

Calendar No. 815

106TH CONGRESS
2^D SESSION

H. R. 5173

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 2000

Received; read the first time

SEPTEMBER 20, 2000

Read the second time and placed on the calendar

AN ACT

To provide for reconciliation pursuant to sections 103(b)(2) and 213(b)(2)(C) of the concurrent resolution on the budget for fiscal year 2001 to reduce the public debt and to decrease the statutory limit on the public debt.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Debt Relief Lock-box
3 Reconciliation Act for Fiscal Year 2001”.

4 **SEC. 2. FINDINGS AND PURPOSE.**

5 (a) FINDINGS.—The Congress finds that—

6 (1) fiscal discipline, resulting from the Bal-
7 anced Budget Act of 1997, and strong economic
8 growth have ended decades of deficit spending and
9 have produced budget surpluses without using the
10 social security surplus;

11 (2) fiscal pressures will mount in the future as
12 the aging of the population increases budget obliga-
13 tions;

14 (3) until Congress and the President agree to
15 legislation that saves social security and medicare,
16 the social security and medicare surpluses should be
17 used to reduce the debt held by the public;

18 (4) until Congress and the President agree on
19 significant tax reductions, amounts dedicated for
20 that purpose shall be used to reduce the debt held
21 by the public;

22 (5) strengthening the Government’s fiscal posi-
23 tion through public debt reduction increases national
24 savings, promotes economic growth, reduces interest
25 costs, and is a constructive way to prepare for the
26 Government’s future budget obligations; and

1 (6) it is fiscally responsible and in the long-
2 term national economic interest to use a portion of
3 the nonsocial security and nonmedicare surpluses to
4 reduce the debt held by the public.

5 (b) PURPOSE.—It is the purpose of this Act to—

6 (1) reduce the debt held by the public by
7 \$240,000,000,000 in fiscal year 2001 with the goal
8 of eliminating this debt by 2012;

9 (2) decrease the statutory limit on the public
10 debt; and

11 (3) ensure that the social security and hospital
12 insurance trust funds shall not be used for other
13 purposes.

14 **TITLE I—DEBT REDUCTION**
15 **LOCK-BOX**

16 **SEC. 101. ESTABLISHMENT OF PUBLIC DEBT REDUCTION**
17 **PAYMENT ACCOUNT.**

18 (a) IN GENERAL.—Subchapter I of chapter 31 of title
19 31, United States Code, is amended by adding at the end
20 the following new section:

21 **“§ 3114. Public debt reduction payment account**

22 “(a) There is established in the Treasury of the
23 United States an account to be known as the Public Debt
24 Reduction Payment Account (hereinafter in this section
25 referred to as the ‘account’).

1 “(b) The Secretary of the Treasury shall use amounts
2 in the account to pay at maturity, or to redeem or buy
3 before maturity, any obligation of the Government held
4 by the public and included in the public debt. Any obliga-
5 tion which is paid, redeemed, or bought with amounts
6 from the account shall be canceled and retired and may
7 not be reissued. Amounts deposited in the account are ap-
8 propriated and may only be expended to carry out this
9 section.

10 “(c) There is hereby appropriated into the account
11 on October 1, 2000, or the date of enactment of this Act,
12 whichever is later, out of any money in the Treasury not
13 otherwise appropriated, \$42,000,000,000 for the fiscal
14 year ending September 30, 2001. The funds appropriated
15 to this account shall remain available until expended.

16 “(d) The appropriation made under subsection (c)
17 shall not be considered direct spending for purposes of sec-
18 tion 252 of Balanced Budget and Emergency Deficit Con-
19 trol Act of 1985.

20 “(e) Establishment of and appropriations to the ac-
21 count shall not affect trust fund transfers that may be
22 authorized under any other provision of law.

23 “(f) The Secretary of the Treasury and the Director
24 of the Office of Management and Budget shall each take
25 such actions as may be necessary to promptly carry out

1 this section in accordance with sound debt management
2 policies.

3 “(g) Reducing the debt pursuant to this section shall
4 not interfere with the debt management policies or goals
5 of the Secretary of the Treasury.”.

6 (b) CONFORMING AMENDMENT.—The chapter anal-
7 ysis for chapter 31 of title 31, United States Code, is
8 amended by inserting after the item relating to section
9 3113 the following:

“3114. Public debt reduction payment account.”.

10 **SEC. 102. REDUCTION OF STATUTORY LIMIT ON THE PUB-**
11 **LIC DEBT.**

12 Section 3101(b) of title 31, United States Code, is
13 amended by inserting “minus the amount appropriated
14 into the Public Debt Reduction Payment Account pursu-
15 ant to section 3114(c)” after “\$5,950,000,000,000”.

