

Calendar No. 706

106TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ 106-355

2002 WINTER OLYMPIC
COMMEMORATIVE COIN ACT

R E P O R T

OF THE

COMMITTEE ON BANKING, HOUSING,
AND URBAN AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 2266



JULY 24 (legislative day, JULY 21), 2000.—Ordered to be printed

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Mr. GRAMM, from the Committee on Banking, Housing, and Urban Affairs, submitted the following

REPORT

[To accompany S. 2266]

The Committee on Banking, Housing, and Urban Affairs to which was referred the bill (S. 2266) to provide for a commemorative coin program to commemorate the 2002 Winter Olympic games to be held in Salt Lake City, Utah, having considered the same, reports favorably thereon with one amendment and recommends that the bill as amended do pass.

INTRODUCTION

On July 13, 2000, the Senate Committee on Banking, Housing, and Urban Affairs met in legislative session and marked up and ordered to be reported S. 2266, a bill to provide for a commemorative coin program to commemorate the 2002 Winter Olympic games to be held in Salt Lake City, Utah, with one amendment. The Committee's action was taken by a voice vote.

HISTORY OF THE LEGISLATION

The 2002 Winter Olympic Commemorative Coin Act, S. 2266, was introduced on March 22, 2000, by Senator Bob Bennett and Senator Orrin Hatch. Senators Abraham, Akaka, Allard, Ashcroft, Biden, Bond, Boxer, Brownback, Breaux, Bunning, Byrd, Burns, Campbell, Chafee, Cochran, Collins, Conrad, Coverdell, Craig, Crapo, DeWine, Dodd, Domenici, Dorgan, Enzi, Feingold, Feinstein, Fitzgerald, Gorton, Graham, Grassley, Hagel, Helms, Hutchison, Inhofe, Jeffords, Johnson, Kerrey, Kohl, Leahy, Levin, Lott, Lugar, Mack, McConnell, Mikulski, Murkowski, Murray, Nickles, Reid, Robb, Roberts, Rockefeller, Roth, Schumer, Smith of New Hampshire, Smith of Oregon, Snowe, Specter, Stevens, Thomas, Thompson, Thurmond, Torricelli, Voinovich, Warner, Wellstone, and

Wyden were original cosponsors. S. 2266 has two purposes: first, to strike and sell five-dollar gold and one-dollar silver commemorative coins in proof¹ and uncirculated² qualities, and second, once all costs of the program have been recovered, to distribute the remaining proceeds from surcharges to the Salt Lake Organizing Committee for the Olympic Winter Games of 2002³ and to the United States Olympic Committee.⁴

There were no Committee hearings held on S. 2266. At the Committee mark up on July 13, the Committee adopted one amendment to S. 2266 that strikes section 6(d) of the bill.

PURPOSE AND SCOPE

The bill reported by the Committee authorizes the Secretary of the Treasury (Secretary) to mint and issue silver and gold commemorative coins commemorating the 2002 Winter Olympic games. The Secretary is also authorized to distribute, on an equal basis funds raised from the surcharges added to the price of the coins to two organizations.⁵ Half of the funds are to be used by the Salt Lake Organizing Committee for the Olympic Winter Games of 2002 in staging and promoting the 2002 Salt Lake Olympic Winter Games. The remaining half of the funds are to be used by the United States Olympic Committee for objects and purposes of the Committee, as established in the Amateur Sports Act of 1978.⁶

The designs for the commemorative coins will be selected by the Secretary after consultation with the Commission of Fine Arts,⁷ the United States Olympic Committee, and the Olympic Properties of the United States.⁸ The designs will be reviewed by the Citizens Commemorative Coin Advisory Committee.⁹

The Committee recognizes that the primary purpose of this program is to commemorate the 2002 Winter Olympic Games to be held in Salt Lake City, Utah. For the last 48 years Olympians from the United States have been appropriately represented and commemorated through the issuance of commemorative coins. This program contains the fewest coins ever authorized in a coin program,

¹Proof coins are specially produced coins made from highly polished planchets, or blanks and special dies, and are often struck twice to accent the design. Proof coins receive the highest quality strike possible and can be distinguished by their sharpness of detail and brilliant, mirror-like surface. Proof refers to the method of manufacture and is not a condition, but normally the term implies perfect mint state.

