

4. USER FEES AND OTHER COLLECTIONS

In addition to collecting taxes and other governmental receipts by the exercise of its sovereign powers, the Federal Government earns income from its various business-type activities. The term “user fee” is defined as fees, charges, and assessments levied on a class directly benefiting from, or subject to regulation by, a government program or activity, to be utilized solely to support the program or activity. In addition, the payers of the fee must be limited in the authorizing legislation to those benefiting from, or subject to regulation by, the program or activity, and may not include the general public or a broad segment of the public. The user fee must be authorized for use only to fund the specified programs or activities for which they are charged, including directly associated agency functions, not for unrelated programs or activities and not for the broad purposes of the Government or an agency.

User fees include: collections from non-Federal sources for goods and services provided (such as the sale of postage stamps and electricity); voluntary payments to social insurance programs (such as Medicare Part B premiums); miscellaneous customs fees (such as United States Customs Service merchandise processing fees); and certain specific taxes and duties (such as Harbor Maintenance and Inland Waterways taxes).

The term “user fee” is not a separate budget category for collections. Depending primarily on whether the user charge is based on the Government’s sovereign

power or business-type activity, it may be classified as a governmental receipt, or as an offsetting collection. User fees classified as governmental receipts are included along with the taxes and other governmental receipts discussed in the previous chapter. Those fees classified as offsetting collections are subtracted from gross outlays. The purpose of this treatment is to produce budget totals for receipts, outlays, and budget authority in terms of the amount of resources allocated governmentally, through collective political choice rather than through the market.

Offsetting collections are classified into two major categories: offsetting receipts, which are deposited in receipt accounts; and offsetting collections credited to appropriations (expenditure) accounts, which are deposited directly in these accounts and usually can be spent without further action by the Congress. While most offsetting receipts and collections result from business-like activity or are collected from other Government accounts, some result from the Government’s sovereign or governmental powers and would be classified as governmental receipts but are required by law to be treated as offsetting. Chapter 24, “Budget System and Concepts,” explains the budgetary treatment of these collections more fully.

Not all offsetting collections are user fees. User fees do not include collections from other Federal accounts;

Why User Fees?

- The term “user fee” refers to Government charges to those who use a Government good or service or are subject to Government regulation. For example:
 - Park entrance fees charged to visitors to national parks
 - Meat, poultry, and egg inspection fees
 - Tennessee Valley Authority proceeds from power sales
 - Proceeds from the lease of Department of Energy buildings and facilities
 - Flood insurance premiums
 - Sales of commemorative coins
- User fees are dedicated to funding part or all of the cost of providing the service or regulation by crediting them to a program account instead of to the general fund of the Treasury.
- User fees are generally designated as offsetting collections or receipts so that they offset the spending they are designated to fund.
- User fees are different from general revenue, because they are not collected from the general public or broad segments of the public (like income taxes) and they are not used for the general purposes of government (like national defense).
- Users are more willing to support and pay fees when they are dedicated to maintaining or improving the quality of the programs that affect them directly.
- Government program managers may be more diligent about collecting and spending fees when funding for their programs is dependent on fees, instead of guaranteed appropriations of general taxpayer money.
- Administration policy is to shift to user fee funding wherever appropriate. However, essential government services will continue to be supported by general fund appropriations from the Treasury as necessary.
- The Administration’s user fee proposals generally require authorizing legislation to authorize the fees first and appropriations action before the fees can actually be collected and spent. This is done to preserve the traditional roles of the authorizing and appropriations committees in Congress and to conform to the “scoring” conventions of the Budget Enforcement Act.

Table 4-1. USER FEE COLLECTIONS
(In millions of dollars)