16 **SEC. 103. OFF-BUDGET STATUS OF PUBLIC DEBT REDUC-**
17 **TION PAYMENT ACCOUNT.**

18 Notwithstanding any other provision of law, the re-
19 ceipts and disbursements of the Public Debt Reduction
20 Payment Account established by section 3114 of title 31,
21 United States Code, shall not be counted as new budget
22 authority, outlays, receipts, or deficit or surplus for pur-
23 poses of—

24 (1) the budget of the United States Govern-
25 ment as submitted by the President,

1 (2) the congressional budget, or

2 (3) the Balanced Budget and Emergency Def-
3 icit Control Act of 1985.

4 **SEC. 104. REMOVING PUBLIC DEBT REDUCTION PAYMENT**
5 **ACCOUNT FROM BUDGET PRONOUNCE-**
6 **MENTS.**

7 (a) IN GENERAL.—Any official statement issued by
8 the Office of Management and Budget, the Congressional
9 Budget Office, or any other agency or instrumentality of
10 the Federal Government of surplus or deficit totals of the
11 budget of the United States Government as submitted by
12 the President or of the surplus or deficit totals of the con-
13 gressional budget, and any description of, or reference to,
14 such totals in any official publication or material issued
15 by either of such Offices or any other such agency or in-
16 strumentality, shall exclude the outlays and receipts of the
17 Public Debt Reduction Payment Account established by
18 section 3114 of title 31, United States Code.

19 (b) SEPARATE PUBLIC DEBT REDUCTION PAYMENT
20 ACCOUNT BUDGET DOCUMENTS.—The excluded outlays
21 and receipts of the Public Debt Reduction Payment Ac-
22 count established by section 3114 of title 31, United
23 States Code, shall be submitted in separate budget docu-
24 ments.

1 **SEC. 105. REPORTS TO CONGRESS.**

2 (a) REPORTS OF THE SECRETARY OF THE TREAS-
3 URY.—(1) Within 30 days after the appropriation is de-
4 posited into the Public Debt Reduction Payment Account
5 under section 3114 of title 31, United States Code, the
6 Secretary of the Treasury shall submit a report to the
7 Committee on Ways and Means of the House of Rep-
8 resentatives and the Committee on Finance of the Senate
9 confirming that such account has been established and the
10 amount and date of such deposit. Such report shall also
11 include a description of the Secretary's plan for using such
12 money to reduce debt held by the public.

13 (2) Not later than October 31, 2002, the Secretary
14 of the Treasury shall submit a report to the Committee
15 on Ways and Means of the House of Representatives and
16 the Committee on Finance of the Senate setting forth the
17 amount of money deposited into the Public Debt Reduc-
18 tion Payment Account, the amount of debt held by the
19 public that was reduced, and a description of the actual
20 debt instruments that were redeemed with such money.

21 (b) REPORT OF THE COMPTROLLER GENERAL OF
22 THE UNITED STATES.—Not later than November 15,
23 2002, the Comptroller General of the United States shall
24 submit a report to the Committee on Ways and Means
25 of the House of Representatives and the Committee on

1 Finance of the Senate verifying all of the information set
2 forth in the reports submitted under subsection (a).

3 **TITLE II—SOCIAL SECURITY AND**
4 **MEDICARE LOCK-BOX**

5 **SEC. 201. PROTECTION OF SOCIAL SECURITY AND MEDI-**
6 **CARE SURPLUSES.**

7 (a) PROTECTION OF SOCIAL SECURITY AND MEDI-
8 CARE SURPLUSES.—Section 201 of the concurrent resolu-
9 tion on the budget for fiscal year 2001 (H. Con. Res. 290,
10 106th Congress) is amended as follows:

11 (1) In the section heading, by inserting “**AND**
12 **MEDICARE**” before “**SURPLUSES**”.

13 (2)(A) In subsection (a)(2), by inserting “and
14 the Hospital Insurance Trust Fund has been run-
15 ning a surplus for the last 2 years” after “years”.

16 (B) In subsection (a)(4), by inserting “and the
17 Hospital Insurance Trust Fund surplus will be \$32
18 billion” after “billion”.

19 (C) In subsection (a)(5), by striking “the” the
20 second place it appears, and by inserting “and Hos-
21 pital Insurance Trust Fund” before “surpluses”.

22 (D) In subsection (a)(6), by inserting “and
23 medicare” after “security”.

24 (E) In subsection (a)(7), by inserting “and hos-
25 pital insurance” after “security”.

1 (3) By striking subsection (c) and inserting the
2 following new subsection:

3 “(c) LOCK-BOX FOR SOCIAL SECURITY AND HOS-
4 PITAL INSURANCE SURPLUSES.—

5 “(1) CONCURRENT RESOLUTIONS ON THE
6 BUDGET.—

7 “(A) IN GENERAL.—It shall not be in
8 order in the House of Representatives or the
9 Senate to consider any concurrent resolution on
10 the budget, an amendment thereto, or con-
11 ference report thereon, that would set forth a
12 surplus for any fiscal year that is less than the
13 surplus of the Federal Hospital Insurance
14 Trust Fund for that fiscal year.