²Uncirculated coins are coins in new condition that do not have any signs of wear. A coin with even the slightest sign of wear cannot qualify for this condition.

³The Salt Lake Organizing Committee for the Olympic Winter Games of 2002 is a non-profit, tax-exempt organization formed under the laws of the State of Utah. Its primary mission is to promote, manage and stage the XIX Olympic Winter Games in Salt Lake City.

⁴P.L. 95-606, the Amateur Sports Act of 1978 authorized the United States Olympic Committee as the coordinating body for all Olympic-related athletic activity in the United States. Its primary mission involves training, entering and underwriting the full expenses for the United States teams in the Olympic and Pan American Games.

⁵A surcharge is the dollar amount added to the price of each coin. Surcharges are the proceeds distributed by the Secretary of the Treasury to the recipient group once all costs of the commemorative coin program are satisfied.

⁶P.L. 95-606, the Amateur Sports Act of 1978.

⁷Authority of the Commission of Fine Arts: 40 U.S.C. 104 and 106, 36 Stat. 371, as amended, and Executive Order 3254 of July 28, 1921.

⁸Olympic Properties of the United States is the sponsorship, marketing and business entity created in partnership between the United States Olympic Committee and the Salt Lake Organizing Committee. Its primary mission is to coordinate all commercial and fund-raising activities for the 2002 Winter Olympic Games and the U.S. Olympic teams.

⁹P.L. 102-390, the United States Mint Reauthorization and Reform Act of 1992, established the Citizens Commemorative Coin Advisory Committee for the purposes of recommending events, persons or places to be commemorated by the issuance of commemorative coins, and to report to Congress annually on such recommendations.

and has been developed in consultation with the numismatic community to address collectors' concerns of commemorative coin proliferation.

The one amendment adopted at the Committee mark up of S. 2266 authorizes that section 6(d) be struck from the bill. This section authorized the Secretary to establish a marketing program to promote and sell the silver and gold coins domestically and internationally. The Committee recognizes the importance of promoting and selling the authorized coins, but does not agree that statutory language to that end is necessary. The Committee believes that through consultations with representatives of the Department of the Treasury and the United States Mint, both agencies will make every effort to ensure the success of this coin program through the standard practice incorporated for each and every coin program. The Committee also believes that the Secretary will work in full cooperation with the Olympic Properties of the United States to develop and implement the appropriate marketing and sales programs for these coins. The Committee notes significant dissatisfaction with coin marketing programs by the Mint in the past, and expects that, learning from past mistakes, the Mint will conduct an energetic and cost-effective marketing program for the sale of these coins.

SECTION-BY-SECTION ANALYSIS OF THE "2002 WINTER OLYMPIC
COMMEMORATIVE COIN ACT"

Section 1. Short title

Section 1 provides that the bill may be cited as the "2002 Winter Olympic Commemorative Coin Act."

Section 2. Coin specifications

Section 2 provides for minting of not more than 80,000 five-dollar denomination coins weighing 8.359 grams, measuring 0.850 inches in diameter, and containing 90 percent gold and 10 percent alloy, and for the minting of not more than 400,000 one-dollar denomination coins weighing 26.73 grams, measuring 1.500 inches in diameter, and containing 90 percent silver and 10 percent copper.

The designs of the coins minted under this Act shall be emblematic of the participation of American athletes in the 2002 Olympic Winter Games. Each coin will have a designation of the value of the coin, an inscription of the year "2002," and inscriptions of the words "Liberty," "In God We Trust," "United States of America," and "E Pluribus Unum." The coins minted under this Act shall be legal tender as provided in Section 5103 of title 31, United States Code, and all coins are considered to be numismatic items for purposes of Section 5134 of title 31, United States Code.

