

TREASURY, POSTAL SERVICE, AND GENERAL
 GOVERNMENT APPROPRIATIONS BILL, 2002

JULY 23, 2001.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

Mr. ISTOOK, from the Committee on Appropriations,
 submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany H.R. 2590]

The Committee on Appropriations submits the following report in
 explanation of the accompanying bill making appropriations for the
 Treasury Department, the Postal Service, the Executive Office of
 the President, and certain Independent Agencies for the fiscal year
 ending September 30, 2002, and for other purposes.

INDEX TO BILL AND REPORT

	<i>Page number</i>	
	<i>Bill</i>	<i>Report</i>
Summary of the Bill		2
Title I—Department of the Treasury:		
Bureau of Alcohol, Tobacco and Firearms	9	18
Bureau of Engraving and Printing		28
Bureau of the Public Debt	17	30
Departmental Offices	2	5
Department-Wide Systems and Capital Investments Programs	3	9
Federal Law Enforcement Training Center	6	15
Financial Crimes Enforcement Network	5	12
Financial Management Service	9	17
General Provisions—Treasury Department	23	38
Interagency Crime and Drug Enforcement	9	17
Internal Revenue Service	17	32
Office of Inspector General	3	9
Treasury Building and Annex Repair and Restoration	4	11
Treasury Inspector General for Tax Administration	4	10

	Page number	
	Bill	Report
United States Customs Service	12	20
United States Mint	16	29
United States Secret Service	21	37
Violent Crime Reduction Programs .....	.....	19
Title II—Postal Service:		
Payment to the Postal Service Fund	26	39
Title III—Executive Office of the President and Funds Appropriated to the President:		
Compensation of the President and White House Office	27	44
Council of Economic Advisers	32	47
Executive Residence at the White House	28	45
Federal Drug Control Programs	38	57
National Security Council	33	48
Office of Administration	33	49
Office of Management and Budget	34	50
Office of National Drug Control Policy	36	55
Office of Policy Development	33	48
Special Assistance to the President and Official Residence of the Vice President	31	46
Unanticipated Needs	39	61
Title IV—Independent Agencies:		
Committee for Purchase from People who are Blind or Severely Disabled		
Federal Election Commission	40	61
Federal Labor Relations Authority	40	62
General Services Administration	40	64
Merit Systems Protection Board	41	64
Morris K. Udall Scholarship and Foundation	55	76
National Archives and Records Administration	56	77
National Archives and Records Administration	57	79
Office of Government Ethics	58	81
Office of Personnel Management	58	82
Office of Special Counsel	62	85
United States Tax Court	62	86
Title V—General Provisions:		
This Act	63	86
Title VI—Governmentwide General Provisions:		
Departments, Agencies, and Corporations	68	87
Compliance with House Rules .....	.....	90
Tables .....	.....	118
Summary of the Total Bill .....	.....	95

The accompanying bill contains recommendations for new budget (obligational) authority for fiscal year 2002 for the Department of the Treasury, the Postal Service, various offices in the Executive Office of the President, and certain Independent Agencies. The following table summarizes these Recommendations and reflects comparisons with the budget, as amended, and with amounts appropriated to date for fiscal year 2001:

[In thousands of dollars]

Agency	New budget (obligation) authority fiscal year 2001 enacted to date	Budget estimates of new (obligational) authority, fiscal year 2002	Recommended in the bill	Bill compared with	
				New budget authority fiscal year 2001	Budget estimate, fiscal year 2002
Treasury	\$13,880,468	\$14,631,710	\$15,061,997	+\$1,181,529	\$430,287
Postal Service	95,888	143,712	143,712	+47,824	.....
Executive Office of the President	700,273	731,725	749,585	+49,312	+17,860
Independent agencies	15,740,361	16,528,204	16,519,775	+779,414	- 8,429

[In thousands of dollars]

Agency	New budget (obligation) authority fiscal year 2001 enacted to date	Budget estimates of new (obligational) authority, fiscal year 2002	Recommended in the bill	Bill compared with	
				New budget authority fiscal year 2001	Budget estimate, fiscal year 2002
Grand total	30,619,925	32,371,351	32,711,450	+2,091,526	+340,099

RECOMMENDATION

The Committee recommends a total of \$17,021,000,000 in discretionary resources for agencies under its jurisdiction; this includes \$146,000,000 for the Earned Income Tax Credit Compliance Initiative. After scorekeeping adjustments, the Committee's recommendation is \$1,080,682,000 or 6.8 percent above amounts appropriated in fiscal year 2001 and \$340,099,000 or 2.0 percent above the amounts requested by the President.

GENERAL STATEMENT

The allocation received by the Subcommittee on Treasury, Postal Service and General Government for fiscal year 2002 fully supports the critical missions and responsibilities for programs under its jurisdiction and maintains a strong commitment to ongoing information technology, federal law enforcement, and capital construction requirements. The funding level is consistent with the recommendations included in the fiscal year 2002 Congressional Budget Resolution, as agreed to by the House, Senate and President. Although the allocation is above the President's original budget by \$340 million, the agreement on the budget resolution superseded those figures. The Committee believes the President's original budget under-funded certain critical law enforcement and information technology initiatives, as reflected by the President's own supplemental request for additional funds to provide security at the upcoming Olympics.

The Committee has adjusted amounts to balance Congressional priorities with the President's, but has remained within the overall agreed-to funding level, and within its 302(b) allocation. The Committee is disappointed that the President's budget did not support the total funding requirements of the Customs Service's Automated Commercial Environment (ACE) program. The Committee is aware that original cost estimates for ACE called for an investment of \$1.4–\$1.8 billion over 4 years. Under the President's budget, this schedule would have slipped by an estimated 2 years, with an additional cost to taxpayers of \$200 million. In order to keep this program on track and within budget, the Committee recommends an appropriation of \$300 million, an increase of \$170 million from amounts requested by the President.

The Committee is also concerned that the President's initial request did not include the \$60.6 million necessary to support Treasury law enforcement's role in the upcoming 2002 Winter Olympics; the Committee is nonetheless pleased that the President submitted a request for these funds within the fiscal year 2001 supplemental appropriations bill. Because these funds would not be spent until fiscal year 2001 had closed, the Committee has included funding for these efforts in fiscal year 2002, which is when they are needed.

The Committee is pleased by efforts within the Administration to streamline common functions, achieve economies of scale and implement best business practices. The Committee looks forward to working with the Administration to achieve these goals but is concerned that the Administration so far has adopted a non-specific longer-term approach and could not identify specific initiatives nor quantify exact savings for fiscal year 2002. In total, the Administration proposed that agencies under the Subcommittee's jurisdiction absorb \$150 million in uncontrollable costs associated with non-pay inflation, most of which was presumed to be made up through administrative initiatives to streamline common functions. In the absence of specific initiatives to produce these savings, the Committee believes it is premature to assume savings of \$150 million. The Committee is also concerned that this non-specific absorption of \$150 million would reduce the number of critical law enforcement personnel at a time when they are sorely needed. For example, the volume of trade and passenger traffic outpaces Customs' workforce levels; and Secret Service agents are averaging 80 hours of overtime per month. Therefore, the Committee provides full funding for most agencies to maintain their current levels of effort. The Committee directs agencies to keep it informed of ongoing reviews for program efficiencies and all efforts associated with implementing best business practices; the Committee expects that specific proposed savings will be fully developed and submitted as part of the President's fiscal year 2003 budget request.

The Committee supports the President's request to maintain a viable courthouse construction program and other critical federal infrastructure requirements. Nonetheless, the Committee is concerned by the dramatic increases in courthouse construction costs and is disappointed by the absence of aggressive measures within the General Services Administration (GSA) to control these costs. The Committee expects GSA to be prepared to both quantify and justify the methodologies used to develop the courthouse construction program. The Committee believes that these costs can be controlled and will look for positive results in the President's fiscal year 2003 budget request.

The Committee continues to have serious concerns about Office of Management and Budget's (OMB) lack of leadership in the management of federal agencies. The Committee commends the President's efforts to improve government performance and believes that OMB, which implements both the President's budget and his management agenda, will play a critical role in determining whether these efforts succeed. The Committee will continue to review OMB's performance as it relates to oversight and management of federal agencies.

REPROGRAMMING AND TRANSFER OF FUNDS GUIDELINES

The following reprogramming guidelines shall be complied with by all agencies funded by the Treasury and General Government Appropriations Act, 2002:

1. Except under extraordinary and emergency situations, the Committees on Appropriations will not consider requests for a reprogramming or a transfer of funds, or use of unobligated balances, which are submitted after the close of the third quarter of the fiscal year, June 30;

2. Clearly stated and detailed documentation presenting justification for the reprogramming, transfer, or use of unobligated balances shall accompany each request;

3. For agencies, departments, or offices receiving appropriations in excess of \$20,000,000, a reprogramming shall be submitted if the amount to be shifted to or from any object class, budget activity, program line item, or program activity involved is in excess of \$500,000 or 10 percent, whichever is greater, of the object class, budget activity, program line item, or program activity;

4. For agencies, departments, or offices receiving appropriations less than \$20,000,000, a reprogramming shall be submitted if the amount to be shifted to or from any object class, budget activity, program line item, or program activity involved is in excess of \$50,000, or 10 percent, whichever is greater, of the object class, budget activity, program line item, or program activity;

5. For any action where the cumulative effect of below threshold reprogramming actions, or past reprogramming and/or transfer actions added to the request, would exceed the dollar threshold mentioned above, a reprogramming shall be submitted;

6. For any action which would result in a major change to the program or item which is different than that presented to and approved by either of the Committees, or the Congress, a reprogramming shall be submitted;

7. For any action where funds earmarked by either of the Committees for a specific activity are proposed to be used for a different activity, a reprogramming shall be submitted; and

8. For any action where funds earmarked by either of the Committees for a specific activity are in excess of the project or activity requirement, and are proposed to be used for a different activity, a reprogramming shall be submitted.

Additionally, each request shall include a declaration that, as of the date of the request, none of the funds included in the request have been obligated, and none will be obligated, until the Committees on Appropriations have approved the request.

UNAUTHORIZED APPROPRIATIONS REQUESTS

The Committee directs that budget justification materials submitted in support of future appropriations requests contain tabular listings of any item that is not authorized by law, in the format contained elsewhere in this report under the heading "Appropriations Not Authorized by Law".

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$162,381,000
Budget estimate, fiscal year 2002	181,768,000
Recommended in the bill	173,496,000
Bill compared with:	
Appropriation, fiscal year 2001	+11,115,000
Budget Estimate, fiscal year 2002	- 8,272,000

MISSION

The Departmental Offices' function in the Treasury Department is to provide basic support to the Secretary of the Treasury, who is the chief operating executive of the Department. The Secretary of the Treasury also has a primary role in formulating and managing the domestic and international tax and financial policies of the Federal Government. The Secretary's responsibilities funded by the salaries and expenses appropriation include: recommending and implementing United States domestic and international economic and tax policy; fiscal policy; governing the fiscal operations of the Government; maintaining foreign assets control; managing the public debt; overseeing the law enforcement functions carried out by the Treasury Department; managing development of financial policy; representing the United States on international monetary, trade and investment issues; overseeing Treasury Department overseas operations; directing the administrative operations of the Treasury Department; and providing executive oversight of the bureaus within the Treasury Department.

RECOMMENDATION

The Committee recommends an appropriation of \$173,496,000 for Departmental Offices, an increase of \$11,115,000 above the fiscal year 2001 enacted level and a decrease of \$8,272,000 below the request level. Increases above the enacted level include \$6,059,000 to maintain current levels, \$2,612,000 to annualize the fiscal year 2001 initiative for establishing a new interagency National Terrorist Asset Tracking Center, \$40,000 for law enforcement support of the 2002 Winter Olympics, and \$3,356,000 to fund the highest priority additional requirements of the Departmental Offices. These increases are partially offset by a reduction of \$952,000 associated with one-time costs of certain local law enforcement support.

The Administration proposed a total increase of \$13,022,000 for six items: a secure data network (\$3,000,000), an occupational safety and health information system (\$400,000), a record management system (\$200,000), a labor shortfall (\$5,659,000), a digital telecommunications system (\$2,000,000), and information technology contract support (\$1,763,000). The Committee expects the \$3,356,000 provided in support of these efforts to be used to meet the highest priority requirements of the Departmental Offices and directs that the Department supply a report 120 days after the enactment of this Act that outlines the uses of these funds. The Committee notes that \$1,746,000 has been provided as requested in the Department-wide Systems and Capital Investments Programs account for a computer backup/disaster recovery project for Departmental Offices. The Committee looks forward to working with the Department to ensure that all of its highest priority needs are met, including those of its offices and bureaus, and strongly supports the current management review and analysis that is underway.

OFFICE OF ENFORCEMENT

The Office of Enforcement (OE) occupies a key position with the Treasury Department, led by an Under Secretary with responsibility for issues covering the whole range of law enforcement bureaus and offices. The Committee has reviewed the General Ac-

counting Office report on OE operations, which brought to light the problems faced by the OE, the bureaus, and Treasury law enforcement community in general when it comes to (1) coordinating policy and resource planning, (2) advocating for the Department and on behalf of its operational components for law enforcement priorities within and beyond Treasury, and (3) maintaining continuity in management for Treasury law enforcement. The Committee strongly supports the plan to develop an Enforcement policies and procedures manual that will make clear the ground rules for interaction within the Department between OE and various Departmental components and their liaisons, to the overall benefit of Treasury law enforcement. Other issues raised in the report, such as organizational or bureaucratic hindrances to good planning and coordination, may be addressed through management improvements or resources. The Committee requests the Department and OE keep the Committee informed of efforts to strengthen policy and program coordination and to improve the status and voice of Treasury law enforcement within the Federal law enforcement arena.

INVENTORY OF INTERNATIONAL AGREEMENT PROVISIONS

The Committee directs the Department of the Treasury to produce a report containing an inventory of all provisions of current agreements between the International Monetary Fund and debtor countries and between the World Bank and debtor countries that place specific restrictions on the debtor countries. The inventory is to include all agreements that contain provisions requiring debtor countries to (1) establish, revise or privatize state-owned enterprises, utilities (including water and sewer systems) or public services, (2) convert any private enterprises to state ownership, (3) lower or raise barriers to imports (food products in particular), (4) establish, revise or privatize public pension, retirement or benefit systems (including social security), (5) change bank interest rates, (6) establish, revise or eliminate regulations on the environment and natural resources, or (7) adopt or revise labor, wage or benefit laws (including legal minimum wages and the right to strike). The report shall be completed and delivered to the House Committee on Appropriations by November 15, 2001. The Committee notes with frustration and extreme disappointment that the Department has not complied with an earlier request for this material.

STATE AND LOCAL REVENUE LOSS

Congress periodically must consider issues arising from or related to consumer transactions that are (or that are claimed to be) exempt from state or local taxes, including requests to compensate for tax losses with federal spending. Among these are transactions involving remote sellers (via the Internet, mail order, long-distance telephone, etc.) and transactions involving Indian tribes. The Treasury Department's Office on Tax Policy and the IRS's Tax Exempt and Government Entities Division are directed to submit to the Committee on Appropriations, the House Resources Committee and the House Judiciary Committee, a report, no later than 120 days after enactment of this Act, detailing the dollar volume of transactions that are exempt from state taxes (or that are claimed to be exempt) and their impact on state and local tax revenue, with

state-by-state breakdowns where possible. It is not the intent of the Committee that this report include impacts of compacts regarding gambling, property tax, interests in natural resources or use of natural resources, but instead be limited to impact arising from consumer transactions.

To the extent that any impact is affected by compacts between the tribes and state and/or local governments (or lack thereof) the report should detail these compacts (or lack thereof) and the parties to them, including the relevant conditions, the starting and expiration dates, and the impact of each compact (or lack thereof) on state and local tax revenues. The report should differentiate the impact by type of tax.

E-LEARNING SOLUTIONS

The Committee understands that the Department is exploring the potential benefits that can be gained from the customized development and selective deployment of Internet-based training. The Committee believes that in many circumstances such e-learning solutions can lead to substantial savings and enhanced improvements in skills. The Committee encourages the Department to continue its evaluation and assessment of the best ways in which Internet-based training can fulfill many of the training needs of the Department.

“DOLLARIZATION” IN CENTRAL AND SOUTH AMERICA

The Committee is concerned that the growth in “dollarization” throughout the world, especially in Central and South America, could also cause a negative consequence—namely an increase in the overseas based production and distribution of counterfeit U.S. currency, causing more circulation of counterfeit both globally and domestically. Nations are increasingly adopting U.S. currency as the official means of exchange or tying the rate of exchange for their internal currencies to the U.S. dollar making U.S. currency more prevalent.

A nation’s decision to end the legal tender status of its national currency and to adopt the U.S. dollar provides potential benefits to both the nation that converts and to the United States. Dollarization in foreign countries can reduce transaction costs for U.S. importers, exporters, borrowers and lenders. Nearly a century ago, Panama became the first nation outside of the U.S. to officially choose the dollar as its form of currency. Now, Ecuador is among several nations worldwide that have switched to the dollar. Nations are dollarizing as a way to boost trade, increase foreign investment and control inflation.

Despite its advantages, the Committee is concerned that dollarization will heighten the status of U.S. currency as a prime target for counterfeiters. Dollarization in countries that lack law enforcement expertise or meaningful criminal penalties will provide counterfeiters a fertile environment to use that economy as a place to launder counterfeit U.S. dollars. It is estimated that nearly two-thirds of the approximately \$570 billion of genuine U.S. currency circulates beyond our nation’s border and nearly one-third of today’s counterfeit passed in this country originates in Colombia. Ecuadorian authorities are seeing significant increases in counterfeit

since it dollarized in 2000. From 1999 to the end of 2000, counterfeit seizures in Ecuador rose from \$239,000 to \$1.4 million.

To prevent the proliferation of counterfeiting as a result of increased dollarization, the Committee directs the Secretary of the Treasury to develop jointly a strategy with the Secretary of State to mitigate counterfeiting of U.S. dollars in dollarized regions and report its findings to the Committees on Appropriations no later than September 30, 2002.

REAL ESTATE BROKERAGE

The Committee is aware that concerns have been expressed about the impact of the Federal Reserve/Department of Treasury proposed regulation to redefine real estate brokerage and management activities. The Committee expects Treasury to work with the Department of Housing and Urban Development when developing the final rule.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS

Appropriation, fiscal year 2001 to date	\$62,150,000
Budget estimate, fiscal year 2002	70,828,000
Recommended in the bill	68,828,000
Bill compared with:	
Appropriation, fiscal year 2001	+6,678,000
Budget Estimate, fiscal year 2002	-2,000,000

MISSION

This appropriation funds the modernization of Treasury business processes and increases in Department-wide systems efficiency through technology investments for systems that involve more than one Treasury bureau or Treasury's interface with other governmental agencies.

RECOMMENDATION

The Committee recommends an appropriation of \$68,828,000 for the Department-wide Systems and Capital Investments Programs, an increase of \$6,678,000 above the fiscal year 2001 enacted level and a decrease of \$2,000,000 below the President's request. The changes to the President's request consist of a decrease of \$3,000,000 for the critical infrastructure protection project and an increase of \$1,000,000 for technical investigations equipment as part of the Treasury (Wireless) Integrated Network.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$32,827,000
Budget estimate, fiscal year 2002	35,150,000
Recommended in the bill	35,318,000
Bill compared with:	
Appropriation, fiscal year 2001	+2,491,000
Budget Estimate, fiscal year 2002	+168,000

MISSION

This appropriation provides agency-wide audit and investigative functions to identify and correct operational and administrative deficiencies, which create conditions for existing or potential in-

stances of fraud, waste, and mismanagement. The audit function provides program, contract, and financial statement audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Program audits review and evaluate all facets of agency operations. Financial statement audits assess whether financial statements fairly present the agency's financial condition and results of operations, the adequacy of accounting controls, and compliance with laws and regulations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. The Office of Inspector General also provides for internal investigations made by the Office of Internal Affairs and Inspection in the Bureau of Alcohol, Tobacco and Firearms, the Customs Service, and the Secret Service.

RECOMMENDATION

The Committee recommends an appropriation of \$35,318,000 for the Office of Inspector General, an increase of \$2,491,000 above the fiscal year 2001 enacted level and an increase of \$168,000 above the President's request. The increase above the President's request is for non-pay inflation.

INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$118,166,000
Budget estimate, fiscal year 2002	122,342,000
Recommended in the bill	123,133,000
Bill compared with:	
Appropriation, fiscal year 2001	+4,967,000
Budget Estimate, fiscal year 2002	+791,000

MISSION

The Internal Revenue Service (IRS) Restructuring and Reform Act of 1998 established the Office of Treasury Inspector General for Tax Administration and abolished the IRS Office of the Chief Inspector. The Office was established in January of 1999 as required by that legislation. The Treasury Inspector General for Tax Administration conducts audits, investigations, and evaluations to assess the operations and programs of the IRS and its related entities, the IRS Oversight Board and the Office of Chief Counsel. The purpose of those audits and investigations is to: (1) promote the economic, efficient, and effective administration of the nation's tax laws and to detect and deter fraud and abuse in IRS programs and operations; and (2) recommend actions to resolve fraud and other serious problems, abuses, and deficiencies in these programs and operations.

RECOMMENDATION

The Committee recommends an appropriation of \$123,133,000 for the Inspector General for Tax Administration, an increase of \$4,967,000 above the fiscal year 2001 enacted level and an increase of \$791,000 above the President's request. The increase above the President's request includes \$457,000 for non-pay inflation and

\$334,000 for participation in law enforcement support of the 2002 Winter Olympics.

INSPECTORS GENERAL CRIMINAL INVESTIGATOR ACADEMY

The mission of the Inspectors General (IG) is unique, in that it focuses on the practices of government agencies and representatives. This mission is vitally important, as it ensures that the public is served in the best possible manner by providing an independent review of agency policies and operations. This mission requires training which is specific to the Inspectors General. The Committee supports the concept of an Inspectors General Criminal Investigator Academy, as authorized by Public Law 106-422, and is also aware that a training academy exists at the Federal Law Enforcement Training Center (FLETC), in Glynco, Georgia. This academy consolidates training of the 57 independent Offices of Inspectors General, composed of approximately 3,000 investigators, and provides programs tailored to the Inspectors General mission. The Treasury IG for Tax Administration (TIGTA) is the accountable IG for the academy. Training regarding the investigation of contract and procurement fraud, health care fraud, entitlement and program fraud, and other topics specific to the Inspectors General Criminal Investigator is provided. Funding for this academy is currently supported by contributions from the budgets of the individual Inspector General offices.

In order to properly evaluate the current and future funding levels appropriate for the current IG academy, as well as that authorized by Public Law 106-422, the Committee directs that TIGTA, in consultation and coordination with FLETC, present a report detailing the operations of the current academy at FLETC. This report should include a description of the current financial contribution made by each Office of Inspector General, as well as an evaluation of appropriate levels of training hours, a determination as to whether FLETC is the appropriate venue for all, or part, of the training requirement, and a detailed explanation of these determinations. The report should also include a comprehensive analysis regarding the establishment of a forensic laboratory, as authorized by P.L. 106-422. This should include a cost-benefit analysis of establishing a separate laboratory as well as the numbers and types of cases that require specialized services.

