

4. USER FEES AND OTHER COLLECTIONS

In addition to collecting taxes and other receipts by the exercise of its sovereign powers, which is discussed in the previous chapter, the Federal Government collects income from the public from market-oriented activities. Examples of these collections include the sale of postage stamps and electricity, fees for admittance to national parks, premiums for deposit insurance, and rents and royalties for the right to extract oil from the Outer Continental shelf.

Depending on the laws that authorize the collections, they can be credited directly to expenditure accounts as "offsetting collections," where they are usually available for expenditure without further action by Congress, or they are credited to receipt accounts as "offsetting receipts," which may be appropriated to expenditure accounts through action by the Congress. The budget refers to them as offsetting collections and offsetting receipts, because they are subtracted from gross outlays rather than added to taxes on the receipts side of the budget. 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.¹

Offsetting collections and receipts include most user fees, which are discussed below, as well as some amounts that are not user fees. Table 4-1 summarizes these transactions. For 2001, total offsetting collections and receipts from the public are estimated to be \$214.8 billion, and total user fees are estimated to be \$148.6 billion.

The following section discusses user fees and the Administration's user fee proposals. The subsequent section displays more information on offsetting collections and receipts. The offsetting collections and receipts by agency are also displayed in Table 20-1, "Outlays to the Public, Net and Gross," which appears in Chapter 20 of this volume.

TABLE 4-1. GROSS OUTLAYS, USER FEES, OTHER OFFSETTING COLLECTIONS AND RECEIPTS FROM THE PUBLIC, AND NET OUTLAYS

(In billions of dollars)

	Actual 1999	Estimate	
		2000	2001
Gross outlays	1,910.3	2,001.6	2,049.8
Offsetting collections and receipts from the public:			
User fees ¹	137.0	137.6	147.2
Other	70.3	74.4	67.6
Subtotal, offsetting collections and receipts from the public ...	207.3	212.0	214.8
Net outlays	1,703.0	1,789.6	1,835.0

¹ Total user fees are shown below. They include user fees that are classified on the receipts side of the budget in addition to the amounts shown on this line. For additional details of total user fees, see Table 4-2. "Total User Fee Collections."

Total user fees:			
Offsetting collections and receipts from the public	137.0	137.6	147.2
Receipts	1.0	1.1	1.5
Total user fees	138.0	138.7	148.6

USER FEES

I. Introduction and Background

The Federal Government may charge user fees to those who benefit directly from a particular activity or those subject to regulation. According to the definition of user fees used in this chapter, Table 4-2 shows that user fees were \$138.0 billion in 1999, and are estimated to increase to \$138.7 billion in 2000 and to \$148.6 billion in 2001, growing to an estimated \$176.4 billion in 2005, including the user fee proposals proposed in this budget, which are shown in Table 4-3. This table shows that the Administration is proposing to increase user fees by an estimated \$3.8 billion in 2001, growing to an estimated \$7.7 billion in 2005.

Definition. The term "user fee" as defined here is fees, charges, and assessments levied on a class directly benefiting from, or subject to regulation by, a government program or activity, and to be utilized solely to support the program or activity. In addition, the payers of the fee must be limited 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 it is charged, including directly associated agency functions, not for unrelated programs or activities and not for the broad purposes of the Government or an agency.

¹ Showing collections from business-type transactions as offsets on the spending side of the budget follows the concept recommended by the 1967 *Report of the President's Commission on Budget Concepts*.

The concept is discussed in Chapter 24: "Budget System and Concepts and Glossary" in this volume.

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 federally-owned buildings and facilities
 - Flood insurance premiums
 - Sales of commemorative coins
- User fees are earmarked to fund 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 different from general revenue, because they are not collected from the general public or broad segments of the public (e.g., income taxes or customs duties) and they are not used for the general purposes of government (e.g., 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 depends on fees, instead of 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.

- Examples of business-type or market-oriented user fees include fees for the sale of postal services (the sale of stamps), electricity (e.g., sales by the Tennessee Valley Authority), payments for Medicare voluntary supplemental medical insurance, life insurance premiums for veterans, recreation fees for parks, NASA fees for shuttle services, the sale of weather maps and related information by the Department of Commerce, the sale of commemorative coins, and fees for the sale of books.
- Examples of regulatory and licensing user fees include fees for regulating the nuclear energy industry, bankruptcy filing fees, immigration fees, food inspection fees, passport fees, and patent and trademark fees.

User fees do not include all offsetting collections and receipts, such as the interest and repayments received from credit programs; proceeds from the sale of loans and other financial investments; interest, dividends, and other earnings; cost sharing contributions; the sale of timber, minerals, oil, commodities, and other natural resources; proceeds from asset sales (property, plant, and equipment); Outer Continental Shelf receipts; or spectrum auction proceeds. Neither do they include earmarked taxes (such as taxes paid to social insurance programs or excise taxes), or customs duties, fines, penalties, and forfeitures.

Alternative definitions. The definition used in this chapter is useful because it identifies goods, services, and regulations financed by earmarked collections and receipts.² Other definitions may be used for other pur-

poses, such as establishing policy for charging prices to the public for goods and services regardless of whether the proceeds are earmarked.

Alternative definitions could, for example:

- be narrower than the one used here, by excluding regulatory fees and analyzing them as a separate category.
- be broader than the one used here, by:
 - eliminating the requirement that fees be earmarked. The definition would then include fees that go to the general fund in addition to those that are earmarked to finance the related activity.
 - including the sale of resources as well as goods and services, such as natural resources (e.g., timber, oil, or minerals) and property, plant, and equipment.
 - interpreting more broadly whether a program has private beneficiaries, or whether the proceeds are earmarked to benefit directly those paying the fee. A broader interpretation might include beneficiary- or liability-based excise taxes.³

What is the purpose of user fees? The purpose of user fees is to improve the efficiency and equity of certain Government activities, and to reduce the bur-

can be under the jurisdiction of other committees. See the Congressional Record, January 3, 1991, p. H31, item 8.

³Beneficiary- and liability-based taxes are terms taken from the Congressional Budget Office, *The Growth of Federal User Charges*, August 1993, and updated in October 1995. Examples of beneficiary-based taxes include taxes on gasoline, which finance grants to States for highway construction, or taxes on airline tickets, which finance air traffic control activities and airports. An example of a liability-based tax is the excise tax that helps fund the hazardous substance superfund in the Environmental Protection Agency. This tax is paid by industry groups to finance environmental cleanup activities related to the industry activity but not necessarily caused by the payer of the fee.

