

Union Calendar No. 518

106TH CONGRESS
2^D SESSION

H. R. 5173

[Report No. 106-862, Part I]

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.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2000

Mr. FLETCHER (for himself, Mr. HERGER, Mr. ARCHER, Mr. SHAW, Mr. NUSSLE, Mr. CRANE, Mr. GARY MILLER of California, Mr. LEWIS of Kentucky, Mr. KUYKENDALL, Mr. TANCREDO, Mr. CAMP, Ms. DUNN, Mr. HAYWORTH, and Mr. ENGLISH) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Budget and the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

SEPTEMBER 18, 2000

Reported from the Committee on Ways and Means with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

SEPTEMBER 18, 2000

Additional sponsors: Mr. THUNE, Mr. ROYCE, Mr. GALLEGLY, and Mr. TALENT

SEPTEMBER 18, 2000

Referral to the Committees on Budget and Rules extended for a period ending not later than September 18, 2000

SEPTEMBER 18, 2000

The Committees on Budget and Rules discharged; committed to the Whole House on the State of the Union and ordered to be printed

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Debt Relief Lock-Box*
5 *Reconciliation Act for Fiscal Year 2001”.*

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 *(a) FINDINGS.—The Congress finds that—*

8 *(1) fiscal discipline, resulting from the Balanced*
9 *Budget Act of 1997, and strong economic growth have*
10 *ended decades of deficit spending and have produced*
11 *budget surpluses without using the social security sur-*
12 *plus;*

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

16 *(3) until Congress and the President agree to leg-*
17 *islation that saves social security and medicare, the*

1 *social security and medicare surpluses should be used*
2 *to reduce the debt held by the public;*

3 *(4) until Congress and the President agree on*
4 *significant tax reductions, amounts dedicated for that*
5 *purpose shall be used to reduce the debt held by the*
6 *public;*

7 *(5) strengthening the Government's fiscal posi-*
8 *tion through public debt reduction increases national*
9 *savings, promotes economic growth, reduces interest*
10 *costs, and is a constructive way to prepare for the*
11 *Government's future budget obligations; and*

12 *(6) it is fiscally responsible and in the long-term*
13 *national economic interest to use a portion of the*
14 *nonsocial security and nonmedicare surpluses to re-*
15 *duce the debt held by the public.*

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

17 *(1) reduce the debt held by the public by*
18 *\$240,000,000,000 in fiscal year 2001 with the goal of*
19 *eliminating this debt by 2012;*

20 *(2) decrease the statutory limit on the public*
21 *debt; and*

22 *(3) ensure that the social security and hospital*
23 *insurance trust funds shall not be used for other pur-*
24 *poses.*

1 **TITLE I—DEBT REDUCTION**
2 **LOCK-BOX**

3 **SEC. 101. ESTABLISHMENT OF PUBLIC DEBT REDUCTION**
4 **PAYMENT ACCOUNT.**

5 (a) *IN GENERAL.*—Subchapter I of chapter 31 of title
6 31, United States Code, is amended by adding at the end
7 the following new section:

8 **“§3114. Public debt reduction payment account**

9 “(a) *There is established in the Treasury of the United*
10 *States an account to be known as the Public Debt Reduction*
11 *Payment Account (hereinafter in this section referred to as*
12 *the ‘account’).*

13 “(b) *The Secretary of the Treasury shall use amounts*
14 *in the account to pay at maturity, or to redeem or buy*
15 *before maturity, any obligation of the Government held by*
16 *the public and included in the public debt. Any obligation*
17 *which is paid, redeemed, or bought with amounts from the*
18 *account shall be canceled and retired and may not be re-*
19 *issued. Amounts deposited in the account are appropriated*
20 *and may only be expended to carry out this section.*

21 “(c) *There is hereby appropriated into the account on*
22 *October 1, 2000, or the date of enactment of this Act, which-*
23 *ever is later, out of any money in the Treasury not other-*
24 *wise appropriated, \$42,000,000,000 for the fiscal year end-*

1 *ing September 30, 2001. The funds appropriated to this ac-*
2 *count shall remain available until expended.*

3 “(d) *The appropriation made under subsection (c)*
4 *shall not be considered direct spending for purposes of sec-*
5 *tion 252 of Balanced Budget and Emergency Deficit Con-*
6 *trol Act of 1985.*

