be available for spending. The provision would increase mandatory payments for Federal Employee Health Benefits (FEHB) and discretionary appropriations. CBO estimates that the department would collect and spend $12 million in 1998. Collections in 1999 through 2002 were estimated assuming that collections grow at the same rate as inflation in health care costs, rising to $17 million by 2002.

CBO assumes that, after a short lag, insurance companies would recover the amount paid to the State Department plus 15 percent for administrative overhead through higher FEHB premiums. The government pays 72 percent of FEHB premiums; of this, 45 percent is paid through a mandatory government payment for annuitants and 55 percent is paid through discretionary appropriations. Additional mandatory spending would average about $5 million a year, and increases in discretionary spending would average $6 million a year.

Reappropriations.—The bill contains two provisions that would extend the availability of funds by specifying that the funds ''shall'' remain available until expended. Section 1203 would extend the availability of funds deposited into the Capital Investment Fund and section 1216 would extend the availability of fees for commercial services. CBO estimates that reappropriations from both sections would be less than $500,000.

Authority to provide services on a reimbursable basis.—H.R. 1486 contains several provisions that would allow the Department of State to provide various services on a fee-for-service or reimbursable basis. CBO estimates that collections and spending from the provisions would total less than $500,000 per year. Section 1209 allows the department to accept reimbursement for the expenses of pursuing a claim against a foreign government or entity. Section 1213 authorizes the department to provide training services to corporate employees, their families, and Congressional employees on a reimbursable basis and to collect a new fee for the use of the Foreign Affairs Training Center. And finally, section 1215 would authorize the department to collect a new fee for the use of diplomatic reception rooms. All provisions specify that amounts collected would be deposited as offsetting collections and would remain available until expended.

Termination expenses.—Section 704 authorizes the President to deobligate and reobligate development assistance funds for countries whose assistance program is terminated. The reobligation would cover equitable settlements of third parties whose contracts were canceled when the assistance ended. CBO cannot estimate the budgetary effect of this section.

ASSET SALES

Chapter 5 would authorize the Secretary of the Navy to sell 14 naval vessels to certain foreign countries. Based on information from the Navy, CBO estimates the sale would generate $163 million in offsetting receipts in 1998.

Under recent budget resolutions, proceeds from asset sales have been counted in the budget totals for purposes of Congressional scoring. Under the Balanced Budget Act, however, proceeds from asset sales are not counted in determining compliance with the discretionary spending limits or pay-as-you-go requirement.

SPENDING SUBJECT TO APPROPRIATIONS

CBO estimates the bill would authorize appropriations of $16.5 billion in 1998, $16.1 billion in 1999, and $0.6 billion per year thereafter for foreign assistance programs, the Department of State, and other related agencies. The estimate includes authorizations that specify both the dollar amounts and fiscal years, and the permanent, indefinite authorization for the appropriation of collections in special funds in the amounts discussed below under governmental receipts. In addition, the bill would authorize indefinite appropriations discussed below.

Department of State rewards program.—Subject to appropriations action, section 1201 would authorize the President to take up to 2 percent of the earnings from the assets of foreign governments that have been blocked under the International Emergency Powers Act. Based on information from the Treasury Department, CBO estimates that 2 percent of the earnings on blocked assets would be $2 million per year. The funds would be available for the Department of State to pay rewards for the prevention of international terrorism, narcotics trafficking, and other crimes. The assets affected are not the property of the U.S. government. Any taking would create a claim against the U.S. Government that would need to be resolved when normal relations between the United States and the countries are restored. The Department of State currently provides rewards totaling approximately $2 million a year, and this estimate assumes that section 1201 would result in an authorization of that amount each year.

Indefinite authorizations for currency fluctuations.—Section 1102(f) authorizes such sums as may be necessary in 1998 and 1999 for international organizations and programs to compensate for adverse fluctuations in exchange rates. Any funds appropriated for this purpose would only be obligated and expended subject to an OMB certification. Section 1107 authorizes such sums as may be necessary in 1998 and 1999 for the Arms Control and Disarmament Agency (ACDA) to compensate for increases in pay, employee benefits, and adverse fluctuations in exchange rates.

Currency fluctuations are extremely difficult to estimate in advance. The spending to meet the foreign currency requirements for the two programs could be higher or lower than the amounts specifically authorized in the bill. Therefore, this estimate includes no costs associated with currency fluctuations.

GOVERNMENTAL RECEIPTS

The bill contains two provisions that would authorize collections of certain passport and consular fees to be deposited into special funds of the Treasury. CBO estimates these provisions would not affect governmental receipts or direct spending. The State Department already has the authority to collect these fees, and the authority to spend them would be subject to appropriation and is included as such in the table above.

Section 1210 would authorize the deposit of passport and consular fees into a special fund of the Treasury. These collections would be available to the Department of State in such amounts as are provided for in advance in appropriations acts. CBO estimates the department would collect $446 million in 1998 and $483 million in 2002.

Similarly, section 1211 would establish a Machine Readable Visa fee account such that collections of the fee, a surcharge for processing certain types of visas, would be deposited into a special fund of the Treasury and would be available to the department in such amounts as are provided for in advance in appropriations acts. CBO estimates that the department would collect $143 million in 1998 and $155 million in 2002.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act of 1985 establishes pay-as-you-go procedures for legislation affecting direct spending or receipts through fiscal year 1998. CBO estimates that enactment of H.R. 1486 would cause an increase in direct spending of $11 million in 1998.

Estimated impact on State, local, and tribal governments: While H.R. 1486 would, by itself, establish no new enforceable duties on state, local, or tribal governments, increasing the number of refugees admitted to the United States, as required by the bill, would increase the costs associated with state SSI supplementary payments. Approximately ten percent of the additional refugees would be eligible for federal SSI payments. Most states would be required under current law to supplement the federal payments to these individuals. CBO cannot determine whether these additional payments would be considered the direct costs of a mandate for the purposes of UMRA. In any event, CBO estimates that the additional costs to states would not exceed $5 million annually.

States would face other costs as a result of the increases in the number of refugees admitted to the United States, but these costs would result either from state public assistance requirements that are not controlled by the federal government, or from an increase in the number of people eligible for federal entitlement programs. Because the bill would not increase the stringency of conditions for these entitlement programs, the costs associated with these provisions do not constitute mandate costs under the law.

The bill also contains a provision that could encourage foreign governments to pay parking fines they owe to Maryland, Virginia, New York State, New York City, and the District of Columbia. Section 308 of the bill would require that an amount equal to 110 percent of the total unpaid parking fines owed by foreign governments be withheld from the foreign aid for those countries. The funds would become available for obligation once the parking fines are paid.

Estimated impact on the private-sector: H.R. 1486 would impose no new private-sector mandates as defined in UMRA.

Estimate prepared by: Federal Cost: Joseph C. Whitehall and Sunita D'Monte (226–2840); Kathy Ruffing and Dorothy A. Rosenbaum (226–2820); Robin Rudowitz and Jeffrey Lemieux (226–9010); impact on State, Local, and Tribal Governments: Pepper Santalucia (225–3220); impact on the Private Sector: Lesley Frymier (226–2940).

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. YOUNG of Florida) to revise and extend their remarks and include extraneous material:)

Mr. SESSIONS, for 5 minutes, on May 14.

Mr. CANADY of Florida, for 5 minutes, on May 14.

Mr. NEUMANN, for 5 minutes each day, on May 13, 14, and 15.

Mr. GILMAN, for 5 minutes, today.

Mr. MCCOLLUM, for 5 minutes, on May 14.

Mr. SHAYS, for 5 minutes, on May 14.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to: