

DEBT REDUCTION RECONCILIATION ACT OF 2000

JUNE 12, 2000.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ARCHER, from the Committee on Ways and Means, submitted the following

R E P O R T

[To accompany H.R. 4601]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 4601) to provide for reconciliation pursuant to section 213(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, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

	Page
I. Summary and Background	3
A. Purpose and Summary	3
B. Background and Need for Legislation	4
C. Legislative History	4
II. Explanation of the Bill	4
A. Present Law	4
B. Reasons for Change	5
C. Explanation of Provisions	5
III. Votes of the Committee	6
IV. Budget Effects of the Bill	7
V. Other Matters to Be Discussed Under the Rules of the House	9
VI. Changes in Existing Law Made By the Bill, as Reported	10
VII. Letter From the Committee on the Budget	11

The amendment is 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 “Debt Reduction Reconciliation Act of 2000”.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) fiscal discipline, resulting from the Balanced Budget Act of 1997, and strong economic growth have ended decades of deficit spending and have produced budget surpluses without using the social security surplus;

(2) fiscal pressures will mount in the future as the aging of the population increases budget obligations;

(3) until Congress and the President agree to legislation that strengthens social security, the social security surplus should be used to reduce the debt held by the public;

(4) strengthening the Government's fiscal position through public debt reduction increases national savings, promotes economic growth, reduces interest costs, and is a constructive way to prepare for the Government's future budget obligations; and

(5) it is fiscally responsible and in the long-term national economic interest to use an additional portion of the nonsocial security surplus to reduce the debt held by the public.

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

(1) reduce the debt held by the public with the goal of eliminating this debt by 2013; and

(2) decrease the statutory limit on the public debt.

SEC. 3. ESTABLISHMENT OF PUBLIC DEBT REDUCTION PAYMENT ACCOUNT.

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

“§ 3114. Public debt reduction payment account

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

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

“(c) If the Congressional Budget Office estimates an on-budget surplus for fiscal year 2000 in the report submitted pursuant to section 202(e)(2) of the Congressional Budget Act of 1974 in excess of the amount of the surplus set forth for that fiscal year in section 101(4) of the concurrent resolution on the budget for fiscal year 2001 (House Concurrent Resolution 290, 106th Congress), then there is hereby appropriated into the account on the later of the date of enactment of this Act or the date upon which the Congressional Budget Office submits such report, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2000, an amount equal to that excess. The funds appropriated to this account shall remain available until expended.

“(d) The appropriation made under subsection (c) shall not be considered direct spending for purposes of section 252 of Balanced Budget and Emergency Deficit Control Act of 1985.

“(e) Establishment of and appropriations to the account shall not affect trust fund transfers that may be authorized under any other provision of law.

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

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

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 31 of title 31, United States Code, is amended by inserting after the item relating to section 3113 the following:

“3114. Public debt reduction payment account.”.

SEC. 4. REDUCTION OF STATUTORY LIMIT ON THE PUBLIC DEBT.

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

SEC. 5. OFF-BUDGET STATUS OF PUBLIC DEBT REDUCTION PAYMENT ACCOUNT.

Notwithstanding any other provision of law, the receipts and disbursements of the Public Debt Reduction Payment Account established by section 3114 of title 31,

United States Code, shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

- (1) the budget of the United States Government as submitted by the President,
- (2) the congressional budget, or
- (3) the Balanced Budget and Emergency Deficit Control Act of 1985.

**SEC. 6. REMOVING PUBLIC DEBT REDUCTION PAYMENT ACCOUNT FROM BUDGET PRO-
NOUNCEMENTS.**

(a) **IN GENERAL.**—Any official statement issued by the Office of Management and Budget, the Congressional Budget Office, or any other agency or instrumentality of the Federal Government of surplus or deficit totals of the budget of the United States Government as submitted by the President or of the surplus or deficit totals of the congressional budget, and any description of, or reference to, such totals in any official publication or material issued by either of such Offices or any other such agency or instrumentality, shall exclude the outlays and receipts of the Public Debt Reduction Payment Account established by section 3114 of title 31, United States Code.