7 “(e) *Establishment of and appropriations to the ac-*
8 *count shall not affect trust fund transfers that may be au-*
9 *thorized under any other provision of law.*

10 “(f) *The Secretary of the Treasury and the Director*
11 *of the Office of Management and Budget shall each take*
12 *such actions as may be necessary to promptly carry out*
13 *this section in accordance with sound debt management*
14 *policies.*

15 “(g) *Reducing the debt pursuant to this section shall*
16 *not interfere with the debt management policies or goals*
17 *of the Secretary of the Treasury.”.*

18 (b) *CONFORMING AMENDMENT.—The chapter analysis*
19 *for chapter 31 of title 31, United States Code, is amended*
20 *by inserting after the item relating to section 3113 the fol-*
21 *lowing:*

“3114. Public debt reduction payment account.”.

22 **SEC. 102. REDUCTION OF STATUTORY LIMIT ON THE PUB-**
23 **LIC DEBT.**

24 *Section 3101(b) of title 31, United States Code, is*
25 *amended by inserting “minus the amount appropriated*

1 *into the Public Debt Reduction Payment Account pursuant*
2 *to section 3114(c)” after “\$5,950,000,000,000”.*

3 **SEC. 103. OFF-BUDGET STATUS OF PUBLIC DEBT REDUC-**
4 **TION PAYMENT ACCOUNT.**

5 *Notwithstanding any other provision of law, the re-*
6 *ceipts and disbursements of the Public Debt Reduction Pay-*
7 *ment Account established by section 3114 of title 31, United*
8 *States Code, shall not be counted as new budget authority,*
9 *outlays, receipts, or deficit or surplus for purposes of—*

10 *(1) the budget of the United States Government*
11 *as submitted by the President,*

12 *(2) the congressional budget, or*

13 *(3) the Balanced Budget and Emergency Deficit*
14 *Control Act of 1985.*

15 **SEC. 104. REMOVING PUBLIC DEBT REDUCTION PAYMENT**
16 **ACCOUNT FROM BUDGET PRONOUNCEMENTS.**

17 *(a) IN GENERAL.—Any official statement issued by the*
18 *Office of Management and Budget, the Congressional Budg-*
19 *et Office, or any other agency or instrumentality of the Fed-*
20 *eral Government of surplus or deficit totals of the budget*
21 *of the United States Government as submitted by the Presi-*
22 *dent or of the surplus or deficit totals of the congressional*
23 *budget, and any description of, or reference to, such totals*
24 *in any official publication or material issued by either of*
25 *such Offices or any other such agency or instrumentality,*

1 *shall exclude the outlays and receipts of the Public Debt*
2 *Reduction Payment Account established by section 3114 of*
3 *title 31, United States Code.*

4 (b) *SEPARATE PUBLIC DEBT REDUCTION PAYMENT*
5 *ACCOUNT BUDGET DOCUMENTS.*—*The excluded outlays and*
6 *receipts of the Public Debt Reduction Payment Account es-*
7 *tablished by section 3114 of title 31, United States Code,*
8 *shall be submitted in separate budget documents.*

9 **SEC. 105. REPORTS TO CONGRESS.**

10 (a) *REPORTS OF THE SECRETARY OF THE TREAS-*
11 *URY.*—(1) *Within 30 days after the appropriation is depos-*
12 *ited into the Public Debt Reduction Payment Account*
13 *under section 3114 of title 31, United States Code, the Sec-*
14 *retary of the Treasury shall submit a report to the Com-*
15 *mittee on Ways and Means of the House of Representatives*
16 *and the Committee on Finance of the Senate confirming*
17 *that such account has been established and the amount and*
18 *date of such deposit. Such report shall also include a de-*
19 *scription of the Secretary's plan for using such money to*
20 *reduce debt held by the public.*

21 (2) *Not later than October 31, 2002, the Secretary of*
22 *the Treasury shall submit a report to the Committee on*
23 *Ways and Means of the House of Representatives and the*
24 *Committee on Finance of the Senate setting forth the*
25 *amount of money deposited into the Public Debt Reduction*

1 *Payment Account, the amount of debt held by the public*
 2 *that was reduced, and a description of the actual debt in-*
 3 *struments that were redeemed with such money.*