²The definition used here is similar to one the House of Representatives uses as a guide for purposes of committee jurisdiction. The definition helps differentiate between taxes, which are under the jurisdiction of the Ways and Means Committee, and fees, which

den on the taxpayer to finance activities whose benefits accrue to a relatively limited number of people.

- User fees that are set to cover the costs of production of goods and services can provide *efficiency* in the allocation of resources within the economy. They allocate goods and services to those who value them the most, and they signal to the government how much of the goods or services it should provide. Prices in private, competitive markets serve the same purposes.
- User fees for goods and services that do not have special social benefits improve *equity*, or fairness, by requiring that those who benefit from an activity are the same people who pay for it. The public often perceives user fees as fair because those who benefit from the good or service pay for it in whole or in part, and those who do not benefit do not pay.

When should the Government charge a fee? Discussions of whether to finance spending with a tax or a fee often focus on whether the benefits of the activity are to the public in general or to a limited group of people. As a general rule, if the benefits accrue to the public in general, then the program should be financed by taxes paid by the public; in contrast, if the benefits accrue to a limited number of private individuals or groups, then the program should be financed by fees paid by the private beneficiaries. For Federal programs where the benefits are entirely public or entirely private, applying this rule is relatively easy. For example, according to this rule, the benefits from national defense accrue to the public in general and should be (and are) financed by taxes. In contrast, the benefits of electricity sold by the Tennessee Valley Authority accrue exclusively to those using the electricity, and should be (and are) financed by user fees.

In many cases, however, an activity has benefits that accrue to both public and to private groups, and it may be difficult to identify how much of the benefits accrue to each. Because of this, it can be difficult to know how much of the program should be financed by taxes and how much by fees. For example, the benefits from recreation areas are mixed. Fees for visitors to these areas are appropriate because the visitors benefit directly from their visit, but the public in general also benefits because these areas protect the Nation's natural and historical heritage now and for posterity.

As a further complication, where a fee may be appropriate to finance all or part of an activity, some consideration must be given to the ease of administering the fee.

What should be the amount of the fee? For programs that have private beneficiaries, the amount of the fee should depend on the costs of producing the goods or services and the portion of the program that is for private benefits. If the benefit is primarily private, and any public benefits are incidental, the Admin-

istration supports fees that cover the full cost to the Government, including both direct and indirect costs.⁴

The Administration is working to put cost accounting systems in place across the Government that would make the calculation of full cost more feasible. The difficulties in measuring full cost are associated in part with allocating to an activity the full costs of capital, retirement benefits, and insurance, as well as other Federal costs that may appear in other parts of the budget. Guidance in the Statement of Federal Financial Accounting Standards No. 4, *Managerial Cost Accounting Concepts and Standards for the Federal Government* (July 31, 1995), should underlie cost accounting in the Federal Government.

Classification of user fees in the budget. As shown in Table 4-1, most user fees are classified as offsets to outlays on the spending side of the budget, but a few are classified on the receipts side of the budget. An estimated \$1.5 billion in 2001 are classified this way and are included in the totals described in Chapter 3. "Federal Receipts." They are classified as receipts because they are regulatory fees collected by the Federal Government by the exercise of its sovereign powers.

The remaining user fees, an estimated \$147.2 billion in 2001, are classified as offsetting collections and receipts on the spending side of the budget. Some of these are collected by the Federal Government by the exercise of its sovereign powers and would normally appear on the receipts side of the budget, but are required by law to be classified as offsetting collections or receipts.

- An estimated \$107.0 billion of user fees for 2001 are credited directly to expenditure accounts, and are generally available for expenditure when they are collected, without further action by the Congress.
- An estimated \$40.1 billion for 2001 are deposited in offsetting receipt accounts, and generally are not available to be spent unless appropriated by the Congress each year.

As a further classification, the following Tables 4-2 and 4-3 identify the fees as *discretionary* or *mandatory*. These classifications are terms from the Budget Enforcement Act of 1990 as amended and are used frequently in the analysis of the budget. "Discretionary" in this chapter refers to fees generally controlled through annual appropriations acts and under the jurisdiction of the appropriations committees in the Congress. These fees offset discretionary spending under the discretionary caps. "Mandatory" refers to fees controlled by permanent laws and under the jurisdiction of the authorizing committees. These fees are subject to rules of paygo, whereby changes in law affecting mandatory programs and receipts cannot result in a net cost. Mandatory spending is sometimes referred to as direct spending.

⁴ Policies for setting user charges are promulgated in OMB Circular No. A-25: "User Charges" (July 8, 1993). These policies are required regardless of whether or not the proceeds are earmarked to finance the related activity.

These and other classifications are discussed further in this volume in Chapter 24, "Budget System and Concepts and Glossary."

II. Current User Fees

As shown in Table 4-2, "Total User Fee Collections," total user fee collections (including those proposed in this budget) are estimated to be \$148.6 billion in 2001, increasing to \$176.4 billion in 2005. User fee collections by the Postal Service, Medicare premiums, and foreign military sales are the largest and are estimated to be more than two-thirds of all existing user fee collections in 2001.

User fee collections are used to offset outlays in both the discretionary and mandatory parts of the budget. Discretionary user fee collections are estimated to be \$16.6 billion in 2001. The Administration is proposing to make collections from Federal Aviation Administration (FAA) cost-based user fees, the new harbor services fee, and proposed fees for the Federal Deposit Insurance Corporation available to offset discretionary spending.

III. User Fee Proposals

The Administration is proposing the new or increased user fees shown in Table 4-3: "User Fee Proposals." These proposals would increase user fee collections by an estimated \$3.8 billion in 2001, increasing to \$7.7 billion in 2005.

A. User Fee Proposals to Offset Discretionary Spending

1. Proposals for Discretionary User Fees

a. Offsetting collections deposited in appropriation accounts

Department of Agriculture

Food Safety and Inspection Service meat, poultry, and egg inspection fees.—This budget proposes a new user fee for the Food Safety and Inspection Service. Under the proposed fee the meat, poultry and egg 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.

