOMMENDATION

The Committee recommends $10,650,000 for Repairs and Restoration. This is $4,000,000 above the President's request and $5,579,000 below the fiscal year 1997 enacted amount.

PRESIDENTIAL LIBRARIES

The Committee has included $4,000,000 for continued renovation of the Roosevelt Presidential Library. The Committee understands that there are additional requirements at the Truman Presidential Library and the Johnson Presidential Library which could possible be addressed in the future.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

Appropriation, fiscal year 1997 to date	$5,000,000
Budget estimate, fiscal year 1998	4,000,000
Recommended in the bill	5,500,000
Bill compared with:	
Appropriation, fiscal year 1997	+500,000
Budget Estimate, fiscal year 1998	+1,500,000

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.

RECOMMENDATION

The Committee recommends $5,500,000 for the National Historical Publications and Records Commission, an increase of $1,500,000 above the President's request and $500,000 above the amount appropriated in fiscal year 1997.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

This important program provides funding that the Commission makes available 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, publish the papers of major figures in American history, and assists archivists and records managers improve their techniques, training, and ability to serve a range of information users.

Recently, there has erupted a controversy over whether or not to emphasize prioritizing grants to "Founding Father's" projects, or preserving electronic records. The Committee has provided sufficient funding to ensure the priorities of NHPRC are met. Within the funds provided, the NHPRC should maintain its historical funding prioritization of "Founding Fathers" and documentary editing.

Office of Government Ethics

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$8,078,000
Budget estimate, fiscal year 1998	8,265,000
Recommended in the bill	8,078,000
Bill compared with:	
Appropriation, fiscal year 1997	— — —
Budget Estimate, fiscal year 1998	−187,000

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.

RECOMMENDATION

The Committee provides funding for OGE at the fiscal year 1997 level of $8,078,000.

Office of Personnel Management

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$87,286,000
Budget estimate, fiscal year 1998	85,350,000
Recommended in the bill	85,350,000
Bill compared with:	
Appropriation, fiscal year 1997	−1,936,000
Budget Estimate, fiscal year 1998	— — —

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 affecting most Federal employees, retired Federal employees, and their survivors.

RECOMMENDATION

The Committee provides the level of funding requested by the President, $85,350,000.

GENERIC DRUGS

The Federal government spends approximately $11 billion as its share of the health premiums for current and retired Federal employees. Payments for prescription drugs under the Federal Employees Health Benefit Program (FEHBP) exceed $2 billion annually and are growing. The Committee understands that nearly one-third of all prescriptions under the FEHBP are for generic drugs and that total costs for prescriptions would drop by about 15 percent—nearly $300 million a year—if half of all prescriptions were for generic drugs. The Committee again urges the Office of Personnel Management (OPM) to take steps to encourage the use of generic drugs in the FEHBP and to report on the steps it has taken pursuant to the direction given in the fiscal year 1997 conference report. Further, the Committee is disappointed at the apparent lack of regard for the direction given in the fiscal year 1997 conference report and directs OPM report on its efforts in this area by February 1, 1998.

ORTHODONTURE BENEFITS

The Committee notes that dental and orthodonture benefits have been frozen since 1991 for fee-for-service federal employee health benefits plans. As a result, some insurers are refusing to cover orthodonture benefits for cleft lip and palate children that would appear to be medically necessary to correct a cleft birth defect. The Committee directs OPM to review the FEHBP coverage of cleft lip and palate children and report to the Committee on whether the freeze on orthodonture benefits is resulting in the exclusion of cleft birth defect children from coverage that is medically necessary.

PROFESSIONAL LIABILITY INSURANCE

Prior legislation has provided federal agencies with the authority to fund up to ½ of the professional liability insurance for certain law enforcement personnel. The Committee is concerned that there may exist a similar need to carry such insurance by federal non-law enforcement employees.

Therefore, the Committee directs the Office of Personnel Management to study the need of federal employees to carry professional liability insurance, identify those employees who require such insurance, the costs associated with providing federal agencies with the authority to fund up to ½ of such insurance premium, and report its findings to the Committee no later than May 1, 1998.

USE OF OFFICIAL TIME

The Committee is aware of concerns about the use of "official time" within the federal government. In order to ascertain both the extent and nature of the use of "official time", the Committee directs the Office of Personnel Management (OPM), in consultation with the Office of Management and Budget, to report to the Committee on Appropriations on the use of official time by Federal agencies. The Committee anticipates that it will be necessary for OPM to issue guidelines to agencies in the compilation of information on official time and further expects that this information will include the following as it relates to labor management relations and union activities.

(a) a description of both the benefits and disadvantages of official time;

(b) a list of specific activities undertaken by federal employees;

(c) for the first six months of fiscal year 1998:

(1) Total hours of official time that employees spent on such activities;

(2) The number of employees who used official time for such activities;

(3) The number of employees who spent 100 percent of their official time for such activities, the number who spent over 75 percent, and the number who spent over 50 percent.

(4) The dollar value of official time, in terms of employee compensation, spent on such activities; and

(5) The dollar value of federally funded office space, equipment, telephone use and supplies provided to unions.

The Committee directs that this report be submitted to the Committee on Appropriations no later than October 1, 1998.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 1997 to date	$960,000
Budget estimate, fiscal year 1998	960,000
Recommended in the bill	960,000
Bill compared with:	
Appropriation, fiscal year 1997	— — —
Budget Estimate, fiscal year 1998	— — —

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.

RECOMMENDATION

The Committee provides funding at the President's request level of $960,000.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriation, fiscal year 1997 to date	$4,059,000,000
Budget estimate, fiscal year 1998	4,338,000,000
Recommended in the bill	4,338,000,000
Bill compared with:	
Appropriation, fiscal year 1997	279,000,000
Budget Estimate, fiscal year 1998	— — —

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 1997 to date	$33,000,000
Budget estimate, fiscal year 1998	32,000,000
Recommended in the bill	32,000,000
Bill compared with:	
Appropriation, fiscal year 1997	−1,000,000
Budget Estimate, fiscal year 1998	— — —

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 1997 to date	$7,989,000,000
Budget estimate, fiscal year 1998	8,336,000,000
Recommended in the bill	8,336,000,000
Bill compared with:	
Appropriation, fiscal year 1997	+347,000,000
Budget Estimate, fiscal year 1998	— — —

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.

Office of Special Counsel

SALARIES AND EXPENSES

Appropriation, fiscal year 1997 to date	$8,116,000
Budget estimate, fiscal year 1998	8,450,000
Recommended in the bill	8,116,000
Bill compared with:	
Appropriation, fiscal year 1997	— — —
Budget Estimate, fiscal year 1998	−334,000

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.

RECOMMENDATION

The Committee provides funding at the fiscal year 1997 level of $8,116,000.

United States Tax Court

Appropriation, fiscal year 1997 to date	$33,781,000
Budget estimate, fiscal year 1998	34,293,000
Recommended in the bill	33,921,000
Bill compared with:	
Appropriation, fiscal year 1997	+140,000
Budget Estimate, fiscal year 1998	−372,000

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.

RECOMMENDATION

The Committee recommends $33,921,000; $372,000 less than the request and $140,000 more than the 1997 level. This recommendation includes $273,000 for inflationary increases and assumes $133,000 in cost reductions identified by the Tax Court.

REVIEW OF STAFFING AND PERFORMANCE

The Committee is concerned that the U.S. Tax Court has not had the opportunity to review its current staffing requirements or to develop performance measures similar to those used by Federal agencies to justify budget requests.

The current staffing requirements for the U.S. Tax Court are 2 law clerks and 1 administrative assistant per Judge. This requirement is based on historical requests and may not reflect the current requirement. Additionally, the U.S. Tax Court has claimed that while cases are fewer they are more complex and lead to a requirement for additional funding and staffing. However, the U.S. Tax Court has not developed measures of performance to determine the impact these changes have had on funding and staffing.

Therefore, the Committee directs the U.S. Tax Court to submit with the 1999 budget request an in depth analysis of its staffing needs and a performance measurement plan that meets the requirements of the Government Performance and Results Act.

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 prohibiting the use of funds to engage in activities which would prohibit the enforcement of section 307 of the 1930 Tariff Act.

Sec. 504. The Committee continues and modifies by making permanent the provision prohibiting the transfer of control over the Federal Law Enforcement Training Center.

Sec. 505. The Committee continues the provision prohibiting the prevention of certain United States Postal Service employees from contacting their member of Congress.

Sec. 506. The Committee continues and modifies by making permanent the provision authorizing donations of supplies and equipment to the Federal Executive Institute.

Sec. 507. The Committee continues the provision concerning employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Sec. 508. The Committee continues the provision concerning compliance with the Buy American Act.

Sec. 509. The Committee continues the provision concerning prohibition of contracts which use certain goods not made in America.