	1997 actual	Estimates					
		1998	1999	2000	2001	2002	2003
Governmental receipts:							
Harbor maintenance and inland waterway fees	832	900	959	1,021	1,087	1,159	1,235
Agricultural quarantine inspection fees	115	141	144	148	153	159	163
Existing FAA user fees ¹				5,815	7,066	7,649	11,056
Proposed FAA user fees				1,700	1,700	1,700	850
Other governmental receipt user fees	134	215	224	224	225	229	230
Total, governmental receipts	1,081	1,256	1,327	8,908	10,231	10,896	13,534
Offsetting collections:							
Offsetting collections deposited in receipt accounts:							
Medicare premiums	20,421	20,672	21,511	23,934	26,278	28,816	31,731
Services charges on foreign military sales	15,128	13,750	12,550	11,790	11,090	10,570	9,770
Immigration fees	992	994	1,400	1,400	1,412	1,430	1,404
U.S. customs user fees	1,288	1,184	1,272	1,316	1,363	1,412	1,464
Medical care and National Serviceman's Life Insurance Premiums and other Veterans fees	234	915	889	975	1,044	1,117	1,135
Nuclear Regulatory Commission fees	459	455	467	469	480	496	510
Interior park entrance, concessionaire and other fees	349	392	420	467	454	475	469
Inspection, grading and other Agriculture fees	148	170	176	176	176	176	176
Other collections deposited in receipt accounts	396	413	428	448	441	441	465
Subtotal, offsetting collections deposited in receipt accounts	39,415	38,945	39,113	40,975	42,738	44,933	47,124
Offsetting collections deposited in appropriations accounts:							
Postal Service	57,407	59,986	63,349	64,850	67,300	69,750	72,200
Tennessee Valley Authority and other power marketing	8,135	8,829	9,121	9,389	9,557	9,623	9,750
Housing and commissary fees paid by military personnel and other defense related fees	7,909	7,378	7,428	7,402	7,402	7,402	7,402
Federal Employee and Retiree health and life insurance benefits	4,104	5,895	6,188	6,558	6,952	7,398	7,880
Pension Benefit Guaranty Corporation premiums and other Department of Labor fees	1,576	1,708	1,740	1,615	1,610	1,652	1,681
Veterans insurance premiums and other fees	1,595	1,594	1,563	1,571	1,538	1,502	1,468
National flood insurance fund premiums	1,108	1,230	1,353	1,448	1,549	1,652	1,761
Bureau of Engraving and Printing and U.S. Mint fees	1,086	1,088	1,141	1,165	1,188	1,209	1,236
Patent and Trademark and fees	641	730	836	929	1,098	1,161	1,238
Other offsetting collections deposited in appropriations accounts	6,580	6,603	7,880	7,520	7,440	7,551	7,666
Subtotal, offsetting collections deposited in appropriations accounts	90,141	95,041	100,599	102,447	105,634	108,900	112,282
Total, offsetting collections	129,556	133,986	139,712	143,422	148,372	153,833	159,406
Total, user fee collections	130,637	135,242	141,039	152,330	158,603	164,729	172,940
Memorandum:							
Existing fees:							
Postal Service	57,407	59,986	63,349	64,850	67,300	69,750	72,200
Existing Medicare premiums	20,421	20,672	21,384	23,255	25,464	27,791	30,497
Service charges on foreign military sales	15,128	13,750	12,550	11,790	11,090	10,570	9,770
Other existing user fees	37,681	40,808	41,417	47,419	49,551	51,146	55,597
Subtotal, existing user fee collections	130,637	135,216	138,700	147,314	153,405	159,257	168,064
User fee proposals		26	2,339	5,016	5,198	5,472	4,876

¹ Represents proceeds from current law aviation excise taxes which the FAA will convert to cost-based user fees.

collections deposited in general fund receipt accounts; collections associated with credit programs; realizations upon loans and investments; interest, dividends, and other earnings; involuntary payments to social insurance programs; excise taxes; customs duties; fines, penalties, and forfeitures; cost sharing contributions; proceeds from asset sales (property, plant, and equipment); Outer Continental Shelf receipts; spectrum auction proceeds; and Federal Reserve earnings.

As shown in Table 4-1, total user fee collections (including those proposed in this budget) are estimated to be \$141.0 billion in 1999, rising to \$172.9 billion in 2003. User fee collections by the United States Postal Service, Medicare premiums, and service charges on

foreign military sales are estimated to be 69 percent of all user fee collections in 1999. Table 4-3 provides more detail for offsetting receipts collected from the public and includes offsetting receipts collected from other accounts within the Government.

The Budget contains a variety of user fee proposals that would yield \$2.3 billion in 1999 and \$22.9 billion from 1999 through 2003. User fee proposals establish, increase, or extend fees in order to recover more of the costs of providing government services. The proposals would make the affected program funding levels dependent on enactment of the user fee proposals and subsequently, the actual collections of the fees. Regular appropriations have only been requested to fund the

start-up costs associated with these fee proposals. Table 4-2 splits the proposals between discretionary and mandatory categories for the appropriate scoring under the Budget Enforcement Act of 1997 (BEA). It includes user fees classified as offsetting collections and governmental receipts.

Discretionary Proposals

The following proposed fees are classified as discretionary because the Appropriations Committees are being requested to authorize collection of the fees and make them available for expenditure. In some cases, authorizing legislation will be proposed either to establish new fees or increase existing ones. The proposed authorizing legislation will make both the fee collection and spending contingent upon appropriations action.