Animal and Plant Health Inspection Service (APHIS).—The budget proposes to establish fees to cover the cost of providing animal welfare inspections to recipients of APHIS services such as animal research centers, humane societies, and kennels. Fees would also be established to cover the cost of issuing biotechnology certificates to firms that manufacture products derived through biotechnological innovation.

Grain Inspection, Packers and Stockyards Administration (GIPSA) licensing fees.—The budget proposes to charge the grain industry for GIPSA's costs to review and maintain standards (such as grain quality and classification) that are used by the 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.

Department of Commerce

National Oceanic and Atmospheric Administration (NOAA), navigational assistance fees.—The Administration proposes to levy 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.

Fisheries management fees.—The budget proposes to levy a fee to recover a portion of the costs of providing fisheries management and enforcement services.

Department of Health and Human Services

Food and Drug Administration (FDA) fees.—The budget seeks \$19 million in new fees to finance FDA activities for the review of new medical devices and food additives, and for food export certifications. These fees will be used to augment current funding for these activities.

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

Managed care application and renewal fees.—The Administration proposes to charge managed care organizations a fee to cover the cost of reviewing initial applications and renewing annual contracts with Medicare. Proceeds from this fee would be used to offset funding for Federal administrative expenses related to managed care organization applications and renewals.

Provider initial certification fees.—The Administration proposes to levy a fee on providers (e.g., home health agencies and skilled nursing facilities) 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 funding.

Table 4-2. TOTAL USER FEE COLLECTIONS
(In millions of dollars)

	1999 actual	Estimates					
		2000	2001	2002	2003	2004	2005
Receipts							
Proposed FAA user fees to replace excise taxes ¹ .....	.....	.....	965	1,866	1,999	2,030	2,030
Harbor maintenance and inland waterway fees ²	553	675	.....	.....	.....	.....	.....
Agricultural quarantine inspection fees	172	188	215	217	220	223	225
Other governmental receipt user fees	248	255	281	286	287	293	298
Subtotal, governmental receipts	973	1,118	1,461	2,369	2,506	2,546	2,553
Offsetting Collections and Receipts from the Public							
Discretionary							
Department of Agriculture: Food safety inspection and other fees	167	186	735	735	737	741	746
Department of Commerce: Patent and trademark, fees for weather services, and other fees	1,021	1,123	1,304	1,304	1,319	1,352	1,382
Department of Defense: Commissary and other fees	7,345	6,438	6,366	6,347	6,347	6,347	6,347
Department of Energy: Federal Energy Regulation Commission and other fees	508	631	655	645	643	641	619
Department of Health and Human Services: Food and Drug Administration, Health Care Financing Administration, and other fees	316	338	657	657	664	681	696
Department of the Interior: Bureau of Land Management and other fees	235	260	250	250	252	260	264
Department of Justice: Antitrust and other fees	343	314	590	590	596	611	625
Department of State: Visa, passport, and other fees	365	411	451	451	456	468	478
Department of Transportation: Coast Guard and other fees	83	104	464	888	897	921	942
Department of the Treasury: Sale of commemorative coins and other fees	1,906	1,935	1,854	1,854	1,876	1,923	1,965
Department of Veterans Affairs: Medical care and other fees	577	603	496	496	501	515	525
National Aeronautics and Space Administration: Reimbursement for the use of NASA services	848	956	875	875	875	875	875
Federal Communications Commission: Regulatory and other fees	173	191	200	200	202	207	212
Federal Trade Commission: Regulatory and other fees	97	111	165	165	167	171	175
Legislative Branch: Library of Congress and copyright fees	85	119	114	114	114	114	114
National Credit Union Administration: Stock subscription fees	102	111	121	121	122	125	128
Nuclear Regulatory Commission: Regulatory fees	442	447	454	454	459	471	481
Panama Canal Commission: Fees for use of the canal	756	176	.....	.....	.....	.....	.....
Securities and Exchange Commission: Regulatory fees	591	634	650	650	658	674	689
All other agencies, discretionary user fees	144	150	199	187	188	191	195
Subtotal, discretionary offsetting collections and receipts	16,104	15,238	16,600	16,983	17,073	17,288	17,458
Mandatory							
Department of Agriculture: Federal crop insurance and other fees	883	1,111	1,586	1,557	1,633	1,697	1,727
Department of Defense: Commissary surcharge and other fees	257	276	275	275	275	275	275
Department of Energy: Proceeds from the sale of energy and other fees:	2,889	2,489	2,697	3,162	3,234	3,195	3,140
Department of Health and Human Services: Medicare Part B insurance premiums, and other fees	21,570	21,744	23,169	25,631	28,214	30,854	33,694
Department of the Interior: Recreation and other fees	610	575	586	604	621	629	637
Department of Justice: Immigration and other fees	1,300	1,498	1,483	1,488	1,516	1,524	1,531
Department of Labor: Insurance premiums to guarantee private pensions and other fees	460	824	1,083	1,013	1,087	1,160	1,233
Department of the Treasury: Customs, bank regulation, and other fees	1,813	1,871	1,922	2,001	2,074	2,150	2,229
Department of Veterans Affairs: Veterans life insurance and other fees	1,696	1,651	1,724	1,720	1,686	1,643	1,606
Corps of Engineers: Harbor services and other fees	40	41	1,007	1,004	1,002	1,038	1,056
Federal Emergency Management Agency: Flood insurance fees	1,416	1,545	1,756	1,868	1,986	2,121	2,266
International Assistance Programs: Foreign military sales	11,624	10,560	10,760	10,890	10,920	11,020	11,150
Office of Personnel Management: Federal employee health and life insurance fees	6,093	6,620	7,140	7,677	8,286	8,909	9,539
Federal Deposit Insurance Corporation: Deposit insurance fees	860	374	590	664	1,014	1,548	2,336
National Credit Union Administration: Credit union share insurance and other fees	350	308	326	300	321	347	388
Postal Service: Fees for postal services (e. g., sale of stamps)	61,957	63,998	67,421	70,000	72,750	74,100	75,650
Tennessee Valley Authority: Proceeds from the sale of energy	6,818	6,590	6,718	6,826	7,078	7,419	7,565
All other agencies, mandatory user fees	244	287	315	326	313	329	339
Subtotal, mandatory offsetting collections and receipts	120,880	122,362	130,558	137,006	144,010	149,958	156,361
Subtotal, offsetting collections and receipts	136,984	137,600	147,158	153,989	161,083	167,246	173,819
TOTAL, User fees	137,957	138,718	148,619	156,358	163,589	169,792	176,372

¹Gross revenue increase from proposed fees. Current aviation excise taxes, which are not user fees, will gradually be converted to cost-based user fees. While considered governmental receipts, the following proceeds from the fees, net of income tax offsets, would be made available to offset discretionary spending:

1999 2000 2001 2002 2003 2004 2005 2000-05

FAA collections available for spending

..... 724 1,399 1,499 1,522 1,522 6,667

²The Budget proposes to convert proceeds to offsetting collections for the Corps of Engineers. While the fee collection will be mandatory, proceeds from the fee will be made available to offset discretionary spending.