Sec. 510. The Committee continues the provision concerning prohibition of contracts.

Sec. 511. The Committee continues the provision providing that fifty percent of unobligated balances may remain available for certain purposes.

Sec. 512. The Committee continues a 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.

Sec. 513. The Committee continues a 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. 514. The Committee has included a new provision increasing the amounts provided to the FEC for internal modernization by $4,200,000 and making these funds contingent upon satisfying the conditions set forth in Section 515.

Sec. 515. The Committee has included a new provision making the funds available in Section 514 contingent upon the filling of all vacancies in the membership of the FEC Commission as of July 15, 1997 and the enactment of legislation prohibiting the reappointment of members of the Commission.

Sec. 516. The Committee includes a provision which prohibits the use of funds provided in this Act for the coverage of abortions.

Sec. 517. The Committee includes a provision which provides that Section 516 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. 518. Certain U.S. origin historic firearms imports. This section concerns the importation of historic firearms, more specifically "curios or relics". Congress first enacted a statute, 18 U.S.C. § 925(e), specifically allowing curio or relic imports. At the time of enactment, however, the statute only benefited foreign collectibles, since other acts interfered with U.S. origin curio or relics from returning to the United States. In 1988, Congress remedied the inconsistency by making provision for the importation of certain U.S. origin ammunition and curio or relic firearms and parts into the United States at 22 U.S.C. § 2778(b)(1)(B). The Treasury Department issued implementation regulations after the passage of both laws. The Department of State, which in certain cases consults with the Treasury Department on firearms imports, avoided implementation of the 1988 law by refusing to consent to U.S. origin import applications, ostensibly on the basis of foreign policy interests. This section makes the Congressional intent of allowing these imports even clearer. It does so by prohibiting any part of the government from using appropriated funds to deny an otherwise qualified application for the importation of U.S. origin ammunition and curio or relic firearms and parts from nations that are not proscribed pursuant to 27 C.F.R. § 47.52. Proscribed nations are those that include countries such as North Korea and Cuba.

Sec. 519. The Committee has included a new provision prohibiting the use of funds in this or any other Act to expand the Global Package Link Service offered by the Postal Service.

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 of 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 limitation on vehicles to be purchases 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 prohibiting certain payments to those nominees who have been rejected by the U.S. Senate.

Sec. 611. The Committee continues the provision precluding the interagency financing of groups absent prior interagency and specific statutory approval.

Sec. 612. The Committee continues the provision authorizing the Postal Service to employ guards and give them the same special police powers as GSA guards.

Sec. 613. 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. 614. The Committee continues the provision limiting the pay increases of certain prevailing rate increases.

Sec. 615. The Committee continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Sec. 616. The Committee continues the provision prohibiting the expenditure of funds for the acquisition of additional law enforcement training facilities.

Sec. 617. The Committee continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Sec. 618. 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. 619. 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. 620. The Committee continues the provision prohibiting the use of funds for travel expenses not directly related to official governmental duties.

Sec. 621. 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. 622. The Committee continues the provision prohibiting Federal training not directly related to the performance of official duties.

Sec. 623. The Committee continues the provision prohibiting the expenditure of funds for implementation of agreements in nondisclosure policies unless certain provisions are included.

Sec. 624. The Committee continues the provision prohibiting lobbying by executive agency personnel.

Sec. 625. The Committee continues the provision that requires OMB to do an accounting statement and report on the cumulative costs and benefits of Federal regulatory programs.

Sec. 626. The Committee has included a new provision prohibiting any federal agency to provide an employee's home address to any labor organization unless authorized.

Sec. 627. The Committee continues the provision that authorizes the Secretary of the Treasury to establish standards to explosives detection canines.

Sec. 628. The Committee continues language prohibiting funds made available in this Act or any other Act from being used to provide any non-public information outside of the Federal government without approval of the House and Senate Committees.

Sec. 629. The Committee continues the provision allowing interagency financing for the National Bioethics Advisory Commission.

Sec. 630. The Committee has included a new provision, previously carried under Title V, which prohibits the use of funds for certain propaganda purposes.

Sec. 631. The Committee has included a new provision prohibiting the use of funds for the purchase of any information technology that is not year 2000 compliant unless the agency's CIO determines that non-compliance purchases are necessary for the operation of the agency or the acquisition is required by a signed contract in effect before enactment of this Act.

Sec. 632. The Committee has included a new provision directing USTR, Treasury and Commerce to consult with Mexico and Canada regarding personal allowance parity among NAFTA parties.

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 1998, 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 Buildings Fund, the Bureau of Engraving and Printing Fund, the U.S. Mint, and other intergovernmental 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

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	71,000,000	Federal Drug Programs—HIDTA	71,000,000
Federal departments	155,000,000	Special Forfeiture Fund	155,000,000
Personnel Management	91,236,000	Trust Fund of the Office of Personnel Management.	91,236,000
Inspector General, OPM	8,645,000	Appropriation 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	11,500,000	Automation Enhancement	11,500,000
Departmental Offices	14,389,000	Automation Enhancement	14,389,000
Federal Election Commission	750,000	General Accounting Office	750,000
Federal Election Commission	300,000	Government Printing Office	300,000

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:

RESCISSIONS RECOMMENDED IN THE BILL

Department or Activity	*Amounts recommended for rescission*
Department of the Treasury:	
Internal Revenue Service, Tax Law Enforcement (Fiscal year 1997)	−$10,000,000
Total Rescissions	10,000,000

CONSTITUTIONAL AUTHORITY

Clause 2(l)(4) of rule XI of the Rules of the House of Representatives states that:

"Each report of a committee on a bill or joint resolution of a public character, shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution."

The Committee on Appropriations bases its authority to report this legislation from Clause 7 of Section 9 of Article I of the Constitution of the United States of America which states:

"No money shall be drawn from the Treasury but in consequence of Appropriations made by law * * *"

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

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):

TREASURY DEPARTMENT APPROPRIATIONS ACT, 1997

(Public Law 104–208)

* * * * * * *

TITLE I—DEPARTMENT OF THE TREASURY

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

* * * * * * *

⟦SEC. 117. Of the funds available to the Internal Revenue Service, $13,000,000 shall be made available to continue the private sector debt collection program which was initiated in fiscal year 1996 and $13,000,000 shall be transferred to the Departmental Offices appropriation to initiative a new private sector debt collection program; Provided, That the transfer provided herein shall be in addition to any other transfer authority contained in this Act.⟧

* * * * * * *

INTERNAL REVENUE SERVICE

* * * * * * *

INFORMATION SYSTEMS

For necessary expenses for data processing and telecommunications support for Internal Revenue Service activities, including tax systems modernization and operational information systems; the hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, $1,323,075,000, ⟦of which no less than

$130,075,000 shall be available for Tax Systems Modernization (TSM) development and deployment] which shall be available until September 30, 1999, and of which no less than $206,200,000 shall be available for TSM Operational Systems: Provided, That none of the funds made available for TSM Operational Systems shall be available after July 31, 1997, unless the Department of the Treasury has prepared a Request for Proposal which could be used as a base for a solicitation of a contract with an alternative or new Prime Contractor to manage, integrate, test and implement the TSM program: *Provided further,* That all activities associated with the development of a request for proposal, contract solicitation, and contract award for private sector assistance on TSM (both operational systems and development and deployment systems), beyond private sector assistance which is currently under contract, shall be conducted by the Department of the Treasury's Modernization Management Board: *Provided further,* That if the Internal Revenue Service determines that it is unable to meet deadlines established herein, the Secretary of the Treasury shall notify the Committees on Appropriations of the House and the Senate of the delay: *Provided further,* That the Internal Revenue Service shall submit, by February 1, 1997, a timetable for implementing, by October 1, 1997, recommendations made by the General Accounting Office in its July 1995 report, entitled: "Tax Systems Modernization: Management and Technical Weaknesses Must Be Corrected If Modernization Is To Succeed": *Provided further,* That the Internal Revenue Service shall submit, by December 1, 1996, a schedule to transfer, not later than July 31, 1997, a majority of Tax Systems Modernization development, deployment, management, integration, and testing, from the Internal Revenue Service to the private sector.

* * * * * * *

SECTION 501 OF THE DISTRICT OF COLUMBIA POLICE AND FIREMEN'S SALARY ACT OF 1958

SEC. 501. (a) * * *

(b)(1) Effective at the beginning at the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of title 5, United States Code, in the rates of pay under General Schedule, the annual rate of basic compensation of officers and members of the United States Park Police force shall be adjusted by the Secretary of the [Interior, and the annual rate of basic compensation of officers and members of the United States Secret Service Uniformed Division may be adjusted by the Secretary of the Treasury,] *Interior* by an amount (rounded to the next highest multiple of $5) equal to the percentage of such annual rate of pay which corresponds to the overall percentage (as set forth in the applicable report transmitted to the Congress under such section 5305) of the adjustment made in the rates of pay under the General Schedule.