Collections from the following proposals are to be deposited directly in appropriations accounts as offsetting collections:

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service (APHIS): The budget proposes to establish five APHIS fees to cover the cost of:

- Providing animal welfare inspections to recipients of APHIS services such as animal research centers, humane societies, and kennels.
- Issuing biotechnology certificates to firms that manufacture biotechnologically-derived products.
- Licensing, inspecting, and testing veterinary biologics by veterinary biologic companies.
- Inspecting to ensure the garbage fed to swine is properly cooked to avoid contamination to establishments regulated under the Swine Health Protection Act.
- Eradicating the pink bollworm.

Grain Inspection, Packers and Stockyards Administration (GIPSA) licensing fees.—The budget proposes to allow GIPSA to charge the grain shippers and handlers using the official inspection system its costs to develop, review and maintain standards and methods of testing (such as for grain quality and classification) used by the grain industry. In addition, an annual licensing fee is proposed to fund GIPSA activities that ensure the integrity of the livestock, meat and poultry market and marketplace, such as fostering open competition, and protecting consumers and businesses from unfair practices.

Food Safety and Inspection Service meat, poultry and egg products inspection fee.—The 1999 Budget proposes a new user fee for USDA's Food Safety and Inspection Service (FSIS). Under the proposed fee, the meat, poultry and egg products industries would be required to reimburse the Federal government for the cost of the salaries and benefits and other direct costs for all in-plant inspection. The proposal would transfer the cost of Federal inspection services to the industries that directly benefit, and would ensure that sufficient resources are available to provide the level of in-plant

inspection necessary to meet the demands of industry. The cost of the user fee would amount to less than one cent per pound of meat inspected.

Natural Resources Conservation Service (NRCS) cost-share fee.—The 1999 Budget proposes to impose fees for a number of NRCS activities, including the sale of soil survey data, maps, and snow survey data to private users, engineering designs, soil map interpretations for commercial purposes, and irrigation management activities where water supplies are not very limited. Fees would also be charged to meet requests for the NRCS to expedite soil surveys, watershed planning, and other services.

Farm services fee.—The Administration proposes to allow the Farm Services Administration (FSA) to charge fees to cover the full cost of collecting, processing, and disseminating information of interest to private individuals and companies (crop insurance companies, appraisers, and agricultural consultants, etc.), where the provision of information is not required to fulfill FSA's mission.

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration (NOAA), navigational assistance fees.—The Administration proposes a fee on U.S. and foreign commercial cargo carriers to recover the cost of navigational assistance services, such as nautical charting, provided by NOAA. The fee would be administered for NOAA by the United States Coast Guard as part of the Coast Guard's proposed navigational assistance fee program described below.

NOAA, fisheries management fees.—The Budget proposes a fee of not more than one percent of the ex-vessel value of fish harvested by commercial fisherman to provide for fisheries management and enforcement services.

Patent and Trademark fees.—The surcharge on patent fees, established in the Omnibus Budget Reconciliation Act of 1990 and extended in the Omnibus Budget Reconciliation Act of 1993, will expire at the end of 1998. The expiration of this authority will reduce Patent and Trademark Office (PTO) revenue by \$182 million in 1999. The Budget proposes legislation to extend and increase statutory fees charged for patent products and services to ensure that fee revenues continue to cover the cost of patent processing and related services.

Trade promotion services fees.—The Administration proposes to charge U.S. businesses for counseling and other promotional services provided by the International Trade Administration.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration (FDA) fees.—The proposal seeks \$128 million in new fees to finance FDA activities such as medical device reviews, animal drug approvals, import inspections, food additive petition reviews, generic drug application reviews, and fees for postmarket surveillance of products.

Table 4-2. PROPOSED USER FEE COLLECTIONS

(In millions of dollars)