Table 4-3. USER FEE PROPOSALS
(estimated collections in millions of dollars)

	2001	2002	2003	2004	2005	2001–2005
A. USER FEE PROPOSALS TO OFFSET DISCRETIONARY SPENDING						
1. Proposals for Discretionary User Fees						
<i>a. Offsetting collections deposited in appropriation accounts</i>						
Department of Agriculture						
Food Safety Inspection Service fees	534	641	641	641	641	3,098
Animal and Plant Health Inspection Service	11	11	11	11	11	55
Grain Inspection, Packers and Stockyards Administration	23	23	23	23	23	115
Department of Commerce						
National Oceanic and Atmospheric Administration, Navigational assistance fees	14	14	14	14	14	70
Fisheries management fees	20	20	20	20	20	100
Department of Health and Human Services						
Food and Drug Administration fees	19	19	19	19	19	95
Health Care Financing Administration fee proposals:						
Managed care application and renewal fees	21	21	21	21	21	105
Provider initial certification fees	13	13	13	13	13	65
Provider recertification fees	50	50	50	50	50	250
Paper claims submission fees	83	83	83	83	83	415
Duplicate and unprocessable claims fees	53	53	53	53	53	265
Increase Medicare+Choice fees	131	130	129	128	128	646
Nursing home criminal abuse registry fee	4	4	4	4	4	20
Department of the Interior						
User fees on Outer Continental Shelf lands	10	10	10	10	10	50
Department of Justice						
Hart-Scott Rodino pre-merger filing fees	38	38	38	38	38	190
Department of Transportation						
Coast Guard, navigational services fees	212	636	644	660	674	2,826
Federal Railroad Administration, rail safety inspection fees	103	103	103	103	103	515
Hazardous materials transportation safety fees	19	19	19	19	19	95
Surface Transportation Board fees	17	17	17	17	17	85
Department of the Treasury						
Customs, automation modernization fee	210	210	210	210	210	1,050
Federal Trade Commission						
Hart-Scott Rodino pre-merger filing fees	38	38	38	38	38	190
National Transportation Safety Board						
Commercial accident investigation fees	10	10	10	10	10	50
<i>b. Offsetting collections deposited in receipt accounts</i>						
Department of Justice						
Immigration premium processing fee	17	17	17	17	17	85
Increase inspection user fees	167	167	167	167	167	835
Department of Transportation						
Pipeline safety fees	11	12	12	12	12	59
Environmental Protection Agency						
Pesticide registration fees	16	.....	.....	.....	.....	16
Pre-manufacture notice (PMN) fees	4	8	8	8	8	36
Nuclear Regulatory Commission						
Extend Nuclear Regulatory Commission user fees	295	295	295	295	295	1,475
Subtotal, proposals for discretionary user fees	2,143	2,662	2,669	2,684	2,698	12,856
2. Proposals for Mandatory User Fees to Offset Discretionary Spending						
<i>a. Offsetting collections deposited in appropriation accounts</i>						
Federal Deposit Insurance Corporation						
State bank exam fees	92	96	102	106	111	507
<i>b. Offsetting collections deposited in receipt accounts</i>						
Corps of Engineers						
Harbor services user fee, replaces harbor maintenance tax ¹	417	361	313	315	296	1,702
<i>c. Receipts</i>						
Department of Transportation						
Federal Aviation Administration cost-based user fees (governmental receipt) ²	965	1,866	1,999	2,030	2,030	8,890
Subtotal, proposals for mandatory user fees to offset discretionary spending	1,474	2,323	2,414	2,451	2,437	11,099
Subtotal, user fee proposals to offset discretionary spending	3,617	4,985	5,083	5,135	5,135	23,955

Table 4-3. USER FEE PROPOSALS—Continued
(estimated collections in millions of dollars)

	2001	2002	2003	2004	2005	2001–2005
B. USER FEE PROPOSALS TO OFFSET MANDATORY SPENDING						
<i>a. Offsetting collections deposited in appropriation accounts</i>						
Department of Agriculture						
Federal crop insurance	69	.....	.....	.....	.....	69
Department of Labor						
Implement alien labor certification fees	138	122	122	122	122	626
Federal Emergency Management Agency						
Flood map license fee for flood map modernization	104	107	109	112	114	546
<i>b. Offsetting collections deposited in receipt accounts</i>						
Department of Agriculture						
Recreation and entrance fees .....	.....	28	36	48	50	162
Concession, land use, right of way, and filming permits	6	7	13	13	13	52
Department of Health and Human Services						
Medicare premiums	-180	226	392	418	590	1,446
Department of the Interior						
Recreation and entrance fees .....	.....	73	74	76	74	297
Filming and special use permits fees	3	3	4	4	5	19
Hardrock mining production fees .....	.....	8	26	26	26	86
Department of the Treasury						
Customs, extend conveyance/passenger fee .....	.....	.....	424	465	889	.....
Customs, extend merchandise processing fee .....	.....	.....	1,036	1,059	2,095	.....
Subtotal user fee proposals to offset mandatory spending	140	574	776	2,279	2,518	6,287
Total user fee proposals	3,757	5,559	5,859	7,414	7,653	30,242

¹The amounts shown here are the amounts available to offset discretionary spending. This is the total amount from the proposed harbor services user fee, less three-fourths (to account for the income tax offset) of the tax revenues that would be lost from repealing the existing harbor maintenance tax.

