

FREEDOM TO E-FILE ACT

APRIL 10, 2000.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COMBEST, from the Committee on Agriculture,
submitted the following

R E P O R T

[To accompany H.R. 852]

[Including cost estimate of the Congressional Budget Office]

The Committee on Agriculture, to whom was referred the bill (H.R. 852) to require the Department of Agriculture to establish an electronic filing and retrieval system to enable the public to file all required paperwork electronically with the Department and to have access to public information on farm programs, quarterly trade, economic, and production reports, and other similar information, having considered the same, report favorably thereon with amendment and recommend that the bill as amended do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Freedom to E-File Act”.

SEC. 2. ELECTRONIC FILING AND RETRIEVAL.

(a) ESTABLISHMENT OF INTERNET-BASED SYSTEM.—The Secretary of Agriculture shall establish an electronic filing and retrieval system that uses the telecommunications medium known as the Internet to enable farmers and other persons—

(1) to file electronically all paperwork required by the agencies of the Department of Agriculture specified in subsection (b); and

(2) to have access electronically to information, readily available to the public in published form, regarding farm programs, quarterly trade, economic, and production reports, price and supply information, and other similar information related to production agriculture.

(b) COVERED AGENCIES.—Subsection (a) shall apply to the following agencies of the Department of Agriculture:

- (1) The Farm Service Agency.
- (2) The Risk Management Agency.
- (3) The Natural Resources Conservation Service.

(4) The rural development components of the Department included in the Secretary's service center initiative regarding State and field office collocation implemented pursuant to section 215 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6915).

(c) **TIME-TABLE FOR IMPLEMENTATION.**—Not later than 180 days after the date of the enactment of this Act, the Secretary shall—

(1) to the maximum extent practicable, complete the establishment of the electronic filing and retrieval system required by subsection (a) to the extent necessary to permit the electronic information access required by paragraph (2) of such subsection;

(2) initiate implementation of the electronic filing required by paragraph (1) of such subsection by allowing farmers and other persons to download forms from the Internet and submit completed forms via facsimile, mail, or related means; and

(3) modify forms used by the agencies specified in subsection (b) into a more user-friendly format, with self-help guidance materials.

(d) **INTEROPERABILITY.**—In carrying out this section, the Secretary shall ensure that the agencies specified in subsection (b)—

(1) use computer hardware and software that is compatible among the agencies and will operate in a common computing environment; and

(2) develop common Internet user-interface locations and applications to consolidate the agencies' news, information, and program materials.

(e) **COMPLETION OF IMPLEMENTATION.**—Not later than two years after the date of the enactment of this Act, the Secretary shall complete the establishment of the electronic filing and retrieval system required by subsection (a) to permit the electronic filing required by paragraph (1) of such subsection.

(f) **PROGRESS REPORT.**—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report describing the progress made toward establishing the electronic filing and retrieval system required by subsection (a).

SEC. 3. AVAILABILITY OF AGENCY INFORMATION TECHNOLOGY FUNDS.

(a) **RESERVATION OF FUNDS.**—From funds made available for each agency of the Department of Agriculture specified in section 2(b) for information technology or information resource management, the Secretary of Agriculture shall reserve an amount equal to not more than the following:

(1) For fiscal year 2001, \$3,000,000.

(2) For each subsequent fiscal year, \$2,000,000.

(b) **TIME FOR RESERVATION.**—The Secretary shall notify Congress of the amount to be reserved under subsection (a) for a fiscal year not later than December 1 of that fiscal year.

(c) **USE OF FUNDS.**—Funds reserved under subsection (a) shall be used to establish the electronic filing and retrieval system required by section 2(a). Once the system is established and operational, reserved amounts shall be used for maintenance and improvement of the system.

(d) **RETURN OF FUNDS.**—Funds reserved under subsection (a) and unobligated at the end of the fiscal year shall be returned to the agency from which the funds were reserved, and such funds shall remain available until expended.

Amend the title so as to read:

A bill to require the Secretary of Agriculture to establish an electronic filing and retrieval system to enable farmers and other persons to file paperwork electronically with selected agencies of the Department of Agriculture and to access public information regarding the programs administered by these agencies.

BRIEF EXPLANATION

H.R. 852 requires the Secretary of the U.S. Department of Agriculture to establish an internet-based system to allow farmers, ranchers, and other persons to complete and submit program applications electronically, and to have electronic access to all relevant economic and program information and data.

PURPOSE AND NEED

The Freedom to E-File Act requires the United States Department of Agriculture (USDA) to establish an electronic filing and retrieval system to enable the public to file with USDA all required paperwork electronically. In doing so, the Act would allow producers, farmers and rural America to have access to information on farm programs, quarterly trade, economic and production reports and other similar information.

The purpose of the bill is to allow farmers to do business with USDA over the Internet. The rapidly evolving e-commerce economy of the 21st Century continues to assert itself as the future of worldwide commerce. Like any business today, farmers are using computers and the Internet for a variety of purposes, including financial management systems and market information. It is becoming increasingly important to ensure that all segments of our economy are technologically efficient.