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

SEC. 7. REPORTS TO CONGRESS.

(a) **REPORTS OF THE SECRETARY OF THE TREASURY.**—(1) Within 30 days after the appropriation is deposited into the Public Debt Reduction Payment Account under section 3114 of title 31, United States Code, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate confirming that such account has been established and the amount and date of such deposit. Such report shall also include a description of the Secretary's plan for using such money to reduce debt held by the public.

(2) Not later than October 31, 2000, and October 31, 2001, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate setting forth the amount of money deposited into the Public Debt Reduction Payment Account, the amount of debt held by the public that was reduced, and a description of the actual debt instruments that were redeemed with such money.

(b) **REPORT OF THE COMPTROLLER GENERAL OF THE UNITED STATES.**—Not later than November 15, 2001, the Comptroller General of the United States shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate verifying all of the information set forth in the reports submitted under subsection (a).

I. SUMMARY AND BACKGROUND

A. PURPOSE AND SUMMARY

The bill, H.R. 4601, the Debt Reduction Reconciliation Act of 2000, provides for reconciliation pursuant to section 213(c) of the concurrent resolution on the budget for fiscal year 2001 to reduce the public debt.

The purpose of H.R. 4601 is to reduce the debt held by the public by the amount of any additional on-budget surplus in fiscal year 2000. The bill would establish an off-budget account in the U.S. Treasury, called the Public Debt Reduction Payment Account. If the Congressional Budget Office's revised estimate of the fiscal year 2000 on-budget surplus is higher than specified in the fiscal year 2001 Congressional budget resolution, the increased amount would be automatically appropriated to the account, and the statutory debt limit would be reduced by an equivalent amount. Funds in the account could be used only to reduce the debt held by the public. The reduction in the debt limit emphasizes Congress's intent to reverse years of increasing debt and rising debt limits. The bill would also require the Secretary of the Treasury and U.S.

Comptroller General of the United States to report to Congress on how the funds were used to reduce the debt.

B. BACKGROUND AND NEED FOR LEGISLATION

The gross federal debt consists of debt held by the public and debt held by government accounts, including the Social Security trust funds. Almost all of this debt is subject to a “debt limit,” which was first established in statute in 1917. This limit represents the maximum amount the U.S. Treasury may borrow without receiving additional authority from Congress. The current statutory debt limit is \$5.95 trillion. The outstanding debt subject to the limit was \$5.57 trillion at the end of 1999. Of this amount, \$3.63 trillion was held by the public, and \$1.97 trillion was held by government accounts. Although the debt held by the public has decreased in recent years, the gross federal debt continues to rise because of increases in the government-held debt.

Under present law, any budget surpluses remaining at the end of the fiscal year are used to reduce the debt held by the public. Present law includes several mechanisms to limit spending, such as pay-as-you-go scorekeeping rules and discretionary spending limits. In addition, current law provides for points of order in the House and Senate to enforce the Congressional Budget Resolution. This year’s Budget Resolution added new budget, debt, and surplus-related points of order. Although these tools have effectively controlled spending in the past, they have been less effective in controlling spending during an era of budget surpluses. The current legislation is needed to emphasize that public debt reduction is a priority of the Congress, and a portion of the non-social security surplus should be reserved for this purpose.

C. LEGISLATIVE HISTORY

The bill, H.R. 4601, was introduced by Mr. Fletcher et al on June 8, 2000. The Committee marked up the bill on June 8, 2000, and approved the bill with a Chairman’s amendment in the nature of a substitute, by a rollcall vote.