The Committee strongly supports the partnership formed with the Federal Law Enforcement Training Center to create specialized training for Inspectors General criminal investigators, and believes that this partnership ensures that the training provided adheres to the highest professional standards in a consistent manner.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

Appropriation, fiscal year 2001 to date	\$30,932,000
Budget estimate, fiscal year 2002	32,932,000
Recommended in the bill	30,932,000
Bill compared with:	
Appropriation, fiscal year 2001 .....	.....
Budget Estimate, fiscal year 2002	-2,000,000

MISSION

This appropriation funds the repairs, selected improvements, and construction necessary to renovate and maintain the Main Treasury, the Treasury Annex, and other Treasury buildings.

RECOMMENDATION

The Committee recommends an appropriation of \$30,932,000 for Treasury Building and Annex Repair and Restoration, the same as the fiscal year 2001 enacted level and \$2,000,000 below the President's request.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$37,493,333
Budget estimate, fiscal year 2002	45,155,000
Recommended in the bill	45,760,000
Bill compared with:	
Appropriation, fiscal year 2001	+8,266,667
Budget Estimate, fiscal year 2002	+605,000

MISSION

The Financial Crimes Enforcement Network (FinCEN) is responsible for implementing Treasury's anti-money laundering regulations through administration of the Bank Secrecy Act, 31 U.S.C. section 5311, et seq (BSA). It also serves as a United States Government source for the systematic collection and analysis of information to assist in the investigation of money laundering and other financial crimes. FinCEN assists all law enforcement entities, including Federal, State, local and international, through information collection, sophisticated data analysis, and intelligence sharing through dissemination of its analytical products, technological assistance, and implementation of Treasury authorities. It prevents money laundering through its regulatory and outreach programs, including setting policy for and overseeing BSA compliance by financial institutions, and by providing BSA training for law enforcement, bankers, and bank regulators. FinCEN supports U.S. Government initiatives on money laundering and financial crime through multilateral organizations, such as the Financial Action Task Force (FATF) of the Group of Eight, and the UN. It is a catalyst for the development of Financial Intelligence Units (FIUs) in other countries, and the transfer of information on money laundering and financial services worldwide.

As part of its regulatory mission, FinCEN is beginning to provide regulatory and enforcement support to ensure compliance by money service businesses (MSBs) with the requirements of the BSA.

RECOMMENDATION

The Committee recommends an appropriation of \$45,760,000 for the Financial Crimes Enforcement Network, an increase of \$8,266,667 above the fiscal year 2001 enacted level and \$605,000 above the President's request. The increase above the President's request is for non-pay inflation and for security planning and operations related to the 2002 Winter Olympics.

MONEY SERVICE BUSINESS INITIATIVE

Efforts to combat money laundering have long focused on traditional financial institutions, which submit currency transaction reports for transactions exceeding \$10,000, and are also required to submit Suspicious Activity Reports (SARs). In recent years, non-bank financial institutions have been recognized as posing a high money laundering risk, due to their large numbers and the opportunity they offer criminals to structure financial transactions. A major development in the effort to curtail money laundering, therefore, is the implementation of regulations pursuant to the Bank Secrecy Act and the Money Laundering Suppression Act of 1994 to register and educate money service businesses (MSBs) about their responsibilities to report on and prevent money laundering. MSBs are defined to include five types of financial services providers: currency dealers or exchangers; check cashers; issuers or sellers of traveler's checks, money orders, or stored value; money transmitters; and the U.S. Postal Service (except with respect to sale of postage or philatelic products). As of January 1, 2002, MSBs, subject to certain dollar thresholds, must also submit SARs. The Committee has provided, as requested by the President, an additional \$5,520,000 to fully fund the costs of completing registration, outreach, and related administration costs to permit the implementation of this rule.

Because of its interest in seeing how this regulation is carried out, the Committee directs FinCEN to report by May 1, 2002, on the status of its MSB program, to include costs, statistics on SAR reporting, and a description of the outreach and communication system in place for dealing with this newly regulated financial sector.

COST-BENEFIT ANALYSIS OF SAR REGULATIONS

The Committee is aware of interest within Treasury in reevaluating the costs and benefits of Suspicious Activity Reports, including the private sector compliance cost to detect the relatively small number of transactions that are suspicious, and to deter improper transactions. The Committee is aware of the SAR Activity Review published by FinCEN, and is familiar with the statistics on the numbers of SARs filed, the numbers of SARs that are referred for action directly to law enforcement or regulatory institutions, and reporting on major trends in money laundering, and knows that there is ample information about program outputs.

To more fully understand the costs and benefits associated with SARs, the Committee directs the Secretary of the Treasury to submit by February 1, 2002, a cost-benefit analysis. This report should include reference to the overall number of financial transactions potentially subject to SAR reports, to establish the proportion that result in SARs; the total dollar value of such transactions and the dollar value of transactions that are the subject of SARs; the private sector costs associated with SAR reporting, per transaction and per SAR; and the costs to the Treasury Department and the Federal government on a per transaction and per SAR basis. As appropriate, the report should include an analysis of inflation's impact on costs and benefits, including to law enforcement.

HIGH INTENSITY FINANCIAL CRIME AREAS

Under the National Money Laundering Strategy, High Intensity Financial Crime Areas (HIFCAs) were established in four areas (New York-New Jersey, Puerto Rico, Los Angeles, and the Southwest Border). These overlay and reinforce existing government working groups, and geographically represent high concentrations of money laundering activity. The Committee supports close coordination in this multi-agency effort, and directs the Secretary of Treasury to include a report on the progress of the HIFCA initiative with its submission of the fiscal year 2003 budget. This report should describe the budgets for the HIFCAs, statistical information about the level of money laundering in the regions covered by the HIFCAs, and performance data.

MAGNITUDE OF MONEY LAUNDERING STUDY

The Committee is aware that the ongoing study of the magnitude of money laundering being undertaken by FinCEN faces some complex obstacles in terms of quantifying the proceeds of criminal activity. Some of these include not only difficulties in data quality and methodology, but unequal willingness by government agencies to share information. The lack of a uniform database on money laundering, and absence of international cooperation also present difficulties. Because the Committee firmly supports establishing a baseline for money laundering strategy and anti-money laundering performance, it directs the Secretary of the Treasury to report within 90 days of enactment of this Act on the progress of the study, to include recommendations for funding or legislation if necessary.

COUNTERTERRORISM FUND

Appropriation, fiscal year 2001 to date	\$54,879,000
Budget estimate, fiscal year 2002	44,879,000
Recommended in the bill	36,879,000
Bill compared with:	
Appropriation, fiscal year 2001	- 18,000,000
Budget Estimate, fiscal year 2002	- 8,000,000

MISSION

This appropriation would provide funding for unanticipated costs associated with support to counter, investigate, or prosecute domestic or international terrorism, including payment of rewards, and to re-establish the operational capability of an office, facility, or other property damaged or destroyed as a consequence of any unexpected domestic or international terrorist act. These funds would only be available to the extent that prior notification is sent to the Committees on Appropriations in accordance with guidelines on re-programming and transfer of funds.

RECOMMENDATION

The Committee recommends an appropriation of \$36,879,000 for the Treasury Counterterrorism Fund, a decrease of \$18,000,000 below the fiscal year 2001 enacted level and \$8,000,000 below the President's request. The Committee has included language clarifying that the fund is to be used for unexpected threats or acts of

terrorism, and that funding shall be available after prior notification is made to the Committees on Appropriations in accordance with reprogramming and transfer guidelines.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$99,264,137
Budget estimate, fiscal year 2002	100,707,000
Recommended in the bill	101,769,000
Bill compared with:	
Appropriation, fiscal year 2001	+2,504,863
Budget Estimate, fiscal year 2002	+1,062,000

MISSION

The Federal Law Enforcement Training Center (FLETC) provides the necessary facilities, equipment, and support services to conduct advanced, specialized, and refresher training for Federal law enforcement personnel. This appropriation is for operating expenses of the Center, for research in law enforcement training methods, and curriculum content. In addition, the Center has a reimbursable program to accommodate the training requirements of various Federal agencies. As funds are available, law enforcement training is provided to certain State and local law enforcement, and in some cases, foreign government and private sector security personnel, on a space-available and usually reimbursable basis.

RECOMMENDATION

The Committee recommends an appropriation of \$101,769,000 for the Federal Law Enforcement Training Center, an increase of \$2,504,863 above the fiscal year 2001 enacted level and \$1,062,000 above the President's request. The increase above the President's request is for non-pay inflation.

TRANSITION OF BORDER PATROL BASIC TRAINING

The current Master Plan for the Federal Law Enforcement Training Center (FLETC) is predicated on providing basic training for new entrants to the U.S. Border Patrol at the Glynco, Georgia or Artesia, New Mexico, FLETC campuses. This will require adequate capacity to handle the increased numbers of new entrants, particularly with the planned closure of the temporary U.S. Border Patrol training facility at the former Charleston, South Carolina, Navy Yard. This move will conform to longstanding Congressional support for consolidated law enforcement training. The Committee wants to be fully apprised of decisions as they are made, as well as funding necessary to complete this transition successfully. The Committee therefore directs FLETC to report by September 1, 2001, on the preparations for this transition, including a description of remaining decisions, actions, and funding required, as well as associated timelines.

CAPITAL METROPOLITAN AREA LAW ENFORCEMENT TRAINING FACILITY

In fiscal year 2001, the Committee provided \$30,000,000 for the establishment of a new training facility to meet the substantial need for Washington, D.C., area firearms and driver requalification

and other necessary training that can be met more effectively and practically in the Capital region, rather than require travel to other facilities such as FLETC campuses at Glynco or Artesia, or simply failing to provide critical perishable skills maintenance. This facility, which will be located at the site of the former Cheltenham Naval Communications Detachment in Prince Georges County, Maryland, will serve this purpose for both federal agencies located in the Capital area, including the U.S. Capitol Police, as well as for local law enforcement agencies on a space-available basis. The Committee wishes to be kept fully informed of progress in developing the new training facility.

Although the initial concept was that the new center be open to all interested Federal agencies in the Capital area, as well as meet local law enforcement agency training needs, not every agency has demonstrated such interest. At the same time, the Committee is aware of efforts to establish other training facilities for specialized purposes. Consistent with the longstanding goal of this Committee to consolidate law enforcement training wherever practicable, the Committee directs that any plans for new training facilities or significant new programs should address why they cannot be accommodated through the use of existing FLETC facilities, distance learning or off-site training programs. The Committee also directs that requests to fund such initiatives other than through FLETC should be accompanied by an assessment from FLETC explaining the necessity for such action.

RURAL LAW ENFORCEMENT TRAINING

FLETC has for several years run a counterdrug training program for rural law enforcement agencies. The Committee strongly supports this effort, and encourages FLETC to continue its efforts to make such training available as widely as possible, to include using such tools as teleconferencing, online training, or “train the trainer” approaches to expanding the access to FLETC resources for rural State and local law enforcement agencies.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS AND RELATED EXPENSES

Appropriation, fiscal year 2001 to date	\$54,086,000
Budget estimate, fiscal year 2002	21,895,000
Recommended in the bill	22,834,000
Bill compared with:	
Appropriation, fiscal year 2001	- 31,252,000
Budget Estimate, fiscal year 2002	+939,000

MISSION

This account provides for the acquisition, construction, improvements, equipment, furnishings and related costs for expansion and maintenance of facilities of the Federal law Enforcement Training Center.

RECOMMENDATION

The Committee recommends an appropriation of \$22,834,000 for FLETC Acquisition, Construction, Improvements, and Related Expenses, a decrease of \$31,252,000 below the fiscal year 2001 appro-

priation and \$939,000 above the President's request. The increase above the President's request is for non-pay inflation.

INTERAGENCY LAW ENFORCEMENT

INTERAGENCY CRIME AND DRUG ENFORCEMENT

Appropriation, fiscal year 2001 to date	\$103,248,000
Budget estimate, fiscal year 2002	106,487,000
Recommended in the bill	106,965,000
Bill compared with:	
Appropriation, fiscal year 2001	+3,717,000
Budget Estimate, fiscal year 2002	+478,000

MISSION

This program consists of nine regional task forces that consolidate resources and expertise of 11 member federal agencies, in cooperation with state and local investigators and prosecutors, to target and destroy major narcotic trafficking and money laundering organizations. The funding for Treasury Department participation was included in the Department of Justice appropriation prior to fiscal year 1998. Since then, Treasury has administered its portion of the program through its Departmental Offices to reimburse the three Treasury bureaus—the Customs Service, the Bureau of Alcohol and Tobacco, and the Internal Revenue Service—for the costs of their employees detailed to the task forces, as well as for operating expenses during investigative phases of cases.

RECOMMENDATION

The Committee recommends an appropriation of \$106,965,000 for Interagency Crime and Drug Enforcement, an increase of \$3,717,000 above the fiscal year 2001 enacted level and \$478,000 above the President's request for the estimated costs of non-pay inflation.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$206,396,000
Budget estimate, fiscal year 2002	211,594,000
Recommended in the bill	212,316,000
Bill compared with:	
Appropriation, fiscal year 2001	+5,920,000
Budget Estimate, fiscal year 2002	+722,000

MISSION

The Financial Management Service (FMS) is responsible for the management of Federal finances and the collection of Federal debt. As the Government's central financial agent, FMS receives and disburses public monies, maintains Government accounts, and reports on the status of the Government's finances. FMS is also accountable for developing and implementing the most reliable and efficient financial methods and systems to manage and improve the Government's cash management, credit management, and debt collection programs.

Pursuant to the Debt Collection Improvement Act of 1996, FMS became the primary agency for the collecting of Federal non-tax debt which is due and owed to the government. Through FMS,

there is a coordinated effort to collect debt from those who have defaulted on agreements with the Federal government.

RECOMMENDATION

The Committee recommends an appropriation of \$212,316,000 for the Financial Management Service, an increase of \$5,920,000 above the fiscal year 2001 enacted level and an increase of \$722,000 above the President's request. The increase above the President's request is for non-pay inflation.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$771,142,745
Budget estimate, fiscal year 2002	803,521,000
Recommended in the bill	824,199,000
Bill compared with:	
Appropriation, fiscal year 2001	+53,056,255
Budget Estimate, fiscal year 2002	+20,678,000

MISSION

The Bureau of Alcohol, Tobacco and Firearms (ATF) is responsible for the enforcement of laws designed to eliminate certain illicit activities and to regulate lawful activities relating to distilled spirits, beer, wine and nonbeverage alcohol products, tobacco, firearms, explosives, and arson. Its responsibilities are focused on reducing the future number and cost of violent crimes; collecting revenue, reducing taxpayer burden and improving service while preventing diversion of regulated items and revenue from their sale; and protecting the public and preventing consumer deception in ATF's regulated commodities.

RECOMMENDATION

The Committee recommends an appropriation of \$824,199,000 for the Bureau of Alcohol, Tobacco and Firearms, an increase of \$53,056,255 above the fiscal year 2001 enacted level and an increase of \$20,678,000 above the President's request. The increase above the President's request includes \$9,655,000 for non-pay inflation, \$10,523,000 for costs of security planning and operations associated with the 2002 Winter Olympics, and \$500,000 to fund additional support for management improvements for the National Firearms Act (NFA) and Imports Branches, and the National Licensing Center.

INSPECTOR SHORTFALL

ATF has testified that it faces a significant shortage of inspectors required to meet its statutory mandates. Such a shortfall translates into reduced frequency in inspections by field inspectors in such critical areas as explosives and firearms licensees, as well as reducing ATF's ability to carry out its mission to collect revenue and protect the public. The Committee continues to be concerned by this discrepancy, and strongly urges ATF to develop a plan to improve its inspection effort and resources, and to incorporate this plan in its budget request for fiscal year 2003.

TARGETED ENFORCEMENT OF VIOLENT CRIME

The Committee strongly supports the goals of the Integrated Violence Reduction Strategy (IVRS) (initiated in FY 2000), the Youth Crime Gun Interdiction Initiative (YCGII) (initiated in FY 1996), and the National Integrated Ballistic Information Network (NIBIN) (initiated in 1999). Accordingly, the Committee has significantly increased funding for each of these programs since their inception, and fully funds the President's request for each of these programs in FY 2002. This includes \$73,500,000 for IVRS, \$85,000,000 for YCGII, and \$25,200,000 for NIBIN. The Committee believes that this level of funding for these programs is consistent with the priority of stopping gun violence. However, the Committee believes that the rapid growth of these programs warrants close oversight to ensure that funding is directed most effectively to those programs that result in a reduction in violent crime. In October, 2000, the Committee heard from ATF and the Treasury Inspector General about management weaknesses in the YCGII program, as well as about assessments of program effectiveness. To this end, the Committee will look carefully to ATF to see that it carries out its agreed management improvements for the YCGII program, and continues to develop and utilize reliable measures of effectiveness for these programs. The Committee therefore directs ATF to report on a quarterly basis as to program effectiveness, including statistical data and other information about program performance.

NORTH CAROLINA GUN CRIME

The Committee is concerned about youth gun violence in the Raleigh, Durham, and Chapel Hill areas of North Carolina. The Committee requests that ATF evaluate the feasibility of expanding the Youth Crime Gun Interdiction Initiative into these areas and report its findings to the Committee within 90 days of enactment of this Act.

NEW JERSEY YOUTH GUN VIOLENCE

The Committee requests that the ATF evaluate its current Youth Crime Gun Interdiction Initiative efforts in New Jersey to combat youth gun violence and examine the feasibility of expanding those efforts and report those findings to the Committee within 90 days of enactment of this Act.

GREAT PROGRAM

The Committee anticipates that ATF will soon release a longitudinal study of the Gang Resistance Education And Training (GREAT) program, which should help add to the basis for evaluating the impact this program has had on reducing gang violence. ATF has testified that its assessments show that program participants demonstrate more positive social attitudes and more antipathy toward gangs than non-participants. However, the Committee would also encourage ATF to look at the statistics for gang violence and membership in areas where the GREAT program has been operating as well to see if a correlation can be drawn between this program and the impact on creating a safer environment for young people.

IMPROVEMENTS IN FIREARMS LICENSING AND REGULATORY OPERATIONS

ATF received \$2,000,000 in fiscal year 2001 for management and technical improvements at the National Firearms and Import Branches, as well as the National Licensing Center. This is being used to upgrade the level of service provided to both commercial and personal customers. ATF has applied this funding to three principal initiatives aimed at rationalizing separate systems, including consolidation and standardization, and is pursuing several management initiatives to streamline processes and improve information access and usefulness for both ATF and the public. ATF is also engaged in a project to image and index records of the National Firearms Registration and Transfer Record (NFRTR), and then to link such records to its retrieval system in order to meet recommendations by the Treasury Inspector General to ensure accuracy in the NFRTR database. The Committee includes an additional \$500,000 to assist in such efforts as linkage technology, electronic filing, and the use of contract employees with the aim of reducing processing times and ensuring the completeness and accuracy of the NFRTR.

ATF REPORT ON STATUS OF NOTICE OF PROPOSED RULEMAKING NO. 872

The Committee is aware that the ATF issued a Notice of Proposed Rulemaking (No. 872 dated February 9, 1999, as amended by No. 873 dated April 12, 1999) to prohibit certain alcohol beverage containers that are likely to mislead consumers as to the identity or character of the distilled spirits, wine, or malt beverage products within the containers, or which are likely to be confused with other (non-alcohol) food products. The proposed rules also amend regulations to clarify the standards of fill for distilled spirits and wine.

The Committee directs the ATF to report to the Committee by October 1, 2001 concerning the status of these proposed rules. The report shall include the ATF's analysis of how, if at all, the adoption of these rules will affect the marketing and distribution of so-called "Alcopops" products, the sweeter and fruit-flavored, 5%+ alcoholic beverages bearing names which equate them to or are confusingly similar to lemonade, tea, or other drinks that typically contain no alcohol. The ATF also shall include an analysis of whether it needs any additional regulatory or legal authority to address this issue effectively.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$1,878,557,062
Budget estimate, fiscal year 2002	1,961,764,000
Recommended in the bill	2,059,170,000
Bill compared with:	
Appropriation, fiscal year 2001	+180,612,938
Budget Estimate, fiscal year 2002	+97,406,000

MISSION

The United States Customs Service is the nation's principal border agency with responsibility to enforce the law, safeguard rev-

enue, and support lawful international trade and travel. Its mission is to ensure that all goods that enter and exit the United States do so in accordance with all United States laws and regulations. This includes enforcing U.S. laws intended to stop trafficking in drugs and other contraband; protecting the American public and environment from the introduction of prohibited hazardous and noxious products; assessing and collecting revenue in the form of duties, taxes, and fees on imported merchandise; regulating the movement of persons, carriers, merchandise, and commodities between the United States and other nations, while facilitating the movement of all legitimate cargo, carriers, travelers, and mail; interdicting narcotics and other contraband; and enforcing certain provisions of the export control laws of the United States.

RECOMMENDATION

The Committee recommends an appropriation of \$2,059,170,000 for the U.S. Customs Service, an increase of \$180,612,938 above the fiscal year 2001 enacted level and an increase of \$97,406,000 above the President's request. The increase above the President's request includes \$33,476,000 for non-pay inflation, \$13,813,000 for costs of security planning and operations associated with the 2002 Winter Olympics, \$30,000,000 for additional investments in non-intrusive inspection technology, \$15,000,000 for additional positions to offset reductions in COBRA funding, \$3,000,000 to field test Pulsed Fast Neutron Analysis (PFNA) inspection technology, \$800,000 to fund tobacco smuggling task forces, and \$1,317,000 to implement the African Growth and Opportunity Act.

INSPECTION TECHNOLOGY INVESTMENTS

In fiscal year 1999 the Customs Service received \$134,000,000 to begin a significant investment in non-intrusive inspection (NII) technology. Acquisition and deployment of this technology has continued since that time, with significant improvements in the use of such technology at high risk ports of entry. In addition to such systems as mobile x-ray, gamma ray technology and the Automated Targeting System (ATS), Mobile Sea Container Systems are being deployed at vulnerable seaports to begin to improve the level of scrutiny given the rapidly increasing volume of cargo there. Such technology investments are essential, given the rapid increase in volume of trade and passenger traffic that Customs must clear with no significant increase in personnel.

However, \$80,000,000 is required to complete deployment of NII systems called for in the Customs five year NII Technology Plan for the southern United States, and there is a need to address similar concerns along the Northern Border, where Customs is planning to deploy two NII systems funded through the fiscal year 2001 appropriation provided to enhance Northern Border security after recent terrorist threats.

The Committee therefore provides an additional \$30,000,000, to remain available until expended, to address this high priority. Such technology may be used, in conjunction with existing NII technology, to increase the range and intensity of coverage, to test promising new technologies such as computed tomography, to be applied to outbound detection (such as for currency or stolen vehicles), to increase security against smuggling, drugs, and terrorist

threats, and generally to assist in enforcing compliance with Customs laws.

PULSED FAST NEUTRON ANALYSIS FIELD TEST

In addition to the \$30,000,000 described above, the Committee has included in its recommendation an additional \$3,000,000 to fund the operational field testing of a Pulsed Fast Neutron Analysis (PFNA) NII system in El Paso, Texas. The technology, which has been developed through years of support from various government agencies, is designed to provide non-invasive, non-harmful detection of illegal substances including narcotics, explosives, currency and chemical weapons, regardless of the shape or density of the subject material. The Committee directs Customs to report within 90 days after enactment of this Act on the progress in deploying this system, and again one year after enactment of this Act on the results of its test. The Committee encourages the Customs Service to invite other border inspection agencies to participate in this test.