4 **(b) REPORT OF THE COMPTROLLER GENERAL OF THE**
 5 *UNITED STATES.—Not later than November 15, 2002, the*
 6 *Comptroller General of the United States shall submit a re-*
 7 *port to the Committee on Ways and Means of the House*
 8 *of Representatives and the Committee on Finance of the*
 9 *Senate verifying all of the information set forth in the re-*
 10 *ports submitted under subsection (a).*

11 **TITLE II—SOCIAL SECURITY AND**
 12 **MEDICARE LOCK-BOX**

13 **SEC. 201. PROTECTION OF SOCIAL SECURITY AND MEDI-**
 14 **CARE SURPLUSES.**

15 **(a) PROTECTION OF SOCIAL SECURITY AND MEDICARE**
 16 *SURPLUSES.—Section 201 of the concurrent resolution on*
 17 *the budget for fiscal year 2001 (H. Con. Res. 290, 106th*
 18 *Congress) is amended as follows:*

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

21 **(2) By striking subsection (c) and inserting the**
 22 *following new subsection:*

23 **“(c) LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL**
 24 *INSURANCE SURPLUSES.—*

1 “(1) *CONCURRENT RESOLUTIONS ON THE BUDGET.*—*It shall not be in order in the House of Representatives or the Senate to consider any concurrent*
2 *resolution on the budget, or conference report thereon*
3 *or amendment thereto, that would set forth a surplus*
4 *for any fiscal year that is less than the surplus of the*
5 *Federal Hospital Insurance Trust Fund for that fiscal*
6 *year.*

9 “(2) *SUBSEQUENT LEGISLATION.*—(A) *Except as*
10 *provided by subparagraph (B), it shall not be in*
11 *order in the House of Representatives or the Senate*
12 *to consider any bill, joint resolution, amendment, motion,*
13 *or conference report if—*

14 “(i) *the enactment of that bill or resolution*
15 *as reported;*

16 “(ii) *the adoption and enactment of that*
17 *amendment; or*

18 “(iii) *the enactment of that bill or resolution*
19 *in the form recommended in that conference*
20 *report,*

21 *would cause the on-budget surplus for any fiscal year*
22 *to be less than the projected surplus of the Federal*
23 *Hospital Insurance Trust Fund (as assumed in the*
24 *most recently agreed to concurrent resolution on the*
25 *budget) for that fiscal year or increase the amount by*

1 *which the on-budget surplus for any fiscal year would*
2 *be less than such trust fund surplus for that fiscal*
3 *year.*

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

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

10 “(e) *CONTENT OF CONCURRENT RESOLUTION ON THE*
11 *BUDGET.—The concurrent resolution on the budget for each*
12 *fiscal year shall set forth appropriate levels for the fiscal*
13 *year beginning on October 1 of such year and for at least*
14 *each of the 4 ensuing fiscal years of the surplus or deficit*
15 *in the Federal Hospital Insurance Trust Fund.*

16 “(f) *DEFINITIONS.—As used in this section:*

17 “(1) *The term ‘medicare reform legislation’*
18 *means a bill or a joint resolution to save Medicare*
19 *that includes a provision stating the following: ‘For*
20 *purposes of section 201(c) of the concurrent resolution*
21 *on the budget for fiscal year 2001, this Act constitutes*
22 *medicare reform legislation.’.*

23 “(2) *The term ‘social security reform legislation’*
24 *means a bill or a joint resolution to save social secu-*
25 *urity that includes a provision stating the following:*

1 *‘For purposes of section 201(c) of the concurrent reso-*
2 *lution on the budget for fiscal year 2001, this Act con-*
3 *stitutes social security reform legislation.’”.*

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

6 *(5) At the end, by adding the following new sub-*
7 *section:*

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

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

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

1 (c) *CONFORMING AMENDMENT.*—*The item relating to*
 2 *section 201 in the table of contents set forth in section 1(b)*
 3 *of the concurrent resolution on the budget for fiscal year*
 4 *2001 (H. Con. Res 290, 106th Congress) is amended to read*
 5 *as follows:*

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

6 **SEC. 202. REMOVING SOCIAL SECURITY FROM BUDGET PRO-**
 7 **NOUNCEMENTS.**

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

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

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

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2D SESSION

H. R. 5173

[Report No. 106-862, Part I]

A BILL

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