II. EXPLANATION OF THE BILL

A. PRESENT LAW

The public debt outstanding comprises the total face amount or principal of marketable and non-marketable securities currently outstanding. With the exception of certain debt,¹ currently representing less than \$100 billion, the Congress has established a public debt limit that represents the maximum amount of money the Government is allowed to borrow without receiving additional authority from Congress. Debt subject to the public debt limit generally includes debt owed to the public which comprises all Federal securities held by individuals, corporations, State and local governments, foreign governments, and other foreign persons, and debt

¹Debt not subject to the public debt limit comprise unamortized discount on Treasury bills and zero-coupon Treasury bonds, certain old debt, debt held by the Federal Financing Bank, and certain guaranteed debt.

held by the Government which comprises Federal securities held by Government trust funds, revolving funds, and special funds.

The statutory limit on the public debt currently is \$5.95 trillion. It was set at this level in the Balanced Budget Act of 1997 (P.L. 105-33), enacted into law on August 5, 1997.

With the approval of the President, the Secretary of the Treasury may use money received from the sale of bonds or notes of the United States and other money in the general fund of the Treasury to make purchases, redemptions, or refunds of bonds, notes, certificates of indebtedness, Treasury bills, or savings certificates of the United States Government at or before maturity of such instruments of indebtedness.

By June 1 of each year, the Secretary of the Treasury must submit a report to Congress regarding the Treasury's public debt activities.

B. REASONS FOR CHANGE

The U.S. economy continues its healthy growth. As a result, what were reasonable projections of the Federal Government's surplus are likely to be revised upwards. In particular, the non-social security portion of the Federal budget is in surplus, and the estimated size of the surplus is likely to increase when the Congressional Budget Office ("CBO") releases its revised budget estimates. The Committee believes that, if the CBO revises upward its projection of the fiscal year 2000 surplus, the best use of that additional surplus would be to reduce the national debt. Accordingly, the Committee believes that to help enforce fiscal discipline monies equal to the value of the upward revision in the Federal Government's surplus should be appropriated to a newly established account from which the Secretary of the Treasury should draw funds to retire debt held by the public.

The Committee also believes it is important to reduce the statutory limit on the public debt to mark the progress the Federal Government has made in maintaining fiscal discipline.

The bill also contains language directing the Secretary of the Treasury and the Director of the Office of Management and Budget ("OMB") to use the money to pay down the debt in a manner consistent with sound debt management. In its management of the public debt, Treasury generally adheres to three goals: (1) ensuring adequate cash balances so the government can pay its day-to-day operating expenses, (2) financing the debt at the lowest cost to taxpayers, and (3) promoting efficient capital markets. The bill provides Treasury with maximum flexibility in using the funds to pay down the debt so that none of these goals are compromised.

The bill emphasizes that reduction of the debt held by the public is a priority of the Congress, and the Congress should pro-actively set aside a portion of the non-social security surplus for this purpose.

C. EXPLANATION OF PROVISIONS

H.R. 4601, as reported, establishes an account in the Treasury to be called the Public Debt Reduction Payment Account ("the Account"). The bill provides that an amount of money is to be appropriated to the Account out of any money in the Treasury not other-

wise appropriated. The amount of money to be appropriated is to equal the value of the CBO projection submitted pursuant to section 202(e)(2) of the Congressional Budget Act of 1974 of the fiscal year 2000 surplus in excess of the amount of fiscal year 2000 surplus specified in the concurrent budget resolution for fiscal year 2001.² The appropriation will not be considered direct spending. Amounts appropriated to the Account may only be expended to redeem or buy at maturity public debt held by the public. The bill provides that the Account has off-budget status. The bill further provides that any official statement regarding surplus or deficit totals of the Federal Government issued by the OMB, the CBO, or any other agency of the Federal Government shall exclude the outlays and receipts of the Account. The outlays and receipts of the Account will be submitted in separate budget documents.

In addition, the bill reduces the statutory limit on the public debt by the amount deposited into the Account. That is, the current statutory debt limit of \$5.95 trillion is to be reduced by an amount of money equal to the value of the CBO's projection submitted pursuant to section 202(e)(2) of the Congressional Budget Act of 1974 of the fiscal year 2000 surplus in excess of the amount of fiscal year 2000 surplus specified in the concurrent budget resolution for fiscal year 2001.