CUSTOMS INSPECTION STAFFING SHORTFALLS

The cost of providing Customs inspection services is exceeding the revenues generated by Consolidated Omnibus Reconciliation Act (COBRA) fees. As a result, in fiscal year 2001 Customs is experiencing a real reduction of over 300 full-year positions, resulting in reduced staffing and deferral or cancellation of plans to upgrade equipment and staff Customs terminals. At the same time, the Resource Allocation Model (RAM) developed by Customs indicates a workload exists to justify staffing levels that are at least 50% higher than at present.

The Committee recognizes that a decision to reauthorize COBRA fees may provide additional resources, as authority to collect them otherwise expires in 2003. However, the trend appears to be downward, particularly in light of possible moves toward more trade agreements that could create pressure to reduce or eliminate such fees. Given the certainty that Customs will continue to face sharply increasing passenger and cargo workloads, any real reduction in staffing levels is unacceptable. The Committee therefore has included \$15,000,000 to permit additional staffing, with the expectation that such positions will be allocated according to the highest priorities indicated by the RAM and other management tools.

The Committee directs the Secretary of the Treasury to report by February 1, 2002, on how Customs will allocate this funding, indicating the types, numbers and locations of positions filled. The report should also address what steps the Department and Customs are taking to compensate for decreases in COBRA resources and meet growing demands on Customs inspection and related services.

CUSTOMS INSPECTION SERVICES FOR INTERNATIONAL CARGO AND PASSENGER TRAFFIC

The Committee is aware of many ports of entry and border areas that are experiencing significant growth in commercial and passenger traffic, or that face more severe drug trafficking and other forms of smuggling. The Committee remains concerned about airports and seaports experiencing increases in traffic and about those

that project such increases as a result of regional development patterns. The Committee acknowledges that decisions by the Customs Service to allocate inspectors, criminal investigators, trade specialists and other positions must be based on staff availability, funding constraints, traffic and workload experience and projections, as well as the need to prioritize targets in enforcing trade laws or countering smuggling. At the same time, the Committee recognizes that some ports, such as international airports like Miami (which is developing new terminals), Louisville (a major cargo shipment hub), or Dulles International Airports, are facing the prospect of growth that depends heavily on the availability of critical Customs services. The Committee expects the \$15,000,000 provided to offset reductions in COBRA-funded positions to be used to target areas facing such acute pressure. The Committee directs the Customs Service, with the help of its RAM and other decision tools, to identify and request resources needed to meet these requirements, and in so doing to work closely with airport and other port authorities and the trade community.

NORTHERN BORDER

With the expansion of trade entries by 132 percent since enactment of the U.S.-Canada Free Trade Agreement and NAFTA, the increase of air and sea passengers by 62 percent, from 52 million to 84 million per year, and dramatic increases in land border traffic, there has been only a token increase in the number of inspectors and other needed personnel, and U.S.-Canadian ports are experiencing significant delays in cross-border traffic. The Committee therefore directs Customs to pay especial attention to the needs of these port areas as it makes its allocation decisions, both in terms of personnel, as guided by the RAM, and in infrastructure. In 2001 Congress provided additional funding for Northern Border security infrastructure and criminal investigator positions to meet the increased terrorist threat. The Committee expects that decisions on allocation of the additional \$15,000,000 for personnel will thoroughly assess the needs of Northern Border ports for additional staff, particularly inspectors, canine enforcement officers, and import specialists.

SOUTHWEST BORDER PORTS OF ENTRY ORGANIZATION

The Committee is interested in the continuing growth in border crossings along the Southwest Border ports of entry. The Committee is following with interest the infrastructure improvements for Southwest (and Northern) Border ports identified in the U.S. Port of Entry Infrastructure Study last year, and looks forward to the recommendations of the Border Station Partnership Council. Given this potential infrastructure change, along with highway improvements on both sides of the border, airport improvement and increased NAFTA activity, the Committee requests that Customs submit a report on how it plans to address this growth, including any plans to change existing port or border organizational structures.

RESOURCE ALLOCATION MODEL

The Committee recognizes the limitations in using the Resource Allocation Model (RAM) to make staffing and investment decisions, and that it cannot be employed as the exclusive basis for such decisions. However, it provides a reasonable estimate of country-wide workload requirements, and Customs should be able to use the RAM in conjunction with other management tools to make objective and timely decisions about how to prioritize its resources. The Committee is struck by the significant discrepancy between overall resource requirements estimated using the RAM, and actual resources available or planned for the Customs Service, and believes this incongruity needs to be addressed by the Administration. The Committee therefore directs the Secretary of the Treasury to report by November 1, 2001, on its plan to fulfill these requirements, including a description of staffing requirements indicated by the RAM for each Customs location, and what decision processes, including the RAM, are in use to decide where and how to deploy staff and resources.

PERSONAL SEARCH PRACTICES

Customs is commended for taking meaningful and effective steps to reform and clarify its personal search practices. As a result, it is the first major law enforcement agency to demonstrate a significant reduction in the numbers of minorities searched for contraband, with the number of personal searches at international airports falling by nearly 80 percent between 1998 and 2000, while experiencing a 38 percent increase in drug seizures since 1999. The Committee congratulates Customs on its success, and because maintaining strong oversight of this is important, the Committee directs Customs to submit by November 1, 2001, an updated report giving statistical information concerning the frequency of complaints about personal search abuses, including claims of racial profiling; Customs' assessment of such claims; and any new policies or procedures that have been or are being implemented by Customs.

SEAPORT SECURITY

In 2000 the Interagency Commission on Crime and Security in U.S. Seaports (ICCSS) reported on significant levels of drug trafficking and other smuggling occurring at the 368 public seaports in this country, and described the high vulnerability of those seaports to terrorist and criminal exploitation. The ICCSS called for substantial increases in resources, changes in regulations and procedures, and improved interagency and intergovernmental coordination to improve the level of security at our nation's seaports.

Customs has reported on several efforts underway to address these concerns. The General Service Administration's Maritime Federal Facilities council is seeking single site federal services within seaports. In a move to make export information more timely, the Customs Service, Commerce Department and National Institute for Standards and Technology have defined export filing requirements and will submit a report to Congress requiring all export filings to be reported in the Automated Export System (AES), rather than provided after vessels leave U.S. ports. The Research

and Technology Committee of the Interagency Committee on the Marine Transportation System (ICMTS) will hold a conference in November, 2001 and follow this up with interagency recommendations for examination and investigative technology at seaports. To assess resource requirements, a Subcommittee on Security was established under the ICMTS, co-chaired by Customs and the Coast Guard, and is pursuing a comprehensive interagency study to analyze the impact of current projections related to seaport crime, trade volumes, technology, and other key factors on future personnel requirements for federal agencies having seaport border control responsibilities.

The Committee strongly urges the Administration to sustain momentum in addressing the ICCSS' recommendations, and therefore directs the Secretary of the Treasury to report within 90 days of enactment of this Act on these and other specific actions that have been taken by the Department, Customs Service and other federal agencies to complete action on the initiatives underway, including efforts of the Criminal Justice Information Services Advisory Policy Board to develop a National Incident Based Report System and thereby improve collection and reporting of crime data by seaports. The report should detail actions underway and provide a time line for completion of reports, draft legislation, and other action items.

AFRICAN GROWTH AND OPPORTUNITY ACT

The Committee provides \$1,317,000 to the Customs Service to provide assistance to help AGOA beneficiary countries come into compliance with the customs requirements in the Trade and Development Act of 2000, so that more countries are designated as eligible to ship goods under the program.

ILLEGAL TRANSSHIPMENTS

The Committee is concerned about reports of goods, including textiles and shoes, being transshipped from China through the United States into Mexico with false certificates of origin. Such transshipment clearly would violate NAFTA. The Committee encourages Customs to accelerate its efforts to stop illegal transshipments that follow this or other patterns.

HARBOR MAINTENANCE FEE COLLECTION

Appropriation, fiscal year 2001 to date	\$2,993,000
Budget estimate, fiscal year 2002	2,993,000
Recommended in the bill	2,993,000
Bill compared with:	
Appropriation, fiscal year 2001 .....	.....
Budget Estimate, fiscal year 2002 .....	.....

MISSION

The Harbor Maintenance Fee provides resources to the Army Corps of Engineers for the improvement of American channels and harbors. It is assessed on the value of commercial imports and exports delivered to or from certain specified ports. The fee is collected by the U.S. Customs Service and deposited into the Harbor Maintenance Trust Fund.

RECOMMENDATION

The Committee recommends an appropriation of \$2,993,000, the same as the fiscal year 2001 appropriation and the amount requested by the President.

OPERATION, MAINTENANCE AND PROCUREMENT, AIR AND MARINE INTERDICTION PROGRAMS

Appropriation, fiscal year 2001 to date	\$139,919,498
Budget estimate, fiscal year 2002	162,637,000
Recommended in the bill	183,853,000
Bill compared with:	
Appropriation, fiscal year 2001	+43,933,502
Budget Estimate, fiscal year 2002	+21,216,000

MISSION

The Customs Air and Marine Interdiction Programs combat the illegal entry of narcotics and other items into the United States. This appropriation provides all operations, maintenance and procurement for the Customs air and marine program and support for the interdiction of narcotics by other Federal, State, and local agencies. Included in this mission is the requirement to support the Bureau of Alcohol, Tobacco and Firearms and the U.S. Secret Service.

RECOMMENDATION

The Committee recommends an appropriation of \$183,853,000 for Operations, Maintenance and Procurement, Air and Marine Interdiction Programs, an increase of \$43,933,502 above the fiscal year 2001 enacted level and an increase of \$21,216,000 above the President's request. The increase above the President's request includes \$2,285,000 for non-pay inflation, \$4,931,000 for costs of security planning and operations associated with national special security events, \$4,000,000 for electro-optical and infrared imaging systems for aircraft and marine vessels, and \$10,000,000 for additional investments in the air program.

MODERNIZATION OF THE AIR AND MARINE INTERDICTION DIVISION

The Committee fully funds the President's request for new investments for the Air and Marine Interdiction Division (AMID) program. However, this only scratches at the surface of the needs projected for modernization as outlined in the Modernization Plan for the AMID, which totals over \$1.5 billion for air, marine, communications and training/standardization requirements. Requirements of this magnitude are clearly beyond the means of the Committee at this time. However, given the age of the Customs AMID air and marine vessels, its inadequate basing and storage capabilities, and the difficulties it faces in maintaining a high rate of operational readiness, it is critical that modernization must be approached strategically, with a clear, achievable plan.

This will require strong direction from the Administration, through the Treasury Department and Customs, and in coordination with other federal agencies with responsibilities for air and international and arrival zone counterdrug missions. Such efforts should also address the strategic and tactical priorities for Customs mission and functions, and either follow the timelines and prior-

ities of the existing plan or institute a new one. Future funding will need to be substantially increased if credible modernization is to take place, which will involve large scale system replacement, upgrades, and facilities and communications costs. The Committee strongly urges that the Administration assign this effort high priority as it plans for its fiscal year 2003 budget.

As a way to begin support for this effort, the Committee provides an additional \$10,000,000 that it directs should go towards air program modernization. The Committee also directs the Customs Service to apply this funding to key program priorities contained in the AMID Modernization Plan, such as the need for hangars at the Standardization and Training Branch and for needed aircraft replacements or upgrades.

The Committee would also urge the Administration to avoid the complete breakdown of the tethered aerostat radar system (TARS), which is being allowed to shut down in the absence of strong, committed program management and funding support. If the Customs Service is assigned the TARS mission, it will be essential that an adequate budget for that activity be included as well.

MOBILE SUPPORT VESSELS

As part of modernizing its marine interdiction effort, the Customs Service needs to consider a wide range of options for basing and deploying its interceptor vessels in the most effective and economical way. The Committee requests that Customs consider the option of using mobile support vessels to support offshore drug interdiction efforts for long term, on-station mission support, supplies, maintenance and personnel needs.

AUTOMATION MODERNIZATION

Appropriation, fiscal year 2001 to date	\$257,831,532
Budget estimate, fiscal year 2002	257,832,000
Recommended in the bill	427,832,000
Bill compared with:	
Appropriation, fiscal year 2001	+170,000,468
Budget Estimate, fiscal year 2002	+170,000,000

MISSION

The Automation Modernization account includes funding for major information technology projects for the Customs Service. Projects included in this request are the planned Automated Commercial Environment (ACE) system, the existing Automated Commercial System (ACS), and the International Trade Data System (ITDS), which is being developed as a component of ACE.

RECOMMENDATION

The Committee recommends an appropriation of \$427,832,000 for Automation Modernization, an increase of \$170,000,468 above the fiscal year 2001 enacted level and an increase of \$170,000,000 above the President's request. The increase above the President's request is for development and deployment of the Automated Commercial Environment (ACE).

AUTOMATED COMMERCIAL ENVIRONMENT (ACE)

The selection of a prime contractor to work with the Customs Service to develop a successor system to the aging, legacy Automated Commercial System (ACS) has put the Customs effort to modernize and improve its automated systems on a new footing. The Committee strongly supports this effort, and believes it merits some of the highest priority in funding for this bill. However, the Administration's request for \$130,000,000 would have the effect of delaying the implementation of this project by at least a year, increasing the risk of project failure (worsened by uncertainty over future funding), and increasing the pressure on ACS. In order to help ensure that the development phase of this project remains on track for completion within five years, the Committee includes an additional \$170,000,000 to bring the full fiscal year 2002 level of funding for ACE to \$300,000,000. This is \$88,000,000 below what it would take to fully fund phases I and II of this project, but should provide ample resources to begin making a significant impact on Customs processes at critical, high volume ports of entry.

The Committee has continued language requiring that the release of this funding will depend on first receiving and reviewing specific Customs' expenditure plans, including cost-benefit analysis, for each requested funding release. Such Committee review will last a minimum of 30 days, with the assistance of the General Accounting Office. The Committee strongly supports the recommendations made by GAO to consolidate responsibility and accountability for ITDS under the overall modernization management framework, rather than to permit development of a separate, stovepiped system, and clarify roles of agents used by Customs and its prime contractor to avoid conflicts of interest. The Committee therefore directs Customs to specifically include any plans for further ITDS pilot funding, including cost, benefits, and risk justification, in the next ACE expenditure plan, expected to be submitted in October 2001, and at the same time report to the Committee on what steps it has taken to ensure the independence of its independent verification and validation agent.

BUREAU OF ENGRAVING AND PRINTING

	2000 (actual)	2001 (estimate)	2002 (estimate)
Total revenue	\$476,000,000	\$417,000,000	\$450,000,000
Revenue from currency	409,000,000	355,000,000	396,000,000
Revenue from stamps	55,000,000	53,000,000	45,000,000
Other revenue	12,000,000	9,000,000	9,000,000
Cost of operations	461,000,000	425,000,000	450,000,000
Net revenue (to Treasury)	15,000,000	-8,000,000	0

MISSION

The Bureau of Engraving and Printing (BEP) designs, manufactures, and supplies Federal Reserve notes, various public debt instruments, as well as most evidences of a financial character issued by the United States, such as postage and internal revenue stamps. The BEP executes certain printings for various territories administered by the United States, particularly postage and revenue stamps.

The operations of the BEP are financed by means of a revolving fund established in accordance with the provisions of Public Law 656, August 4, 1950 (31 U.S.C. 181), which requires the BEP to be reimbursed by customer agencies for all costs of manufacturing products and services performed. The BEP is also authorized to assess amounts to acquire capital equipment and provide for working capital needs. The anticipated work volume is based on estimates of requirements submitted by agencies served.

UNITED STATES MINT

	Circulating coins	Numismatic coins	Protection
2000 (actual):			
Number of coins	21.0 billion	6.2 billion.	
Cost of operations	\$423 million	\$669 million	\$28 million
Revenue	\$1,679 million	\$2,023 million.	
Net revenue (to Treasury)	\$1,256 million	\$1,355 million	(\$28 million)
2001 (estimate):			
Number of coins	18.9 billion	6.0 billion.	
Cost of operations	\$311 million	\$768 million	\$35 million
Revenue	\$816 million	\$1,956 million.	
Net revenue (to Treasury)	\$504 million	\$1,188 million	(\$35 million)
2002 (estimate):			
Number of coins	18.2 billion	5.8 billion.	
Cost of operations	\$287 million	\$806 million	\$36 million
Revenue	\$689 million	\$1,939 million.	
Net revenue (to Treasury)	\$402 million	\$1,133 million	(\$36 million)

MISSION

The United States Mint manufactures coins, receives deposits of gold and silver bullion, and safeguards the Government's holdings of monetary metals. For fiscal year 1997, Congress established the United States Mint Public Enterprise Fund (Public Law 104-52) which authorized the U.S. Mint to use proceeds from the sale of coins to finance the costs of its operations and which consolidated all existing Mint accounts into a single fund. Public Law 104-52 also provides that, in certain situations, the levels of capital investments for circulating coins and protective services factor into the decisions of the Congress such that those levels compete with other requirements for funding.

RECOMMENDATION

The Committee recommends a spending level for capital investments by the U.S. Mint for circulating coinage and protective services of \$43,000,000, the same as the fiscal year 2002 spending level currently planned by the U.S. Mint and a decrease of \$5,000,000 below the level included in the President's request. The Committee is extremely disappointed with the level of information provided in the budget justification for this item and directs that more detailed information, including descriptions of specific capital investment items, be provided in future annual budget justifications to Congress. The Committee also includes a requirement that the United States Mint Public Enterprise Fund pay for a study by the General Accounting Office on circulating coinage. The payment is to be made 60 days after the enactment of this Act. The GAO report is to be delivered to the House Committee on Appropriations and

House Committee on Financial Service 270 days after the enactment of this Act.

The Committee recommends a new general provision (Section 121) to require specific Congressional authorization for the construction and operation of a museum in the Mint's National Headquarters in Washington, D.C. Last year, the Committee directed the Mint to provide a report assessing the nature and the extent to which the new dollar coin is being used in commerce; the resultant report did not address this issue. The Committee directs the Mint to provide a new report by March 31, 2002, on this important topic and expects the Mint to more adequately address this issue. The Committee also has serious reservations regarding the procurement and leasing activities of the Mint and is concerned that the Mint may be misinterpreting or abusing the flexibility provided by Congress in establishing the public enterprise fund. The Committee urges the Department to take a more active role in guiding and managing the Mint, particularly in such areas as its needs for foreign travel and justification of foreign travel.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

Appropriation, fiscal year 2001 to date	\$182,699,000
Budget estimate, fiscal year 2002	185,370,000
Recommended in the bill	187,318,000
Bill compared with:	
Appropriation, fiscal year 2001	+4,619,000
Budget Estimate, fiscal year 2002	+1,948,000

MISSION

This appropriation provides funds for the conduct of all public debt operations and the promotion of the sale of U.S. savings-type securities.

RECOMMENDATION

The Committee recommends an appropriation of \$187,318,000 for administering the public debt, an increase of \$4,619,000 above the fiscal year 2001 enacted level and an increase of \$1,948,000 above the President's request. The increase above the President's request is for non-pay inflation.

The Committee has not continued language in the bill regarding the administration of certain Trusts. This language, first contained in fiscal year 2001, created an indefinite appropriation for the funding of administrative services by the Bureau of the Public Debt on behalf of these Trusts. The Committee believes that the Bureau should recover the costs of the administrative services it provides to the various Federal trust and investment funds and expects these administrative costs to be fully covered within the appropriation provided.

The Committee has provided a one-time increase in the representational allowance for the Bureau of the Public Debt in support of its hosting of an international debt conference in May 2002 to share information and discuss the challenges of managing and marketing sovereign debt.

PUBLIC DEBT PROGRAM ACTIVITIES

The Committee is concerned about the adequacy of response by the Bureau of Public Debt to recent developments that have drastically altered the long-time assumptions regarding the debt of the Nation. Current and future reductions of the national debt held by the public should bring significant reductions of the workforce required to manage and service that debt. As debt instruments mature, there will continue to be some new or rollover borrowings to re-finance the declining balance as well as a need to administer bond redemptions. But reductions in borrowing from the public also will dramatically affect the mix of instruments used to finance the public debt.

The Committee finds a pressing need to explore immediately the implications of reduced borrowing and to re-visit the assumptions that underlie the work of the Bureau of Public Debt. For instance, according to its fiscal year 2002 budget justification, more than 70 percent of the Bureau's workforce and funding are devoted to savings bond activities. Yet savings bonds constitute only about 3 percent of the total public debt and less than 6 percent of the publicly held debt. In contrast, less than 30 percent of the Bureau's workforce and funding are focused on marketable securities, although these securities make up 97 percent of the outstanding public debt. The Committee is concerned that the implications of (1) the decline in the relative importance of savings bonds in funding the public debt, (2) the steady increase in savings bond redemptions over new issuances, and (3) the preference by Americans for other forms of savings and investments are not being adequately anticipated by the Bureau in its debt management programs and activities.

Therefore, the Committee directs the Bureau to provide a report that reviews the complete debt program of the Bureau. The report is to take a fresh and fiscally-focused look at the savings bond program, its current and future role in financing the public debt and in providing a savings opportunity for the public, in the context of the full range of debt instruments available for financing the public debt. The report should detail the specific costs associated with the various debt instruments (savings bonds, Treasury bills, etc.), not only the interest rates that represent federal liabilities but also the federal personnel and processing costs related to issuing, redeeming, and otherwise administering the instruments on both an annual basis (expense of paying interest) and a cost-per-transaction basis. The report should provide cost comparisons between high-amount, lower-volume instruments such as large T-bills or T-notes (with varying maturities) and low-amount, high-volume instruments such as savings bonds. It should also explore the costs associated with maintaining these dual approaches to borrowing, rather than converting to a single approach, as the public debt shrinks. Costs related on a per-transaction basis should include a breakout and description of overhead charges, such as the indirect costs of program management and administrative and support personnel, as well as the costs of the employees who directly handle transactions. The report should focus on fiscal management concerns. The report should provide an analysis of the impact on the federal government of simply discontinuing the savings bond program. The Bureau is to provide this report to the House Committee on Appro-

priations and to the House Committee on Financial Services 180 days after enactment of this Act.

INTERNAL REVENUE SERVICE

The Committee is concerned about the variety and quality of information provided in justification of the budget request for the Internal Revenue Service (IRS). Despite the improvements brought about by the recent budget restructuring and by the functional presentation in the budget justification, the Committee remains intensely aware that other types of information and presentations would be of assistance in evaluating the IRS budget.

A portion of this concern stems from the known inadequacy and weaknesses of the current financial management system, leading to mistrust of the financial information generated by the system. This lack of sound financial information, and the recent one-year delay in replacing the system as part of the business systems modernization effort, throws into question the ability of the IRS to justify its budgetary needs. While the IRS is to be congratulated for having achieved a clean audit opinion for its fiscal year 2000 financial statement, this unqualified opinion was only achieved at great cost, and the General Accounting Office continues to document substantial financial weaknesses. The Committee fully expects the IRS to continue improving its financial practices and processes to the greatest extent practicable. The Committee recognizes the role of the newly formulated IRS Oversight Board in reviewing the annual budget request of the IRS and submitting its own budget recommendation to the Congress. The Committee appreciates receiving their analysis of the IRS budget and looks forward to strengthening its relations with the IRS Oversight Board. The Committee urges the Secretary of the Treasury to consider the IRS Oversight Board's budget recommendations during deliberations on the FY 2000 budget request.