(2) No adjustment in the annual rate of basic compensation of such officers and members may be made except in accordance with paragraph (1).

[(c)] *(3)* Any reference in any law to the salary schedule in section 101 of this Act with respect to officers and members of the United States Park Police force [or to officers and members of the United States Secret Service Uniformed Division] shall be considered to be a reference to such schedule as adjusted in accordance with [subsection (b)] *this subsection*.

(c)(1) The annual rates of basic compensation of officers and members of the United States Secret Service Uniformed Division, serving in classes corresponding or similar to those in the salary schedule in section 101, shall be fixed in accordance with the following schedule of rates:

SALARY SCHEDULE

Salary class and title	*Service Steps*								
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*
Class 1: Private	*29,215*	*30,088*	*31,559*	*33,009*	*35,331*	*37,681*	*39,128*	*40,593*	*42,052*
Class 4: Sergeant	*39,769*	*41,747*	*43,728*	*45,718*	*47,715*	*49,713*			
Class 5: Lieutenant	*45,148*	*47,411*	*49,663*	*51,924*	*54,180*				
Class 7: Captain	*52,523*	*55,155*	*57,788*	*60,388*					
Class 8: Inspector	*60,886*	*63,918*	*66,977*	*70,029*					
Class 9: Deputy Chief	*71,433*	*76,260*	*81,113*	*85,950*					
Class 10: Assistant Chief	*84,694*	*90,324*	*95,967*						
Class 11: Chief of the U.S. Secret Service Uniformed Division	*98,383*	*104,923*							

(2) Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5303 of title 5, United States Code (or any subsequent similar provision of law), in the rates of pay under the General Schedule (or any subsequent similar provision of law), in the rates of pay under the General Schedule (or any pay system that may supersede such schedule), the annual rates of basic compensation of officers and members of the United States Secret Service Uniformed Division shall be adjusted by the Secretary of the Treasury by an amount equal to the percentage of such annual rate of pay which corresponds to the overall percentage of the adjustment made in the rates of pay under the General Schedule.

(3) Locality-based comparability payments authorized under section 5304 of title 5, United States Code, shall be applicable to the basic pay under this section. However, locality-based comparability payments may not be paid at a rate which, when added to the rate of basic pay otherwise payable to the officer or member, would cause the total to exceed the rate of basic pay payable for level IV of the Executive Schedule.

(4) Pay may not be paid, by reason of any provision of this subsection (disregarding any comparability payment payable under Federal law), at a rate in excess of the rate of basic pay payable for level V of the Executive Schedule contained in subchapter II of chapter 53 of title 5, United States Code.

(5) Any reference in any law to the salary schedule in section 101 with respect to officers and members of the United States Secret Service Uniformed Division shall be considered to be a reference to

the salary schedule in paragraph (1) of this subsection as adjusted in accordance with this subsection.

(6)(A) Except as otherwise permitted by or under law, no allowance, differential, bonus, award, or other similar cash payment under this title or under title 5, United Stated Code, may be paid to an officer or member of the United States Secret Service Uniformed Division in a calendar year if, or to the extent that, when added to the total basic pay paid or payable to such officer or member for service performed in such calendar year as an officer or member, such payment would cause the total to exceed the annual rate of basic pay payable for level I of the Executive Schedule, as of the end of such calendar year.

(B) This paragraph shall not apply to any payment under the following provisions of title 5, United States Code;

(i) Subchapter III or VII of chapter 55, or section 5596;

(ii) Chapter 57 (other than section 5753, 5754, or 5755); or

(iii) chapter 59 (other than section 5928).

(7)(A) Any amount which is not paid to an officer or member of the United States Secret Service Uniformed Division in a calendar year because of the limitation under paragraph (6) shall be paid to such officer or member in a lump sum at the beginning of the following calendar year.

(B) Any amount paid under this paragraph in a calendar year shall be taken into account for purposes of applying the limitations under paragraph (6) with respect to such calendar year.

(8) The Office of Personnel Management shall prescribe regulations as may be necessary (consistent with section 5582 of title 5, United States Code) concerning how a lump-sum payment under paragraph (7) shall be made with respect to any employee who dies before an amount payable to such employee under paragraph (7) is made.

THE ACT OF AUGUST 15, 1950

AN ACT To provide a five-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police Force.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) * * *

* * * * * * *

(h)(1) No premium pay provided by this Act shall be paid to, and no compensatory time off is authorized for, **[**any officer or member**]** *an officer or member of the Metropolitan Police force, of the Fire Department of the District of Columbia, or of the United States Park Police* whose rate of basic compensation equals or exceeds the minimum scheduled rate of basic compensation provided for service step 1 in the salary class applicable to the Fire Chief and Chief of Police of the District of Columbia Police and Firemen's Salary Act of 1958, as amended.

(2) In the case of **[**any officer or member**]** *an officer or member of the Metropolitan Police force, of the Fire Department of the District of Columbia, or of the United States Park Police* whose rate of basic compensation is less than the minimum scheduled rate of

basic compensation provided for service step 1 in the salary class applicable to the Fire Chief and Chief of Police of the Police and Firemen's Salary Act of 1958, as amended, such premium pay may be paid only to the extent that such payment would not cause his aggregate rate of compensation to exceed such minimum scheduled rate with respect to any pay period.

(3)(A) No premium pay provided by this section shall be paid to, and no compensatory time is authorized for, any officer or member of the United States Secret Service Uniformed Division whose rate of basic pay, combined with any applicable locality-based comparability payment, equals or exceeds the lesser of (I) 150 percent of the minimum rate payable for grade GS–15 of the General Schedule (including any applicable locality-based comparability payment under section 5305 of title 5, United States Code or any similar provision of law, and any applicable special rate of pay under section 5303 of title 5, United States Code or any similar provision of law) or (II) the rate payable for level V of the Executive Schedule contained in subchapter II of chapter 53 of title 5, United States Code.

(B) In the case of any officer or member of the United States Secret Service Uniformed Division whose rate of basic pay, combined with any applicable locality-based comparability payment, is less than the lesser of—

(i) 150 percent of the minimum rate payable for grade GS–15 of the General Schedule (including any applicable locality-based comparability payment under section 5305 of title 5, United States Code or any similar provision of law, and any applicable special rate of pay under section 5303 of title 5, United States Code or any similar provision of law); or

(ii) the rate payable for level V of the Executive Schedule contained in subchapter II of chapter 53 of title 5, United States Code, such premium pay may be paid only to the extent that such payment would not cause such officer or member's aggregate rate of compensation to exceed such lesser amount with respect to any pay period.

⟦(3)⟧ *(i)* Each authorizing official is authorized to promulgate such regulations and issue such orders as are necessary to carry out the intent and purpose of this Act, and to delegate to a designated agent or agents any of the functions vested in the authorizing official by this Act.

* * * * * * *

SECTION 405 OF THE FEDERAL LAW ENFORCEMENT PAY REFORM ACT OF 1990

SEC. 405. SAME BENEFITS FOR OTHER LAW ENFORCEMENT OFFICERS.

(a) * * *

(b) This subsection applies with respect to any—

⟦(1) member of the United States Secret Service Uniformed Division;⟧

* * * * * * *

(c) For the purposes of this section, the term "appropriate agency head" means—

⟦(1) with respect to any individual under subsection (b)(1), the Secretary of the Treasury;⟧

* * * * * * *

SECTION 10 OF THE INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1989

(Public Law 100–440)

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 that 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.⟧

SECTION 2 OF THE ACT OF AUGUST 25, 1958

An Act to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes.

* * * * * * *

⟦SEC. 2. The entitlements of a former President under subsections (b) and (c) of the first section shall be available—

⟦(1) in the case of an individual who is a former President on the effective date of this section, for 5 years, commencing on such effective date; and

⟦(2) in the case of an individual who becomes a former President after such effective date, for 4 years and 6 months, commencing at the expiration of the period for which services and facilities are authorized to be provided under section 4 of the Presidential Transition Act of 1968 (8 U.S.C. 102 note.)⟧

SECTION 3214 OF TITLE 39, UNITED STATES CODE

§ 3214. Mailing privilege of former President; surviving spouse of former President

⟦(a) Subject to subsection (b), a⟧ A former President and the surviving spouse of a former President may send nonpolitical mail within the United States and its territories and possessions as franked mail. Such mail of a former President and of the surviving spouse of a former President marked "Postage and Fees Paid" in the manner prescribed by the Postal Service shall be accepted by the Postal Service for transmission in the international mails.

⟦(B) Subsection (a) shall cease to apply—

⟦(1) 5 years after the effective date of this subsection, in the case of any individual who, on such effective date—

⟦(A) is a former President (including any individual who might become entitled to the mailing privilege under subsection (a) as the surviving spouse of such a former President); or

⟦(B) is the surviving spouse of a former President; and

⟦(2) 4 years and 6 months after the expiration of the period for which services and facilities are authorized to be provided under section 4 of the Presidential Transaction Act of 1968 (3 U.S.C. 102 note), in the case of an individual who becomes a former President after such effective date (including any surviving spouse of such individual, as described in the parenthetical matter in paragraph (1)(A)).⟧

SECTION 306 OF THE FEDERAL ELECTION CAMPAIGN ACT OF 1971

FEDERAL ELECTION COMMISSION

SEC. 306. (a)(1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives or their designees, ex officio and without the right to vote, *and 6 members appointed by the President, by and with* the advice and consent of the Senate. No more than 3 members of the Commission appointed under this paragraph may be affiliated with the same political party.

(2)(A) Members of the Commission shall serve ⟦for terms of 6 years⟧ *for a single term of 6 years*, except that of the members first appointed—

(i) * * *

* * * * * * *

SECTION 5378 OF TITLE 5, UNITED STATES CODE

§ 5378. Police forces of the Bureau of Engraving and Printing and the United States Mint

⟦(a) The Secretary of the Treasury shall fix the rates of basic pay for positions within the police forces of the Bureau of Engraving and Printing and the United States Mint in accordance with the following:

⟦(1) Entry-level police officer—not more than the maximum rate payable for GS–6.

⟦(2) Journeyman-level police officer—not more than the maximum rate payable for GS–7.

⟦(3) Corporal—not more than the maximum rate payable for GS–8.

⟦(4) Sergeant—not more than the maximum rate payable for GS–9.

⟦(5) Lieutenant—not more than the maximum rate payable for GS–10.

⟦(6) Deputy Inspector—not more than the maximum rate payable for GS–11.

[(7) Inspector—not more than the maximum rate payable for GS–12.

[(8) Chief—not more than the maximum rate payable for GS–14.]

(a) The Secretary of the Treasury, or his designee, shall fix the rates of basic pay for positions within the police forces of the United States Mint and the Bureau of Engraving and Printing without regard to the provisions of this title, except that no entry-level police officer shall receive basic pay for a calendar year that is less than the minimum rate for grade GS–7 of the General Schedule and no executive security official shall receive basic pay for a calendar year that exceeds the maximum rate for grade GS–15 of the General Schedule.

* * * * * * *

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:

New budget authority	— — —
Fiscal year 1998 outlays resulting therefrom	— — —

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 authority	Outlays	Budget authority	Outlays
Discretionary:				
General purposes	12,401	12,169	12,401	12,169
Violent Crime Trust Fund	97	94	97	94
Total discretionary	12,498	12,263	12,498	12,263
Mandatory	12,498	12,263	12,498	12,263

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.

FIVE-YEAR OUTLAY PROJECTIONS

In compliance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control 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:

	[In millions]
Budget Authority	
Outlays:	25,067
Fiscal year 1998	22,134
Fiscal year 1999	1,571
Fiscal year 2000	648
Fiscal year 2001 and future years	167

Note: The above table includes mandatory appropriations and discretionary appropriations

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 circumstances, 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.

OFFICE OF PROFESSIONAL RESPONSIBILITY

The Committee continues language providing funding for salaries and expenses of the Office of Professional Responsibility.

AUTOMATION ENHANCEMENT

The Committee has continued language which provides funds for the development and acquisition of automatic data processing equipment, software, and services, providing transfer authority, 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. The Committee retains language allowing FinCEN to provide assistance to federal law enforcement agencies with or without reimbursement.

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 purchase and 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 private sector security officials on a 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. The Committee has added language that would allow the Director to waive reimbursement, including for foreign law enforcement and private security personnel when it is in the public interest to do so.

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 continued language prohibiting the transfer of ATF's functions to another federal agency. The Committee has continued language prohibiting provision of ballistics imaging equipment to state and local authorities under certain circumstances, 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 purchaser name or any identification code that would identify a purchaser.

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 that would include the overtime pay cap of Customs inspectors to $30,000.

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, 1998.

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 provided 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.

INFORMATION TECHNOLOGY INVESTMENTS

The Committee has included a new appropriation, as requested by the Administration, which provides funds for the Internal Revenue Service's information technology investments. The Committee prohibits the obligation of these funds until September 30, 1998 and places restrictions on the use of these funds until certain conditions are met.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

Section 101. The Committee continues the 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 continues the 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 continues the provision which requires the Internal Revenue Service maintain taxpayer services at not less than 1995 levels.

Section 104. The Committee has continued this provision, which previously was carried under "General Provisions—Department of the Treasury," which prohibits the expenditure of funds for the collection of taxes unless the conduct of offices and employees of the IRS complies with the Fair Debt Collection Practices Act.

Section 105. The Committee has continued this provision, which was carried under "General Provisions—Department of the Treasury," which requires the IRS to institute policies and procedures which will safeguard the confidentiality of taxpayer information.

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.

ACQUISITION, CONSTRUCTION, IMPROVEMENT, AND RELATED EXPENSES

The Committee has continued language which provides 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 the 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 the 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 requiring expenditure of funds so as not to diminish efforts under the Federal Alcohol Administration Act.

Sec. 114. The Committee has included a new provision which authorizes transfers between law enforcement appropriations under certain circumstances.

Sec. 115. The Committee has included a new provision which authorizes transfers between administratively related appropriations under certain circumstances.

Sec. 116. The Committee has included a new provision which limits the contractual term for distinctive currency paper and requires a GAO report prior to the award of the new currency paper contract.

Sec. 117. The Committee has included a new provision which requires the reimbursement of Secret Service personnel for certain fees and costs.

Sec. 118. The Committee has included a new provision which prospectively adjusts the compensation of the Secretary of the Treasury, beginning with the subsequent Secretary.

Sec. 119. The Committee has included a new provision which limits the amount of time allowed for the clearance process associated with testimony and information provided to the Committee.

Sec. 120. The Committee has included a new provision which adjusts the rate of basic pay for the United States Secret Service Uniformed Division.

Sec. 121. The Committee has included a new provision which repeals Section 117 of the fiscal year 1997 appropriation.

Sec. 122. The Committee has included a new provision which directs the IRS to initiate an electronic filing project.

Sec. 123. The Committee has included a new provision which addresses compensation rates of police officers at the B&P and the U.S. Mint.

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 continues a provision fencing ADP funds until certain requirements are met. The Committee includes new language authorizing reimbursements to the White House Communications Agency.

Executive Residence at the White House

The Committee has continued language which provides funds for operation and maintenance of the White House for official entertainment expenses. The Committee has included new language prohibiting the use of funds for partisan political activities; language establishing a reimbursable program for political and non-political events at the Executive Residence; language authorizing the reimbursable program; language requiring the prompt collection of reimbursement for political and non-political activities; language requiring pre-payment of political activities; language establishing reporting requirements for the reimbursable program; and language requiring the development of a system for defining, tracking and disclosing reimbursable events.

Special Assistance to the President and Official Residence of the Vice President

The Committee has continued 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 continues a 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 continues a 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 continues a provision fencing ADP funds until certain requirements are met. The Committee includes a new provision for a Capital Investment Plan.

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, and prohibits 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 conferences on model State drug laws, policy research and evaluation, and allows for the acceptance of gifts.

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 language requiring that funding for existing HIDTAs be continued at the current level and language creating two new HIDTAs.

FEDERAL DRUG CONTROL PROGRAMS—SPECIAL FORFEITURE FUNDS

The Committee has provided language which makes funding available for a media campaign and a program of grants for community drug coalitions, both of which will be targeted at youth.

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. The Committee includes a new provision transferring funds to the General Accounting Office for an independent audit of FEC operations.

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.

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.

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.

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

Sec. 405. The Committee continues the 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 requested rate.

Sec. 406. The Committee has included a new provision repealing Section 10 of Public Law 100–440 which sets a limit on the number of employees in the FPS.

Sec. 407. The Committee has included a new provision which allows pilot information technology projects to be repaid from the Information Technology Fund.

Sec. 408. The Committee continues the provision ensuring the materials used for the facade on the United States Courthouse Annex, Savannah, Georgia project are compatible with the existing building.

Sec. 409. The Committee has included a new provision repealing Section 6 of Public Law 103–123.

Sec. 410. The Committee has included a new provision requested by the Administration which retires the outstanding debt to the United States Treasury associated with Pennsylvania Avenue Development Corporation assets transferred to GSA.

Sec. 411. The Committee has included a new provision which permits the GSA to pay small claims (up to $250,000) made against the Government. This language, which has previously been carried in the body of the Federal Buildings Fund appropriation language, provides the authority for GSA to use savings effected in other construction projects to pay legitimate claims made against the Government by contractors.

Sec. 412. The Committee has included a new provision which addresses the sale of government-owned property in Bakersfield, California.