Discretionary fee proposals	1998	1999	2000	2001	2002	2003	1999-2003
Offsetting collections deposited in appropriations accounts:							
Department of Agriculture:							
Animal and Plant Health Inspection Service fees		10	10	10	10	10	50
Grain Inspection, Packers and Stockyards Administration licensing fees		17	21	21	21	21	101
Food Safety and Inspection Service, meat, poultry, and egg products inspection fee		473	573	573	573	573	2,765
Natural Resources Conservation Service (NRCS) cost-share fee		10	15	15	25	25	90
Farm Services Administration, farm service fee		10	15	15	25	25	90
Department of Commerce:							
National Oceanic and Atmospheric Administration proposals:							
Navigational assistance fee		3	11	11	11	11	47
Fisheries management fee		20	20	20	20	20	100
Patent and Trademark Office, patent fees		182	189	207	219	228	1,025
International Trade Administration, trade promotion fees		6	12	12	12	12	54
Department of Health and Human Services:							
Food and Drug Administration fees	26	128	128	128	128	128	640
Health Care Financing Administration Fee Proposals:							
Physician, provider, and supplier enrollment registration fees		20	21	21	22	23	107
Managed care organization application and renewal fees		37	38	39	41	42	196
Initial provider certification fees		10	10	11	11	12	54
Provider recertification fees		52	54	56	58	61	282
Paper claims submission fees		110	114	118	122	126	589
Duplicate and unprocessable claims fees		36	37	38	39	41	190
Department of the Interior: Bureau of Land Management, hardrock location and maintenance fees		39	40	41	42	43	205
Department of Labor: Alien labor certification fee			40	40	40	40	160
Department of Transportation:							
Coast Guard—navigational assistance fee		35	165	165	165	165	695
Surface Transportation Board fees		16	16	16	16	16	80
Air Corps of Engineers, wetlands permit Fee		7	14	14	14	14	63
Federal Emergency Management Administration, radiological emergency preparedness fees		13	13	13	13	13	65
National Transportation Safety Board, Aviation accident investigation fee		6	6	6	6	6	30
Social Security Administration, claimant representative fees		7	9	9	9	9	43
Subtotal, offsetting collections deposited in appropriations accounts	26	1,246	1,571	1,599	1,642	1,663	7,721
Offsetting collections deposited in receipt accounts:							
Department of Transportation: Federal Railroad Administration—railroad safety inspection fees		82	82	82	82	82	410
Department of the Treasury: Customs merchandise processing fee		48	48	48	48	48	240
Environmental Protection Agency:							
Pesticide registration fees		16	16	16	16	16	80
Chemical pre-manufacturing notification fees		8	8	8	8	8	40
Nuclear Regulatory Commission, extend NRC fees		313	314	322	332	342	1,623
Social Security Administration, claimant representative fees		12	17	17	17	17	80
Subtotal, offsetting collections deposited in receipt accounts		479	485	493	503	513	2,473
Total, discretionary user fee proposals	26	1,725	2,056	2,092	2,145	2,176	10,194
Mandatory Fee Proposals							
Offsetting collections deposited in appropriations accounts:							
Department of Health and Human Services:							
Medicare cost-based provider audit fees		395	395	395	395	395	1,975
Federal Deposit Insurance Corporation state bank examination fees		89	94	97	101	106	487
Subtotal, offsetting collections deposited in appropriations accounts		484	489	492	496	501	2,462
Offsetting collections deposited in receipt accounts:							
Department of Health and Human Services:							
Medicare premiums		127	679	814	1,025	1,234	3,879
Department of the Interior:							
Interior/USDA, entrance and recreation fees			86	88	88	90	352
National Park Service, park concession fees		3	6	12	18	25	64
Subtotal, offsetting collections deposited in receipt accounts		130	771	914	1,131	1,349	4,295
Collections deposited in governmental receipt accounts:							
Federal Aviation Administration, proposed user fees			1,700	1,700	1,700	850	5,950
Total, mandatory user fee proposals		614	2,960	3,106	3,327	2,700	12,707
Total, User Fee Proposals	26	2,339	5,016	5,198	5,472	4,876	22,901

Health Care Financing Administration (HCFA).—This proposal would establish fees for a variety of activities associated with the Medicare Program, including:

Physician, provider, and supplier enrollment registration fees.—The Administration proposes to charge phy-

sicians, providers, and suppliers an initial enrollment fee and a renewal fee in order to participate in the Medicare program. Physicians would be required to re-enroll every 5 years. Durable medical equipment suppliers, hospitals, skilled nursing facilities, home health

agencies, and all other providers would be required to re-enroll every 3 years. Proceeds from the fee would be used for enrollment costs and other contracting activities.

Managed care organization application and renewal fees.—The Budget proposes to charge managed care organizations a fee to cover 100% of the cost of reviewing initial applications and renewing annual contracts with Medicare. Proceeds from this fee would be used to offset administrative costs related to managed care organization application and renewals as well as other administrative activities.

Initial provider certification fee.—The Administration proposes to levy a fee on providers (e.g., home health agencies (HHA) and skilled nursing facilities (SNF)) who wish to enter the Medicare program. The fee would vary by type of provider. Proceeds from this fee would be used to offset survey and certification costs.