PROCESSING, ASSISTANCE AND MANAGEMENT

Appropriation, fiscal year 2001 enacted to date	\$3,594,966,000
Budget estimate, fiscal year 2002	3,783,347,000
Recommended in the bill	3,808,434,000
Bill compared with:	
Appropriation, fiscal year 2001	+213,468,000
Budget Estimate, fiscal year 2002	+25,087,000

MISSION

This appropriation provides for processing tax returns and related documents; processing data for compiling statistics of income; assisting taxpayers in correct filing of their returns and in paying taxes that are due; overall planning and direction of the Internal Revenue Service; and management of financial resources and procurement.

RECOMMENDATION

The Committee recommends an appropriation of \$3,808,434,000 for Processing, Assistance, and Management, an increase of \$213,468,000 above the fiscal year 2001 enacted level and an increase of \$25,087,000 above the President's request. The increase above the President's request is for non-pay inflation. The Com-

mittee understands that this amount will be sufficient to provide \$6,000,000 in support of low income tax clinics, the same level of support provided during fiscal year 2001.

TAX LAW ENFORCEMENT

Appropriation, fiscal year 2001 enacted to date	\$3,366,380,000
Budget estimate, fiscal year 2002	3,533,198,000
Recommended in the bill	3,541,076,000
Bill compared with:	
Appropriation, fiscal year 2001	+174,696,000
Budget Estimate, fiscal year 2002	+7,878,000

MISSION

This appropriation provides for the examination of tax returns, both domestic and international; the administrative and judicial settlement of taxpayer appeals of examination findings; technical rulings; monitoring employee pension plans; determining qualifications of organizations seeking tax-exempt status; examining tax returns of exempt organizations; enforcing statutes relating to detection and investigation of criminal violations of the internal revenue laws; collecting unpaid accounts; compiling statistics of income and compliance research; and securing unfiled tax returns and payments.

RECOMMENDATION

The Committee recommends an appropriation of \$3,541,076,000 for Tax Law Enforcement, an increase of \$174,696,000 above the fiscal year 2001 enacted level and \$7,878,000 above the President's request. The increase above the President's request includes \$5,149,000 for non-pay inflation and \$2,729,000 for participation in law enforcement support of the 2002 Winter Olympics. Within available funds, IRS is directed to spend \$3,000,000 to contract for actuarial expertise and/or related computer software as a pilot compliance effort to assist in audits involving tax reserves and other situations requiring actuarial expertise.

AUDIT RATES AND AUDIT FAIRNESS

The Committee remains concerned about the steady and significant decline in IRS' audit rates. An April 2001 Government Accounting Office report, GAO-01-484, requested by the Committee on Ways and Means, reports IRS data of reductions since 1997 in audit coverage for large corporations (-60%), partnerships (-40%), and individuals (-62%). The IRS hopes to reverse this trend during fiscal years 2001 and 2002, and has pointed out increasing rates of other non-audit compliance activities, such as document matching. The Committee recognizes that audit rates are not the only measure of IRS tax compliance efforts, but remains concerned with the uncertainty about optimizing the rate of audits. Although the IRS has stated that it foresees no need to return to the levels of individual audit coverage that existed five years ago, the IRS has been unable to state what the audit rate ought to be (either in general or for specific taxpayer segments), to quantify the degree to which it expects fiscal years 2001 and 2002 will reverse the decline in audit rates, or to characterize how recent audit levels have affected compliance.

The Committee is also concerned with indications that the current IRS audit coverage may disproportionately impact lower-income taxpayers. At a recent hearing before the Committee, the IRS Commissioner testified that the decline in audit coverage and the increase in document matching have created unevenness in IRS compliance actions among taxpayers based on economic considerations, because current document-matching capabilities center upon tax returns that report mostly wages, salaries, and other non-investment income sources. At the same time, higher-income taxpayers, whose returns often have income sources and deductions that are not part of current document-matching, also are being audited less frequently. The audit rate for high-income individuals (\$100,000 and higher) has declined by 65% from FY 1997 to FY 2000, while the audit rate for all individuals has declined by 62% over the same period. These figures call into question how the IRS can best allocate and manage its compliance resources.

Therefore, the Committee directs the IRS to provide to the House Committee on Appropriations within 120 days of the date of the enactment of this Act a report detailing how the full range of all IRS tax compliance activities (document matching, in-person audits, correspondence audits, etc.) have changed for fiscal years 1996 through 2000 with projections for fiscal years 2001 and 2002. The report shall contain an analysis, broken out by appropriate taxpayer segments, of what the current audit levels are, what the optimum audit rates should be, and what actions are being taken to achieve these optimal audit rates. The report shall discuss, by specific tax law areas and taxpayer categories, compliance rates, the equitable distribution of IRS compliance resources among taxpayer segments, and the steps IRS is taking to ensure that no segment of taxpayers are disproportionately impacted by IRS tax enforcement activities.

EARNED INCOME TAX CREDIT COMPLIANCE INITIATIVE

Appropriation, fiscal year 2001 to date	\$144,681,000
Budget estimate, fiscal year 2002	146,000,000
Recommended in the bill	146,000,000
Bill compared with:	
Appropriation, fiscal year 2001	+1,319,000
Budget Estimate, fiscal year 2002 .....	.....

MISSION

The Earned Income Tax Credit Compliance Initiative provides for expanded customer service and public outreach programs, strengthened enforcement programs, and enhanced research efforts to reduce overclaims and erroneous filings associated with the Earned Income Tax Credit.

RECOMMENDATION

The Committee recommends an appropriation of \$146,000,000 for the Earned Income Tax Credit Compliance Initiative, an increase of \$1,319,000 above the fiscal year 2001 enacted level and the same as the President's request.

EITC PROGRAM MANAGEMENT

The Committee is quite concerned that the IRS, in managing its special program for remedying improper EITC payments, has not allocated the program resources in proportion to the different factors causing overclaims (math errors by tax payers and by tax preparers, legal misinterpretations by tax payers and by tax preparers, criminal fraud committed by tax payers and by tax preparers, etc.) that cause those improper payments. Of even greater concern, the IRS has not documented the relative levels of these factors but nevertheless has allocated major resources toward education efforts to correct legal misinterpretations but only lesser resources to reduce criminal fraud. Because the overclaims and overpayments consistently total \$8-billion to \$9-billion annually, it is crucial that all contributing factors be pursued in correct proportion to their contribution to the problem.

Therefore, the Committee directs the IRS to immediately: devote all resources necessary to distinguish expeditiously what portions of the overclaims are attributable to erroneous but unintentional misunderstandings of the law, to math errors, to social security number errors, to returns prepared by taxpayers, to returns prepared by professionals, and to fraudulent or other deliberate conduct by taxpayers or preparers; and align the distribution of program resources (the \$146-million appropriated for fiscal year 2002 and the 2,200 FTE associated with the effort) to create a mix between education and enforcement efforts that reflects the ratio between mistaken versus intentional efforts to receive improper payments of EITC.

EITC PROGRAM EFFECTIVENESS

Last year, the Committee directed the Internal Revenue Service to provide a report on the results, effectiveness, and success of the program. The resultant report provided limited information on program effectiveness. A key ingredient to determining the effectiveness of a program is the ability to measure and quantitatively characterize the extent of the problems and issues as well as the impact of the program on those problems and issues. Such specific measures and quantitative characteristics were not included in the report.

For instance, the report state that about 7,100 tax return preparers were educated on EITC provisions and an additional 2,300 received compliance visits, but information is not provided to place these figures in context. For example, the report does not address a comparison between the number of EITC tax return preparers and the overall number of preparers (including the proportion of EITC returns among the total returns prepared by these preparers), the proportion and number of self-prepared EITC returns and professionally prepared returns as a percentage of overall EITC returns which sought overclaims, whether IRS has identified preparers with a high volume of EITC overclaims and, if so, what portions have been detected and how has the IRS targeted these preparers for education or enforcement followup. These are but a few examples of the types of questions generated by the report; answers to these and other questions will assist in evaluating the effectiveness of the program.

Therefore, the Committee directs the IRS to provide to the House Committee on Appropriations and the House Ways and Means Committee within 90 days of enactment of this Act a report that specifically addresses and provides data on the management and effectiveness of this program. The report should contain a cohesive strategy for improving the EITC program in the framework of pre-filing, filing, and post-filing activities and that strategy should specifically address the areas of: outreach and education, enforcement, compliance improvement, and compliance research. Such information is crucial in deliberations regarding future program authorization and funding. The report should contain the amounts for outreach and education, enforcement, compliance improvement, and compliance research for fiscal years 1998, 1999, 2000, 2001 (estimate), and 2002 (estimate) including a full discussion of what steps IRS has taken to better align its program resources in proportion to the factors that have created the overpayment problem.

INFORMATION SYSTEMS

Appropriation, fiscal year 2001 to date	\$1,522,416,000
Budget estimate, fiscal year 2002	1,563,249,000
Recommended in the bill	1,573,065,000
Bill compared with:	
Appropriation, fiscal year 2001	+50,649,000
Budget Estimate, fiscal year 2002	+9,816,000

MISSION

This appropriation provides for Service-wide data processing support, including the evaluation, development, and implementation of computer systems (including software and hardware) requirements.

RECOMMENDATION

The Committee recommends an appropriation of \$1,573,065,000 for Information Systems, an increase of \$50,649,000 above the fiscal year 2001 enacted level and an increase of \$9,816,000 above the President's request. The increase above the President's request is for non-pay inflation. The Committee is aware of information system requirements that were identified by the IRS Oversight Board but not explicitly included in the President's budget request. The Committee believes the appropriation recommended by the Committee is adequate to address all of the highest priority information system needs of the IRS.

The IRS and the Department of the Treasury are to be congratulated on the reverse auction it held on May 14, 2001, for purchasing new computers for IRS employees. This was the largest reverse auction yet to be conducted by a government agency and it resulted in substantial savings. For desktop and laptop computers, the government saved an average of about 25 percent off the prices that otherwise would have been obtained; for some types of computers, such as top-end desktops, the savings were even greater. As a consequence of the reverse auction process and savings, the IRS should be able to meet its employees' immediate needs for computers during fiscal years 2001 and 2002.

BUSINESS SYSTEMS MODERNIZATION

Appropriation, fiscal year 2001 to date	\$71,593,000
Budget estimate, fiscal year 2002	396,593,000
Recommended in the bill	391,593,000
Bill compared with:	
Appropriation, fiscal year 2001	+320,000,000
Budget Estimate, fiscal year 2002	-5,000,000

MISSION

This appropriation provides for funding of the PRIME Systems Integration Services Contractor to modernize the business systems of the Internal Revenue Service.

RECOMMENDATION

The Committee recommends an appropriation of \$391,593,000 for Business Systems Modernization, an increase of \$320,000,000 above the fiscal year 2001 enacted level and a decrease of \$5,000,000 below the level proposed in the President's request. This account had been previously known as the Information Technology Investment account; the Committee approves the change of the name of the appropriation as proposed by the Administration. The release of funding from this account is governed by the same statutory conditions that governed the funds appropriated into the Information Technology Investment account for fiscal year 2001.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

Section 101. The Committee continues the provision that allows the transfer of 5 percent of any appropriation made available to the IRS to any other IRS appropriation, subject to prior Congressional approval.

Section 102. The Committee continues the provision that requires the IRS to maintain a training program in taxpayer's rights, dealing courteously with taxpayers, and cross cultural relations.

Section 103. The Committee continues the provision that requires the IRS to institute policies and procedures, which will safeguard the confidentiality of taxpayer information.

Section 104. The Committee continues the provision that makes funds available for improved facilities and increased manpower to provide sufficient and effective 1-800 help line service for taxpayers.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$824,885,251
Budget estimate, fiscal year 2002	857,117,000
Recommended in the bill	943,777,000
Bill compared with:	
Appropriation, fiscal year 2001	+118,891,749
Budget Estimate, fiscal year 2002	+86,660,000

MISSION

The Secret Service is responsible for the security of the President, the Vice President and other dignitaries and designated individuals; for enforcement of laws relating to obligations and securities of the United States and financial crimes such as financial in-

stitution fraud and other fraud; and for protection of the White House and other buildings within Washington, D.C. It also has responsibility to provide security for national special security events, as designated by the President.

RECOMMENDATION

The Committee recommends an appropriation of \$943,777,000 for the U.S. Secret Service, an increase of \$118,891,749 above the fiscal year 2001 enacted level and an increase of \$86,660,000 above the President's request. The increase above the President's request includes \$13,624,000 for non-pay inflation, \$27,530,000 for security planning and operations for the 2002 Winter Olympics (including the costs of non-Treasury agencies), \$45,000,000 to complete the staffing rebalancing initiative, and \$506,000 in additional support for the National Center for Missing and Exploited Children.

WORKFORCE RETENTION AND WORKLOAD REBALANCING INITIATIVE

In response to a significant increase in workload for Secret Service agents, particularly in the field, and unusually high attrition rates, Congress provided additional funding for new hires to reduce the level of overtime to the 1994 target level of 62 hours per month. Fiscal year 2000 saw average overtime rise as high as 80 hours per month, as would be expected in an election year, but is on track to fall to more manageable levels. In order to complete this effort and achieve the target level, the Committee has included funding for the final increment of 204 agents, and included the funding necessary for hiring, support, space and equipment.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

Appropriation, fiscal year 2001 to date	\$8,921,330
Budget estimate, fiscal year 2002	3,352,000
Recommended in the bill	3,457,000
Bill compared with:	
Appropriation, fiscal year 2001	-5,464,330
Budget Estimate, fiscal year 2002	+105,000

MISSION

This account supports the acquisition, construction, improvement, equipment, furnishing and related costs for maintenance and support of Secret Service facilities, including the Secret Service Headquarters Building and the Rowley Training Center.

RECOMMENDATION

The Committee recommends an appropriation of \$3,457,000 for Acquisition, Construction, Improvement and Related Expenses, a decrease of \$5,464,330 below the fiscal year 2001 enacted level and an increase of \$105,000 above the President's request. The increase above the President's request is for non-pay inflation.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

Section 110. The Committee continues the provision that requires the Secretary of the Treasury to comply with certain re-

programming guidelines when obligating or expending funds for law enforcement activities.

Section 111. The Committee continues the provision that allows the Department of the Treasury to purchase uniforms, insurance, and motor vehicles without regard to the general purchase price limitation, and enter into contracts with the State Department for health and medical services for Treasury employees in overseas locations.

Section 112. The Committee continues the provision that requires expenditures of funds so as not to diminish efforts under the Federal Alcohol Administration Act.

Section 113. The Committee continues the provision that authorizes transfers, up to 2 percent, between law enforcement appropriations under certain circumstances.

Section 114. The Committee continues the provision that authorizes transfers, up to 2 percent, between Departmental Offices, Office of the Inspector General, Financial Management Service, and the Bureau of the Public Debt appropriations under certain circumstances.

Section 115. The Committee continues the provision that authorizes transfer, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 116. The Committee continues the provision that provides that no funds may be obligated for the purchase of law enforcement vehicles until the Secretary of the Treasury certifies that the purchase is consistent with Departmental vehicle management principles.

Section 117. The Committee continues the provision that prohibits the Department of the Treasury from undertaking a redesign of the \$1 Federal Reserve note.

Section 118. The Committee continues the provision that provides for transfers from and reimbursements to the Salaries and Expenses appropriation of the Financial Management Service for the purposes of debt collection.

Section 119. The Committee includes a new provision that authorizes intelligence and intelligence-based activities of the Department of Treasury.

Section 120. The Committee includes a new provision that extends the pilot project for designated critical occupations for one additional year.

Section 121. The Committee includes a new provision that requires authorization for the construction and operation of a museum by the United States Mint.

TITLE II—POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

Appropriation, fiscal year 2001 to date	\$95,888,000
Budget estimate, fiscal year 2002	143,712,000
Recommended in the bill	143,712,000
Bill compared with:	
Appropriation, fiscal year 2001	+47,824,000
Budget Estimate, fiscal year 2002 .....	.....

MISSION

Funds provided to the Postal Service in the Payment to the Postal Service Fund include the costs of revenue forgone on free and reduce-rate mail for the blind and overseas voters; reconciliation adjustments for amounts appropriated for free and reduced rate mail and the actual amounts required; and partial reimbursement for losses which the Postal Service incurred as a result of insufficient appropriations in fiscal years 1991 through 1993 and the additional revenues it would have received between 1993 and 1998 in the absence of certain rate phasing provisions of the Revenue Forgone Act of 1993.

RECOMMENDATION

The Committee recommends an appropriation of \$143,712,000 for Payment to the Postal Service Fund, an increase of \$47,824,000 from amounts appropriated in fiscal year 2001 and the same as the amounts requested by the President. Of the amounts appropriated, \$56,303,000 is provided for free mail for the blind and overseas voters; a reduction of \$8,684,000 is assumed as a reconciliation adjustment for differences between estimated free mail volumes and final audited volumes for fiscal year 1999. The final appropriation of \$47,619,000 for free mail for the blind and overseas voters is made available on October 1, 2002. The Committee also includes \$29,000,000 as reimbursements to the Postal Service for prior year reimbursement shortfalls due to insufficient appropriations and rate phasing provisions of the Revenue Forgone Act of 1993. The balance of the funds appropriated, \$67,093,000, reflects the advance appropriation provided in fiscal year 2001.

FINANCIAL CONDITION OF THE US POSTAL SERVICE

The Committee is extremely concerned by the current financial status of the US Postal Service (USPS), with current estimates projecting a deficit of between \$2–3 billion during fiscal year 2001 and \$3.5 billion in fiscal year 2002. Although the Committee understands that this deficit reflects a number of unanticipated factors such as rising energy costs, labor costs, and reduced mail volume, the Committee believes that deficits of this magnitude are unacceptable. The Committee is also aware that the General Accounting Office has placed the USPS on its high-risk list due to the Service's operational and financial challenges.

The Committee understands that the USPS is considering a number of options to reduce projected deficits, increase revenue, and control future costs, including an ongoing review of Saturday mail delivery, postal rate increases and the consolidation of postal facilities. The Committee is extremely concerned by reports that the USPS is considering the termination of Saturday mail delivery, the closing of small post offices and additional rate increases as both revenue generating and cost-saving mechanisms. The Committee directs the USPS to submit a copy of all reviews related to these matters upon their completion to the House Committee on Appropriations and the House Committee on Government Reform.

The Committee believes that the goal of maintaining universal service at uniform rates from self-supporting postal revenues is in jeopardy within the current financial and operational structure of

the USPS. The Committee strongly supports on-going efforts by the House Committee on Government Reform to achieve comprehensive postal service reform and believes that such reform efforts are central to the ability of the USPS to efficiently manage its resources. The Committee is disappointed that the Administration has not taken a more active role in both postal service reform and the financial viability of the USPS. The Committee believes that these issues are of national significance and deserve the active participation of the Administration.

POSTAL SERVICE WEATHER EMERGENCY POLICIES AND PRACTICES

In its report last year (H. Rpt. 106-756), the Committee expressed its concern that during Hurricanes Irene and Floyd, the US Postal Service may have put the health and safety of South Florida postal employees at risk by continuing business as usual for an unreasonable period and failing to curtail postal operations in a timely manner. As a result of that concern, the Committee urged the U.S. Postal Service to report to the Committee, by October 1, 2000, on its weather emergency policies and practices and to adopt a policy and practice of following the recommendations and directives of federal, state and local emergency management and weather authorities in all locations served by the Postal Service when weather emergencies arise.

Despite this request, the Postal Service did not report to the Committee, nor does it appear that it has adopted a policy and practice of following the recommendations and directives of federal, state and local emergency management and weather authorities in all locations served by the US Postal Service when weather emergencies arise.

The Committee continues to believe that the health and safety of postal employees must never be put at risk in order to deliver the mail. Thus, the Committee directs the Postal Service to report to the Committee by October 1, 2001, on its weather emergency policies and practices, and strongly urges the Postal Service to adopt a policy and practice of following the recommendations and directives of federal, state and local emergency management and weather authorities in all locations served by the US Postal Service when weather emergencies arise.

In its October 1, 2001 report, the US Postal Service shall describe any variation between US Postal Service weather emergency policies and practices and those used by federal, state, and local emergency management and weather authorities, including the justification for each variation and shall indicate whether it will agree to follow the recommendations and directives of federal, state and local emergency management and weather authorities in all locations served by the US Postal Service when weather emergencies arise.

INBOUND AND OUTBOUND MAIL INSPECTIONS

In 2000, the House Treasury, Postal Service and General Government Appropriations Subcommittee expressed concern about the U.S. Customs Service's inability to effectively screen items entering and exiting the United States via the U.S. Postal Service. The Subcommittee recognizes the critical role that Customs plays in protecting our nation's borders from illegal drugs and contraband,

money laundering, intellectual property violations, and other types of fraud.

Last year, the fiscal year 2001 Treasury, Postal Service, and General Government Appropriations included House report language that directed the U.S. Customs Service and U.S. Postal Service to jointly study and report on the problems and possible solutions affecting Customs' ability to properly and effectively screen, inspect, and review all parcels and packages entering the United States.

The requested report is to address the issue of electronic manifests, timely collection of fees, and other issues of party in the treatment of the Postal Service and private carriers by the Customs Service. This report is due to the appropriate authorizing and appropriations committees within 180 days of enactment of the legislation.

A subsequent face-to-face meeting between Members of Congress, Customs and the Postal Service, and resulting correspondence, have further instructed the agencies to work toward a joint operating agreement to correct the anomaly that prevents Customs from inspecting outbound items exiting the United States via the Postal Service. Currently, Customs inspects items exiting the United States via any mode of transport except the U.S. Postal Service. The outcome of efforts to develop a joint operating agreement is desired within the same time frame as the report described above.

Customs and the Postal Service have provided interim status reports at the request of various Members of the House of Representatives and the Senate as the two agencies have been working towards resolution of these issues. The Committee looks forward to receiving the results of this final report.

KENNAN, WISCONSIN

The Committee is concerned about the postal needs of the citizens of Kennan, Wisconsin. The Committee supports the US Postal Service's effort to construct a new facility in Kennan to replace the current deteriorating post office. The Committee recommends that the US Postal Service evaluate the status of this effort and report its findings to the Committee.

COLLEGEDALE, TENNESSEE

The Committee is concerned about the postal needs of Collegedale, Tennessee, in Hamilton County, particularly that the City has four different Postmasters: Collegedale, Ooltewah, McDonald, and Apison. This situation has led to zip code related problems. The Committee is also aware that the USPS could consolidate local mail routes in order to create a unique zip code for Collegedale. The Committee recommends that the USPS evaluate the need for a post office in Collegedale, Tennessee, by working with local officials and community leaders. The Committee urges the USPS to evaluate the proposal for a single Collegedale zip code and report its findings to the Committee no later than December 1, 2001.

MEBANE, NORTH CAROLINA

The Committee is aware that the City of Mebane, North Carolina, is interested in acquiring the postal-owned building on Main Street in Mebane, which has been vacated. The Committee encourages the Postal Service to work with the City to facilitate this acquisition.

CURRY, ALABAMA

The Committee is concerned about the postal needs of Curry, Alabama, located in Walker County. The Committee recommends that the US Postal Service evaluate the need for a post office in Curry, Alabama, working with local officials and community leaders. The Committee further recommends that the US Postal Service report its findings to the Committee.

GADSDEN, ALABAMA

The Committee is concerned about the postal needs of Gadsden, Alabama, located in Etowah County. The Committee recommends that the US Postal Service evaluate the need for a larger post office in Gadsden, Alabama, working with local officials and community leaders. The Committee further recommends that the US Postal Service report its findings to the Committee.

SNEAD, ALABAMA

The Committee is concerned about the postal needs of Snead, Alabama, located in Etowah County. The Committee recommends that the US Postal Service evaluate the need for a new post office in Snead, Alabama, working with local officials and community leaders. The Committee further recommends that the US Postal Service report its findings to the Committee.