Sec. 413. The Committee has included a new provision which repeals the effects of Section 1555 of the Federal Acquisition Streamlining Act.

Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation

The Committee has included a new appropriation, as required by the Administration, which provides federal payments to the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation.

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.

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.

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

Section 503. 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.

Section 504. The Committee continues and modifies by making permanent the provision prohibiting the transfer of control over the Federal Law Enforcement Training Center.

Section 505. The Committee continues the provision prohibiting the prevention of certain United States Postal Service employees from contacting their member of Congress.

Section 506. The Committee continues and modifies by making permanent the provision authorizing donations of supplies and equipment to the Federal Executive Institute.

Section 507. The Committee continues the provision concerning employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 508. The Committee continues the provision concerning compliance with the Buy America Act.

Section 509. The Committee continues the provision concerning prohibition of contracts which use certain goods not made in America.

Section 510. The Committee continues the provision concerning prohibition of contracts.

Section 511. The Committee continues the provision providing that fifty percent of unobligated balances may remain available for certain purposes.

Section 512. The Committee continues a 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.

Section 513. The Committee has continued the 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 but adds an exception for night differential pay for workers who have been permanently assigned to such shifts for a minimum of 26 weeks.

Sec. 514. The Committee has included a new provision increasing the amounts provided to the FEC for internal modernization by $4,200,000 and making these funds contingent upon satisfying the conditions set forth in Section 515.

Sec. 515. The Committee has included a new provision making the funds available in Section 514 contingent upon the filling of all vacancies in the membership of the FEC Commission as of July 15, 1997 and the enactment of legislation prohibiting the reappointment of members of the Commission.

Sec. 516. The Committee includes a provision which prohibits the use of funds provided in this Act for the coverage of abortions.

Sec. 517. The Committee includes a provision which provides that Section 516 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. 518. The Committee has included a new provision to prohibit any funding in connection with denial of application for importation of certain historic firearms, ammunition, and related components defined in statute as "curios or relics," in particular weapons that were originally provided by the United States government as foreign military assistance.

Sec. 519. The Committee has included a new provision prohibiting the use of funds in this or any other Act to expand the Global Package Link Service offered by the Postal Service.

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 of a life threatening illness of the employee.

Section 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.

Section 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.

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

Section 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.

Section 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.

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

Section 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.

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

Section 610. The Committee continues the provision prohibiting certain payments to those nominees who have been rejected by the U.S. Senate.

Section 611. The Committee continues the provision precluding the interagency financing of groups absent prior and specific statutory approval.

Section 612. The Committee continues the provision authorizing the Postal Service to employ guards and give them the same special police powers as GSA guards.

Section 613. The Committee continues the provision prohibiting the use of funds for enforcing regulations disapproved in accordance with the applicable law of the U.S.

Section 614. The Committee continues the provision limiting the pay increases of certain prevailing rate increases.

Section 615. The Committee continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Section 616. The Committee continues the provision prohibiting the expenditure of funds for the acquisition of additional law enforcement training facilities.

Section 617. The Committee continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Section 618. 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.

Section 619. 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.

Section 620. The Committee continues the provision prohibiting the use of funds for travel expenses not directly related to official governmental duties.

Section 621. 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.

Section 622. The Committee has modified this provision prohibiting Federal training not directly related to the performance of official duties.

Section 623. The Committee continues the provision prohibiting the expenditure of funds for implementation of agreements in nondisclosure policies unless certain provisions are included.

Section 624. The Committee has continued the provision prohibiting lobbying by executive agency personnel.

Section 625. The Committee continues the provision that requires OMB to do an accounting statement and report on the cumulative costs and benefits of Federal regulatory programs.

Section 626. The Committee continues the provision prohibiting any federal agency to provide an employee's home address to any labor organization unless authorized.

Section 627. The Committee continues the provision that authorizes the Secretary of the Treasury to establish certification standards for explosives detection canines.

Section 628. The Committee continues language prohibiting funds made available in this Act or any other Act from being used to provide any non-public information outside of the Federal government without approval of the House and Senate Committees.

Section 629. The Committee continues the provision allowing interagency financing for the National Bioethics Advisory Commission.

Section 630. The Committee has included a new provision, previously carried under Title V, which prohibits the use of funds for certain propaganda purposes.

Section 631. The Committee has included a new provision prohibiting the use of funds for the purchase of any information technology that is not year 2000 compliant unless the agency's CIO determines that non-compliance purchases are necessary for the operation of the agency or the acquisition is required by a signed contract in effect before enactment of this Act.

Section 632. The Committee has included a new provision directing USTR, Treasury and Commerce to consult with Mexico and Canada regarding personal allowance parity among NAFTA parties.

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
- Treasury Building and Annex Repair and Restoration
- 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
- Bureau of the Public Debt
- Internal Revenue Service
  - Processing, Assistance and Management
  - Tax Law Enforcement
  - Information Systems
  - Information Technology Investment
- 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(l)(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: July 29, 1997.

Measure: Treasury, Postal Service and General Government Appropriations Bill, FY 1998.

Motion by: Mr. Hoyer.

Description of Motion: To delete certain conditions in the bill regarding the obligation of $4.2 million for the Federal Election Commission.

Results: Rejected 18 yeas to 32 nays.

Members Voting Yea	*Members Voting Nay*
Ms. DeLauro	Mr. Aderholt
Mr. Edwards	Mr. Bonilla
Mr. Fazio	Mr. Callahan
Mr. Hefner	Mr. Cunningham
Mr. Hoyer	Mr. DeLay
Miss Kaptur	Mr. Dickey
Mrs. Lowey	Mr. Frelinghuysen
Mrs. Meek	Mr. Istook
Mr. Moran	Mr. Kingston
Mr. Obey	Mr. Knollenberg
Mr. Olver	Mr. Kolbe
Mr. Pastor	Mr. Lewis
Mr. Price	Mr. Livingston
Mr. Sabo	Mr. McDade
Mr. Serrano	Mr. Miller
Mr. Skaggs	Mr. Mollohan
Mr. Wolf	Mr. Murtha
Mr. Yates	Mr. Nethercutt
	Mr. Neumann
	Mrs. Northrup
	Mr. Packard
	Mr. Parker
	Mr. Porter
	Mr. Regula
	Mr. Rogers
	Mr. Skeen
	Mr. Taylor
	Mr. Tiahrt
	Mr. Walsh
	Mr. Wamp
	Mr. Wicker
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each roll call 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. 2

Date: July 31, 1997.

Measure: Treasury, Postal Service, and General Government Appropriations Bill, FY 1998.

Motion by: Mr. Aderholt.

Description of Motion: To require that the results (including all underlying data and supplementary materials) of Federally sponsored research be made available for public use and inspection with certain exemptions.

Results: Rejected 19 yeas to 34 nays.

Members Voting Yea	*Members Voting Nay*
Mr. Aderholt	Mr. Bonilla
Mr. Callahan	Ms. DeLauro
Mr. Cunningham	Mr. Edwards
Mr. DeLay	Mr. Fazio
Mr. Dickey	Mr. Foglietta
Mr. Frelinghuysen	Mr. Forbes
Mr. Hobson	Mr. Hefiner
Mr. Istook	Mr. Hoyer
Mr. Kingston	Miss Kaptur
Mr. Latham	Mr. Knollenberg
Mr. Mollohan	Mr. Kolbe
Mr. Nethercutt	Mr. Lewis
Mr. Neumann	Mr. Livingston
Mrs. Northup	Mrs. Lowey
Mr. Parker	Mrs. Meek
Mr. Taylor	Mr. Miller
Mr. Tiahrt	Mr. Moran
Mr. Wamp	Mr. Olver
Mr. Wicker	Mr. Packard
	Mr. Pastor
	Ms. Pelosi
	Mr. Porter
	Mr. Price
	Mr. Rogers
	Mr. Sabo
	Mr. Serrano
	Mr. Skaggs
	Mr. Skeen
	Mr. Stokes
	Mr. Torres
	Mr. Visclosky
	Mr. Walsh
	Mr. Wolf
	Mr. Yates

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 roll call 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. 3

Date: July 31, 1997.

Measure: Treasury, Postal Service, and General Government Appropriations Bill, FY 1998.

Motion by: Mrs. Lowey.

Description of Motion: To delete the prohibitions in the bill on the use of funds for abortions in connection with any Federal employee health benefit plan.

Results: Rejected 21 yeas to 26 nays.