Section 3. Sources of bullion

Section 3 provides for the Secretary to obtain the gold for minting coins under this Act pursuant to the authority of the Secretary under other provisions of law. The Section also provides for the Secretary to obtain the silver for minting coins under this Act from

any available source, including stockpiles established under the Strategic and Critical Materials Stockpiling Act.¹⁰

Section 4. Selection of design

Section 4 authorizes the Secretary to select the design for the coins minted under this Act after consultation with the Commission on Fine Arts, the United States Olympic Committee, and the Olympic Properties of the United States. The Citizens Commemorative Coin Advisory Committee shall review all designs prior to selection by the Secretary.

Section 5. Issuance of coins

Section 5 authorizes that the qualities of the coins minted under this Act shall be in proof and uncirculated qualities. This section also provides for the commencement of issuance to occur on January 1, 2002. There is an exception that authorizes the Secretary to initiate sales of such coins, without issuance, before January 1, 2002. Lastly, this section provides for a termination of minting authority to occur on December 31, 2002.

Section 6. Sale of coins

Section 6 establishes the price of such coins as determined by the Secretary to include a price equal to the face value of the coins, plus the cost of designing and issuing such coins (including labor, materials, dies, use of machinery, overhead expenses, and marketing). This section also authorizes the Secretary to make bulk sales of the coins issued under this Act at a reasonable discount. Prepaid orders, at a reasonable discount, shall be accepted by the Secretary prior to issuance of such coins.

Section 7. Surcharge

Section 7 provides for a surcharge to be included in all sales of coins issued under this Act. The surcharge for the gold coins shall be \$35 per coin, and the surcharge for the silver coins shall be \$10 per coin. This section also authorizes the Secretary to distribute surcharges received from the sale of coins issued under this Act, subject to section 5134(f) of title 31, United States Code. Half of the surcharges are to be distributed to the Salt Lake Organizing Committee for the Olympic Winter Games of 2002 for use in staging and promoting the 2002 Salt Lake Olympic Winter Games, and the other half is to be distributed to the United States Olympic Committee for use by the Committee for the objects and purposes of such Committee as established in the Amateur Sports Act of 1978.

In addition, this section authorizes that each organization that receives any payment from the Secretary shall be subject to audit requirements of section 5134(f)(2) of title 31, United States Code.

REGULATORY IMPACT STATEMENT

Pursuant to rule XXVI, paragraph 11(b), of the Standing Rules of the Senate, the Committee has evaluated the regulatory impact of the bill and concludes that it will not increase the net regulatory burden imposed on the Government.

¹⁰50 U.S.C. 98, the Strategic and Critical Materials Stockpiling Act.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
 CONGRESSIONAL BUDGET OFFICE,
 Washington, DC, July 20, 2000.

Hon. PHIL GRAMM,
 Chairman, Committee on Banking, Housing, and Urban Affairs,
 U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 2266, the 2002 Winter Olympic Commemorative Coin Act.

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

Sincerely,

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

Enclosure.

S. 2266—2002 Winter Olympic Commemorative Coin Act

Summary: S. 2266 would direct the U.S. Mint to produce a \$5 gold coin and a \$1 silver coin in calendar year 2002 to commemorate the 2002 Winter Olympic Games. The bill would specify a surcharge on the sales price of \$35 for the gold coin and \$10 for the silver coin and would designate the Salt Lake Organizing Committee for the Olympic Winter Games of 2002 (SLOC) and the United States Olympic Committee (USOC), both private entities, as recipients of the income from those surcharges.