ROYAL OAKS, CALIFORNIA

The Committee is concerned about the postal needs of Royal Oaks, California, located in Monterey County because the current zip code does not correspond to the City's jurisdictional boundaries. This situation has led to delayed mail delivery, confusion when dispatching police and fire services, and other zip code related problems such as: mail order taxes, auto insurance ratings, and insurance coverage. Therefore, the Committee directs the Postal Service to review the zip code related problems in Royal Oaks and report its findings to the Committee.

POSTAL SERVICE EMPLOYEES IN PENNSYLVANIA

The Committee has received reports that USPS employees in Pennsylvania have expressed a high level of concern and dissatisfaction with various aspects of their job. The Committee knows the importance of resolving these claims of a high degree of frustration among the rural letter carriers, city letter carriers, and clerks concerning management practices. The Committee directs the USPS to look into the situation in Pennsylvania and report back to the Committee by December 1, 2001.

PUEBLO WEST, COLORADO

The Committee is concerned about the postal needs of Pueblo West, Colorado, located in Pueblo County. Pueblo West has experienced a 70% growth rate in the past decade, and its population of 17,200 is projected to double in the next five years, yet the community is still served by a small contract facility. The Committee recommends that the US Postal Service evaluate the need for a post office in Pueblo West, Colorado, working with local officials and community leaders. The Committee further recommends that the US Postal Service report its findings to the Committee.

COOPERATIVE MAILING RULE

The Committee supports the work of the House Committee on Government Reform to pass legislation correcting the current USPS misinterpretation of the cooperative mailing rule. The Committee is disappointed with the interpretation of the cooperative mailing rule rendered by the USPS. The Committee regrets that a legislative clarification is necessary to resolve this issue.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT AND THE WHITE HOUSE OFFICE

COMPENSATION OF THE PRESIDENT

Appropriation, fiscal year 2001 to date	\$390,000
Budget estimate, fiscal year 2002	450,000
Recommended in the bill	450,000
Bill compared with:	
Appropriation, fiscal year 2001	+60,000
Budget Estimate, fiscal year 2002 .....	.....

MISSION

These funds provide for the compensation of the President as well as official expenses, as authorized by Title 3.

RECOMMENDATION

The Committee recommends an appropriation of \$450,000 for Compensation of the President, an increase of \$60,000 from amounts appropriated in fiscal year 2001 and the same as the amount requested by the President. This increase fully funds the additional costs of increasing compensation for the President to \$400,000, as authorized by Section 644 of Public Law 106–58.

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$53,171,000
Budget estimate, fiscal year 2002	54,165,000
Recommended in the bill	54,651,000
Bill compared with:	
Appropriation, fiscal year 2001	+1,480,000
Budget Estimate, fiscal year 2002	+486,000

MISSION

The Salaries and Expenses account of the White House Office supports staff and administrative services necessary for the direct

support of the President. This account also includes reimbursements to the White House Communications Agency.

RECOMMENDATION

The Committee recommends an appropriation of \$54,651,000 for the White House Office, \$1,480,000 above the amounts appropriated in fiscal year 2001 and \$486,000 above the amounts requested by the President. The Committee includes an increase of \$486,000 to cover the estimated costs of non-pay inflation during fiscal year 2002.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

Appropriation, fiscal year 2001 to date	\$10,876,000
Budget estimate, fiscal year 2002	11,914,000
Recommended in the bill	11,695,000
Bill compared with:	
Appropriation, fiscal year 2001	+819,000
Budget Estimate, fiscal year 2002	-219,000

MISSION

These funds provide for the care, maintenance, and operation of the Executive Residence.

RECOMMENDATION

The Committee recommends an appropriation of \$11,695,000 for the operating expenses of the Executive Residence, an increase of \$819,000 from the amounts appropriated in fiscal year 2001 and a decrease of \$219,000 from the amounts requested by the President. The Committee denies the President's requested increase of \$214,000 for supplies and materials and notes that the Committee increased the base appropriation for these requirements from \$450,000 to \$748,000 in fiscal year 2001. The Committee further denies the requested increase of \$5,000 for historic furnishing and notes that funding for this activity was increased from \$5,000 to \$10,000 in fiscal year 2001. The Committee was informed that, as of May of this year, only \$114 had been obligated from the \$10,000 appropriated; as such, the Committee does not believe that an increase of 50% is justified at this time.

WHITE HOUSE REPAIR AND RESTORATION

Appropriation, fiscal year 2001 to date	\$966,000
Budget estimate, fiscal year 2002	8,625,000
Recommended in the bill	8,625,000
Bill compared with:	
Appropriation, fiscal year 2001	+7,659,000
Budget Estimate, fiscal year 2002 .....	.....

MISSION

To provide for the repair, alteration, and improvement of the Executive Residence at the White House, a separate account was established in fiscal year 1996 to program and track expenditures for capital improvement projects at the Executive Residence at the White House.

RECOMMENDATION

The Committee recommends an appropriation of \$8,625,000 for White House Repair and Restoration, an increase of \$7,659,000 from amounts appropriated in fiscal year 2001 and the same as the amounts requested by the President.

APPROPRIATIONS JUSTIFICATIONS

The Committee is disappointed by the justification materials as originally submitted by the National Park Service for White House Repair and Restoration. The President has requested funds for 8 separate construction activities within this account, including the 2nd phase of repair for the communication system serving the East Wing and the Executive Residence. Some are multi-year efforts requiring significant survey and design work prior to construction. The Committee requested detailed information regarding the costs and schedules of these projects and was disappointed by the vagueness of responses originally provided by the National Park Service. Although subsequent information provided to the Committee served to justify the appropriations request, the Committee remains concerned that the 8 separate projects, all of which will be in various stages of completion throughout the fiscal year, may be both difficult to manage as well as disruptive to Executive Residence operations.

For each project in excess of \$100,000, with the exception of computer upgrades and software development, and prior to the obligation of any of the funds appropriated, the Committee directs the National Park Service to submit a prospectus that includes, at minimum, a complete description of the project's scope and design, major work items to be completed, estimated total obligations by activity (construction cost, design and review cost, management and inspection), estimated construction schedules including start and completion dates for both design and construction, and estimated construction cost by major work item.

SPECIAL ASSISTANCE TO THE PRESIDENT AND THE OFFICIAL RESIDENCE OF THE VICE PRESIDENT

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$3,665,000
Budget estimate, fiscal year 2002	3,896,000
Recommended in the bill	3,925,000
Bill compared with:	
Appropriation, fiscal year 2001	+260,000
Budget Estimate, fiscal year 2002	+29,000

MISSION

These funds support the official duties and functions of the Office of the Vice President.

RECOMMENDATION

The Committee recommends an appropriation of \$3,925,000 for the Office of the Vice President, an increase of \$260,000 from amounts appropriated in fiscal year 2001 and an increase of \$29,000 from amounts requested by the President. The Committee includes an increase of \$29,000 to cover the cost of non-pay infla-

tion during fiscal year 2002. The Committee funds the requested increase of \$150,000 for 2 additional FTE within the Office of the Vice President, bringing total FTE to 24.

OPERATING EXPENSES

Appropriation, fiscal year 2001 to date	\$353,000
Budget estimate, fiscal year 2002	314,000
Recommended in the bill	318,000
Bill compared with:	
Appropriation, fiscal year 2001	- 35,000
Budget Estimate, fiscal year 2002	+4,000

MISSION

These funds support the care and operation of the Vice President's residence and specifically support equipment, furnishings, dining facilities, and services required to perform and discharge the Vice President's official duties, functions and obligations.

RECOMMENDATION

The Committee recommends an appropriation of \$318,000 for the Operating Expenses of the Vice President's residence, a decrease of \$35,000 from amounts appropriated in fiscal year 2001 and an increase of \$4,000 from amounts requested by the President. The Committee includes an increase of \$4,000 for estimated costs of non-pay inflation during fiscal year 2002. The Committee also includes two new general provisions (Sections 633 and 634), as requested by the President, regarding the care and operations of the Official Residence.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$4,101,000
Budget estimate, fiscal year 2002	4,192,000
Recommended in the bill	4,211,000
Bill compared with:	
Appropriation, fiscal year 2001	+110,000
Budget Estimate, fiscal year 2002	+19,000

MISSION

The Council of Economic Advisers analyzes the national economy and its various segments, advises the President on economic developments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal Government, and assists in preparation of the annual Economic Report of the President to Congress.

RECOMMENDATION

The Committee recommends an appropriation of \$4,211,000 for the Council of Economic Advisers, an increase of \$110,000 from amounts appropriated in fiscal year 2001 and an increase of \$19,000 from amounts requested by the President. The Committee includes an increase of \$19,000 for estimated costs of non-pay inflation in fiscal year 2002.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$4,023,000
Budget estimate, fiscal year 2002	4,119,000
Recommended in the bill	4,142,000
Bill compared with:	
Appropriation, fiscal year 2001	+119,000
Budget Estimate, fiscal year 2002	+23,000

MISSION

The Office of Policy Development supports the National Economic Council and the Domestic Policy Council in carrying out their responsibilities to advise and assist the President in the formulation, coordination, and implementation of economic and domestic policy. The Office of Policy Development also provides support for other domestic policy development and implementation activities, as directed by the President.

RECOMMENDATION

The Committee recommends an appropriation of \$4,142,000 for the Office of Policy Development, an increase of \$119,000 from amounts appropriated in fiscal year 2001 and an increase of \$23,000 from amounts requested by the President. As compared to the President's request, the Committee includes an increase of \$23,000 for the estimated costs of non-pay inflation in fiscal year 2002.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$7,149,000
Budget estimate, fiscal year 2002	7,447,000
Recommended in the bill	7,494,000
Bill compared with:	
Appropriation, fiscal year 2001	+345,000
Budget Estimate, fiscal year 2002	+47,000

MISSION

The National Security Council advises the President on the integration of domestic, foreign, and military policies relating to national security.

RECOMMENDATION

The Committee recommends an appropriation of \$7,494,000 for the National Security Council, an increase of \$345,000 from amounts appropriated in fiscal year 2001 and an increase of \$47,000 above the amounts requested by the President. The Committee includes an increase of \$47,000 for estimated costs of non-pay inflation in fiscal year 2002.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$43,641,000
Budget estimate, fiscal year 2002	46,032,000
Recommended in the bill	46,955,000
Bill compared with:	
Appropriation, fiscal year 2001	+3,314,000
Budget Estimate, fiscal year 2002	+923,000

MISSION

The Office of Administration is responsible for providing cost-effective, administrative services to the Executive Office of the President. These services, defined by Executive Order 12028 of 1977, include financial, personnel, library and records services, information management systems support, and general office services.

RECOMMENDATION

The Committee recommends an appropriation of \$46,955,000 for the Office of Administration, an increase of \$3,314,000 from amounts appropriated in fiscal year 2001 and an increase of \$923,000 from amounts requested by the President. Although the Committee appreciates the President's efforts to control costs within the Executive Office of the President (EOP), the Committee is concerned that the proposed funding levels for the Office of Administration (OA) may be inadequate to fully support authorized activities and, specifically, the requirements of the Chief Financial Officers Act. As such, in comparison to amounts requested by the President, the Committee includes \$377,000 for estimated costs of non-pay inflation in fiscal year 2002, \$216,000 to annualize the costs of the office of the Chief Financial Officer, and \$330,000 to fully fund the required formal audit of financial statements within the EOP.

CAPITAL INVESTMENT PLAN

For the past 5 years, the Committee has followed closely the EOP's efforts to develop and implement a comprehensive information technology modernization system. To date, the Committee has appropriated \$61,704,000 for these efforts, including \$29,791,000 for Y2K compliance and \$13,200,000 for on-going e-mail reconstruction efforts. The Committee is extremely disappointed to learn that the Capital Investment Plan (CIP) that was submitted to it was based on an incomplete and inadequate enterprise architecture and is missing critical elements such as a capital planning and investment control process and a strategic plan. The Committee recognizes that each new Administration inherits the work of its predecessor, and believes that this vital information system should be designed in a manner easily understood and used by subsequent Administrations. The Committee is also concerned that the EOP may not have the requisite in-house expertise to complete this project successfully and highly recommends that OA consider expanding the use of external expertise for all future work on this project.

The Committee has fully funded the President's request for information technology. Of the amounts provided, \$7,300,000 is made

available on October 1, 2001, for the following purposes: Core Infrastructure (Cabling, Network hardware/software, Data Center, Internet/security, Travel support/equipment) and Development and Modernization (Desktop Operating Software and Calendaring/e-forms). The balance of \$4,475,000 is withheld pending the submission of a report that (1) includes an Enterprise Architecture, as defined, in OMB Circular A-130 and the Federal Chief Information Officers' guidance; (2) presents an Information Technology (IT) Human Capital Plan, to include an inventory of current IT workforce knowledge and skills, a definition of needed IT knowledge and skills, a gap analysis of any shortfalls, and a plan for addressing any shortfalls; (3) presents a capital investment plan for implementing the Enterprise Architecture; (4) includes a description of the IT capital planning and investment control process; and (5) is reviewed and approved by OMB, is reviewed by the General Accounting Office, and is approved by the House Committee on Appropriations.

CHIEF FINANCIAL OFFICER

The Committee is pleased with on-going progress to hire a Chief Financial Officer (CFO) within the EOP and has provided full funding for the CFO in fiscal year 2002, including estimated costs for the auditable financial statements and formal financial statements. The Committee directs the OA to provide a report identifying the schedule for accomplishing the preparation of auditable financial statements, by EOP agency, as well as a schedule for preparation of the financial audit. This report should identify estimated and actual obligations by activity and delivered to the Committee no later than 30 days after enactment of this Act.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$68,635,000
Budget estimate, fiscal year 2002	70,521,000
Recommended in the bill	70,752,000
Bill compared with:	
Appropriation, fiscal year 2001	+2,117,000
Budget Estimate, fiscal year 2002	+231,000

MISSION

The Office of Management and Budget assists the President in the discharge of budgetary, economic, management, and other executive responsibilities.

RECOMMENDATION

The Committee recommends an appropriation of \$70,752,000 for the Office of Management and Budget, an increase of \$2,117,000 from amounts appropriated in fiscal year 2001 and an increase of \$231,000 from amounts requested by the President. As compared to the President's request, the Committee includes \$233,000 for the estimated costs of non-pay inflation in fiscal year 2002 and a reduction of \$2,000 from amounts requested for representation allowances. The Committee has fenced a portion of the funds appropriated to the Office of Information and Regulatory Affairs (OIRA)

until such time as the Office of Management and Budget addresses the Committee's concerns regarding the implementation of Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, as discussed below.

REPRESENTATION ALLOWANCES

As requested by the President, the Committee has agreed to establish a representation allowance for the Office of Management and Budget (OMB); however, the Committee provides \$3,000 instead of the \$5,000 requested. This amount is consistent with amounts provided to the Congressional Budget Office. The Committee directs OMB to submit, as part of its fiscal year 2003 budget submission, an itemization of all obligations made from this account, including a description of the official purpose of each obligation.

EXECUTIVE OFFICE OF THE PRESIDENT ACCOUNT CONSOLIDATION

The Administration has proposed to consolidate eighteen separate appropriations accounts within the Executive Office of the President (EOP) into a single annual appropriation in order to provide the President with maximum flexibility in allocating resources, simplify the current accounting structure and streamline common administrative functions, such as procurement. The Committee supports these objectives. However, the Committee has a number of concerns that make it difficult to support the proposed consolidation at this time.

In fiscal year 2000, the Committee established a Chief Financial Officer (CFO) within the EOP to analyze the EOP's accounting systems and reports, examine internal financial management control procedures, review compliance with applicable government-wide accounting standards, and identify areas needing improvement. The Committee believes that the CFO's review of EOP's financial management systems should be considered as part of any proposal to consolidate appropriations accounts; absent that review, the Committee believes that the proposed consolidation is premature.

The Committee believes that current law provides the necessary authority to achieve economies of scale for common goods and services. In particular, the Administration has been unable to illustrate why the authorities provided by 31 U.S.C., Section 1535, have not been used in the past and why they are insufficient to meet current and future EOP objectives. Further, the Committee notes that statutory transfer authority would provide the desired flexibility in managing EOP staff and resources and does not agree with the Administration that transfer authority would create complications. In addition, the Committee believes that future consolidation proposals should include specific information detailing and quantifying the economies of scale that would be achieved by merging appropriations accounts.

The Committee is also concerned that the proposed account consolidation would adversely affect oversight of specific statutory responsibilities assigned to various EOP offices, including the Council on Environmental Quality, the National Security Council, the Office of Management and Budget, and the Office of Science and Technology Policy. The Committee believes that the current account structure ensures that adequate resources are provided to

each agency, that sufficient resources are devoted to support the unique missions and responsibilities of these distinct organizations, and that Congressional oversight is maintained.

The Committee is encouraged by the EOP's intent to achieve economies of scale and supports the President's desires to achieve flexibility; the Committee looks forward to working with the EOP to achieve these goals during the upcoming fiscal year.

OMB'S MANAGEMENT RESPONSIBILITIES

The Committee is pleased by the boldness of the Administration's opening section, "Improving Government Performance," in its fiscal year 2002 budget submission. The ability to deliver improvements will greatly depend on the efforts and guidance of OMB, with its broad superintending authority over the multitude of agencies within the Executive Branch. That hoped-for performance, however, is challenged both by a slow start on this year's budget due to the transition, and by the expectation that OMB will not launch many of its reviews until the new fiscal year starts in October. As the budget proposal stated, "This task will not be easy and it will take time".

The Committee supports the goals stated in the Administration's budget, which expressly calls for re-examining the role of the Federal government with three objectives for improving performance: becoming citizen centered, not bureaucracy centered; results-oriented, not process-oriented; and market-based, actively promoting innovation and competition. The intended tasks for accomplishing this include linking budget and management decisions to performance, ensuring financial accountability, eliminating duplicative and ineffective programs, using capital planning to improve performance, and opening government activities to competition. Many of these tasks are not new but rather expand upon existing legislation intended to improve government performance, including the Government Performance and Results Act and the Clinger-Cohen Act. What is new is the President's proposal to reexamine the role of the Federal government and to create an aggressive management agenda. OMB, as staff to the President, has played, and will continue to play, a key leadership role both to develop and to implement this agenda.

In this regard, the Committee remains concerned by OMB's lack of leadership in the management of federal agencies. Too often its focus is on budgeting but not on managing. In reviewing OMB's FY 2000 Annual Performance Report, the Committee notes the absence of quantifiable measures of performance associated with OMB's management responsibilities. The Committee is also struck by certain inconsistencies. For instance, although the Performance Report states that OMB "worked with agencies . . . to manage . . . the health of the Government's IT portfolio" a recent report by the Senate Committee on Governmental Affairs (Senate Report 106-64) found that seventeen of twenty-four agencies and departments did not have a complete and comprehensive IT capital planning and investment control process. The Committee questions not only the extent to which OMB has worked with agencies as it relates to IT portfolios but also its success.

The Committee believes that OMB must take a more aggressive leadership role in the coordination of agency efforts to implement

the Government Performance and Results Act, the Chief Financial Officers Act and the Clinger-Cohen Act. The Committee also remains extremely disappointed in OMB's implementation of the Paperwork Reduction Act, the Congressional Review Act and the review of agency regulatory proposals.

In fairness, it should be stressed that OMB has new leadership and certainly has many highly capable individuals to meet these challenges. The Committee is attempting to outline a clear assessment of how difficult those challenges are as a necessary part of working with OMB to surmount them.

The Committee believes that the Administration's management agenda should be incorporated into OMB's annual performance plan and should include specific and measurable goals. The Committee notes that the General Accounting Office (GAO) has identified 22 high risk areas within the federal government, those programs, activities, and operations that are vulnerable to fraud, waste, abuse and mismanagement. Given OMB's superintending authority over Executive Branch agencies, the Committee believes that OMB plays a critical role in addressing these and other vulnerabilities within federal agencies. The Committee will look to OMB's Fiscal Year 2001 Annual Performance Report to determine the extent to which OMB has included quantifiable goals that measure its success at implementing the President's management agenda.

LIMITED ENGLISH PROFICIENCY

The Committee is concerned that OMB has made no appreciable effort to review both the regulatory burden and the budgetary impact of agency implementation of Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency (LEP). The Committee understands that agencies are required to develop policy guidance to implement this Executive Order and that this guidance is to be submitted to the Department of Justice. OMB has informed the Committee that, because this Executive Order is being implemented through policy guidance and not regulation, OMB has had a limited role in review of EO 13166 and its implementation.

The Committee believes that the difference between "policy guidance" and "regulation" is more than a technical distinction, and further understands OMB's responsibilities in regard to reviewing "significant regulatory action". The Committee believes that, for the practical purpose of implementing EO 13166, there is virtually no distinction between "policy guidance" and "regulatory action". In fact, the cumulative effect of agency policy guidance regarding EO 13166 clearly meets the definition of "significant regulatory action" and should be considered as such for the purpose of OMB's responsibilities.

The Committee further believes that, even if the EO impact only generated internal costs, it would create new federal expenditures that have not been expressly authorized or approved by Congress. However, the EO requirements extend far beyond placing internal burdens upon federal agencies and workers. The Committee is concerned that OMB has not assessed the budgetary impact of this Executive Order on entitlements, grants, loan programs and contracts. Additionally, the Committee is concerned that there has

been no assessment of the burden EO 13166 will create for state and local governments, private businesses and non-profit organizations.

The Committee understands that OMB is in the process of considering how to assess the costs that may be imposed on recipients of federal financial assistance as a result of EO 13166 and is concerned that these cost burdens may be imposed on agencies and the private sector before OMB has thoroughly evaluated them. The Committee has fenced a portion of the funds available to the Office of Information and Regulatory Affairs pending a submission by OMB of the total costs of implementing EO 13166. The Committee directs that this report include the cost to each of the following: federal, state and local governments as well as those imposed on recipients of federal financial assistance and upon the overall private sector.

MAKING FEDERAL INFORMATION USER FRIENDLY

The rapidly-expanding information made publicly available by Federal agencies via the Internet is a positive development in improving public disclosure, understanding and accountability. The efforts of many Federal agencies in this are worthy of praise. However, it often remains difficult for the public to comprehend fully, in part because the great volume of material must often be re-organized in different ways to be useful to different persons. Information from different Federal sources—and in particular information involving spending—can be compared and correlated only if it can be properly matched. Matching is often difficult because different names or labels may be used to mean the same thing, and similar-appearing names or labels may be used to mean different things. Internally, Federal agencies apply identifying codes to resolve this and to distinguish among entities, accounts, etc. (For example: agency codes, function codes, program codes, report numbers, contract and grant numbers, identifying numbers of vendors, contractors, grantees, sub-vendors, subcontractors, sub-grantees, etc.) By March 1, 2002, the Office of Management and Budget is directed to establish and publish guidelines to require all Federal agencies to include the existing non-confidential federal identifying codes as part of information on their websites and their public documents in a manner that permits ease-of-use for persons wishing to compare and correlate Federal data.

LOAN SUBSIDY RATES

The Committee is concerned that the subsidy models for the Section 7(a) General Business Loan and the Section 504 Certified Development Company Loan programs operated by the Small Business Administration (SBA) have repeatedly resulted in over-estimated losses in those programs. Since implementation of the Credit Reform Act, there have been nine years of subsidy rate re-estimates that compare projections against actual experience. According to the Congressional Budget Office, the budget re-estimates for the 7(a) loan program alone have totaled \$1.258 billion in downward re-estimates representing excess funds returned to Treasury. Inaccurate subsidy models result in both excessive fees and unnecessary appropriations.