15 “(B) EXCEPTION.—(i) Subparagraph (A)
16 shall not apply to the extent that a violation of
17 such subsection would result from an assump-
18 tion in the resolution, amendment, or con-
19 ference report, as applicable, of an increase in
20 outlays or a decrease in revenue relative to the
21 baseline underlying that resolution for social se-
22 curity reform legislation or medicare reform leg-
23 islation for any such fiscal year.

24 “(ii) If a concurrent resolution on the
25 budget or an amendment thereto or conference

1 report thereon would be in violation of subpara-
2 graph (A) because of an assumption of an in-
3 crease in outlays or a decrease in revenue rel-
4 ative to the baseline underlying that resolution
5 for social security reform legislation or medi-
6 care reform legislation for any such fiscal year,
7 then that resolution shall include a statement
8 identifying any such increase in outlays or de-
9 crease in revenue.

10 “(2) SPENDING AND TAX LEGISLATION.—

11 “(A) IN GENERAL.—It shall not be in
12 order in the House of Representatives or the
13 Senate to consider any bill, joint resolution,
14 amendment, motion, or conference report if—

15 “(i)(I) in the House, the enactment of
16 that bill or resolution as reported; or

17 “(II) in the Senate, the enactment of
18 that bill or resolution;

19 “(ii) the adoption and enactment of
20 that amendment; or

21 “(iii) the enactment of that bill or res-
22 olution in the form recommended in that
23 conference report,

24 would cause the surplus for any fiscal year cov-
25 ered by the most recently agreed to concurrent

1 resolution on the budget to be less than the sur-
2 plus of the Federal Hospital Insurance Trust
3 Fund for that fiscal year.

4 “(B) EXCEPTION.—Subparagraph (A)
5 shall not apply to social security reform legisla-
6 tion or medicare reform legislation.”.

7 (4) By redesignating subsections (e) and (f) as
8 subsections (h) and (i), respectively, and inserting
9 after subsection (d) the following new subsections:

10 “(e) ENFORCEMENT.—

11 “(1) BUDGETARY LEVELS WITH RESPECT TO
12 CONCURRENT RESOLUTIONS ON THE BUDGET.—For
13 purposes of enforcing any point of order under sub-
14 section (c)(1), the surplus for any fiscal year shall
15 be—

16 “(A) the levels set forth in the later of the
17 concurrent resolution on the budget, as re-
18 ported, or in the conference report on the con-
19 current resolution on the budget; and

20 “(B) adjusted to the maximum extent al-
21 lowable under all procedures that allow budg-
22 etary aggregates to be adjusted for legislation
23 that would cause a decrease in the surplus for
24 any fiscal year covered by the concurrent reso-

1 lution on the budget (other than procedures de-
2 scribed in paragraph (2)(A)(ii)).

3 “(2) CURRENT LEVELS WITH RESPECT TO
4 SPENDING AND TAX LEGISLATION.—

5 “(A) IN GENERAL.—For purposes of en-
6 forcing any point of order under subsection
7 (c)(2), the current levels of the surplus for any
8 fiscal year shall be—

9 “(i) calculated using the following
10 assumptions—

11 “(I) direct spending and revenue
12 levels at the baseline levels underlying
13 the most recently agreed to concur-
14 rent resolution on the budget; and

15 “(II) for the budget year, discre-
16 tionary spending levels at current law
17 levels and, for outyears, discretionary
18 spending levels at the baseline levels
19 underlying the most recently agreed to
20 concurrent resolution on the budget;
21 and

22 “(ii) adjusted for changes in the sur-
23 plus levels set forth in the most recently
24 agreed to concurrent resolution on the
25 budget pursuant to procedures in such res-

1 olution that authorize adjustments in
2 budgetary aggregates for updated economic
3 and technical assumptions in the mid-ses-
4 sion report of the Director of the Congres-
5 sional Budget Office.

6 “(iii) Such revisions shall be included in
7 the first current level report on the congres-
8 sional budget submitted for publication in the
9 Congressional Record after the release of such
10 mid-session report.

11 “(B) BUDGETARY TREATMENT.—For pur-
12 poses of enforcing any point of order under sub-
13 section (c)(2), changes in outlays or receipts re-
14 sulting from social security reform legislation or
15 medicare reform legislation shall not be counted
16 in calculating the surplus for any fiscal year.