Members Voting Yea	*Members Voting Nay*
Ms. DeLauro	Mr. Aderholt
Mr. Fazio	Mr. Callahan
Mr. Frelinghuysen	Mr. Cunningham
Mr. Hefner	Mr. Dickey
Mr. Hoyer	Mr. Edwards
Mr. Kolbe	Mr. Forbes
Mrs. Lowey	Mr. Hobson
Mrs. Meek	Mr. Istook
Mr. Miller	Miss Kaptur
Mr. Moran	Mr. Knollenberg
Mr. Obey	Mr. Latham
Mr. Olver	Mr. Lewis
Mr. Pastor	Mr. Livingston
Ms. Pelosi	Mr. Mollohan
Mr. Porter	Mr. Neumann
Mr. Sabo	Mrs. Northup
Mr. Serrano	Mr. Packard
Mr. Skaggs	Mr. Regula
Mr. Stokes	Mr. Rogers
Mr. Torres	Mr. Skeen
Mr. Visclosky	Mr. Taylor
	Mr. Tiahrt
	Mr. Walsh
	Mr. Wamp
	Mr. Wicker
	Mr. Wolf

Full Committee Votes

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each roll call 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. 4

Date: July 31, 1997.

Measure: Treasury, Postal Service, and General Government Appropriations Bill, FY 1998.

Motion by: Mr. Regula.

Description of Motion: To report the bill, to authorize the Chairman to seek a rule, and to authorize the Chairman to move that the House disagree to the amendments of the Senate and agree to the conference requested by the Senate.

Results: Adopted 42 yeas to 5 nays.

Members Voting Yea

Mr. Aderholt
Mr. Bonilla
Mr. Callahan
Mr. Cunningham
Mr. DeLay
Mr. Dickey
Mr. Edwards
Mr. Fazio
Mr. Forbes
Mr. Frelinghuysen
Mr. Hefner
Mr. Hobson
Mr. Hoyer
Miss Kaptur
Mr. Knollenberg
Mr. Kolbe
Mr. Latham
Mr. Lewis
Mr. Livingston
Mrs. Meek
Mr. Miller
Mr. Mollohan
Mr. Nethercutt
Mrs. Northup
Mr. Olver
Mr. Packard
Mr. Pastor
Mr. Porter
Mr. Price
Mr. Regula
Mr. Rogers
Mr. Sabo
Mr. Serrano
Mr. Skaggs
Mr. Skeen
Mr. Taylor

Members Voting Nay

Ms. DeLauro
Mrs. Lowey
Mr. Neumann
Mr. Obey
Ms. Pelosi

Mr. Torres
Mr. Visclosky
Mr. Walsh
Mr. Wamp
Mr. Wicker
Mr. Wolf

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998

Agency and item (1)	Appropriated, 1997 (enacted to date) (2)	Budget estimates, 1998 (3)	Recommended in bill (4)	Bill compared with appropriated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
TITLE I - DEPARTMENT OF THE TREASURY					
Departmental Offices	112,048,000	116,314,000	113,410,000	+1,362,000	-2,904,000
Counterterrorism fund	15,000,000			-15,000,000	
Supplemental funding (P.L. 105-18)	1,950,000			-1,950,000	
Automation Enhancement	27,100,000	29,389,000	25,989,000	-1,111,000	-3,400,000
Office of Inspector General	29,770,000	31,333,000	30,927,000	+1,157,000	-406,000
Office of Professional Responsibility	1,500,000	1,625,000	1,500,000		-125,000
Treasury Buildings and Annex Repair and Restoration	28,213,000	12,484,000	6,484,000	-21,729,000	-6,000,000
Financial Crimes Enforcement Network	22,387,000	23,006,000	22,835,000	+448,000	-171,000
Department of the Treasury Forfeiture Fund (limitation on availability of deposits)	10,000,000	9,500,000		-10,000,000	-9,500,000
Violent Crime Reduction Programs:					
Bureau of Alcohol, Tobacco and Firearms	36,595,000	42,378,000	21,528,000	-15,067,000	-20,850,000
Departmental Offices	18,300,000			-18,300,000	
Financial Crimes Enforcement Network	1,000,000	3,000,000	1,000,000		-2,000,000
United States Secret Service	20,000,000	20,664,000	16,837,000	-3,163,000	-3,827,000
ONDCP - HIDTA	13,105,000		5,000,000	-8,105,000	+5,000,000
Gang Resistance Education and Training: Grants	8,000,000	8,000,000	8,000,000		
Federal Law Enforcement Training Center		24,058,000	1,000,000	+1,000,000	-23,058,000
United States Customs Service		20,100,000	43,635,000	+43,635,000	+23,535,000
Total, Violent Crime Reduction Programs	97,000,000	118,200,000	97,000,000		-21,200,000

Federal Law Enforcement Training Center:					
Salaries and Expenses	56,185,000	65,663,000	64,663,000	+8,478,000	-1,000,000
Acquisition, Construction, Improvements, and Related Expenses	21,584,000	11,111,000	32,548,000	+10,964,000	+21,437,000
Total, Federal Law Enforcement Training Center	77,769,000	76,774,000	97,211,000	+19,442,000	+20,437,000
Interagency Law Enforcement:					
Interagency crime and drug enforcement 1/	....	73,794,000	73,794,000	+73,794,000	....
Financial Management Service	196,518,000	202,560,000	199,675,000	+3,157,000	-2,885,000
Reimburse Federal Reserve Bank (indefinite)	....	122,000,000	....	....	-122,000,000
Bureau of Alcohol, Tobacco and Firearms:					
Salaries and Expenses	460,394,000	496,954,000	477,649,000	+17,255,000	-19,305,000
Laboratory facilities	6,978,000	55,022,000	55,022,000	+48,044,000	....
Total, Bureau of Alcohol, Tobacco and Firearms	467,372,000	551,976,000	532,671,000	+65,299,000	-19,305,000
United States Customs Service:					
Salaries and Expenses	1,549,585,000	1,566,826,000	1,526,078,000	-23,507,000	-40,748,000
Customs facilities, construction, improvements	....	5,512,000	....	....	-5,512,000
Operation and Maintenance, Air and Marine Interdiction Programs	83,363,000	92,758,000	97,258,000	+13,895,000	+4,500,000
Customs Services at Small Airports (to be derived from fees collected)	2,406,000	2,406,000	2,406,000	....	....
Harbor Maintenance Fee Collection	3,000,000	3,000,000	3,000,000	....	....
Total, United States Customs Service	1,638,354,000	1,670,502,000	1,628,742,000	-9,612,000	-41,760,000

1/ Funded in CJSJ bill in FY 1997.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

Agency and item (1)	Appropriated, 1997 (enacted to date) (2)	Budget estimates, 1998 (3)	Recommended in bill (4)	Bill compared with appropriated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
Bureau of the Public Debt	165,335,000	169,426,000	169,426,000	+4,091,000	
Internal Revenue Service:					
Processing, Assistance, and Management	1,790,288,000	2,943,174,000	2,915,100,000	+1,124,812,000	-28,074,000
Tax Law Enforcement	4,104,211,000	3,153,722,000	3,108,300,000	-995,911,000	-45,422,000
Rescission			-14,500,000	-14,500,000	-14,500,000
Information Systems	1,323,075,000	1,272,487,000	1,292,500,000	-30,575,000	+20,013,000
Rescission	-174,447,000			+174,447,000	
Information technology investments		500,000,000	326,000,000	+326,000,000	-174,000,000
Net total, Internal Revenue Service	7,043,127,000	7,869,383,000	7,627,400,000	+584,273,000	-241,983,000
United States Secret Service:					
Salaries and Expenses	531,288,000	575,971,000	555,736,000	+24,448,000	-20,235,000
Rescission	-7,600,000			+7,600,000	
Acquisition, Construction, Improvement, and Related Expenses	37,365,000	9,176,000	5,775,000	-31,590,000	-3,401,000
Total, United States Secret Service	561,053,000	585,147,000	561,511,000	+458,000	-23,636,000
Net total, title I, Department of the Treasury	10,494,496,000	11,663,413,000	11,188,575,000	+694,079,000	-474,838,000

TITLE II - POSTAL SERVICE					
Payments to the Postal Service					
ayment to the Postal Service Fund	85,080,000	86,274,000	86,274,000	+1,194,000	....
Supplemental funding (P.L. 105-18)	5,383,000	....	....	-5,383,000	....
ayment to the Postal Service Fund for Nonfunded Liabilities	35,536,000	34,850,000	34,850,000	-686,000	....
Total, title II, Postal Service	125,999,000	121,124,000	121,124,000	-4,875,000	....
TITLE III - EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT					
ompensation of the President & the White House Office:					
Compensation of the President	250,000	250,000	250,000	....	....
Salaries and Expenses	40,193,000	51,199,000	51,199,000	+11,006,000	....
xecutive Residence at the White House:					
Operating Expenses	7,827,000	8,045,000	8,045,000	+218,000	....
White House Repair and Restoration	....	200,000	200,000	+200,000	....
pecial Assistance to the President and the Official Residence of the Vice President:					
Salaries and Expenses	3,280,000	3,378,000	3,378,000	+98,000	....
Operating expenses	324,000	334,000	334,000	+10,000	....
ouncil of Economic Advisers	3,439,000	3,542,000	3,542,000	+103,000	....
ffice of Policy Development	3,867,000	3,983,000	3,983,000	+116,000	....
ational Security Council	6,648,000	6,648,000	6,648,000	....	....
ffice of Administration	26,100,000	28,883,000	28,883,000	+2,783,000	....
ffice of Management and Budget	55,573,000	57,240,000	57,240,000	+1,667,000	....
ffice of National Drug Control Policy	35,838,000	36,016,000	43,516,000	+7,678,000	+7,500,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