The Committee has included bill language directing OMB to work with the SBA to develop subsidy estimates that track the actual default experience in those programs since the implementation of the Credit Reform Act of 1992. The Committee further requires that these subsidy estimates be included in the President's fiscal year 2003 budget submission and to report on the progress of developing these efforts to the House Committee on Appropriations and the House Committee on Small Business.

APPORTIONMENT FOR INTERNATIONAL FOOD ASSISTANCE PROGRAMS

The Committee remains concerned that the Office of Management and Budget is inappropriately involved in the detailed review of applications filed with the Department of Agriculture for international food assistance, particularly as a member of the Food Assistance Policy Council. While OMB does have a responsibility to be certain that funds are expended for the purposes for which they are appropriated, OMB's role is not to interfere with the policy determinations made by USDA, including the policy decision to allow for the monetization of commodities. The allocation and review process that has been in place has resulted in delays in the provision of food assistance that has hampered efforts to provide food assistance around the world in a timely fashion. It has also hindered USDA's ability to acquire commodities in a fashion designed to have a positive effect on the prices received by producers. The Committee directs OMB to apportion not less than 75% of funds for all of the food assistance programs operated by USDA no later than December 31, 2001, and to restrict its involvement with the Food Assistance Policy Council to administrative monitoring.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$24,704,530
Budget estimate, fiscal year 2002	25,100,000
Recommended in the bill	25,267,000
Bill compared with:	
Appropriation, fiscal year 2001	+562,470
Budget Estimate, fiscal year 2002	+167,000

MISSION

The Office of National Drug Control Policy, established by the Anti-Drug Abuse Act of 1988, is charged with developing policies, objectives and priorities for the National Drug Control Program as defined by the Act and Executive Order 12880, and by the Office of National Drug Control Policy Reauthorization Act of 1998.

RECOMMENDATION

The Committee recommends an appropriation of \$25,267,000 for the Office of National Drug Control Policy, an increase of \$562,470 above the fiscal year 2001 enacted level and an increase of \$167,000 above the President's request. The increase above the President's request is for non-pay inflation.

STRATEGIC INFORMATION AND POLICY GUIDANCE

The Committee strongly supports continued efforts to develop information on the flows of various drugs, the population and treatment of chronic users, and the development of both strategic and detailed information about the structure and scale of the underground economy and social structures that make illicit drug use and trafficking possible. ONDCP is encouraged to keep the Committee fully informed about progress in mapping such flows of drugs and in the development of systems such as the National Treatment Outcome Monitoring System (NTOMS).

COUNTERDRUG ENFORCEMENT IN U.S. NATIONAL FORESTS

Last year, the Committee directed ONDCP, in consultation with the U.S. Forest Service, the Bureau of Land Management, and other relevant agencies, to review the problems of marijuana cultivation and controlled-substance production in our national forests and to submit a plan to address them, including legislative and funding recommendations, by February 1, 2001. The Committee continues to await this report and is very disappointed that it has not yet been provided. If the report is not submitted prior to enactment of this Act, the Committee expects ONDCP to submit a written explanation regarding the status of the report within 30 days of enactment. The Committee directs ONDCP to submit the completed report within 90 days of enactment of this legislation.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

Appropriation, fiscal year 2001 to date	\$35,973,683
Budget estimate, fiscal year 2002	40,000,000
Recommended in the bill	40,000,000
Bill compared with:	
Appropriation, fiscal year 2001	+4,026,317
Budget Estimate, fiscal year 2002 .....	.....

MISSION

Pursuant to 21 U.S.C. 1707, the Counterdrug Technology Assessment Center serves as the central counterdrug research and development organization for the United States Government.

RECOMMENDATION

The Committee recommends an appropriation of \$40,000,000 for the Counterdrug Technology Assessment Center, an increase of \$4,026,317 above the fiscal year 2001 enacted level and the same as the President's request. The Committee directs that this appropriation reflect a funding level of \$22,236,000 for the technology transfer program, \$236,000 above the President's request, and \$17,764,000 for basic R&D, which is the fiscal year 2001 funding level.

CTAC TECHNOLOGY TRANSFER PROGRAM

The CTAC technology transfer program has been enormously successful, demonstrating the impact that can be achieved with a relatively small level of funding by transferring mature, tested technology that has practical and immediate usefulness to local and State law enforcement agencies that would otherwise not have

access to such tools. The Committee therefore includes \$22,236,000, a \$4,026,150 increase over the level funded in fiscal year 2001. As of the end of fiscal year 2000, there had been 1,808 deliveries of targeted, relatively low-cost technology to 1,325 State and local law enforcement agencies nationwide. In fiscal year 2001, there are 1,234 outstanding requests for law enforcement technology transfers to date, and the expectation that over 800 of these can be met this year. The Committee believes that this additional funding will help increase the capability of CTAC to meet this need for technology to help leverage the ability of chronically short-staffed law enforcement agencies to take on major drug crime at the local level.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

Appropriation, fiscal year 2001 to date	\$206,045,700
Budget estimate, fiscal year 2002	206,350,000
Recommended in the bill	231,500,000
Bill compared with:	
Appropriation, fiscal year 2001	+25,454,300
Budget Estimate, fiscal year 2002	+25,150,000

MISSION

The High Intensity Drug Trafficking Areas (HIDTA) Program was established by the Director, ONDCP pursuant to Section 1005 of the Anti-Drug Abuse Act of 1988, and now as reauthorized by 21 U.S.C. 1706 to provide assistance to Federal and State and local law enforcement entities operating in those areas most adversely affected by drug trafficking.

RECOMMENDATION

The Committee recommends an appropriation of \$231,500,000 for the High Intensity Drug Trafficking Areas Program, an increase of \$25,454,300 above the fiscal year 2001 enacted level and an increase of \$25,150,000 above the President's request. The increase above the President's request is to meet requirements to fully fund existing HIDTA program activity, to expand existing HIDTAs where such expansion is justified, and to fund new HIDTAs as appropriate. The Committee provides that HIDTAs existing in FY 2001 shall receive funding equal to the FY 2001 level. However, the Committee has continued language that permits ONDCP to adjust such spending levels if performance indicates that an increase or decrease in funding is warranted.

The Committee supports a vigorous HIDTA program and is aware of areas facing increased drug trafficking that may be appropriate candidates for designation as a HIDTA, inclusion in an existing HIDTA, or increased funding. As ONDCP reviews candidates for new HIDTA funding, the Committee recommends that it consider the following: expansion of the North Texas HIDTA to include Oklahoma counties, and of the Northwest HIDTA to include the counties of Southwest and Eastern Washington; increased funding for the Southeast Michigan HIDTA; designation of an Arkansas HIDTA; designation of a North Carolina HIDTA; increased funding for Arizona in the Southwest border HIDTA; and an increase in funding for the Central Florida, West Texas, Appalachian, Lake County, Indiana, and Gulf Coast HIDTAs. The Committee recog-

nizes the strong pressure to add new HIDTAs and expand those currently existing, and underscores the need for performance based management ensuring that HIDTAs that demonstrate performance and need are provided adequate resources.

CENTRAL FLORIDA HIDTA

The Central Florida HIDTA was established in 1998 to meet the rising threat of drug trafficking coming from the Caribbean and South America. As the level of drugs transiting through this area have grown in recent years, HIDTA funding has remained at the basic level, with only a \$22,000 increase in fiscal year 2001 to provide intelligence-sharing infrastructure. The region would especially benefit from joint program operations and support available from the HIDTA, such as for additional overtime costs of task forces, network communications, and translation services. The Committee therefore directs ONDCP to examine these requirements, including providing additional funds of \$2,500,000 to support these needs, and to report back to the Committee within 90 days of enactment of this Act on implementation of this directive.

HIDTA PERFORMANCE MANAGEMENT

Performance measures for HIDTAs have been, and continue to be, an area of focus for the Committee. As previously noted, the ability to match funding needs against budgets depends on reliable and consistent methodology for performance measurement and management. ONDCP has indicated that fifty-six developmental standards are currently being used by HIDTA executive boards to guide their decisions and improve the effectiveness of law enforcement efforts. The Committee strongly encourages continued efforts on the part of ONDCP to develop and refine standards that provide reliable measures which can be easily reported, and will serve as a basis for sound budget decisions. The goal should be to have the ability to assess overall program performance and to set priorities for resource allocation within and between HIDTAs.

HIDTA RESPONSE TO METHAMPHETAMINE PRODUCTION

The Committee remains extremely concerned about the manufacture and distribution of methamphetamines. ONDCP reports that methamphetamines are the most prevalent synthetic drug clandestinely manufactured in the United States. It is highly addictive and can be manufactured using products commercially available. Because of this ease of manufacture, small towns and rural areas are popular targets of manufacturing and distribution. The Committee endorses efforts to focus on those areas most significantly affected by methamphetamine manufacture and distribution and strongly encourages ONDCP, as it makes its decisions to designate new HIDTAs or fund existing ones, to target methamphetamines. The Committee believes that this would be a productive use of funding and an extremely beneficial tool in the implementation of the national drug control strategy.

SPECIAL FORFEITURE FUND

Appropriation, fiscal year 2001 to date	\$233,086,080
Budget estimate, fiscal year 2002	247,600,000
Recommended in the bill	238,600,000
Bill compared with:	
Appropriation, fiscal year 2001	+5,513,920
Budget Estimate, fiscal year 2002	-9,000,000

MISSION

The Special Forfeiture Fund was established by the Anti-Drug Abuse Act of 1988, as amended, to be administered by the Director of the Office of National Drug Control Policy. While the fund was originally authorized to receive deposits from the Department of Justice Assets Forfeiture Fund and the Treasury Forfeiture Fund, its current source of funding is direct appropriations.

RECOMMENDATION

The Committee recommends an appropriation of \$238,600,000 for the Special Forfeiture Fund, an increase of \$5,513,920 above the fiscal year 2001 enacted level and a decrease of \$9,000,000 below the President's request. The recommendation includes no funding for the proposed Parents for a Drug-Free Future initiative, and \$180,000,000 for the National Youth Anti-Drug Media Campaign, \$5,000,000 below the President's request. The Committee also includes \$50,600,000 for implementation of the Drug Free Communities Act, \$3,000,000 for the Counterdrug Intelligence Executive Secretariat, and \$1,000,000 for the National Drug Court Institute. The Committee also recommends \$4,000,000 for the US Anti-Doping Agency, an increase of \$1,000,000 above the President's request.

NATIONAL YOUTH ANTI-DRUG MEDIA CAMPAIGN

The Committee provides \$180,000,000 for the National Youth Anti-Drug Media Campaign (NYAMC), pursuant to 21 U.S.C. 1801-1804. This is \$5,000,000 below the level in fiscal years 1999-2001. The impact of this program has not been clearly determined and is difficult to measure. The Committee is watching closely the reports on the impact of the campaign, both from long-term analyses such as that being conducted under the auspices of the National Institute of Drug Abuse (NIDA) as well as more anecdotal reports from community drug coalitions. Campaign ads have received notice in the general media, and the Committee is aware of local efforts to leverage their impact, thereby helping increase awareness of and sensitivity to drug use. In addition, the Committee is aware of some promising trends in indicators of youth attitudes and behavior (although some, such as increasing prevalence of such club drugs as ecstasy, are discouraging). However, the statistical significance of such awareness and the campaign's impact on behavior on a national or even local level has yet to be adequately validated. The Committee will continue to scrutinize such information with the expectation that statistically significant results, demonstrating how effective the campaign has been, will be available within the foreseeable future.

The Committee is aware that ONDCP developed a corporate sponsorship strategy for the campaign last year, and would like to

know more about the feasibility and success of efforts to enlist direct, private support and contributions to the campaign. The Committee therefore directs ONDCP to report not later than 90 days after enactment on the performance of its sponsorship strategy, as well as corporate cooperation, including an assessment of the potential contribution such a strategy has or could make to increase the resources for the campaign and leverage its impact. In the absence of clear measurements of performance, the ability of this program to attract private support may prove a key indicator of its value.

CONTRACT PERFORMANCE AND MANAGEMENT FOR THE YOUTH MEDIA CAMPAIGN

The Committee has received the General Accounting Office (GAO) review of the advertising contract for phase III of the National Youth Anti-Drug Media Campaign (NYAMC) and is disappointed to learn of weaknesses in contract performance and management. GAO concluded that there was a failure on the part of both the contractor and the government to ensure that a proper billing and accounting system was in place and adhered to, as well as poor contract management of key elements of the award and administration of the advertising contract. The Committee is aware that responsibility for contract management has been transferred from HHS to the Navy, which is conducting its own audit of contracts, and that the contractor has agreed to restructure its accounting system to comply with government cost accounting standards. However, to ensure that there be no repetition of such mistakes, the Committee fully supports the recommendations made by GAO. The Committee therefore directs ONDCP to work with its Contracting Officer's Technical Representative (COTR), the Navy, to: (1) review the contractor's invoices and determine how much the government overpaid or should reimburse the contractor; (2) ensure that the contractor has a cost accounting system needed for full contract performance; and (3) coordinate the roles of ONDCP's contracting officer and the COTR and ensure that such roles are effectively carried out. The Committee also directs that the Navy not exercise the next option year of the contract with the current contractor until that contractor has restructured its accounting system to meet government requirements, and ONDCP has assessed both the contractor's administrative as well as technical performance. The Committee recognizes that this is an evolving situation, given that the GAO report was only recently published, and because ONDCP is still awaiting new policy leadership.

COUNTERDRUG INTELLIGENCE PROGRAMS

The Committee strongly supports intensifying efforts to develop useful strategic and tactical intelligence to attack drug trafficking and organizations, and to leverage the resources available to law enforcement and other agencies charged with stopping drug trafficking. The Committee therefore continues its funding of the Counterdrug Intelligence Executive Secretariat (CDX) in its support of the interagency Counterdrug Intelligence Coordinating Group. The Committee directs ONDCP to report within 90 days of enactment on the status of implementation of the General Counterdrug Intelligence Plan.

FUNDS APPROPRIATED TO THE PRESIDENT

UNANTICIPATED NEEDS

Appropriation, fiscal year 2001 to date	\$3,492,000
Budget estimate, fiscal year 2002	1,000,000
Recommended in the bill	1,000,000
Bill compared with:	
Appropriation, fiscal year 2001	-2,492,000
Budget Estimate, fiscal year 2002 .....	.....

MISSION

These funds enable the President to meet unanticipated exigencies in support of the national interest, security or defense.

RECOMMENDATION

The Committee recommends an appropriation of \$1,000,000, a decrease of \$2,492,000 from amounts appropriated in fiscal year 2001 and the same as the amount requested by the President.

TITLE IV—INDEPENDENT AGENCIES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$4,149,000
Budget estimate, fiscal year 2002	4,498,000
Recommended in the bill	4,609,000
Bill compared with:	
Appropriation, fiscal year 2001	+460,000
Budget Estimate, fiscal year 2002	+111,000

MISSION

The Committee for Purchase From People Who Are Blind or Severely Disabled was established by the Wagner-O'Day Act of 1938, as amended. Its primary objective is to increase the employment opportunities for people who are blind or have other severe disabilities and, whenever possible, to prepare them to engage in competitive employment.

RECOMMENDATION

The Committee recommends an appropriation of \$4,609,000 for the Committee for Purchase From People Who Are Blind or Severely Disabled, an increase of \$460,000 from amounts appropriated in fiscal year 2001 and an increase of \$111,000 from amounts requested by the President. The Committee's recommendation includes an increase of \$111,000 for the estimated costs of non-pay inflation.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$40,410,900
Budget estimate, fiscal year 2002	41,410,900
Recommended in the bill	43,223,000
Bill compared with:	
Appropriation, fiscal year 2001	+2,812,100
Budget Estimate, fiscal year 2002	+1,812,100

MISSION

The Commission administers the disclosure of campaign finance information, enforces limitations on contributions and expenditures, supervises the public funding of Presidential elections, and performs other tasks related to Federal elections.

RECOMMENDATION

The Committee recommends an appropriation of \$43,223,000 for the Federal Election Commission (FEC), an increase of \$2,812,100 from amounts appropriated in fiscal year 2001 and an increase of \$1,812,100 from amounts requested by the President. The Committee is disappointed to learn that, in preparation of the fiscal year 2002 budget submission, the Office of Management and Budget (OMB) did not base the President's recommended fiscal year 2002 budget for the FEC on a comprehensive review of FEC's resource requirements but rather recommended an unspecified increase of \$1,000,000. The Committee will continue to monitor OMB's process for managing the preparation of the President's budget and, in particular, its examination of agency programs and resource requirements.

The Committee's recommendation includes an increase of \$1,679,000 for personnel compensation and benefits, \$708,100 for the estimated costs of non-pay inflation, and \$425,000 and 5 FTE for the Data Systems Division to complete and support current and future information technology initiatives. The Committee has included a new general provision (Section 641) extending authority for FEC to assess administrative fines for straightforward violations of reporting deadlines; FEC's authority is extended from December 31, 2001, to December 31, 2003.

ELECTION ADMINISTRATION REFORM

The Committee notes that, as a concurrent submission agency, the FEC has submitted a fiscal year 2002 request of \$47,671,000, including an increase of \$2,542,600 for the Office of Election Administration to update and enhance Voting Systems Standards. The Committee supports efforts to achieve election administration reform and is aware of several legislative initiatives currently being considered by the House Committee on Administration. The Committee will consider appropriations for election administration reform when such reform measures become authorized.

FEC RESOURCE REQUIREMENTS

The Committee continues to have overall concerns regarding FEC's resource requirements. The request submitted by the Commission for fiscal year 2002 recommended an increase of 18 percent

from fiscal year 2001 appropriated levels, well above the President's overall increase of 4 percent for domestic discretionary programs. The Committee appreciates that a portion of the Commission's request was targeted to election administration reform; nonetheless, absent this initiative, the FEC was requesting an increase of nearly 11 percent. The Committee notes that, over the past 10 years, the FEC has received an increase of more than 136 percent in appropriations and continues to question FEC's ability to efficiently manage its resources.

The Committee is aware that much of FEC's workload is uncontrollable and independent of any actions FEC might take. For instance, total disbursements in federal elections were \$3.5 billion in the 2000 election cycle which, according to FEC budget justification materials, has translated into an increase of 27 percent in documents filed since 1984 and an increase of 400 percent in the number of transactions entered into the database. The Committee understands that certain factors are beyond FEC's control. On the other hand, much of FEC's work is controllable, such as the manner in which FEC processes filings, its methods and processes in meeting disclosure deadlines, and its compliance and enforcement activities. The Committee notes that it has supported FEC's efforts to use more information technology, providing approximately \$26 million for these IT efforts over the past 7 years. The Committee is not convinced that the FEC has maximized the use of these IT resources, or the use of available technology.

The Committee is particularly aware that, over the past ten years, the Office of General Counsel has received more than a 165 percent increase in appropriations, largely based on data showing the growth in both internal and external enforcement cases and the complexity of those cases. Because of the confidential nature of the work conducted by the Office of General Counsel (OGC), it has been difficult for the Committee to conduct a comprehensive and thorough analysis of its resource requirements. The Committee is nonetheless concerned by certain enforcement statistics and measures of lagging performance, including the total number of pending cases, the number of inactive cases, and the number of cases closed because they have become "stale". Although the FEC maintains that lagging indicators reflect a lack of enforcement resources, the Committee has been unable to verify this assertion given FEC's stated need to maintain confidentiality of certain information, particularly involving the FEC's Enforcement Priority System (EPS). The Committee supports the need for confidentiality of EPS, but without greater specifics on how FEC allocates its enforcement resources and manages its investigations, it is difficult for the Committee to support significant increases in FEC's appropriation.

The Committee is pleased with the progress FEC has made in regard to the recommendations put forth by the Price Waterhouse Coopers management and technological review. The Committee also believes there continue to be significant opportunities for improvement. The Committee looks forward to working with the FEC to implement these opportunities and directs the FEC to work with the Committee to design an analytical flow of information that will help the Committee to determine more precisely the appropriate levels of resources needed for proper FEC operations.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$25,002,872
Budget estimate, fiscal year 2002	26,378,000
Recommended in the bill	26,378,000
Bill compared with:	
Appropriation, fiscal year 2001	+1,375,128
Budget Estimate, fiscal year 2002 .....	.....

MISSION

The Federal Labor Relations Authority (FLRA), established by the Civil Service Reform Act of 1978, serves as a neutral party in the settlement of disputes that arise between unions, employees, and agencies on matters outlined in the Federal Service Labor Management Relations statute, decides major policy issues, prescribes regulations, and disseminates information appropriate to the needs of agencies, labor organizations, and the public. Establishment of the FLRA gives full recognition to the role of the Federal Government as an employer. Pursuant to the Foreign Service Act of 1980, FLRA also supports the Foreign Service Impasse Disputes Panel and the Foreign Service Labor Relations Board.

RECOMMENDATION

The Committee recommends an appropriation of \$26,378,000 for the Federal Labor Relations Authority (FLRA), an increase of \$1,375,128 above the amount appropriated in fiscal year 2001 and the same as requested by the President.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

Appropriation:	
Appropriation, fiscal year 2001 to date	\$476,523,000
Budget estimate, fiscal year 2002	276,400,000
Recommended in the bill	276,400,000
Bill compared with:	
Appropriation, fiscal year 2001	- 200,123,000
Budget Estimate, fiscal year 2002 .....	.....
Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2001 enacted to date	5,983,878,000
Limitation on availability, budget estimate, fiscal year 2002	6,179,891,000
Recommended in the bill	6,133,838,000
Bill compared with:	
Availability limitation, fiscal year 2001 enacted to date	+149,960,000
Availability limitation, fiscal year 2002 estimate	- 46,053,000

MISSION

The Federal Buildings Fund (FBF) finances the activities of the Public Buildings Service, which provides space and services for Federal agencies in a relationship similar to that of landlord and tenant. The FBF, established in 1975, replaces direct appropriations by using income derived from rent assessments, which approximate commercial rates for comparable space and services. The Appropriations Committee makes funds available through a process of placing limitations on obligations from the FBF as a way of allocating funds for various FBF activities. The Committee may also appropriate funds into the FBF as a way of covering the dif-

ference between the total revenues coming into the FBF and the total limitation on the expenditure from the FBF.

RECOMMENDATION

The Committee recommends no additional direct appropriation into the Federal Buildings Fund, a decrease of \$200,123,000 below the fiscal year 2001 enacted level and the same as the President's request. The \$276,400,000 listed in the table above references the amount included in fiscal year 2001 and made available on October 1, 2001, for four courthouse projects.

CONSTRUCTION AND ACQUISITION

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2001 enacted to date ...	\$477,676,000
Limitation on availability, budget estimate, fiscal year 2002	386,289,000
Recommended in the bill	328,816,000
Bill compared with:	
Availability limitation, fiscal year 2001 enacted to date	- 148,860,000
Availability limitation, fiscal year 2002 estimate	- 57,473,000

RECOMMENDATION

The Committee recommends a limitation of \$328,816,000 for construction and acquisition, a decrease of \$148,860,000 below the fiscal year 2001 enacted level and a decrease of \$57,473,000 below the President's request. Changes to the President's request include decreases of \$500,000 for nonprospectus construction and \$84,406,000 and increases of \$4,933,000 for the Rockford, IL, courthouse project, \$4,000,000 for the Orlando, FL, courthouse project, \$15,000,000 for the Miami, Florida, courthouse project, \$500,000 for the Champlain, NY, border station, and \$3,000,000 for the Prince Georges County, MD, National Center for Environmental Prediction project. All construction projects funded in this bill are subject to authorization by the Committee on Transportation and Infrastructure.