²Gross revenue increase from proposed fees. Current aviation excise taxes, which are not user fees, will gradually be converted to cost-based user fees. While considered governmental receipts, the following proceeds from the fees, net of income tax offsets, would be made to offset discretionary spending:

	2001	2002	2003	2004	2005	2001–05
FAA collections available for spending	724	1,399	1,499	1,522	1,522	6,667

Provider recertification fees.—The Administration proposes to levy a fee on providers who are recertified for the Medicare program. By statute, skilled nursing facilities must be surveyed every year, home health agencies 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 funding.

Paper claims submission fees.—The Administration proposes to charge providers \$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 to offset Contractor funding related to claims processing.

Duplicate and unprocessable claims fees.—The Administration 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 to offset Contractor funding related to claims processing.

Increase in the Medicare+Choice fees.—The Administration proposes to increase the fee on Medicare+Choice plans by approximately \$131 million

in 2001. The fee was authorized at \$100 million in the Balanced Budget Act of 1997 but reduced to approximately \$19 million (for 2001) by the Balanced Budget Refinement Act of 1999. This increase would be used to maintain the current level of effort in providing information to Medicare beneficiaries regarding the Medicare+Choice program.

Nursing home criminal abuse registry fee.—The Administration proposes to charge nursing facilities a fee to query a nursing home criminal abuse registry. Proceeds from the fee would be used to fund the operation and maintenance of the registry.

Department of the Interior

User fees on Outer Continental Shelf lands.—The Administration proposes new and modifications to existing user fees on the Minerals Management Service program that supports energy and mineral exploration, development and production on the Outer Continental lands such as increasing rental rates, implementing a bidding fee, and charging for violation re-inspections. Collections would be available upon appropriation to fund royalty and offshore minerals management activities.

Department of Justice

Hart-Scott-Rodino pre-merger filing fees.—The Administration proposes to restructure the Hart-Scott-

Rodino fee, which is charged to acquiring firms in mergers. Fees are collected by the Federal Trade Commission (FTC) and divided evenly between the FTC and the Antitrust Division in the Department of Justice.

Department of Transportation

Coast Guard, navigational services fees.—The Administration proposes to levy a fee on U.S. and foreign commercial cargo and cruise vessels 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, ice breaking, and vessel traffic services. Fishing and recreational vessels would be exempt.

Federal Railroad Administration, rail safety inspection fees.—This proposed fee would offset the costs of the Federal Railroad Administration's safety inspection program. An estimated \$103 million in fees would be collected from railroad carriers based upon a calculation of their rail usage.

Hazardous materials transportation safety fees.—Beginning late in 2001, hazardous materials transportation safety activities previously financed by general fund appropriations to the Research and Special Programs Administration are proposed to be financed instead by an increase in hazardous materials registration fees. Authorizing legislation will be proposed to increase the fees paid by shippers and carriers of hazardous materials by an estimated \$19 million in 2001 to fund these safety activities.

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, i.e. railroads and shippers.

Department of the Treasury

Customs, automation modernization fee.—The Administration proposes to establish a fee to offset the costs of modernizing automated commercial operations of the U. S. Customs Service. Fees would finance the development of the Automated Commercial Environment (ACE), which is critical to maintain the ability of the U. S. Customs Service to process the increasing volume of trade. Subsequent to the budget, authorization legislation will be transmitted to allow the Secretary to establish the fee.

Federal Trade Commission (FTC)

Hart-Scott-Rodino pre-merger filing fees.—The Administration proposes to restructure the Hart-Scott-Rodino fee, which is charged to acquiring firms in mergers. Fees are collected by the Federal FTC and divided evenly between the FTC and the Antitrust Division in the Department of Justice.

National Transportation Safety Board (NTSB)

Commercial accident investigation fees.—To offset a portion of the growing cost of commercial accident investigations by the NTSB, a new aviation accident recovery and investigation fee is proposed. This fee, which would be paid by commercial air, motor, ocean, rail, and pipeline carriers based on an approximation of risk, would collect an estimated \$10 million in 2001.

b. Offsetting collections deposited in receipt accounts

Department of Justice

Immigration premium processing fee.—This is a voluntary fee paid in addition to existing user fees charged for business visa processing that will guarantee expedited processing and direct liaison with the Immigration and Naturalization Service (INS). The INS estimates that \$17 million of the projected \$80 million in annual receipts will be used for expedited processing. The remainder will be earmarked for fraud investigations (\$8 million), reduction of backlog, and infrastructure improvements (\$55 million).

Increase inspection user fees.—Congress established the user fee account to cover the full cost of air and sea passenger inspections. The Administration is proposing to increase the per passenger inspection fee from \$6 to \$8 and eliminate an exemption from the inspection fee for cruise ship passengers. The increase will be used solely to defray inspection expenses.

Department of Transportation

Pipeline safety fees.—The Administration proposes to increase offsetting collections from the pipeline safety fund by an estimated \$11 million in user fees in 2001. These fees would fund grants to States to inspect intra-state pipelines, damage prevention grants to implement best practices of damage prevention, and additional research, training and risk assessment.

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.

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 user fees.—Under current law, the NRC must recover approximately 100 percent of its budget (less appropriations from the Nuclear Waste Fund) from licensing, inspection, and annual fees charged to its applicants and licensees through 2000. Unless the law is extended, this requirement will revert to 33 percent of NRC's budget. Because of fairness and equity concerns related to charging NRC licensees for expenses that do not

provide a direct benefit to them, the Administration proposes to extend the requirement to collect fees at approximately 98 percent of the NRC's budget in 2001, 96 percent in 2002, 94 percent in 2003, 92 percent in 2004, and 90 percent in 2005.

2. Proposals for Mandatory User Fees to Offset Discretionary Spending

a. Offsetting collections deposited in appropriation accounts

Federal Deposit Insurance Corporation (FDIC)

Recovery of supervision and regulation expenses.—The Administration proposes to require the FDIC and the Federal Reserve to recover their respective costs for supervision and regulation of state-chartered banks and bank holding companies. Currently, supervision and regulation expenses are funded from deposit insurance premiums (FDIC) and interest earnings on Treasury securities (Federal Reserve). The FDIC's collections would finance its state bank supervision and regulation operations.

b. Offsetting collections deposited in receipt accounts

Corps of Engineers

Harbor services fee.—The Administration proposes to replace collection of the ad valorem harbor maintenance tax with a cost-based user fee, the harbor services user fee. The user fee will finance construction, operation, and maintenance of harbor activities performed by the Corps of Engineers, the costs of operating and maintaining the Saint Lawrence Seaway, and the costs of administering the fee. Through appropriations acts, the fee will raise an average of \$980 million annually through 2005, which is less than would have been raised by the harbor maintenance tax before the Supreme Court decision that the ad valorem tax on exports was unconstitutional. While the collections from the harbor services fee would be mandatory, collections would be available to offset discretionary spending.

c. Receipts

Department of Transportation

Federal Aviation Administration (FAA), cost-based user fees.—The Budget proposes to reduce the existing aviation excise taxes over time as more efficient, cost-based user fees for air traffic services are phased in beginning in 2001. Under this proposal, the collections each year from the new cost-based user fees and the existing excise taxes combined would be equal to the total budget resources requested for the FAA in each succeeding year. In 2001, this proposal would result in the collection of \$1.0 billion in additional aviation user charges. These charges will be deposited into a governmental receipt account and be made available for FAA discretionary spending.