Currently, USDA operates several separate, and in some cases antiquated, computer systems. The continued use of such ad hoc, uncoordinated systems threatens to disable producers and farmers from access to a maturing information technology market. Rural Americans face the very real potential of being left behind in this era of sweeping technological advances. It is vital to empower producers and farmers by providing them with the technological tools to do business via the Internet with USDA. The continued absence of a viable common computing environment at the Department will result in its failure to assist the very constituency it is obliged to serve.

The Committee believes that the Freedom to E-File Act achieves the most important objective of allowing the public the access and freedom to do effective, better business with USDA via the Internet. The globally integrated e-commerce economy demands that private and public entities move quickly to establish efficient avenues of commerce. It is the Committee's belief that this legislation forces USDA in the right direction; the direction of enabling producers, farmers and rural Americans to benefit in an age of technological revolution.

SECTION-BY-SECTION

Section 1. Short title

This Act may be cited as the "Freedom to E-File Act".

Section 2. Electronic filing and retrieval

Subsection (a) requires the Department of Agriculture to establish an electronic filing and retrieval system to enable farmers to electronically file all required paperwork with USDA. It allows the public to access farm program information, quarterly trade reports, economic and production reports and similar information.

Subsection (b) identifies the Farm Service Agency (FSA), the Risk Management Agency (RMA), the Natural Resources Conservation Service (NRCS), and any Rural Development agencies included in the Secretary's service center initiative regarding State and field office collocation as those affected agencies under the bill. These field agencies are in a position to best administer the benefits pro-

duced by this legislation. The Committee notes that the Secretary may include, and would encourage the Secretary to include, other agencies as appropriate.

Subsection (c) establishes a 180-day initial timetable for implementation. The Secretary is required to complete the establishment and initial implementation of the electronic filing and retrieval system, allowing farmers to download forms from the Internet and submit completed and modified forms used by the agencies specified in subsection (b) into a more user-friendly format, with self-help guidance materials.

Subsection (d) refers to the common computing environment initiative within USDA. To that end, Subsection (d) requires the Secretary to ensure that the agencies affected by the bill use computer hardware and software that is compatible among the agencies and will operate in a common computing environment. Furthermore, subsection (d) stipulates that USDA develop common Internet applications to consolidate the agencies' news, information, and program materials.

Subsection (e) requires that farmers be able to electronically file all paperwork required by the agencies within two years from the date of enactment of this Act.

Subsection (f) asks the Secretary to submit a progress report to Congress, no later than 180 days after the date of enactment, detailing the progress made toward establishing the electronic filing and retrieval system required by the Act.

Section 3. Availability of agency information technology funds

Section 3 authorizes the Secretary to redirect certain amounts of discretionary funds made available to the Secretary from the agencies in order to carry out this act. The amounts are \$3,000,000 for FY 2001 and \$2,000,000 for each subsequent fiscal year.

Additionally, section 3 requires the Secretary to notify Congress of the amount to be reserved no later than December 1 of that fiscal year and that any reserved funds shall be used to establish the electronic filing and retrieval system. Once the system is established and operational, reserved amounts shall be used for maintenance and improvements to the system. This section also requires the Secretary to return any unobligated funds back to the agency from which the funds were reserved and such funds shall remain available until expended.

COMMITTEE CONSIDERATION

I—Hearings

On Thursday, June 17, 1999, the Subcommittee on Department Operations, Oversight, Nutrition and Forestry held a public hearing to review H.R. 852, The Freedom to E-File Act. Testimony was taken from the administration, mortgage lending company executives, and various trade association representatives. The purpose of the hearing was to review proposed legislation to establish an electronic filing and retrieval system to enable the public to file with USDA all required paperwork electronically. The predominate issue discussed was how the legislation would allow producers, farmers and rural America the access and freedom necessary to do more ef-

ficient, better business with USDA. The Subcommittee also examined the potential financial costs to USDA, as it related to the proposed implementation process described in the legislation.

II—Subcommittee

The Subcommittee on Department Operations, Oversight, Nutrition, and Forestry met on March 23, 2000, to consider H.R. 852, the Freedom to E-File Act.

Chairman Goodlatte called the meeting to order and made opening remarks as did Ranking Minority Member Clayton and Mr. LaHood, the sponsor of the bill.

Without objection, Chairman Goodlatte offered an Amendment in the Nature of a Substitute to H.R. 852, which was considered as original text and open for amendments at any point.

Mr. LaHood offered an explanation of the legislation and emphasized that H.R. 852 would increase not only the efficiency of the farmers, but also increase the efficiency of the Department of Agriculture. Additionally, Mr. LaHood noted that similar legislation had already passed the Senate, S. 777, sponsored by Senator Fitzgerald of Illinois.

Mr. Walden spoke in favor, indicating that the legislation was of great benefit to American's farmers and ranchers. He also commended his colleague, Mr. LaHood, for crafting the bill.

No additional amendments were offered, Mr. Goodlatte moved that the Amendment in the Nature of a Substitute be adopted. By a voice vote, the motion was approved.