ORLANDO, FLORIDA, COURTHOUSE

The Committee recommends an appropriation of \$4,000,000 to complete the design of the Orlando, Florida, courthouse. The Committee directs the General Services Administration (GSA) to use this funding to redesign the courthouse so that it meets the functional and security needs stipulated by the courts. The Committee has serious concerns about the security of the current design. To alleviate these concerns, the courthouse should be located further away from Highway I-4 than contemplated in the current design. It also believes that a glass facade at this location provides an inviting target. Therefore, materials should be incorporated into the building which reduce the appearance of vulnerability. The courthouse should be oriented to provide security and to complement the historic community and the future Florida A&M College of Law. Space not specifically dedicated to judicial functions should be minimized and designed to facilitate efficient movement of those using the building. The Committee expects the GSA to reach an agreement expeditiously with the courts on the final design of this project and directs that none of the funds be obligated until approved by the Committee.

NATIONAL CENTER FOR ENVIRONMENTAL PREDICTION

The Committee includes \$3,000,000, subject to authorization by the Committee on Transportation and Infrastructure, to begin the site design and acquisition or lease acquisition of a replacement facility for the National Center for Environmental Prediction currently located in Camp Springs, MD. The General Services Administration is directed to follow the findings and conclusions in its site selection analysis to identify a location for this facility.

COURTHOUSE CONSTRUCTION COSTS

The Committee remains unconvinced that the General Services Administration has taken all necessary and prudent steps to reduce its courthouse construction costs. For ten courthouse construction projects that are completed, or nearly completed, GSA has provided data to the Committee indicating an average courthouse construction cost of \$175 per square foot. Information gleaned from the GSA budget justification for fiscal year 2002 indicates that the average per-square-foot construction costs for currently active courthouse projects may be significantly higher (as much as \$250 per square foot). Such a potential large increase appears to be out of step with inflation and has not been adequately justified. The Committee is committed to gaining a better understanding of courthouse construction costs and the potential for increases in courthouse construction costs as well as to helping lower these costs.

The Committee strongly supports the benchmarking of construction costs but is concerned that the "space-type" methodology being followed by GSA does not lend itself to external benchmarking. While adequate and meaningful cost comparisons among federal courthouse construction projects are important, the ability to compare federal costs to non-federal costs is equally critical. The Committee looks forward to being provided with a copy of the Smith Group/Hanscomb analysis that is currently underway for verifying the construction costs for five different types of courthouse spaces and for identifying the breakout between the construction costs for the core and shell elements and for the tenant improvement elements of the space types. Nevertheless, this analysis will not allow an easy or meaningful comparisons among federal and state courthouse construction projects.

Therefore, the Committee directs the GSA to conduct a comparative analysis of its courthouse construction costs with an appropriate representative sampling of state courthouse construction costs and to provide this analysis to the Committee 120 days after enactment of this Act. This analysis should contain externally derived cost estimates from the private sector. Accompanying this analysis is to be a quantification and discussion, if applicable, of specific reasons why federal courthouse construction costs exceed state courthouse construction costs.

MIAMI, FLORIDA, COURTHOUSE

The Committee directs the General Services Administration to make every effort to include minority contractors, vendors, and employees in every phase of the design, construction, and operation of the new courthouse to be constructed in Miami, Florida. The Committee further directs the General Services Administration to pro-

vide a report by February 1, 2002, on its plans for achieving this essential objective and its progress to date.

SOLOMON BUILDING, CHATTANOOGA, TENNESSEE

The Committee is aware that a recent feasibility study of the space requirements associated with the Solomon Federal Building recommends that GSA acquire the old post office building, renovate the Solomon Federal Building, and develop an adjoining addition to the Solomon Building to provide parking and expansion. Given the time-sensitive nature of the optimal site acquisition, the Committee strongly encourages GSA move forward quickly with plans to acquire land adjacent to the Solomon Building. The Committee also fully supports actions to acquire the old post office building from the Tennessee Valley Authority as part of its debt servicing arrangements. The Committee is concerned to learn that the construction aspect of the project may be delayed and urges GSA to work with the courts to reestablish as early a construction start as is practicable.

HAMMOND, INDIANA, FEDERAL BUILDING

The Committee is very concerned about the added costs and extensive delays that have plagued the construction of a new federal building in Hammond, Indiana. The needs for federal facilities in northwestern Indiana are not being met because the new federal building being constructed by GSA in Hammond, originally scheduled for completion in November 1999, remains unfinished and unoccupied. The Committee directs GSA to apply all necessary resources and priority to immediately resolve all outstanding issues and to complete the project by no later than September 8, 2001; with occupancy immediately thereafter. The Committee is extremely concerned with reports that extensive project delays have been caused not only by major issues but also by flaws in expensive finishing materials. The Committee directs GSA to provide a report to the House Committee on Appropriations within 90 days of the enactment of this Act on all steps it is taking to ensure that this and other federal building construction projects remain on schedule, and especially to ensure that aesthetic factors do not impede progress or completion.

TOLEDO, OHIO, COURTHOUSE

The Committee is aware of a recent land exchange between the City of Toledo and GSA that provided GSA with a site eminently suitable for constructing a new federal plaza to include a new federal building and courthouse. GSA is also in the process of completing an 11(b) Report of Building Project Survey to identify and characterize the needs for federal construction in the Toledo area. The Committee urges GSA to move forward on this construction project with all due speed and to take factors such as site availability and multi-purpose space requirements into serious consideration in formulating its construction priorities for this and coming years.

CHAMPLAIN, NEW YORK, BORDER CROSSING

The Committee is aware of the difficult and dangerous situation that exists at the Champlain, New York, border crossing. Growth in commercial traffic and changes in inspection procedures have contributed to severe backups, a growing number of accidents, significant increases in air pollution, and a concern that the increasing delays associated with the Champlain crossing are having a detrimental impact on the all-important U.S.-Canadian trade relationship along that portion of the border. The Committee recommends an appropriation of \$500,000, subject to authorization, to assist GSA in meeting the site and design needs of the project to vastly improve the Champlain border station and crossing. The Committee is aware that \$2,800,000 was appropriated for fiscal year 2001 through Public Law 106-346 and that negotiations are underway to allow the transfer of these funds from the State of New York to GSA for a portion of the site and design work. In addition, the State of New York has indicated that it will provide an additional \$500,000. The Committee expects that these funds, together with the \$500,000 appropriated in this bill, will be sufficient to complete the site and design work for the project, providing a total of \$3,300,000 in Federal funds and \$500,000 in State funds. The Committee further urges GSA to submit with all due speed a site and design prospectus to the appropriate authorizing committees so that these funds can be quickly applied to the much needed improvements of the Champlain, NY, border requirements.

BROOKLYN, NEW YORK, COURTHOUSE

The Committee recognizes the economic prudence of building out the remaining additional courtrooms and chambers needed to complete the district courthouse in Brooklyn, NY, at this time. The Committee has approved an appropriation of \$3,361,000 in this bill and expects that design of these courtrooms and chambers shall begin. Further, the Committee urges GSA to seek the necessary funding to complete this project in a timely manner.

CENSUS FACILITIES, SUITLAND, MARYLAND

The Committee has included \$2,813,000 for Census Bureau facilities in Suitland, Maryland, within the construction and acquisition activity. These funds, together with the requested reprogramming of \$5,200,000 from the repairs and alterations activity hereby approved, are sufficient to design one new building for the Census Bureau at Suitland. The House Committee on Appropriations understands that the Committee on Transportation and Infrastructure is on the verge of authorizing \$16,200,000 for the design of two buildings for the Census Bureau at Suitland and that the establishment of two buildings for the Census is now the preferred alternative. The House Committee on Appropriations is also aware of discussions and negotiations between GSA and Census in support of the project. The Committee anticipates that the Agencies involved will be able to resolve how funding might be allocated to enable the design work to proceed on both buildings.

SAN DIEGO, CALIFORNIA, COURTHOUSE

The Committee is aware of plans for constructing a new courthouse in San Diego next to the current courthouse and the need for repairing the current courthouse. \$15,400,000 was included in the FY 1999 bill for acquisition of a site for the new courthouse. \$13,070,000 has been included in this bill, as proposed by the President, for repairing the current courthouse. The House Committee on Appropriations understands that the Committee on Transportation and Infrastructure is on the verge of authorizing \$14,337,000 for the design of the new courthouse. The Committee urges GSA to move forward expeditiously to meet the judiciary space needs efficiently and effectively. The Committee is also aware that there are negotiations currently underway regarding historical issues with the property and urges GSA to expeditiously complete these negotiations.

REPAIRS AND ALTERATIONS

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2001 enacted to date ...	\$681,613,000
Limitation on availability, budget estimate, fiscal year 2002	826,676,000
Recommended in the bill	826,676,000
Bill compared with:	
Availability limitation, fiscal year 2001 enacted to date	+145,063,000
Availability limitation, fiscal year 2002 estimate .....	.....

RECOMMENDATION

The Committee recommends a limitation of \$826,676,000 for repairs and alterations, an increase of \$145,063,000 above the fiscal year 2001 enacted level and the same as the budget request.

BOW BUILDING, CANTON, OHIO

Within the amount provided for the basic repair program the Committee understands that GSA will spend \$500,000 on repairing the exterior of the Bow Building in Canton, Ohio. The Committee is further aware that GSA recently completed a modernization study pursuant to a House Resolution and encourages GSA to move forward with the modernization project.

PROJECT PRIORITIZATION

The Committee is concerned that the methodology, its application, or the associated criteria used by the GSA and the Administration to develop the priority listing of repair and alteration projects contained in the President's budget request may be flawed. This concern is based on a possible geographic bias, the continuing exclusion of the much-needed repair work at 300 North Los Angeles Boulevard in California, and uncertainty about the weights assigned the 5 criteria used for assessing and ranking projects. The failure of the 300 North Los Angeles Boulevard Federal Building repair project to be included in the President's budget request, despite serious and extensive public health and safety problems (unmitigated seismic risks, inadequate venting and exiting, fire and disability code violations, etc.), suggests that insufficient weight is being given to the physical urgency and public safety.

Therefore, the Committee directs GSA to provide a report 120 days after enactment of this Act that includes (1) the fiscal year

2002 guidance sent to the GSA regions as to how GSA repair and alteration projects will be ranked, what criteria will be used, how each criterion is to be evaluated, and what weight is to be assigned each criterion; and (2) the individual rankings (total ranking as well as specific criteria ranking) of the proposed fiscal year 2002 projects submitted by the GSA regions to GSA headquarters and by GSA headquarters to the Office of Management and Budget.

INSTALLMENT ACQUISITION PAYMENTS

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2001 to date	\$185,369,000
Limitation on availability, budget estimate, fiscal year 2002	186,427,000
Recommended in the bill	186,427,000
Bill compared with:	
Availability limitation, fiscal year 2001 to date	+1,058,000
Availability limitation, fiscal year 2002 estimate .....	.....

RECOMMENDATION

The Committee recommends a limitation of \$186,427,000 for installation acquisition payments, an increase of \$1,058,000 above the fiscal year 2001 enacted level and the same as the President's request.

RENTAL OF SPACE

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2001 to date	\$2,943,854,000
Limitation on availability, budget estimate, fiscal year 2002	2,959,550,000
Recommended in the bill	2,959,550,000
Bill compared with:	
Availability limitation, fiscal year 2001 to date	+15,696,000
Availability limitation, fiscal year 2002 estimate .....	.....

RECOMMENDATION

The Committee recommends a limitation of \$2,959,550,000 for rental of space, an increase of \$15,696,000 above the fiscal year 2001 enacted level and the same as the President's request.

BUILDING OPERATIONS

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2001 to date	\$1,624,771,000
Limitation on availability, budget estimate, fiscal year 2002	1,748,949,000
Recommended in the bill	1,760,369,000
Bill compared with:	
Availability limitation, fiscal year 2001 to date	+135,598,000
Availability limitation, fiscal year 2002 estimate	+11,420,000

RECOMMENDATION

The Committee recommends a limitation of \$1,760,369,000 for building operations, an increase of \$135,598,000 above the fiscal year 2001 enacted level and an increase of \$11,420,000 above the President's request. The increase above the President's request consists of \$10,970,000 to cover a portion of estimated non-pay inflation costs and \$450,000 for a study of hurricane risks and mitigation strategies in the southeast. In providing only a portion of the increase needed to cover the non-pay inflation in building operations, the Committee encourages GSA to seriously consider absorbing the shortfall in such activities as cleaning, maintenance,

other building services, and staff support (especially reducing or eliminating the funding for the proposed new environmental audits). The Committee is aware of a memorandum of understanding between GSA and the Geothermal Heat Pump Consortium and urges GSA to continue exploring and evaluating the energy efficient and cost effective use of geothermal heat pumps in federal buildings. The Committee directs the General Services Administration to work with the State Department to review the decision to consolidate warehouse space along the Southwest border. The Committee directs the General Services Administration to report on the benefits of other locations.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The Committee directs GSA to work closely with the National Oceanic and Atmospheric Administration, the University of Oklahoma, and all other interested parties regarding the much-needed new facilities for NOAA's National Serve Storm Laboratory and Storm Prediction Center, for which design funds were appropriated in the last Congress. Due to the intended co-location of the NOAA facility with related programs at the university, GSA is particularly directed to help identify the necessary costs that are beyond those of standard-design federal offices.

TELECOMMUTING/TELEWORK

The Committee is strongly supportive of the appropriate and effective use of telecommuting, including utilization of the GSA telecenters. Currently, the GSA telecenters are operating at about 50 percent of their full capacity and GSA is subsidizing operating costs not covered by user fees. To facilitate federal employee awareness and utilization of federal telecenters, GSA is directed to increase its marketing of the telecenters and to develop a business case for a pilot project that would allow a 60-day free trial period for certain federal employees to use the telecenters. The federal employees eligible for participation in the 60-day free trial period are to be those federal employees that are eligible for telework, that do not currently use the telecenters, and whose agencies have sufficient funds to cover the user fees if the employee elects to continue using the telecenter after the trial period. The business case is to be submitted to the House Committee on Appropriations within 60 days of enactment; the pilot program should be implemented immediately, if warranted.

The Committee further directs GSA to prepare and deliver to the Committee 90 days after enactment of this Act a report evaluating the costs (actual costs on a per-worker basis based on historical data) of providing telecenters in comparison to the costs of establishing and operating a workplace within a telecommuter's home, and the other relative merits of each approach.

The Committee further directs GSA to evaluate the needs and opportunities for establishing a telecenter to serve the Route 355/I-270 corridor and a telecenter to serve the Georgia/New Hampshire Avenue corridor in Montgomery County, Maryland, to include this evaluation in the cost evaluation report, and to proceed with establishing both or either of these centers if warranted.

HURRICANE THREATS IN THE SOUTHEAST

The Committee is concerned about the risks to federal buildings in the southeastern United States from damaging hurricanes. The Committee has provided \$450,000 for a study to assess the risk of hurricane damage to federal buildings in the southeast, to ascertain what pre-disaster hurricane mitigation strategies are most appropriate, to quantitatively characterize the current mitigation strategy costs and benefits, and to determine the extent to which additional measures should be taken as well as associated implementation costs. The study is to be submitted to the House Committee on Appropriations six months after the enactment of this Act.

CONSUMER PRODUCT SAFETY COMMISSION

The Committee is very supportive of GSA's continued efforts to assist the Consumer Product Safety Commission (CPSC) with the development of their master plan. The Committee further understands that the CPSC has contributed \$50,000 from its fiscal year 1999 appropriation for an assessment to determine the modernization needs of CPSC's laboratories in Gaithersburg, Maryland. CPSC also hopes, as part of its master plan, to reduce waste and inefficiency by co-locating a sample warehouse on its Gaithersburg facilities. In recognition of the important service that CPSC offers to the American public, the Committee encourages GSA to continue to work with CPSC to finalize a master plan and work toward its implementation.

USGS FACILITIES, SANTA CRUZ, CALIFORNIA

The Committee strongly encourage GSA to work with the U.S. Geological Survey (USGS) and the University of California at Santa Cruz to fashion a plan to address the facilities needs of the USGS Western Coastal and Marine Geology Program. The Committee hopes that such a plan will provide the best possible financial and programmatic benefits to the Federal Government and the USGS over an extended time frame in terms of facilities construction, rental, and relocation costs. The Committee urges GSA to consider innovative and creative facilities construction alternatives that would give the Federal government, and the USGS, the greatest possible economic benefit, including a rent-free option exclusive of maintenance and operation costs. Part of such a facilities plan is predicated on the USGS adequately defining its coastal and marine facility needs and appropriate Congressional authorization. The GSA should report back to the Committee no later than 90 days after enactment of this Act.

POLICY AND OPERATIONS

Appropriation, fiscal year 2001 to date	\$137,406,000
Budget estimate, fiscal year 2002	138,499,000
Recommended in the bill	137,515,000
Bill compared with:	
Appropriation, fiscal year 2001	+109,000
Budget Estimate, fiscal year 2002	-984,000

MISSION

Policy and operations provides for Government-wide policy, planning, and oversight associated with real and personal property asset management, supplies, information technology, electronic commerce, transportation and travel management, acquisition, and Federal advisory committees management. In addition, this activity provides for the internal policy, management, oversight, and coordination of all GSA programs.

RECOMMENDATION

The Committee recommends an appropriation of \$137,515,000 for Policy and Operations, an increase of \$109,000 above the fiscal year 2001 enacted level and a decrease of \$984,000 below the President's request. Changes to the President's request include decreases of \$1,000,000 for the Federal Computer Incident Response Capability, \$1,000,000 for activities associated with the Lorton Complex (leaving \$3,822,000 appropriated in fiscal year 2002 for this effort), and \$500,000 for activities associated with Governors Island (leaving \$8,082,000 appropriated in fiscal year 2002 for this effort) as well as an increase of \$1,516,000 for non-pay inflation.

The fiscal year 2002 funding level for the public key infrastructure (PKI) effort is \$3,500,000, the same level as proposed in the President's budget. In materials supplied to the Committee in response to questions for the record, GSA stated that the effort was focused on deploying commercial PKI in a Federal environment. The Committee remains concerned that this deployment, as presented, may be more appropriately conducted by (and funded in the accounts of) those individual federal agencies who require secure ways of conducting transactions or exchanging information electronically. Therefore, GSA is directed to provide a report to the House Committee on Appropriations 90 days after enactment of this Act that fully explains the importance and benefits from managing this effort centrally within the federal government, quantifies the extent to which commercially developed PKI is already being deployed in the federal government, and that fully describes industry/government PKI relations, partnerships, and collaborations.

The fiscal year 2002 funding level for the Federal computer incident response capability is \$9,982,000, an increase of \$2,000,000 above the fiscal year 2002 funding level and a decrease of \$1,000,000 below the level requested in the President's budget. The Committee is supportive of the decentralized, distributed philosophy for computer incident detection and response that is inherent in the current federal effort and that appears to allow appropriate agency control and private sector involvement.

PUBLIC SERVICE RECOGNITION WEEK

The Committee recognizes that Public Service Recognition Week, a program of the Public Employees Roundtable, has educated America about the value of the career workforce, which carries out the daily operations of government. This program, which has existed for over 10 years, plays an important role in educating our nation's youth by providing them with timely information about their government. The Committee urges the General Services Administration to support the mission of the Public Employees

Roundtable and provide \$100,000 in administrative and logistical assistance to Public Service Recognition Week activities, the same level as was provided for fiscal year 2001.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2001 to date	\$34,444,000
Budget estimate, fiscal year 2002	36,025,000
Recommended in the bill	36,290,000
Bill compared with:	
Appropriation, fiscal year 2001	+1,846,000
Budget Estimate, fiscal year 2002	+265,000

MISSION

This appropriation provides agencywide audit and investigative functions to identify and correct management and administrative deficiencies within GSA which create conditions for existing or potential instances of fraud, waste, and mismanagement. The audit function provides internal audit and contract audit services. Contract audits provide professional advice to GSA contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of GSA operations and programs, test internal control systems, and develop information to improve operating efficiencies and enhance customer services. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations.

RECOMMENDATION

The Committee recommends an appropriation of \$36,290,000 for the Office of Inspector General, an increase of \$1,846,000 above the fiscal year 2001 enacted level and an increase of \$265,000 above the President's request. The increase above the President's request is for non-pay inflation.

ELECTRONIC GOVERNMENT FUND

Appropriation, fiscal year 2001 to date .....	.....
Budget estimate, fiscal year 2002	\$20,000,000
Recommended in the bill	5,000,000
Bill compared with:	
Appropriation, fiscal year 2001	+5,000,000
Budget Estimate, fiscal year 2002	-15,000,000

MISSION

The President proposes a new appropriation to provide support for interagency Electronic Government (E-Gov) initiatives that utilize the Internet or other electronic methods as a means to increase Federal Government accessibility, efficiency, and productivity.

RECOMMENDATION

The Committee recommends an appropriation of \$5,000,000 for the Electronic Government Fund, an increase of \$5,000,000 above the level that was provided for fiscal year 2001 and a decrease of \$15,000,000 below the President's request. The Committee supports, in general, the purpose of the fund and recommends the Administration work with the House Committee on Government Re-

form to clarify its authorization. The Committee would encourage the use of these funds for interagency electronic government projects for which matching funds are provided. The Committee is aware of interagency groups, such as the Chief Information Officer (CIO) Council chaired by OMB, that have wide experience and expertise in electronic government and information technology areas and suggests that these groups could make key contributions in the review and selection of projects.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriation, fiscal year 2001 to date	\$2,511,000
Budget estimate, fiscal year 2002	3,552,000
Recommended in the bill	3,196,000
Bill compared with:	
Appropriation, fiscal year 2001	+685,000
Budget Estimate, fiscal year 2002	- 356,000

MISSION

This appropriation provides support consisting of pensions, office staffs, and related expenses for former Presidents Gerald R. Ford, Jimmy Carter, Ronald Reagan, George Bush and Bill Clinton and for pension and postal franking privileges for the widow of former President Lyndon B. Johnson. Also, this appropriation is authorized to provide funding for security and travel related expenses for each former President and the spouse of a former President pursuant to Section 531 of Public Law 103-329.

RECOMMENDATION

The Committee recommends an appropriation of \$3,196,000 for allowances and office staff of former Presidents, an increase of \$685,000 above the fiscal year 2001 enacted level and a decrease of \$356,000 below the President's request. Changes to the President's request include a decrease of \$176,000 for an unspecified increase and a decrease of \$180,000 as a reduction in office rent for former President Reagan.

FY 2002 BUDGET ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

[In thousands of dollars]

	Ford	Carter	Reagan	Bush	Clinton	Widows	Total
Personnel Compensation	96	96	96	96	150	0	534
Personnel Benefits	24	6	24	35	60	0	149
Benefits for Former Personnel:							
Pensions	166	166	166	166	166	20	850
Travel	50	2	16	57	57	0	182
Rental Payments to GSA	110	102	177	169	354	0	912
Communications, Utilities and Miscellaneous charges:							
Telephone	21	25	15	14	28	0	103
Postage	6	20	10	14	22	2	74
Printing	0	5	12	12	15	0	44
Other Services	11	71	15	13	80	0	190
Supplies & Materials	9	6	20	11	24	0	70
Equipment	4	9	3	36	36	0	88
Total Obligations	497	508	554	623	992	22	3,196

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 401. The Committee continues the provision that provides that costs included in rent received from government corporations for operation, protection, maintenance, upkeep, repair and improvement shall be credited to the Federal Buildings Fund.