B. User Fee Proposals to Offset Mandatory Spending

a. Offsetting collections deposited in appropriation accounts

Department of Agriculture

Federal crop insurance.—The President's Budget contains a proposal to strengthen the farm safety net that includes nearly \$1 billion in crop insurance reforms. These reforms include a crop insurance premium discount which is expected to attract new participants to the crop insurance program and induce current participants to purchase higher coverage levels. Both of these expected outcomes will result in an increase in gross premiums, a portion of which are paid by producers. The estimated increase in producer-paid premiums as a result of the safety net proposal is \$69 million, as shown in Table 4-3.

Department of Labor

Implement alien labor certification fees.—The proposal would establish a new fee, charged to businesses, for processing of alien labor certification applications by the Department of Labor. The fee proceeds would offset the costs of administering and enforcing the alien labor program, and provide reemployment and training assistance to U.S. workers who have been dislocated from their jobs.

Federal Emergency Management Agency (FEMA)

Flood map license fee.—The Administration proposes to establish a \$12 license fee on the use of FEMA's flood hazard maps to support a multi-year program to update and modernize FEMA's inventory of flood-plain maps (100,000 maps). Accurate and easy to use flood hazard maps are essential in determining if a property is located in a flood plain. The maps allow lenders to meet their statutory obligation of requiring the risk-prone homes they insure to carry flood insurance, and allow homeowners to assess their risk of flood damage. The maps are the basis for developing appropriate risk-based flood insurance premium charges, and improved maps will result in a more actuarially sound insurance program.

b. Offsetting collections deposited in receipt accounts

Department of Agriculture

Recreation and entrance fees.—The Administration proposes to permanently extend the current pilot program which expires in 2001. The United States Forest Service would be allowed to collect increased recreation and entrance fees and use the receipts without further appropriation for facility improvements and new services. The Forest Service would also be authorized to use collections from existing fees for similar improvements and services.

Concession, land use, right of way, and filming permits. This budget proposes to collect fair market value from a variety of forest uses, including special use permits for rights-of-way on Forest Service lands (e.g., for oil and gas pipelines, phone lines, and optic cables), recreational concessions, marinas, and film, motion pic-

ture, and other similar uses. Funds would be available for spending one year after these collections.

Department of Health and Human Services

Medicare premiums for retirees under the age of 65 and displaced workers.—The Administration proposes, in the context of the President's Medicare Reform Plan, 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 offset by the reduction in premium collections due to the Medicare savings proposals.

Medicare premiums for prescription drug benefit.—The President's Medicare reform plan includes a prescription drug benefit which is financed through a 50 percent premium. After paying the premium, Medicare beneficiaries receive first-dollar coverage of prescription drugs up to a \$5,000 limit once the benefit is fully implemented.

Department of the Interior

Recreation and entrance fees.—The Administration proposes to permanently extend the current pilot program which expires in 2001. The National Park Service, Fish and Wildlife Service, and the Bureau of Land

Management would be allowed to collect increased recreation and entrance fees and use the receipts without further appropriation for facility improvements and new services.

Filming and special use permits fees.—The Administration proposes to authorize the National Park Service and other land management agencies, including the Department of Agriculture's Forest Service, to increase fees for permits to use land and facilities for the making of motion pictures, television productions, still photos, sound tracks and other similar purposes. Collections would be available without further appropriations to cover related Government costs (as currently authorized) and provide a fair return to the Government.

Hardrock mining production fees.—The Administration proposes to charge mining companies a 5% fee on net smelter production from hard rock mining on public domain or reserved public domain Federal lands.

Department of the Treasury

Extend Customs conveyance and passenger and merchandise processing fees.—Under existing legislation, the Customs Conveyance/Passenger Fee and the Merchandise Processing Fee will expire on September 30, 2003. The Administration proposes to extend both of these fees starting on October 1, 2003.

OTHER OFFSETTING COLLECTIONS AND RECEIPTS

Table 4-4 shows that total offsetting collections and receipts from the public are estimated to be \$214.8 billion in 2001. Of these, an estimated \$141.4 billion are offsetting collections credited to appropriation accounts and an estimated \$73.4 billion are deposited in offsetting receipt accounts.

The user fees in Table 4-4 were discussed in the previous section. Major offsetting collections deposited in expenditure accounts that are not user fees are pre-credit reform loan repayments, collections from States to supplement payments in the supplemental security income program, and collections for the Federal Savings and Loan resolution fund. Major offsetting receipts that are not user fees include spectrum auction receipts, rents and royalties for oil and gas on the Outer Continental Shelf, and interest income.

Table 4-5 includes all offsetting receipts deposited in receipt accounts. These include payments from one part of the Government to another, called intragovernmental transactions, and collections from the public. These receipts are offset (deducted) from outlays in the Federal budget. In total, offsetting receipts are estimated to be \$413.2 billion in 2001—\$339.9 billion are intragovernmental transactions, and \$73.4 billion are from the public, shown in the table as proprietary receipts and offsetting governmental receipts.

As noted above, offsetting collections and receipts by agency are also displayed in Table 20-1, "Outlays to the Public, Net and Gross," which appears in Chapter 20 of this volume.