Agency and item (1)	Appropriated, 1997 (enacted to date) (2)	Budget estimates, 1998 (3)	Recommended in bill (4)	Bill compared with appropriated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
Unanticipated Needs	....	1,000,000	....	....	-1,000,000
Federal Drug Control Programs: High Intensity Drug Trafficking Areas Program	127,102,000	140,207,000	146,207,000	+19,105,000	+6,000,000
Special forfeiture fund	112,900,000	175,000,000	205,000,000	+92,100,000	+30,000,000
Total, title III, Executive Office of the President and Funds Appropriated to the President	423,341,000	515,925,000	558,425,000	+135,084,000	+42,500,000
TITLE IV - INDEPENDENT AGENCIES					
Committee for Purchase from People Who Are Blind or Severely Disabled	1,800,000	1,940,000	1,940,000	+140,000	....
Federal Election Commission	28,165,000	34,216,000	34,550,000	+6,385,000	+334,000
Federal Labor Relations Authority	21,588,000	22,039,000	21,803,000	+215,000	-236,000
General Services Administration:					
Federal Buildings Fund:					
Appropriation	400,544,000	84,000,000	....	-400,544,000	-84,000,000
Limitations on availability of revenue:					
Construction & acquisition of facilities	(657,711,000)	....	....	(-657,711,000)	....
Environmental cleanup activities	(20,000,000)	....	....	(-20,000,000)	....
Consolidated Federal Law Enforcement Bldg	(81,000,000)	....	....	(-81,000,000)	....
Repairs and alterations	(639,000,000)	(434,000,000)	(300,000,000)	(-339,000,000)	(-134,000,000)
Installment acquisition payments	(173,075,000)	(142,542,000)	(142,542,000)	(-30,533,000)	....
Operations and rental of space	....	....	(3,607,129,000)	(+3,607,129,000)	(+3,607,129,000)
Rental of space	(2,343,795,000)	(2,275,340,000)	....	(-2,343,795,000)	(-2,275,340,000)

Building Operations	(1,552,651,000)	(1,331,789,000)	....	(-1,552,651,000)	(-1,331,789,000)
Repayment of Debt	(88,312,000)	(105,720,000)	(105,720,000)	(+17,408,000)	....
Previously appropriated activities	....	(680,543,000)	(680,543,000)	(+680,543,000)	....
Total, Federal Buildings Fund	400,544,000	84,000,000	....	-400,544,000	-84,000,000
(Limitations)	(5,555,544,000)	(4,969,934,000)	(4,835,934,000)	(-719,610,000)	(-134,000,000)
Policy and Operations	110,173,000	104,487,000	107,487,000	-2,686,000	+3,000,000
Office of Inspector General	33,863,000	33,870,000	33,870,000	+7,000	....
Allowances and Office Staff for Former Presidents	2,180,000	2,250,000	2,208,000	+28,000	-42,000
Expenses, presidential transition	5,600,000	....	....	-5,600,000	....
Rescission (P.L. 105-18)	-5,600,000	....	....	+5,600,000	....
Total, General Services Administration	546,760,000	224,607,000	143,565,000	-403,195,000	-81,042,000
John F. Kennedy Assassination Record Review Board	2,150,000	1,600,000	1,600,000	-550,000	....
Merit Systems Protection Board:					
Salaries and Expenses	23,923,000	24,450,000	25,290,000	+1,367,000	+840,000
(Limitation on administrative expenses)	(2,430,000)	(2,430,000)	(2,430,000)	....	....
Morris K. Udall scholarship and excellence in national environmental policy foundation	....	2,000,000	2,000,000	+2,000,000	....
National Archives and Records Administration:					
Operating expenses	196,963,000	206,479,000	202,354,000	+5,391,000	-4,125,000
Reduction of debt	-4,012,000	-4,012,000	-4,012,000	....	....
Archives Facilities and Presidential Libraries:					
Repairs and Restoration	16,229,000	6,650,000	10,650,000	-5,579,000	+4,000,000
National Historical Publications and Records Commission: Grants program	5,000,000	4,000,000	5,500,000	+500,000	+1,500,000
Total, National Archives and Records Administration	214,180,000	213,117,000	214,492,000	+312,000	+1,375,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

Agency and item (1)	Appropriated, 1997 (enacted to date) (2)	Budget estimates, 1998 (3)	Recommended in bill (4)	Bill compared with appropriated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
Office of Government Ethics	8,078,000	8,265,000	8,078,000	....	-187,000
Office of Personnel Management:					
Salaries and Expenses	87,286,000	85,350,000	85,350,000	-1,936,000	....
(Limitation on administrative expenses)	(94,736,000)	(91,236,000)	(91,236,000)	(-3,500,000)	....
Office of Inspector General	960,000	960,000	960,000	....	....
(Limitation on administrative expenses)	(8,645,000)	(8,645,000)	(8,645,000)	....	....
Government Payment for Annuitants, Employees Health Benefits	4,059,000,000	4,338,000,000	4,338,000,000	+279,000,000	....
Government Payment for Annuitants, Employee Life Insurance	33,000,000	32,000,000	32,000,000	-1,000,000	....
Payment to Civil Service Retirement and Disability Fund	7,989,000,000	8,336,000,000	8,336,000,000	+347,000,000	....
Total, Office of Personnel Management	12,169,246,000	12,792,310,000	12,792,310,000	+623,064,000	....
Office of Special Counsel	8,116,000	8,450,000	8,116,000	....	-334,000
United States Tax Court	33,781,000	34,293,000	33,921,000	+140,000	-372,000
Total, title IV, Independent Agencies	13,057,787,000	13,367,287,000	13,287,665,000	+229,878,000	-79,622,000
(Limitation on administrative expenses)	(5,661,355,000)	(5,072,245,000)	(4,938,245,000)	(-723,110,000)	(-134,000,000)

Net grand total	24,101,623,000	25,667,749,000	25,155,789,000	+1,054,166,000	-511,960,000
Appropriations	(24,276,337,000)	(25,667,749,000)	(25,170,289,000)	(+893,952,000)	(-497,460,000)
Rescissions	(-182,047,000)		(-14,500,000)	(+167,547,000)	(-14,500,000)
Emergency funding (P.L. 105-18)	(7,333,000)			(-7,333,000)	
(Limitations)	(5,661,355,000)	(5,072,245,000)	(4,938,245,000)	(-723,110,000)	(-134,000,000)
Scorekeeping adjustments:					
Bureau of The Public Debt (Permanent)	129,000,000	144,000,000	144,000,000	+15,000,000	
Ethics Reform Act Adjustment	-6,000,000			+6,000,000	
Gold and platinum bullion	-12,000,000			+12,000,000	
Section 409	1,000,000			-1,000,000	
Federal Savings & Loan Insurance Corp. (Sec. 638)	26,100,000	34,000,000		-26,100,000	-34,000,000
Emergency funding for anti-terrorism	-275,328,000			+275,328,000	
Trust fund budget authority	105,700,000	102,311,000	102,311,000	-3,389,000	
US Mint revolving fund		30,000,000	30,000,000	+30,000,000	
Sallie Mae		1,000,000	1,000,000	+1,000,000	
Federal buildings fund			-50,000,000	-50,000,000	-50,000,000
Total, scorekeeping adjustments	-31,528,000	311,311,000	227,311,000	+258,839,000	-84,000,000
Total mandatory and discretionary	24,070,095,000	25,979,060,000	25,383,100,000	+1,313,005,000	-595,960,000
Mandatory	12,245,786,000	12,885,100,000	12,885,100,000	+639,314,000	
Discretionary:					
Crime trust fund	97,000,000	118,200,000	97,000,000		-21,200,000
General purposes	11,727,309,000	12,975,760,000	12,401,000,000	+673,691,000	-574,760,000
Total, Discretionary	11,824,309,000	13,093,960,000	12,498,000,000	+673,691,000	-595,960,000

ADDITIONAL VIEWS OF HON. STENY H. HOYER, HON. CARRIE P. MEEK, AND HON. DAVID E. PRICE

This year's Treasury/Postal Appropriations Bill makes a measured and responsible effort to allocate sufficient funds to each of the Agencies covered by the bill so that they can carry out the duties assigned to them in an effective way. Unlike last year's House passed bill, which severely underfunded the Internal Revenue Service, this year's bill, although below the President's request, does provide for a substantial increase in funding over 1997 levels and provides funds for Tax Systems Modernization, which is an essential effort.