CBO estimates that enacting S. 2266 would decrease direct spending by about \$1.5 million over the 2001–2005 period, but would have no net effect on direct spending over the 2001–2010 period. Because the bill would affect direct spending, pay-as-you-go procedures would apply. S. 2266 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 2266 is shown in the following table. In addition to those budgetary changes, by using gold obtained from the reserves held by the Treasury, CBO estimates that the bill would provide the federal government with \$5 million to \$5.5 million in additional cash (in exchange for gold) for financing the federal surplus in fiscal year 2002. (Those financing effects do not, however, change the surplus). The bill would affect budget functions 800 (general government) and 050 (defense).

	By fiscal year, in millions of dollars				
	2001	2002	2003	2004	2005
Receipt of coin surcharges:					
Estimated budget authority	0	-6	(1)	0	0
Estimated outlays	0	-6	(1)	0	0
Transfer of coin surcharges:					
Estimated budget authority	0	3	3	0	0
Estimated outlays	0	3	3	0	0
Purchase of Government silver:					
Estimated budget authority	0	-2	0	0	0
Estimated outlays	0	-2	0	0	0

	By fiscal year, in millions of dollars				
	2001	2002	2003	2004	2005
Total changes:					
Estimated budget authority	0	-5	3	0	0
Estimated outlays	0	-5	3	0	0

¹ Less than \$500,000.

Basis of estimate: S. 2266 could raise as much as \$6.8 million in surcharges if the Mint sells the maximum number of authorized coins. Based on the experience of coin programs commemorating prior Olympic Games in the United States and the 1994 World Cup tournament, CBO estimates that the Mint would sell close to all of the coins authorized under S. 2266, resulting in surcharges of about \$6.5 million. CBO expects the Mint would collect most of those surcharges in fiscal year 2002 and would transfer about one-half of estimated collections to the two private organizations in each of fiscal years 2002 and 2003.

Under Public Law 104-208, the Mint must ensure that it will not lose money on a commemorative coin program before transferring any surcharges to a designated recipient organization. Thus, CBO estimates that the collection and transfer of such surcharges would have no net effect on direct spending over the 2001-2005 period. Excluding surcharges, we expect that proceeds from the sale of the coins would more than cover the costs of producing them, but that the Mint would spend any net proceeds to fund other commercial activities. Therefore, we estimate that there would be no other net effect on the Mint's outlays.

In addition, because the Mint would use silver obtained from the Defense Logistics Agency (DLA) to produce the silver coins, CBO estimates that S. 2266 would increase offsetting collections to the government from the sale of excess silver by about \$1.5 million in fiscal year 2002, with DLA receiving about three-quarters of that amount. (By law, the Mint must deposit as miscellaneous offsetting receipts to the Treasury an amount that is equal to the book value of the silver it acquires from DLA.) However, the government's supply of silver is limited, and we anticipate that it will be depleted by fiscal year 2007. Hence, the use of silver for the Winter Olympics coin in 2002 would leave less available to produce currently authorized coins in subsequent years, resulting in a loss of offsetting receipts of about \$1.5 million in 2007.

Similarly, we expect that the Mint would use gold obtained from the reserves held at the Treasury to produce the gold coin. However, because the budget treats the sale of gold as a means of financing governmental operations—that is, the Treasury's receipts from such sales do not affect the size of the surplus—CBO has not included such receipts in its estimate. CBO estimates that S. 2266 would provide the federal government with between \$5 million and \$5.5 million in additional cash (in exchange for gold) for financing the federal surplus in fiscal year 2002.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go

procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By fiscal year, in millions of dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	-5	3	0	0	0	0	2	0	0	0
Changes in receipts	Not applicable										

Intergovernmental and private-sector impact: S. 2266 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

Estimate prepared by: John R. Righter.

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

CHANGES IN EXISTING LAW (CORDON RULE)

In the opinion of the Committee, it is necessary to dispense with the requirements of paragraph 12 of rule XXVI of the Standing Rules of the Senate in order to expedite the business of the Senate.