The bill provides that the Secretary of the Treasury and the Director of the OMB shall take such action as necessary to ensure that the funds appropriated to the Account are promptly used to reduce the debt held by the public in a manner consistent with sound debt management policies.

The bill requires the Secretary of the Treasury to make three reports to Congress related to the Account. The first report is due within 30 days after the appropriation is deposited into the Account. This report will confirm the establishment of the account and provide a description of the Secretary's plan for using the money deposited into the account to retire debt held by the public. A second report is due no later than October 31, 2000. In this report, the Secretary will account for money used from the Account to reduce debt held by the public during fiscal year 2000. The third report is due no later than October 31, 2001. This report will provide a detailed accounting of the debt redeemed from amounts deposited into the Account. The bill further requires that the Comptroller General verify the accuracy of the Secretary's reports not later than November 15, 2001.

Effective Date.—The bill is effective on the date of enactment.

III. VOTES OF THE COMMITTEE

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the following statements are made concerning the votes of the Committee on Ways and Means in its consideration of the bill, H.R. 4601.

²The surplus specified in section 101(4) of the concurrent budget resolution is \$24.4 billion for fiscal year 2000.

MOTION TO REPORT THE BILL

The bill, H.R. 4601, as amended, was ordered favorably reported by a rollcall vote of 32 yeas to 3 nays (with a quorum being present). The vote was as follows:

Representatives	Yea	Nay	Present	Representatives	Yea	Nay	Present
Mr. Archer	X	.....	.....	Mr. Rangel	X	.....	.....
Mr. Crane	X	.....	.....	Mr. Stark .....	.....	.....	.....
Mr. Thomas	X	.....	.....	Mr. Matsui	X	.....	.....
Mr. Shaw	X	.....	.....	Mr. Coyne	X	.....	.....
Mrs. Johnson	X	.....	.....	Mr. Levin	X	.....	.....
Mr. Houghton .....	.....	.....	.....	Mr. Cardin .....	.....	X	.....
Mr. Herger	X	.....	.....	Mr. McDermott .....	.....	.....	.....
Mr. McCrery	X	.....	.....	Mr. Kleczka	X	.....	.....
Mr. Camp	X	.....	.....	Mr. Lewis (GA)	X	.....	.....
Mr. Ramstad	X	.....	.....	Mr. Neal	X	.....	.....
Mr. Nussle	X	.....	.....	Mr. McNulty	X	.....	.....
Mr. Johnson	X	.....	.....	Mr. Jefferson	X	.....	.....
Ms. Dunn	X	.....	.....	Mr. Tanner .....	.....	X	.....
Mr. Collins	X	.....	.....	Mr. Becerra	X	.....	.....
Mr. Portman	X	.....	.....	Mrs. Thurman .....	.....	X	.....
Mr. English	X	.....	.....	Mr. Doggett .....	.....	.....	.....
Mr. Watkins	X	.....	.....		
Mr. Hayworth	X	.....	.....		
Mr. Weller	X	.....	.....		
Mr. Hulshof	X	.....	.....		
Mr. McClintock	X	.....	.....		
Mr. Lewis (KY)	X	.....	.....		
Mr. Foley	X	.....	.....		

IV. BUDGET EFFECTS OF THE BILL

A. COMMITTEE ESTIMATES OF BUDGETARY EFFECTS

In compliance with clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the effects on the budget of the bill, H.R. 4601, as reported.

The Committee has provided the estimate of the Congressional Budget Office, which is below.

B. STATEMENT REGARDING NEW BUDGET AUTHORITY AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee states that the bill involves no new or increased budget authority and no increased tax expenditures.