Table 4-4. OFFSETTING COLLECTIONS AND RECEIPTS FROM THE PUBLIC
(In millions of dollars)

	1999 Actual	Estimate	
		2000	2001
Offsetting collections credited to expenditure accounts:			
User fees:			
Postal service stamps and other postal fees	61,957	63,998	67,421
Defense Commissary Agency	4,967	4,999	4,999
Employee contributions for employees and retired employees health benefits funds	4,853	5,249	5,622
Sale of energy:			
Tennessee Valley Authority	6,818	6,590	6,718
Bonneville Power Administration	2,539	2,309	2,345
All other user fees	17,904	17,290	19,929
Subtotal, user fees	99,038	100,435	107,034
Other collections credited to expenditure accounts:			
Pre-credit reform loan repayments	14,919	14,977	14,787
Supplemental security income (collections from the States)	3,219	3,310	3,410
Federal Savings and Loan Insurance Corporation resolution fund	3,784	2,188	624
All other collections	15,417	16,524	15,564
Subtotal, other collections	37,339	36,999	34,385
Subtotal, collections credited to expenditure accounts	136,377	137,434	141,419
Offsetting receipts:			
User fees:			
Medicare premiums	21,561	21,735	23,160
Foreign military sales program	11,624	10,560	10,760
Immigration fees	1,053	1,219	1,389
Customs fees	1,210	1,255	1,294
All other user fees	2,498	2,396	3,521
Subtotal, user fees deposited in receipt accounts	37,946	37,165	40,124
Other collections deposited in receipt accounts:			
Spectrum auction receipts	1,505	2,076	3,559
OCS rents, bonuses, and royalties	3,098	3,550	3,691
Interest income	9,441	10,971	13,564
All other collections deposited in receipt accounts	18,941	20,794	12,426
Subtotal, other collections deposited in receipt accounts	32,985	37,391	33,240
Subtotal, collections deposited in receipt accounts	70,931	74,556	73,364
Total, offsetting collections and receipts from the public	207,308	211,990	214,783
Total, offsetting collections and receipts excluding off-budget	145,331	147,976	147,346
ADDENDUM:			
User fees that are offsetting collections and receipts ¹	136,984	137,600	147,158
Other offsetting collections and receipts from the public	70,324	74,390	67,625
Total, offsetting collections and receipts from the public	207,308	211,990	214,783

¹ Excludes user fees that are classified on the receipts side of the budget. For total user fees, see Table 4.1 or Table 4.2.

Table 4-5. OFFSETTING RECEIPTS BY TYPE
(In millions of dollars)

Source	1999 Actual	Estimate						
		2000	2001	2002	2003	2004	2005	
INTRAGOVERNMENTAL TRANSACTIONS								
On-budget receipts:								
Federal intrafund transactions:								
Distributed by agency:								
Interest from the Federal Financing Bank	2,503	2,412	2,159	1,988	1,853	2,205	2,472	
Interest on Government capital in enterprises	1,473	1,634	1,633	1,400	1,269	1,138	1,059	
Other	1,119	1,721	2,084	2,190	2,298	2,361	2,354	
Proposed Legislation (non-PAYGO) .....	.....	65	79	82	85	96	96
Total Federal intrafunds	5,095	5,767	5,941	5,657	5,502	5,789	5,981	
Trust intrafund transactions:								
Distributed by agency:								
Payments to railroad retirement	3,816	3,760	3,637	3,749	3,763	3,786	3,810	
Other	1	1	1	1	1	1	1	
Total trust intrafunds	3,816	3,761	3,638	3,750	3,764	3,787	3,811	
Total intrafund transactions	8,911	9,528	9,579	9,407	9,266	9,576	9,792	
Interfund transactions:								
Distributed by agency:								
Federal fund payments to trust funds:								
Contributions to insurance programs:								
Military retirement fund	15,250	15,302	15,914	16,551	17,213	17,901	18,618	
Supplementary medical insurance	62,185	65,063	69,777	75,983	83,259	89,121	96,212	
Proposed Legislation (non-PAYGO) .....	.....	.....	-280	-780	3,636	9,668	11,404
Hospital insurance	7,367	7,865	7,571	7,855	8,409	8,952	9,476	
Proposed Legislation (non-PAYGO) .....	.....	.....	15,400	12,600	.....	.....	.....
Railroad social security equivalent fund	98	105	88	88	89	91	94	
Rail industry pension fund	394	265	238	243	248	255	262	
Civilian supplementary retirement contributions	21,706	21,496	21,760	22,074	22,491	22,860	23,250	
Proposed Legislation (non-PAYGO) .....	.....	.....	1	1	1	2	3
Unemployment insurance	403	399	454	474	500	543	574	
Other contributions	438	541	441	492	488	485	482	
Proposed Legislation (non-PAYGO) .....	.....	.....	38	37	36	36	34
Miscellaneous payments	597	960	569	577	566	570	580	
Proposed Legislation (non-PAYGO) .....	.....	.....	1,467	-1	-1	-1	-1
Subtotal	108,438	111,996	133,438	136,194	136,935	150,483	160,988	
Trust fund payments to Federal funds:								
Quinquennial adjustment for military service credits			1,152	.....	.....	.....	.....
Other	1,082	1,051	1,076	1,103	1,130	1,160	1,188	
Proposed Legislation (non-PAYGO) .....	.....	.....	3,226	.....	.....	.....	.....
Subtotal	1,082	1,051	5,454	1,103	1,130	1,160	1,188	
Total interfunds distributed by agency	109,520	113,047	138,892	137,297	138,065	151,643	162,176	
Undistributed by agency:								
Employer share, employee retirement (on-budget):								
Civil service retirement and disability insurance (CSRDI)	9,094	8,879	9,335	9,729	9,839	10,344	10,895	
Proposed Legislation (non-PAYGO) .....	.....	.....	-34	22	-17	-24	-26
CSRDI from Postal Service	6,001	6,437	6,624	6,799	6,919	7,041	7,166	
Hospital insurance (contribution as employer) ¹	1,965	2,043	2,093	2,211	2,292	2,384	2,499	
Postal employer contributions to FHI	611	633	659	687	717	749	781	
Military retirement fund	10,417	11,454	11,413	11,781	12,114	12,459	12,825	
Other Federal employees retirement	121	129	135	141	144	150	157	
Total employer share, employee retirement (on-budget)	28,209	29,575	30,225	31,370	32,008	33,103	34,297	
Interest received by on-budget trust funds	66,561	71,291	73,735	76,779	79,629	82,210	84,782	
Proposed Legislation (non-PAYGO) .....	.....	65	377	1,413	2,297	2,556	2,804
Total interfund transactions undistributed by agency	94,770	100,931	104,337	109,562	113,934	117,869	121,883	