Provider recertification fee.—This fee would be levied on providers who are recertified for the Medicare program. By statute, SNFs must be surveyed every year, HHAs every three years, and other providers about once every ten years. The fee would be charged every year to spread the costs of the certification program over time. Proceeds from this fee would be used to offset survey and certification costs.

Paper claims submission fee.—Providers would be charged \$1.00 for every paper claim submitted for payment because of the additional cost of processing paper rather than electronic claims. Rural providers and very small providers who may not be able to purchase the necessary hardware to comply with electronic claims transmission would be exempt from the fee. Proceeds from the fee would be used for claims processing and other contracting activities.

Duplicate and unprocessable claims fees.—The budget proposes to charge Medicare providers \$1.00 for each duplicate and unprocessable claim submitted for payment to the Health Care Financing Administration. Proceeds from the fee would be used for claims processing and other contracting activities.

DEPARTMENT OF THE INTERIOR

Bureau of Land Management, hardrock mining location and maintenance fees.—This proposal would raise and extend the hardrock mining location and maintenance fees established in the 1993 Omnibus Budget Reconciliation Act beyond 1998.

DEPARTMENT OF LABOR

Alien labor certification fee.—The proposal would establish a new fee, charged to businesses, for processing of alien labor certification and attestation applications by the Labor Department. Collection of the fee would begin in 2000 with the proceeds offsetting the costs of administering the alien labor program. In 2000, regular appropriations are required in addition to regular user fees to process the backlog of applications that already have been filed.

DEPARTMENT OF TRANSPORTATION

Coast Guard, navigational assistance fees.—The Administration proposes to levy a fee on U.S. and foreign commercial cargo carriers for the use of Coast Guard navigational assistance services. Navigational assistance services include the placement and maintenance of buoys and other short-range aids-to-navigation, radio navigation, and vessel traffic services. Fishing and recreational vessels would be exempt.

Surface Transportation Board fees.—The Administration proposes to create a fee mechanism to completely offset the expenses of the Surface Transportation Board (STB), the successor to the Interstate Commerce Commission (ICC). The fees would be collected from those who benefit from the continuation of the ICC functions transferred to the STB, e.g., railroads and shippers.

DEPARTMENT OF THE TREASURY

Customs merchandise processing fee.—The Budget proposes to allow the U.S. Customs Service to collect and spend an increase in the Customs Merchandise Processing Fee that will be proposed in authorizing legislation subsequent to release of the Budget. The Administration will propose to increase the ad valorem rate of the Merchandise Processing Fee paid by importers from 0.21 percent to up to 0.25 percent of the value of formal cargo entries into the United States. Collection and use of the proceeds from the fee increase would be provided for in appropriations action, and would be statutorily restricted to the modernization of Customs' automated commercial operations.

ARMY CORPS OF ENGINEERS

Wetlands permit fees.—The Budget proposes to increase fees charged to permit commercial use of wetlands. The proceeds of the fee would be used to fund wetland regulatory activities.

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

Radiological emergency preparedness fee.—The budget includes a proposal to reauthorize FEMA's assessments on Nuclear Regulatory Commission (NRC) licensees to cover 100 percent of the cost of providing site-specific services that directly contribute to the fulfillment of emergency preparedness requirements needed for NRC licensing.

NATIONAL TRANSPORTATION SAFETY BOARD (NTSB)

Aviation accident investigation fees.—To offset a portion of the NTSB's growing cost of commercial aviation accident investigations, a new aviation accident recovery and investigation fee is proposed. This fee, which would be paid by commercial air carriers based on revenue flight hours of operation, would collect an estimated \$6 million in 1999.

SOCIAL SECURITY ADMINISTRATION

Administration of claimant representative approval and direct payment process fees.—The Budget proposes

to impose a fee on persons who represent Supplemental Security Income claimants in administrative or judicial proceedings. This fee is designed to recover the cost of processing attorney fee agreements and determining the allowable charge under the fee petition process. This assessment would be imposed only if the claimant is awarded past due benefits and a fee for representation is approved by the Social Security Administration.

Collections from the following proposals would be deposited in receipt accounts as offsetting receipts:

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration, railroad safety inspection fee.—The rail safety fee would offset costs incurred by the Federal Railroad Administration for inspection, research and development and related activities to ensure the safe operation of passenger and freight railroads. A similar fee was enacted in the Omnibus Budget Reconciliation Act of 1990, but expired at the end of 1995.