We recognize that the 602b allocation for this subcommittee requires an overall reduction of almost $600 million from the Administration's requested funding levels for FY 1998. Within this funding restriction, we believe that this bill provides funding for the highest priority programs at reasonable levels.

Although some belt-tightening may be required for law enforcement agencies, funding for Treasury's law enforcement activities totals $3.4 billion, approximately the Administration's request for 1998, and includes important increases for these activities. We regret that we are not able to fund a move to new headquarters in the Washington region for the Bureau of Alcohol, Tobacco and Firearms, but we are aware of their need for new space and will try to address it in the future.

This bill also includes funding for anti-drug activities totaling $1.6 billion which will be coordinated by the President's Adviser on National Drug Control Policy, including $195 million for a new National Media Campaign aimed at curbing drug use among youth and $10 million to implement the Drug Free Communities Act of 1997.

The Committee has not provided full funding for the IRS, but has attempted to address IRS's most pressing funding needs. Under both Democratic and Republican leadership, this Committee has expressed its grave concern about the efficiency and effectiveness with which the IRS was being administered. In particular, this Committee has been very concerned about the failure of IRS to successfully adopt and implement a plan for Tax Systems Modernization. In fact, the Committee has been very disappointed with the continuing observations made by the General Accounting Office that substantial monies appropriated to this effort have not been spent effectively and that an architecture for accomplishing the modernization had not been put in place.

Historically, the efficiency of management at the Internal Revenue Service had not been a focus of the Treasury Department. In fact, seldom, if ever, have Secretaries of the Treasury focused on this issue. As a result of the frustration that this Committee has articulated over the last four (4) years the Treasury Department is now in the process of effectively addressing this issue. Secretary Rubin and Deputy Secretary Summers have both spent substantial time and taken steps to ensure that the IRS is managed in an effective manner and that the Tax Systems Modernization effort is pursued successfully. This is welcome news for the Committee and the American tax payer. The minority takes this opportunity to congratulate Secretary Rubin and Deputy Secretary Summers on their determination to ensure that the Internal Revenue Service is managed well from the standpoint of its efficiency and its fairness.

The minority notes that there has been recently issued a report of the National Commission on Restructuring the Internal Revenue Service entitled "A Vision For A New IRS." The minority believes that there are a number of excellent recommendations made in that Report and believes that many of its observations and recommendations have a great deal of merit. Indeed, many of the findings and recommendations have been articulated in previous reports of this Committee. With respect to Tax Systems Modernization in particular, we believe that Treasury and the IRS have turned the corner on a program that has been troubled for many years and we expect that the Secretary of the Treasury and his deputy will continue to focus on this effort to ensure its success. Obviously, it is absolutely essential that our tax collection system be and be perceived as both fair and efficient, if we are to maintain and increase our high level of voluntary participation. The high percentage of voluntary compliance has been and continues to be a hallmark of the American tax system.

In the Report mentioned above, "A Vision For A New IRS", the Commission stresses the importance of a stable funding stream for IRS. Unfortunately, the Congress' failure to provide for the funding levels agreed upon for tax enforcement has placed a great deal of stress on IRS management and employees. The Congress agreed in 1993 to provide for approximately 400 million dollars per year over five (5) years to ensure that revenues due are, in fact, paid. The Committee has been aware of the fact that there are billions of dollars per year in revenues due that are not collected. This places a greater than necessary burden on those taxpayers who pay what they owe and encourages some to join the ranks of those who are not meeting their legal responsibilities. Pursuant to this bipartisan agreement, the IRS hired employees to carry out this objective. However, neither the Clinton Administration nor the Congress followed through on its commitment. This failure to fund tax law enforcement properly was done in spite of the fact that the increased enforcement efforts led to collections four to five times greater than the costs. As a result of this failure to maintain level and stable funding, IRS management has been faced with the necessity to RIF employees and to reduce enforcement levels below those which would ensure effective and fair collections.

The Internal Revenue Service makes up more than half of the discretionary funding included in this bill. Its effectiveness is absolutely essential if we are to have the resources necessary to fund the vital functions of the federal government. In addition, its fairness, both actual and perceived, is critical if the taxpayers, through their representatives, are to provide it with the funds necessary so that they can do their job effectively and efficiently. As the Commissioners in “A Vision For A New IRS” stated our objective can be no less than “a more taxpayer friendly IRS and a tax system which Americans can believe in and trust.” Unfortunately, Congress’ actions have not always been consistent with that objective. We are pleased, as stated above, that this bill reflects a more positive and useful approach.

We disagree with the treatment of the Federal Election Commission in this bill. FEC is denied the ability to spend the funding it direly needs for investigations, because all additional funding is fenced to be used only for computer systems and only when new term limits have been established for FEC commissioners and when vacant commissioners’ positions have been filled. These restrictions cripple the FEC’s ability to pursue the significant workload increases from the campaign finance problems associated with the 1996 elections.

At the same time, we share the view that the FEC has not maximized the efficiency of its operations. We would urge the commissioners to make a concerted effort to do so and to convey their plans to this committee in a concise and complete manner.

We are concerned that funding for GSA is not provided in this bill at an adequate level to continue all major repairs and restoration activities. In addition, for the first time, we are not funding any new federal construction projects due to a shortfall in the Federal Buildings Fund.

We are also concerned that the failure of the authorizing committees to act expeditiously on pressing issues has led to the inclusion of several authorizing provisions including, among others, the repeal of Section 1555 of the Federal Acquisition Streamlining Act, the change in implementation of certain import regulations concerning U.S. origin historic firearms, and amendments restricting the Postal Service’s business operations. While we may disagree on the substance of these issues, we all believe appropriations bills are not generally appropriate substitutes for full hearings and consideration by the authorizing committees.

We are disappointed that the bill contains a provision 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, we disagree with the level of micromanagement of the accounts for the Executive Office of the President, including the Executive Residence. The bill establishes new procedures and reporting requirements for the Executive Residence. This is the President's home, and it has been managed the same way, by the same professional staff, with the same procedures and accounting practices, for many years through both Democratic and Republican Presidencies. In addition, this bill fences information systems funding in each office pending Committee approval of an information systems modernization blueprint for the entire Executive Office. It is wrong for the Appropriations Committee to assume the expertise and authority to dictate to the Executive Office of the President how it should spend the funding needed for its own information systems.

In conclusion, we wish to express our appreciation to Chairman Kolbe and the subcommittee staff for the constructive and inclusive way in which the subcommittee has operated this year. While there have been differences of opinion, as is expected, the process pursued in considering this bill has been open and fair.

STENY HOYER.
CARRIE P. MEEK.
DAVID PRICE.

ADDITIONAL VIEWS OF REPRESENTATIVE CARRIE P. MEEK

I regret that the Committee has usurped the jurisdiction of the Committee on Government Reform and Oversight by completely repealing section 1555 of the Federal Acquisition Streamlining Act of 1994. Section 1555 permits State and local governments (including public hospitals and clinics) and Indian tribes to purchase products at the same price that the Federal government negotiates for its Federal supply schedule contracts. The emergency supplemental appropriations bill approved in June extends the moratorium on the implementation of this cooperative purchasing program through the end of this session of Congress so that the authorizing committee can decide what changes, if any, to make to this law.

This cooperative purchasing program, if allowed to go forward, could lead to substantial savings for our public hospitals and clinics. For example, Jackson Memorial Hospital, the largest hospital in Miami, estimates that it could reduce its annual expenditures on pharmaceuticals alone by more than 25 percent if it could take advantage of this program.

There are legitimate concerns that the current version of this program could lead to higher prices for pharmaceuticals to the Veterans Administration ("VA"), as drug companies might raise their prices to the VA to offset the lower prices they would have to give local public hospitals and clinics.

The Committee rejected, by a voice vote, my amendment that would address these concerns by establishing a modified version of this cooperative purchasing program for two groups of products: pharmaceuticals to treat life-threatening conditions and data processing equipment. The Chairman of the authorizing committee had asked us to continue the program for data processing equipment, and the Ranking Minority Member of the authorizing committee had asked us to continue the program for pharmaceuticals.

My amendment modified the current law in two important ways. It provided that the cooperative purchasing program could go forward for pharmaceuticals only if the VA certified that it would not lead to higher drug prices for purchases by the Federal government. My amendment also said that participation by firms in this program would be completely voluntary; a firm would be able to sell pharmaceuticals and data processing equipment to the Federal government without having to give the same price to State and local entities.

In conclusion, it would have been better for our financially strapped public hospitals and clinics if the Committee had sought to reform this cooperative purchasing agreement rather than simply repealing it.

CARRIE P. MEEK.

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