Table 4-5. OFFSETTING RECEIPTS BY TYPE—Continued
(In millions of dollars)

Source	1999 Actual	Estimate					
		2000	2001	2002	2003	2004	2005
Total interfund transactions	204,290	213,978	243,229	246,859	251,999	269,512	284,059
Total on-budget receipts	213,201	223,506	252,808	256,266	261,265	279,088	293,851
Off-budget receipts:							
Interfund transactions:							
Distributed by agency:							
Federal fund payments to trust funds:							
Old-age, survivors, and disability insurance	10,824	11,663	10,985	11,494	12,048	12,813	13,725
Employer share, employee retirement (off-budget)	7,385	7,860	8,212	8,919	9,493	10,144	10,905
Proposed Legislation (non-PAYGO)	52,070	59,656	68,138	77,622	87,895	98,812	110,493
Interest received by off-budget trust funds	70,279	79,179	87,064	97,714	109,151	121,480	134,832
Total off-budget receipts:	283,480	302,685	339,872	353,980	370,416	400,568	428,683
Total intragovernmental transactions							
PROPRIETARY RECEIPTS FROM THE PUBLIC							
Distributed by agency:							
Interest:							
Interest on foreign loans and deferred foreign collections	888	753	749	758	823	812	806
Interest on deposits in tax and loan accounts	935	1,152	1,104	1,052	1,052	1,052	1,052
Other interest (domestic—civil) ²	7,617	9,066	10,369	11,372	12,368	13,324	14,216
Total interest	9,440	10,971	12,222	13,182	14,243	15,188	16,074
Royalties and rents	1,097	1,510	1,318	1,355	1,339	1,354	1,401
Proposed Legislation (PAYGO)				9	33	33	33
Sale of products:							
Sale of timber and other natural land products	366	618	453	438	423	446	425
Proposed Legislation (non-PAYGO)			-1	-1	-1	-1	-1
Proposed Legislation (PAYGO)			219	262	288	286	293
Sale of minerals and mineral products	38	27	21	21	14	20	17
Sale of power and other utilities	731	737	776	758	753	750	690
Other	65	61	59	64	64	65	66
Total sale of products	1,200	1,443	1,527	1,542	1,541	1,566	1,490
Fees and other charges for services and special benefits:							
Medicare premiums and other charges (trust funds)	21,561	21,735	23,340	25,396	27,813	30,427	33,095
Proposed Legislation (PAYGO)			-180	226	8,052	10,921	13,703
Nuclear waste disposal revenues	662	663	550	550	550	545	535
Veterans life insurance (trust funds)	204	189	179	168	157	145	133
Other ²	1,860	1,892	2,565	2,520	2,543	2,578	2,619
Proposed Legislation (non-PAYGO)			-3	-3	-3	-3	-3
Proposed Legislation (PAYGO)			-157	-66	-56	-42	-41
Legislative proposal, discretionary offset			966	963	960	996	1,015
Total fees and other charges	24,287	24,479	27,260	29,754	40,016	45,567	51,056
Sale of Government property:							
Sale of land and other real property	58	59	114	419	79	77	77
Proposed Legislation (PAYGO)			3	5	13	14	14
Military assistance program sales (trust funds)	11,624	10,560	10,760	10,890	10,920	11,020	11,150
Other	172	170	220	224	188	73	88
Total sale of Government property	11,854	10,789	11,097	11,538	11,200	11,184	11,329
Realization upon loans and investments:							
Foreign military credit sales	367						
Negative subsidies and downward reestimates	5,914	10,606	894	5,176	5,424	5,690	6,323
Repayment of loans to foreign nations	175	253	254	67	80	81	87
Other	96	84	88	136	116	113	111
Total realization upon loans and investments	6,552	10,943	1,236	5,379	5,620	5,884	6,521

Table 4-5. OFFSETTING RECEIPTS BY TYPE—Continued

(In millions of dollars)

Source	1999 Actual	Estimate					
		2000	2001	2002	2003	2004	2005
Recoveries and refunds ²	3,831	4,028	3,406	4,440	3,436	3,514	3,688
Proposed Legislation (PAYGO) .....	.....	.....	22	-180	-16	-24	-21
Legislative proposal, discretionary offset .....	.....	.....	1,309	.....	.....	.....	.....
Miscellaneous receipt accounts ²	4,724	1,426	1,436	1,437	1,442	1,449	1,452
Total proprietary receipts from the public distributed by agency	62,985	65,589	60,833	68,456	78,854	85,715	93,023
Undistributed by agency:							
Other interest: Interest received from Outer Continental Shelf escrow account	1	.....	1,342	.....	.....	.....	.....
Rents and royalties on the Outer Continental Shelf:							
Rents and bonuses	791	365	809	401	277	249	236
Royalties	2,307	3,185	2,882	2,881	2,705	2,604	2,469
Sale of major assets .....	.....	.....	.....	.....	323	.....	.....
Total proprietary receipts from the public undistributed by agency	3,099	3,550	5,033	3,282	3,305	2,853	2,705
Total proprietary receipts from the public³	66,084	69,139	65,866	71,738	82,159	88,568	95,728
OFFSETTING GOVERNMENTAL RECEIPTS							
Distributed by agency:							
Regulatory fees	3,020	3,264	3,640	3,603	3,692	2,318	2,342
Proposed Legislation (non-PAYGO) .....	.....	.....	20	8	8	8	8
Proposed Legislation (PAYGO) .....	.....	.....	.....	.....	.....	1,460	1,524
Other	74	77	79	81	6	6	6
Undistributed by agency:							
Spectrum auction proceeds	1,753	2,076	3,559	5,535	2,480	770	675
Proposed Legislation (non-PAYGO) .....	.....	.....	200	200	200	200	200
Total offsetting governmental receipts	4,847	5,417	7,498	9,427	6,386	4,762	4,755
Total offsetting receipts	354,411	377,241	413,236	435,145	458,961	493,898	529,166

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

	1999 Actual	Estimate					
		2000	2001	2002	2003	2004	2005
Federal funds	27,796	35,402	30,725	34,052	34,218	35,065	36,661
Trust funds	38,267	33,708	35,099	37,644	47,899	53,461	59,025
Off-budget	21	29	42	42	42	42	42