C. COST ESTIMATE PREPARED BY THE CONGRESSIONAL BUDGET OFFICE

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, requiring a cost estimate prepared by the Congressional Budget Office ("CBO"), the following statement by CBO is provided.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 12, 2000.

Hon. BILL ARCHER,
*Chairman, Committee on Ways and Means,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4601, the Debt Reduction Reconciliation Act of 2000.

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

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

H.R. 4601—Debt Reduction Reconciliation Act of 2000

H.R. 4601 would establish the Public Debt Reduction Payment Account, a new account in the Treasury of the United States, and would appropriate into that account an amount equal to any increase in the on-budget surplus projected by the Congressional Budget Office (CBO) for fiscal year 2000. The increase would be measured relative to the \$24.4 billion on-budget surplus specified in the concurrent resolution on the budget for fiscal year 2001. Transactions of the new account would be off-budget, and funds in the account would be used to retire or purchase outstanding federal debt held by the public. The bill would also reduce the statutory limit on the public debt by the same amount that is appropriated to this account.

This bill would have no effect on the total spending, receipts, or surplus of the federal government. Whether it would affect the allocation of the budget surplus between the on-budget and off-budget categories would depend on the budgetary treatment chosen by the Office of Management and Budget (OMB).

H.R. 4601 could reduce the on-budget surplus and increase the off-budget surplus in fiscal year 2000 by the same amount. Because CBO has not yet completed its summer budget update, we do not yet have a specific estimate of the budgetary impact of the bill. CBO has stated that it anticipates an on-budget surplus of at least \$40 billion for the current fiscal year, which would indicate that at least \$16 billion would be transferred to the Public Debt Reduction Payment Account.

H.R. 4601 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would have no effect on the budgets of state, local, or tribal governments.

Budgetary implications

Although H.R. 4601 would have no budgetary effect relative to the current CBO baseline estimates, the bill could change the on-budget and off-budget surpluses if CBO's forthcoming budget update projects an increase in the on-budget surplus. In that case, the bill would appropriate the increase to an off-budget account, leaving the on-budget surplus at the level assumed in the budget resolution and increasing the off-budget surplus—but the total federal

surplus would not be affected by the bill. That budgetary treatment would parallel the budgetary treatment of subsidy appropriations to the Postal Service and interest payments to the Social Security trust funds—that is, on-budget outlays precisely offset by off-budget receipts or collections. (It is possible however, that OMB would choose an alternative approach, which would result in no change in either the on-budget or off-budget surplus.)

Any increase in the on-budget surplus, if not used for additional spending or for reductions in taxes, would automatically be used to reduce the federal debt. This bill, therefore, would help reduce the public debt only to the extent that, by reducing the reported on-budget surplus, it inhibits the use of some of that surplus for spending increases or tax reductions.

Budgetary treatment

For Congressional scorekeeping purposes, CBO would record payments from the general fund of the Treasury to the off-budget Public Debt Reduction Payment Account as direct spending. H.R. 4601, however, specifies that the appropriation to the account would not be classified as direct spending. Therefore, once the bill is enacted into law, pay-as-you-go procedures would not apply to the appropriation. However, that language does not affect the treatment of the bill for Congressional scorekeeping purposes.

The CBO staff contact for H.R. 4601 is Paul Cullinan. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.

V. OTHER MATTERS TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives (relating to oversight findings), the Committee advises that it was the result of the Committee's oversight review concerning the statutory limit on the public debt that the Committee concluded that it is appropriate and timely to enact the provisions included in the bill as reported. On January 20, 1999, the Committee on Ways and Means held a public hearing on "the Outlook for the State of the U.S. Economy in 1999" which discussed the benefits of using budget surpluses to reduce the debt held by the public. On September 29, 1999, the Committee on Ways and Means held a public hearing on "Treasury's Debt Buyback Proposal" which discussed Treasury's debt management policies.

B. SUMMARY OF FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT REFORM

With respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee advises that no oversight findings or recommendations have been submitted to this Committee by the Committee on Government Reform with respect to the provisions contained in the bill.