Mrs. Clayton moved that H.R. 852, as amended, be adopted and reported favorably to the Full Committee. By voice vote, the motion was approved.

Without objection, staff was given permission to make any necessary clerical, technical, or conforming changes to reflect the intent of the Subcommittee and the meeting was then adjourned.

III—Full committee

The Committee on Agriculture met, pursuant to notice, with a quorum present, on March 29, 2000, to consider H.R. 852, as approved by the Subcommittee on Department Operations, Oversight, Nutrition and Forestry.

Chairman Combest recognized Members for remarks and Ranking Minority Member Stenholm offered strong support for the bill, indicating that the legislation would provide greater electronic access to USDA programs and services.

Mr. LaHood also offered a strong endorsement for the legislation and emphasized that H.R. 852 would technologically move agriculture into the 21st century, increasing not only the efficiency of the farmer, but also the efficiency of the Department of Agriculture. Additionally, Mr. LaHood, noted that similar legislation had passed the Senate S. 777, sponsored by Senator Fitzgerald of Illinois. Finally Mr. LaHood recognized and thanked Chairman Combest, Ranking Minority Member Stenholm, Subcommittee Chairman Goodlatte and Ranking Minority Member Clayton for their support.

Committee Counsel was then recognized to give a brief explanation of the bill and Members were given an opportunity to ask questions.

No additional amendments were offered. Mr. Combest then moved that the Amendment in the Nature of a Substitute as approved by the Subcommittee be adopted. By a voice vote, the motion was approved.

The Chairman then moved that H.R. 852, as amended, be adopted and ordered reported favorably to the House. By a voice vote, the motion was approved.

Without objection, staff was given permission to make any necessary clerical, technical, or conforming changes to reflect the intent of the Subcommittee and the meeting was adjourned subject to the call of the chair.

REPORTING THE BILL—ROLLCALL VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, H.R. 852, as amended, was reported by voice vote with a majority quorum present. There was no request for a recorded vote.

BUDGET ACT COMPLIANCE (SECTIONS 308, 402, AND 423)

The provisions of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the Director of the Congressional Budget Office under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and sections 402 and 423 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 7, 2000.

Hon. LARRY COMBEST,
*Chairman, Committee on Agriculture,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 852, the Freedom to E-File Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jim Langley.

Sincerely,

STEVEN M. LIEBERMAN
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 852—Freedom to E-File Act

Summary: H.R. 852 would require the U.S. Department of Agriculture (USDA) to establish an electronic filing and retrieval sys-

tem to enable the public to file paperwork electronically with selected agencies and to access public information regarding the programs administered by these agencies. The bill would authorize annual appropriations to operate the system.

CBO estimates that implementation of H.R. 852 would cost about \$11 million over the 2001–2005 period, assuming appropriation of the necessary amounts. The bill would not affect direct spending or receipts, therefore pay-as-you-go procedures would not apply. H.R. 852 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 852 is shown in the following table. The costs of this legislation fall within budget function 350 (agriculture).

	By fiscal year, in millions of dollars—					
	2000	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION						
Spending under current law ¹						
Budget authority/estimated authorization level	10	10	11	11	11	12
Estimated outlays	43	10	11	11	11	12
Proposed changes:						
Authorization level	0	3	2	2	2	2
Estimated outlays	0	3	2	2	2	2
Spending under H.R. 852:						
Estimated authorization level ¹	10	13	13	13	13	14
Estimated outlays	43	13	13	13	13	14

¹The 2000 level is the amount appropriated for USDA's Chief Information Officer that year. Estimated spending in 2000 includes amounts from the \$59 million appropriated for this activity in 1999. The 2001–2005 amounts assume continuation of this level of spending adjusted for anticipated inflation.

Basis of estimate: Not later than two years after the date of enactment, USDA would be required to complete the establishment of a computer system that producers can use to electronically file all paper work required by selected agencies of USDA. The bill authorizes the appropriation of \$3 million in fiscal year 2001 for this purpose, and \$2 million in each subsequent year.

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: H.R. 852 contains no intergovernmental or private-sector mandates as defined in UMRA and would have no significant impact on the budgets of state, local, or tribal governments.

Estimate prepared by: Federal costs: Jim Landley; impact on State, local and tribal governments: Marjorie Miller; impact on private sector: Patrice Gordon.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the Committee report incorporates the cost estimate prepared by the Director of the Congressional Budget Office pursuant to sections 402 and 423 of the Congressional Budget Act of 1974.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds the Constitutional authority for this legislation in Article I, clause 8, section 18, that grants Congress the power to make all laws necessary and proper for carrying out the powers vested by Congress in the Constitution of the United States or in any department or officer thereof.

OVERSIGHT STATEMENT

No summary of oversight findings and recommendations made by the Committee on Government Reform, as provided for in clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, was available to the Committee with reference to the subject matter specifically addressed by H.R. 852, as amended.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Agriculture's oversight findings and recommendations are reflected in the body of this report.

ADVISORY COMMITTEE STATEMENT

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104-1).

FEDERAL MANDATES STATEMENT

The Committee adopted as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104-4).