ENVIRONMENTAL PROTECTION AGENCY

Pesticide registration fees.—The budget proposes to reinstate pesticide registration fees that are statutorily suspended through 2001. These fees would be used to offset the cost of reviewing applications for pesticide registrations, amendments to registrations, and experimental use permits.

Chemical pre-manufacturing notification (PMN) fees.—The Administration proposes to eliminate the statutory cap on PMN fees and to increase fees charged to chemical producers to recover the cost of reviewing notifications of new chemicals prior to production.

NUCLEAR REGULATORY COMMISSION (NRC)

Extend Nuclear Regulatory Commission fees.—Under current law, the NRC must recover approximately 100 percent of its costs from licensing, inspection, and annual fees charged to its applicants and licensees through 1998. Unless the law is extended, the fee coverage requirement will revert to 33 percent of NRC's cost of operations. The Administration proposes to extend fees at approximately 100 percent of NRC's cost of operations through 2003.

SOCIAL SECURITY ADMINISTRATION

Administration of claimant representative approval and direct payment process fees.—The Budget proposes to impose a fee on persons who represent Social Security claimants in administrative or judicial proceedings.

This fee is designed to recover the cost of processing attorney fee agreements, determining the allowable charge under the fee petition process, and processing the direct payment of attorney fees. This assessment would be imposed only if the claimant is awarded past due benefits, and a fee for representation is approved by the Social Security Administration.

Mandatory Proposals

The following new and increased fees are classified as mandatory because they are proposed to be included in authorizing legislation and neither the collection or spending of the fee would be contingent upon appropriations action.

Collections from the following proposals are to be deposited directly in appropriations accounts as offsetting collections:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Medicare cost-based provider audit fees.—The Budget proposes \$395 million in 1999 in fees to charge cost-based health care providers the full cost associated with performing annual audits of these providers cost reports. The fee would allow more annual audits to be conducted and act as a deterrent to inflating reported costs.

Medicare premiums for retirees under the age of 65 and displaced workers.—The Administration proposes to charge premiums based on an actuarially fair rate to people between the ages of 62 and 65 and displaced workers between 55 and 61 who elect to participate in the Medicare buy-in premium based program. This increase in premium collections is partially offset by the reduction in premium collections due to the Medicare program integrity proposal.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

State bank examination fee.—The Administration proposes to require the FDIC and the Federal Reserve to assess fees for examinations of bank holding companies and state-chartered FDIC-insured banks. The costs of such examinations are currently funded from deposit insurance premiums and Federal Reserve earnings from monetary policy activities. The FDIC fee proceeds would be used to finance the examination operation. The Federal Reserve collections do not meet the technical definition of user fees, but are considered governmental receipts and are discussed in the preceding chapter on governmental receipts.

Collections from the following proposals are to be deposited in receipt accounts as offsetting receipts:

DEPARTMENT OF THE INTERIOR

Interior and USDA, entrance and recreation fees.—The Administration proposes to increase entrance, recreation, and other fees charged by the National Park Service and other land management agencies, and to grant those agencies permanent authority to use all receipts for facility improvements and new repairs.

National Park Service, park concession fees.—The Administration proposes to allow parks to retain all existing and new franchise fees to use for park improvements and concessions related activities. This proposal would encourage parks to increase returns from concessions contracts, and is part of a set of legislative pro-

posals and administrative reforms to improve management of the park concessions program and increase competition for concessions contracts.

Collections from the following proposal are to be deposited in receipt accounts, as governmental receipts.

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration (FAA), cost based user fees.—Beginning in 2000, the Budget assumes that the existing aviation excise taxes will be gradually reduced over a five year period and replaced with a more efficient system of cost-based user fees charged for FAA services. As part of a continuing effort to create a more business-like FAA, the Administration will propose legislation to fund the FAA entirely with cost-based user fees by 2003.

OFFSETTING RECEIPTS

Table 4–3 itemizes all offsetting collections deposited in receipt accounts. These include payments from one part of the Government to another, called intra-governmental transactions, and collections from the public.

These receipts are offset (deducted) from outlays in the Federal budget. In total, offsetting receipts are estimated at \$352.9 billion in 1999.