C. CONSTITUTIONAL AUTHORITY STATEMENT

With respect to clause (3)(d)(1) of rule XIII of the Rules of the House of Representatives (relating to Constitutional Authority), the Committee states that the Committee’s action in reporting this bill is derived from Article I of the Constitution, Section 8 (“The Congress shall have the Power To lay and collect Taxes, Duties, Imposts and Excises * * *”).

VI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) 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 (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

CHAPTER 31 OF TITLE 31, UNITED STATES CODE

* * * * *

CHAPTER 31—PUBLIC DEBT

SUBCHAPTER I—BORROWING AUTHORITY

Sec.

3101. Public debt limit.

* * * * *

3114. *Public debt reduction payment account.*

* * * * *

SUBCHAPTER I—BORROWING AUTHORITY

§ 3101. Public debt limit

(a) * * *

(b) The face amount of obligations issued under this chapter and the face amount of obligations whose principal and interest are guaranteed by the United States Government (except guaranteed obligations held by the Secretary of the Treasury) may not be more than \$5,950,000,000,000 *minus the amount appropriated into the Public Debt Reduction Payment Account pursuant to section 3114(c)* outstanding at one time, subject to changes periodically made in that amount as provided by law through the congressional budget process described in Rule XLIX of the Rules of the House of Representatives or otherwise.

* * * * *

§ 3114. Public debt reduction payment account

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

(b) *The Secretary of the Treasury shall use amounts in the account to pay at maturity, or to redeem or buy before maturity, any obligation of the Government held by the public and included in the public debt. Any obligation which is paid, redeemed, or bought with amounts from the account shall be canceled and retired and may*

not be reissued. Amounts deposited in the account are appropriated and may only be expended to carry out this section.

(c) If the Congressional Budget Office estimates an on-budget surplus for fiscal year 2000 in the report submitted pursuant to section 202(e)(2) of the Congressional Budget Act of 1974 in excess of the amount of the surplus set forth for that fiscal year in section 101(4) of the concurrent resolution on the budget for fiscal year 2001 (House Concurrent Resolution 290, 106th Congress), then there is hereby appropriated into the account on the later of the date of enactment of this Act or the date upon which the Congressional Budget Office submits such report, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2000, an amount equal to that excess. The funds appropriated to this account shall remain available until expended.

(d) The appropriation made under subsection (c) shall not be considered direct spending for purposes of section 252 of Balanced Budget and Emergency Deficit Control Act of 1985.

(e) Establishment of and appropriations to the account shall not affect trust fund transfers that may be authorized under any other provision of law.

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

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

VII. LETTER FROM THE COMMITTEE ON THE BUDGET

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, June 8, 2000.

Hon. BILL ARCHER,
Committee on Ways and Means, Longworth House Office Building,
Washington, DC.

DEAR CHAIRMAN ARCHER: As you know, the Concurrent Budget Resolution for FY 2001, H. Con. Res. 290, established a procedure to consider legislation to reduce the debt held by the public.

Section 213(c) states: "If the Congressional Budget Office estimates an on-budget surplus for fiscal year 2000 in excess of the level set forth in this resolution, then the chairman of the Committee on the Budget of the House may direct the Committee on Ways and Means to report by a date certain an additional reconciliation bill that reduces debt held by the public by such amount."

In its Monthly Budget Review released May 12, 2000, CBO reported the surplus for FY 2000 would be at least \$14 billion higher than the level set forth in the budget resolution. While CBO has not yet released its official mid-session update, I urge the Committee on Ways and Means to report the Debt Reduction Reconciliation Act of 2000. This bill is fully consistent with the intent of Section 213.

Although the Debt Reduction Reconciliation Act of 2000 contains provisions within the jurisdiction of the Committee on the Budget,

I will ask that the Budget Committee be discharged from consideration of this bill.
Sincerely,

JOHN R. KASICH,
Chairman, Committee on the Budget.

○