17 “(3) DISCLOSURE OF HI SURPLUS.—For pur-
18 poses of enforcing any point of order under sub-
19 section (c), the surplus of the Federal Hospital In-
20 surance Trust Fund for a fiscal year shall be the
21 levels set forth in the later of the report accom-
22 panying the concurrent resolution on the budget (or,
23 in the absence of such a report, placed in the Con-
24 gressional Record prior to the consideration of such

1 resolution) or in the joint explanatory statement of
2 managers accompanying such resolution.

3 “(f) ADDITIONAL CONTENT OF REPORTS ACCOM-
4 PANYING BUDGET RESOLUTIONS AND OF JOINT EXPLAN-
5 ATORY STATEMENTS.—The report accompanying any con-
6 current resolution on the budget and the joint explanatory
7 statement accompanying the conference report on each
8 such resolution shall include the levels of the surplus in
9 the budget for each fiscal year set forth in such resolution
10 and of the surplus or deficit in the Federal Hospital Insur-
11 ance Trust Fund, calculated using the assumptions set
12 forth in subsection (e)(2)(A).

13 “(g) DEFINITIONS.—As used in this section:

14 “(1) The term ‘medicare reform legislation’
15 means a bill or a joint resolution to save Medicare
16 that includes a provision stating the following: ‘For
17 purposes of section 201(c) of the concurrent resolu-
18 tion on the budget for fiscal year 2001, this Act con-
19 stitutes medicare reform legislation.

20 “(2) The term ‘social security reform legisla-
21 tion’ means a bill or a joint resolution to save social
22 security that includes a provision stating the fol-
23 lowing: ‘For purposes of section 201(c) of the con-
24 current resolution on the budget for fiscal year

1 2001, this Act constitutes social security reform leg-
2 islation.’”.

3 (5) In the first sentence of subsection (i) (as re-
4 designated), by striking “(1)”.

5 (6) At the end, by adding the following new
6 subsection:

7 “(j) EFFECTIVE DATE.—This section shall cease to
8 have any force or effect upon the enactment of social secu-
9 rity reform legislation and medicare reform legislation.”.

10 (b) PROTECTION OF SOCIAL SECURITY AND MEDI-
11 CARE SURPLUSES.—(1) If the budget of the United States
12 Government submitted by the President under section
13 1105(a) of title 31, United States Code, recommends an
14 on-budget surplus for any fiscal year that is less than the
15 surplus of the Federal Hospital Insurance Trust Fund for
16 that fiscal year, then it shall include proposed legislative
17 language for social security reform legislation or medicare
18 reform legislation.

19 (2) Paragraph (1) shall cease to have any force or
20 effect upon the enactment of social security reform legisla-
21 tion and medicare reform legislation as defined by section
22 201(g) of the concurrent resolution on the budget for fis-
23 cal year 2001 (H. Con. Res 290, 106th Congress).

24 (c) CONFORMING AMENDMENT.—The item relating
25 to section 201 in the table of contents set forth in section

1 1(b) of the concurrent resolution on the budget for fiscal
2 year 2001 (H. Con. Res 290, 106th Congress) is amended
3 to read as follows:

“Sec. 201. Protection of social security and medicare surpluses.”.

4 **SEC. 202. REMOVING SOCIAL SECURITY FROM BUDGET**
5 **PRONOUNCEMENTS.**

6 (a) IN GENERAL.—Any official statement issued by
7 the Office of Management and Budget, the Congressional
8 Budget Office, or any other agency or instrumentality of
9 the Federal Government of surplus or deficit totals of the
10 budget of the United States Government as submitted by
11 the President or of the surplus or deficit totals of the con-
12 gressional budget, and any description of, or reference to,
13 such totals in any official publication or material issued
14 by either of such Offices or any other such agency or in-
15 strumentality, shall exclude the outlays and receipts of the
16 old-age, survivors, and disability insurance program under
17 title II of the Social Security Act (including the Federal
18 Old-Age and Survivors Insurance Trust Fund and the
19 Federal Disability Insurance Trust Fund) and the related
20 provisions of the Internal Revenue Code of 1986.

21 (b) SEPARATE SOCIAL SECURITY BUDGET DOCU-
22 MENTS.—The excluded outlays and receipts of the old-age,
23 survivors, and disability insurance program under title II

- 1 of the Social Security Act shall be submitted in separate
- 2 Social Security budget documents.

Passed the House of Representatives September 18,
2000.

Attest:

JEFF TRANDAHL,

Clerk.

Calendar No. 815

106TH CONGRESS
2D SESSION

H. R. 5173

AN ACT

To provide for reconciliation pursuant to sections 103(b)(2) and 213(b)(2)(C) of the concurrent resolution on the budget for fiscal year 2001 to reduce the public debt and to decrease the statutory limit on the public debt.

SEPTEMBER 20, 2000

Read the second time and placed on the calendar