Table 4-3. OFFSETTING RECEIPTS BY TYPE

(In millions of dollars)

Source	1997 actual	1998 estimate	1999 estimate	2000 estimate	2001 estimate	2002 estimate	2003 estimate
INTRAGOVERNMENTAL TRANSACTIONS							
On-budget receipts:							
Federal intrafund transactions:							
Distributed by agency:							
Interest from the Federal Financing Bank	4,171	3,142	2,758	2,518	2,344	2,113	1,853
Interest on Government capital in enterprises	1,570	1,543	1,321	1,257	1,153	1,033	926
Other	1,969	1,610	1,632	1,741	1,842	1,960	2,078
Total Federal intrafunds	7,710	6,295	5,711	5,516	5,339	5,106	4,857
Trust intrafund transactions:							
Distributed by agency:							
Payments to railroad retirement	3,747	3,784	3,785	3,806	3,692	3,797	3,796
Other	1	1	1	1	1	1	1
Total trust intrafunds	3,748	3,785	3,786	3,807	3,693	3,798	3,797
Total intrafund transactions	11,458	10,080	9,497	9,323	9,032	8,904	8,654
Interfund transactions:							
Distributed by agency:							
Federal fund payments to trust funds:							
Contributions to insurance programs:							
Military retirement fund	15,151	15,119	15,724	16,353	17,007	17,688	18,395
Supplementary medical insurance	59,471	59,773	62,171	67,824	74,738	82,489	91,201
Proposed Legislation (PAYGO)			-135	-250	-295	-325	-365
Hospital insurance	4,202	5,414	6,021	5,894	6,192	6,556	6,975
Railroad social security equivalent fund	56	62	57	58	59	60	62
Rail industry pension fund	182	192	197	199	202	205	209
Civilian supplementary retirement contributions	21,558	21,502	21,813	22,041	21,918	21,770	21,718
Unemployment insurance	565	517	526	551	619	608	598
Other contributions	425	372	435	401	415	406	404
Proposed Legislation (PAYGO)			5				
Miscellaneous payments	585	515	476	476	478	480	482
Subtotal	102,195	103,466	107,290	113,547	121,333	129,937	139,679
Trust fund payments to Federal funds:							
Quinquennial adjustment for military service credits					1,182		
Other	1,049	1,065	1,062	1,085	1,108	1,129	1,153
Subtotal	1,049	1,065	1,062	1,085	2,290	1,129	1,153
Total interfunds distributed by agency	103,244	104,531	108,352	114,632	123,623	131,066	140,832
Undistributed by agency:							
Employer share, employee retirement (on-budget):							
Civil service retirement and disability insurance	8,168	8,676	8,776	9,032	9,400	9,819	9,774
CSRD from Postal Service	5,927	6,068	6,014	6,237	6,452	6,715	6,863
Hospital insurance (contribution as employer) ¹	1,860	1,902	1,976	2,063	2,117	2,220	2,317
Postal employer contributions to FHI	605	597	620	645	671	698	727
Military retirement fund	11,102	10,543	10,563	10,535	10,584	10,750	11,000
Other Federal employees retirement	111	122	128	132	137	143	145
Total employer share, employee retirement (on-budget)	27,773	27,908	28,077	28,644	29,361	30,345	30,826
Interest received by on-budget trust funds:							
Proposed Legislation (non-PAYGO)	63,776	65,852	67,206	68,804	70,083	71,648	73,309
		99	214	457	728	967	1,187
Total interfund transactions undistributed by agency	91,549	93,859	95,497	97,905	100,172	102,960	105,322
Total interfund transactions	194,793	198,390	203,849	212,537	223,795	234,026	246,154
Total on-budget receipts	206,251	208,470	213,346	221,860	232,827	242,930	254,808

Table 4-3. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

Source	1997 actual	1998 estimate	1999 estimate	2000 estimate	2001 estimate	2002 estimate	2003 estimate
Off-budget receipts:							
Interfund transactions:							
Distributed by agency:							
Federal fund payments to trust funds:							
Old-age, survivors, and disability insurance	6,880	9,650	8,899	9,363	9,913	10,562	11,267
Undistributed by agency:							
Employer share, employee retirement (off-budget)	6,483	7,155	7,667	8,317	8,831	9,571	10,304
Interest received by off-budget trust funds	41,214	46,730	51,623	56,966	62,889	69,318	76,337
Total off-budget receipts:	54,577	63,535	68,189	74,646	81,633	89,451	97,908
Total intragovernmental transactions	260,828	272,005	281,535	296,506	314,460	332,381	352,716
PROPRIETARY RECEIPTS FROM THE PUBLIC							
Distributed by agency:							
Interest:							
Interest on foreign loans and deferred foreign collections	672	633	596	561	545	602	583
Interest on deposits in tax and loan accounts	948	920	920	908	908	908	908
Other interest (domestic—civil) ²	5,365	6,098	6,928	7,679	8,428	9,210	9,957
Total interest	6,985	7,651	8,444	9,148	9,881	10,720	11,448
Royalties and rents	1,298	1,321	1,367	1,375	1,396	1,417	1,446
Proposed Legislation (PAYGO)				-1	-1	-1	-1
Sale of products:							
Sale of timber and other natural land products	485	499	519	500	487	473	471
Sale of minerals and mineral products	792	440	57	56	87	146	181
Sale of power and other utilities	812	739	761	761	786	791	781
Other	38	34	51	54	54	53	53
Total sale of products	2,127	1,712	1,388	1,371	1,414	1,463	1,486
Fees and other charges for services and special benefits:							
Medicare premiums and other charges (trust funds)	20,421	20,672	21,384	23,255	25,464	27,791	30,497
Proposed Legislation (PAYGO)			127	679	814	1,025	1,234
Nuclear waste disposal revenues	596	602	625	632	637	641	652
Veterans life insurance (trust funds)	231	224	210	192	174	158	142
Other ²	2,095	1,806	1,621	1,598	1,581	1,596	1,602
Proposed Legislation (non-PAYGO)			12	17	17	17	17
Proposed Legislation (PAYGO)			24	119	128	135	144
Total fees and other charges	23,343	23,304	24,003	26,492	28,815	31,363	34,288
Sale of Government property:							
Sale of land and other real property	96	102	63	67	70	613	74
Military assistance program sales (trust funds)	15,128	13,750	12,550	11,790	11,090	10,570	9,770
Other	111	95	82	82	82	82	63
Total sale of Government property	15,335	13,947	12,695	11,939	11,242	11,265	9,907
Realization upon loans and investments:							
Foreign military credit sales	653	553	391	261	186	134	85
Negative subsidies and downward estimates	2,395	2,565	6,576	2,530	2,319	2,270	2,436
Proposed Legislation (non-PAYGO)			50				
Proposed Legislation (PAYGO)				241	234	233	237
Repayment of loans to United Kingdom	108	110	112	115	117	50	57
Other	131	73	38	40	44	29	30
Total realization upon loans and investments	3,287	3,301	7,167	3,187	2,900	2,716	2,845
Recoveries and refunds ²	2,831	3,361	3,863	3,996	4,204	5,325	4,078
Proposed Legislation (non-PAYGO)							285
Proposed Legislation (PAYGO)			40	323	332	333	331
Miscellaneous receipt accounts ²	1,621	2,518	2,070	2,117	2,148	2,186	2,231
Proposed Legislation (PAYGO)			-21	-22	-23	-24	-24
Total proprietary receipts from the public distributed by agency	56,827	57,115	61,016	59,925	62,308	66,763	68,320

Table 4-3. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

Source	1997 actual	1998 estimate	1999 estimate	2000 estimate	2001 estimate	2002 estimate	2003 estimate
Undistributed by agency:							
Other interest: Interest received from Outer Continental Shelf escrow account	6	1,120	30				
Rents and royalties on the Outer Continental Shelf:							
Rents and bonuses	1,259	1,652	983	908	877	789	725
Royalties	3,452	3,011	3,204	3,044	3,257	3,488	3,161
Sale of major assets		4,424	728				
Total proprietary receipts from the public undistributed by agency	4,717	10,207	4,945	3,952	4,134	4,277	3,886
Total proprietary receipts from the public³	61,544	67,322	65,961	63,877	66,442	71,040	72,206
OFFSETTING GOVERNMENTAL RECEIPTS							
Distributed by agency:							
Regulatory fees	3,057	2,927	3,127	3,184	3,237	3,311	3,365
Proposed Legislation (non-PAYGO)			385	386	394	404	414
Other	76	70	70	70	70	70	8
Undistributed by agency:							
Spectrum auction proceeds	11,006	2,216	1,833	4,889	4,841	11,354	3,300
Total offsetting governmental receipts	14,139	5,213	5,415	8,529	8,542	15,139	7,087
Total offsetting receipts	336,511	344,540	352,911	368,912	389,444	418,560	432,009

¹ Includes provision for covered Federal civilian employees and military personnel.² Includes both Federal funds and trust funds.³ Consists of:

	1997 actual	1998 estimate	1999 estimate	2000 estimate	2001 estimate	2002 estimate	2003 estimate
On budget:							
Federal funds	24,524	31,163	30,238	26,430	27,370	29,932	28,978
Trust funds	37,002	36,139	35,691	37,410	39,035	41,071	43,191
Off-budget	18	20	32	37	37	37	37