Section 402. The Committee continues the provision providing authority for the use of funds for the hire of motor vehicles.

Section 403. The Committee continues the provision providing that funds made available for activities of the Federal Buildings Fund may be transferred between appropriations with advance approval of the Congress.

Section 404. The Committee continues the provision prohibiting the use of funds for developing courthouse construction requests that do not meet GSA standards and the priorities of the Judicial Conference.

Section 405. The Committee continues the provision providing that no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the requested rent.

Section 406. The Committee continues the provision providing for Information Technology Fund repayment from sponsored projects that realize program savings.

Section 407. The Committee continues the provision that permits GSA to pay small claims (up to \$250,000) made against the government.

Section 408. The Committee recommends a new provision requiring the General Services Administration to increase its fiscal year 2002 expenditures for purchasing alternative fuel vehicles by \$5,000,000 above its fiscal year 2001 expenditures.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$29,372,239
Budget estimate, fiscal year 2002	30,375,000
Recommended in the bill	30,375,000
Bill compared with:	
Appropriation, fiscal year 2001	+1,002,761
Budget Estimate, fiscal year 2002 .....	.....

MISSION

The Merit Systems Protection Board performs the adjudicatory functions necessary to maintain the civil service merit system. These include hearing appeals on adverse actions, reduction-in-force actions, and retirement. The Board reports to the President on whether merit systems are sufficiently free from prohibited personnel practices to protect the public interest.

RECOMMENDATION

The Committee recommends an appropriation of \$30,375,000 for the Merit Systems Protection Board (MSPB), an increase of \$1,002,761 above the amount appropriated in fiscal year 2001 and the same as requested by the President.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

Appropriation, fiscal year to date	\$1,996,000
Budget estimate, fiscal year 2002	1,746,000
Recommended in the bill .....	.....
Bill compared with:	
Appropriation, fiscal year 2001	-1,996,000
Budget Estimate, fiscal year 2002	-1,746,000

MISSION

Public Law 102-259 established the Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund. Federal payments to that fund are invested in Treasury securities. Interest earnings from the investments are used to carry out the activities of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation. The Foundation awards scholarships, fellowships, and grants and funds activities of the Udall Center for Studies in Public Policy.

RECOMMENDATION

The Committee recommends no appropriation for this account, a decrease of \$1,996,000 below the fiscal year 2001 enacted level and a decrease of \$1,746,000 below the President's request. Funding for activities associated with this account is provided in a new account, Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund.

NATIVE NATIONS INSTITUTE

Appropriation, fiscal year 2001 to date .....	.....
Budget estimate, fiscal year 2002	\$250,000
Recommended in the bill .....	.....
Bill compared with:	
Appropriation, fiscal year 2001 .....	.....
Budget Estimate, fiscal year 2002	-250,000

MISSION

Public Law 106-653 (section 817) established the Native Nations Institute as part of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation. The purpose of the Native Nations Institute is to provide management and leadership training to Native American tribal leaders.

RECOMMENDATION

The Committee recommends no appropriation for the Native Nations Institute, the same as the fiscal year 2001 enacted level and a decrease of \$250,000 below the President's request. The potential for funding activities associated with this proposed account has been made permissible by transfer from a new account, Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund.

**MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL
ENVIRONMENTAL POLICY TRUST FUND**

Appropriation, fiscal year 2001 to date	
Budget estimate, fiscal year 2002	
Recommended in the bill	\$2,500,000
Bill compared with:	
Appropriation, fiscal year 2001	+2,500,000
Budget Estimate, fiscal year 2002	+2,500,000

MISSION

Public Law 102–259 established the Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund. Federal payments to that fund are invested in Treasury securities. Interest earnings from the investments are used to carry out the activities of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation. The Foundation awards scholarships, fellowships, and grants and funds activities of the Udall Center for Studies in Public Policy.

Public Law 106–568 (section 817) established the Native Nations Institute as part of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation. The purpose of the Native Nations Institute is to provide management and leadership training to Native American tribal leaders.

RECOMMENDATION

The Committee establishes a new appropriation in lieu of the Federal Payment to Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation account and the proposed Native Nations Institute account. The Committee recommends an appropriation of \$2,500,000 for these activities of the Morris K. Udall Foundation, an increase of \$504,000 above the fiscal year 2001 enacted level for the Trust Fund and an increase of \$504,000 above the President’s combined request for the Trust Fund and the proposed Native Nations Institute account. The Committee includes language to allow up to 60 percent of the appropriation to be used for the expenses of the Native Nations Institute. The Committee also includes language requiring the Foundation to report to the Committee on the amount of funding, if any, transferred from the Trust Fund for the Native Nations Institute, and directs that this report include an itemization of planned Native Nations Institute expenditures for fiscal year 2002. The Committee further directs the Foundation to describe as part of the report its justification for such a transfer. Future budget justifications submitted to Congress regarding this effort are to contain detailed information on the actual expenditures of past years as well as detailed information on planned expenditures for the current and budget years.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriation, fiscal year 2001 to date	\$1,248,000
Budget estimate, fiscal year 2002	1,309,000
Recommended in the bill	1,309,000
Bill compared with:	
Appropriation, fiscal year 2001	+61,000
Budget Estimate, fiscal year 2002	

MISSION

Public Law 105–156 established the United States Institute for Environmental Conflict Resolution as part of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation. It also established in the Treasury an Environmental Dispute Resolution Fund to be available to establish and operate the Institute. The purpose of the Institute is to conduct environmental conflict resolution and training.

RECOMMENDATION

The Committee recommends an appropriation of \$1,309,000 for the Environmental Dispute Resolution Fund, an increase of \$61,000 above the fiscal year 2001 enacted level and the same as the President's request.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

Appropriation, fiscal year 2001 to date	\$208,946,000
Budget estimate, fiscal year 2002	244,247,000
Recommended in the bill	243,547,000
Bill compared with:	
Appropriation, fiscal year 2001	+34,601,000
Budget Estimate, fiscal year 2002	– 700,000

MISSION

The National Archives and Records Administration provides for basic operations dealing with management of the Government's archives and records, operation of Presidential libraries, and for the review for declassification of classified security information.

RECOMMENDATION

The Committee recommends an appropriation of \$243,547,000 for the operating expenses of the National Archives and Records Administration, an increase of \$34,601,000 above the fiscal year 2001 enacted level and a decrease of \$700,000 below the President's fiscal year 2002 budget request. Changes to the President's budget request include decreases of \$1,000,000 for the electronic records archive and \$1,000,000 for the development of an integrated website as well as increases of \$850,000 for non-pay inflation and \$450,000 for efforts to preserve and improve access to the records of the Freedmen's Bureau. The Committee also has recommended identification of funding for the electronic records archive in the bill and made a portion of the funding for this effort available for three years.

ELECTRONIC RECORDS ARCHIVE

The Committee recommends a funding level of \$22,302,000 for the electronic records archive, an increase of \$19,000,000 above the level provided for fiscal year 2001 and a decrease of \$1,000,000 less than the President's request. The Committee also recommends making a portion of the funding available for three years.

The Committee is aware of the importance of this project and its potential impact on the entire Federal government. The project also

involves substantial risks due to the magnitude of the effort, the immaturity of the technology, the limited information available on the volumes and types of agency electronic records, and the lack of related management and technical experience within NARA. The Committee is acutely aware of the potential pitfalls associated with the effort, as a result of these risks and based on previous experience of the Committee with large information technology efforts.

Therefore, the Committee directs NARA to use a portion of the fiscal year 2002 funding to assess the feasibility of exploring alternative solutions based on existing technologies and commercial-off-the-shelf applications and to provide a report on this effort to the House Committee on Appropriations by July 30, 2002.

NARA is also directed (1) to develop a fiscal year 2002 research plan and to submit the plan to the Committee 120 days after enactment of this Act, (2) to develop a plan to identify and periodically assess the volumes and types of agency electronic records to be accessioned, preserved, and made accessible and to submit the plan to the Committee 120 days after enactment of this Act, and (3) to work with the Library of Congress and other Federal information technology groups to ensure that the proposed information technologies are developed in conjunction with the National Digital Information Infrastructure and Preservation program and that the proposed systems development follows all appropriate capital planning guidance for information technologies.

FREEDMEN’S BUREAU

The Committee has provided an increase of \$450,000 for preservation and access activities associated with the records of the Freedmen’s Bureau, providing a total fiscal year 2002 base funding level of at least \$600,000 for this effort. These records are the best documentation of the greatest social undertaking in this country’s history. These funds are to be used to help microfilm the records, assist researchers in using related documents, provide better access to record inventories, and create partnerships for developing indexes.

REPAIRS AND RESTORATION

Appropriation, fiscal year 2001 to date	\$101,536,000
Budget estimate, fiscal year 2002	10,643,000
Recommended in the bill	10,643,000
Bill compared with:	
Appropriation, fiscal year 2001	- 90,893,000
Budget Estimate, fiscal year 2002 .....	.....

MISSION

This appropriation provides for the repair, alteration, and improvement of Archives facilities and Presidential libraries nationwide. It enables the National Archives to maintain its facilities in proper condition for visitors, researchers, and employees, and also maintain the structural integrity of the buildings.

RECOMMENDATION

The Committee recommends an appropriation of \$10,643,000 for repairs and restoration, a decrease of \$90,893,000 below the fiscal year 2001 enacted level and the same as the President’s request.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION
GRANTS PROGRAM

Appropriation, fiscal year 2001 to date	\$6,436,000
Budget estimate, fiscal year 2002	4,436,000
Recommended in the bill	10,000,000
Bill compared with:	
Appropriation, fiscal year 2001	+3,564,000
Budget Estimate, fiscal year 2002	+5,564,000

MISSION

This program provides for grants funding that the Commission makes, nationwide, to preserve and publish records that document American history. Administered within the National Archives and Records Administration, which preserves Federal records, the NHPRC helps state, local, and private institutions preserve non-Federal records, helps publish the papers of major figures in American history, and helps archivists and records managers improve their techniques, training, and ability to serve a range of information users.

RECOMMENDATION

The Committee recommends an appropriation of \$10,000,000 for the National Historical Publications and Research Commission grants program, an increase of \$3,564,000 above the fiscal year 2001 enacted level and an increase of \$5,564,000 above the President's request. The Committee has included \$1,700,000 for a grant to the Oklahoma Centennial Commission to assist with memorializing the Oklahoma Land Run as part of the Oklahoma Centennial celebration and \$1,000,000 for a grant to the Boston Public Library for preserving and enhancing its holdings of materials related to John Adams.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$9,663,000
Budget estimate, fiscal year 2002	10,060,000
Recommended in the bill	10,060,000
Bill compared with:	
Appropriation, fiscal year 2001	+397,000
Budget Estimate, fiscal year 2002 .....	.....

MISSION

The Office of Government Ethics (OGE), established by the Ethics in Government Act of 1978, provides overall direction of executive branch policies designed to prevent conflicts of interest and insure high ethical standards. The OGE discharges its responsibilities to preserve and promote public confidence in the integrity of executive branch officials by developing rules and regulations pertaining to conflicts of interest, post employment restrictions, standards of conduct, and public and confidential financial disclosure in the executive branch. It monitors compliance with public and confidential financial disclosure requirements of the Ethics in Government Act of 1978 and the Ethics Reform Act of 1989, to determine possible violations of applicable laws or regulations and recom-

mending appropriate corrective action. OGE also consults with and assists various officials in evaluating the effectiveness of applicable laws and the resolution of individual problems, and prepares formal advisory opinions, informal letter opinions, policy memoranda, and Federal Register entries on how to interpret and comply with the requirements on conflicts of interest, post employment, standards of conduct, and financial disclosure. Finally, OGE issues and amends regulations implementing the procurement integrity provisions relating to negotiating for employment, post employment, and gratuities in the Office of Federal Procurement Policy Act Amendments of 1988, P.L. 100-679.

RECOMMENDATION

The Committee recommends an appropriation of \$10,060,000 for the Office of Government Ethics, the same amount requested by the President and \$397,000 above the fiscal year 2001 appropriated level.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$93,888,000
Budget estimate, fiscal year 2002	99,036,000
Recommended in the bill	99,036,000
Bill compared with:	
Appropriation, fiscal year 2001	+5,148,000
Budget Estimate, fiscal year 2002 .....	.....

MISSION

The Office of Personnel Management (OPM) is the Government agency responsible for management of Federal human resource policy and oversight of the merit civil service system. Although individual agencies are increasingly responsible for personnel operations, OPM provides a Governmentwide policy framework for personnel matters, advises and assists agencies (often on a reimbursable basis), and ensures that agency operations are consistent with requirements of law, with emphasis on such issues as veterans preference. OPM oversees examining of applicants for employment, issues regulations and policies on hiring, classification and pay, training, investigations, and many other aspects of personnel management, and operates a reimbursable training program for the Government's managers and executives. OPM is also responsible for administering the retirement, health benefits and life insurance programs affecting most Federal employees, retired Federal employees, and their survivors.

RECOMMENDATION

The Committee recommends an appropriation of \$99,036,000 for the Office of Personnel Management, an increase of \$5,148,000 above the amount appropriated in fiscal year 2001 and the same as requested by the President.

FEDERAL WAGE SYSTEM

The Federal Government currently pays approximately 225,000 blue collar craft and trades workers under the Federal Wage Sys-

tem (FWS). Section 612 of this bill caps the 2002 pay raise which FWS workers can receive at that provided to General Schedule (GS) employees. However, many FWS workers may receive less than the GS raise, as a result of FWS surveys. The Committee therefore directs the Office of Personnel Management to submit a report within 120 days of enactment on the cost of administering the FWS, including the cost of data collection, the cost of analyzing FWS data and its transformation into FWS pay lines and wage schedules, the cost of operating the Federal Prevailing Rate Advisory Committee, and the number of FWS workers in each Federal agency. This information will help to determine whether the data used by the FWS justifies its cost, and whether other mechanisms for setting federal blue collar worker pay would be more effective.

FEDERAL WAGE GRADE SYSTEM FOR BUREAU OF PRISONS

The Committee is concerned that the wage surveys utilized in determining the cost of labor for federal wage grade positions are inadequate with respect to Bureau of Prisons employees. Wage grade employees in the Bureau of Prisons are often in “mixed jobs” which have no private sector equivalent. These employees are hired for one primary skill, but they also are trained as security officers and perform security functions in conjunction with their other duties. The Committee directs OPM to review and report to Congress on how the current survey instrument quantifies the cost of labor with respect to mixed wage grade jobs at the Bureau of Prisons. The report should include a comparison of the average wage rates for employees at each federal prison facility, a review of any differences in how the surveys are conducted in different wage areas, and a set of recommendations for determining how to quantify the cost of labor in a given wage area if there are no private sector comparables. The report is due no later than 90 days after the date of enactment of this Act.

WAGE GRADE FEDERAL EMPLOYEES IN MONTEREY COUNTY,
CALIFORNIA

It is the Committee’s understanding that on November 8, 1999, and again on February 24, 2000, the Salinas-Monterey Local Wage Grade Survey Committee recommended that the Salinas-Monterey Wage Area be realigned with San Francisco/San Jose/Santa Cruz wage area, based in part upon their finding that Monterey County GS civil service employees are part of the San Francisco/San Jose locality pay area. The Committee directs OPM to report to the Committee its intention with regard to implementing this recommendation.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2001 to date	\$1,357,000
Budget estimate, fiscal year 2002	1,398,000
Recommended in the bill	1,398,000
Bill compared with:	
Appropriation, fiscal year 2001	+41,000
Budget Estimate, fiscal year 2002 .....	.....

MISSION

This appropriation provides agencywide audit, investigative, evaluation, and inspection functions to identify management and administrative deficiencies, which may create conditions for fraud, waste and mismanagement. The audits function provides internal agency audit, insurance audit, and contract audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of agency operations, including financial statements. Evaluation and inspection services provide detailed technical evaluations of agency operations. Insurance audits review the operations of health and life insurance carriers, health care providers, and insurance subscribers. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

RECOMMENDATION

The Committee recommends an appropriation of \$1,398,000 for the Office of Inspector General of the Office of Personnel Management, an increase of \$41,000 above the amount appropriated in fiscal year 2001 and the same as requested by the President.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriation, fiscal year 2001 to date	\$5,427,166,000
Budget estimate, fiscal year 2002	6,145,000,000
Recommended in the bill	6,145,000,000
Bill compared with:	
Appropriation, fiscal year 2001	+717,834,000
Budget Estimate, fiscal year 2002 .....	.....

MISSION

This appropriation covers: (1) the Government's share of the cost of health insurance for 1,851,000 annuitants as defined in sections 8901 and 8906 of title 5, United States Code; (2) the Government's share of the cost of health insurance for about 12,000 annuitants (who were retired when the Federal employees health benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960; and (3) the government's contribution for payment of administrative expenses incurred by the Office of Personnel Management in administration of the act.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES LIFE INSURANCE

Appropriation, fiscal year 2001 to date	\$35,000,000
Budget estimate, fiscal year 2002	33,000,000
Recommended in the bill	33,000,000
Bill compared with:	
Appropriation, fiscal year 2001	-2,000,000
Budget Estimate, fiscal year 2002 .....	.....

MISSION

This appropriation finances the Government's share of premiums, which is one-third the cost, for basic life insurance for an-

nuitants retiring after December 31, 1989, and who are less than 65 years old.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriation, fiscal year 2001 to date	\$8,940,051,000
Budget estimate, fiscal year 2002	9,229,000,000
Recommended in the bill	9,229,000,000
Bill compared with:	
Appropriation, fiscal year 2001	+288,949,000
Budget Estimate, fiscal year 2002 .....	.....

MISSION

This appropriation provides for payment of annuities, including the payment of annuities under special acts for persons employed on the construction of the Panama Canal or their widows and widows of employees of the Lighthouse Service; payment of the government share of retirement costs of the unfunded liability resulting from any statute authorizing new or liberalized benefits, extension of retirement coverage, or pay increases; transfers for interest on unfunded liability and payment of military service annuities covering interest on the unfunded liability and annuity disbursements for military service; payments for spouse equity providing survivor annuities to eligible former spouses of annuitants who died between September 1978 and May 1986 and did not elect survivor coverage; and transfers for payment of FERS supplemental liability covering annual amortization payments financing supplemental liabilities for FERS.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$11,122,000
Budget estimate, fiscal year 2002	11,784,000
Recommended in the bill	11,823,000
Bill compared with:	
Appropriation, fiscal year 2001	+701,000
Budget Estimate, fiscal year 2002	+39,000

MISSION

The Office of Special Counsel: (1) investigates Federal employee allegations of prohibited personnel practices (including reprisal for whistleblowing) and, when appropriate, prosecutes before the Merit Systems Protection Board; (2) provides a channel for whistleblowing by Federal employees; and (3) enforces the Hatch Act. The Office may transmit whistleblower allegations to the agency head concerned and require an agency investigation and a report to the Congress and the President when appropriate.

RECOMMENDATION

The Committee recommends an appropriation of \$11,823,000 for the Office of Special Counsel, an increase of \$701,000 from amounts appropriated in fiscal year 2001 and an increase of \$39,000 from amounts requested by the President. The Committee's recommendation includes an increase of \$39,000 for non-pay inflation.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$37,223,000
Budget estimate, fiscal year 2002	37,305,000
Recommended in the bill	37,621,000
Bill compared with:	
Appropriation, fiscal year 2001	+398,000
Budget Estimate, fiscal year 2002	+316,000

MISSION

The bulk of the Court's work is the trial and adjudication of controversies involving deficiencies in income, estate, and gift taxes. The Court also has jurisdiction to redetermine deficiencies in certain excise taxes; to issue declaratory judgments in the areas of qualification of retirement plans, exemption of charitable organizations and the status of certain governmental obligations; and to decide certain cases involving disclosure of tax information by the Commissioner of Internal Revenue.

RECOMMENDATION

The Committee recommends an appropriation of \$37,621,000 for the U.S. Tax Court, an increase of \$398,000 from amounts appropriated in fiscal year 2001 and an increase of \$316,000 from amounts requested by the President. The Committee's recommendation includes an increase of \$316,000 for non-pay inflation.

TITLE V—GENERAL PROVISIONS

THIS ACT

Section 501. The Committee continues the provision limiting the expenditure of funds to the current year unless expressly provided in this Act.

Section 502. The Committee continues the provision limiting the expenditure of funds for consulting services under certain conditions.

Section 503. The Committee continues the provision prohibiting the use of funds to engage in activities that would prohibit the enforcement of section 307 of the 1930 Tariff Act.

Section 504. The Committee continues the provision prohibiting the transfer of control over the Federal Law Enforcement Training Center out of the Department of the Treasury.

Section 505. The Committee continues the provision concerning employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 506. The Committee continues the provision concerning compliance with the Buy American Act.

Section 507. The Committee continues the provision regarding the purchase of American made equipment and products.

Section 508. The Committee continues the provision prohibiting contract eligibility where fraudulent intent has been proven in affixing "Made in America" labels.

Section 509. The Committee continues the provision prohibiting the expenditure of funds for abortions under the FEHBP.

Section 510. The Committee continues the provision that would authorize the expenditure of funds for abortions under the FEHBP if the life of the mother is in danger or the pregnancy is a result of an act of rape or incest.

Section 511. The Committee continues the provision providing that fifty percent of unobligated balances may remain available for certain purposes.

Section 512. The Committee continues the provision restricting the use of funds for the White House to request official background reports without the written consent of the individual who is the subject of the report.

Section 513. The Committee continues the provision that cost accounting standards under the Federal Procurement Policy Act shall not apply to the FEHBP.

Section 514. The Committee continues a provision regarding non-foreign area cost of living allowances.

Section 515. The Committee includes a new provision regarding apportionment for International Food Assistance Programs.

TITLE VI—GOVERNMENTWIDE GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 601. The Committee continues the provision authorizing agencies to pay costs of travel to the United States for the immediate families of Federal employees assigned to foreign duty in the event of a death or a life threatening illness of the employee.

Section 602. The Committee continues the provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Section 603. The Committee continues the provision regarding price limitations on vehicles to be purchased by the Federal Government.

Section 604. The Committee continues the provision allowing funds made available to agencies for travel, to also be used for quarters allowances and cost-of-living allowances.

Section 605. The Committee continues the provision prohibiting the government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental U.S.

Section 606. The Committee continues the provision ensuring that agencies will have authority to pay GSA bills for space renovation and other services.

Section 607. The Committee continues the provision allowing agencies to finance the costs of recycling and waste prevention programs with proceeds from the sale of materials recovered through such programs.

Section 608. The Committee continues the provision providing that funds may be used to pay rent and other service costs in the District of Columbia.

Section 609. The Committee continues the provision precluding the financing of groups by more than one Federal agency absent prior and specific statutory approval.

Section 610. The Committee continues the provision authorizing the Postal Service to employ guards and give them the same special police powers as GSA guards.

Section 611. The Committee continues the provision prohibiting the use of funds for enforcing regulations disapproved in accordance with the applicable law of the U.S.

Section 612. The Committee continues the provision limiting the pay increases of certain prevailing rate employees.

Section 613. The Committee continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Section 614. The Committee continues the provision prohibiting the expenditure of funds for the acquisition of additional law enforcement training facilities.

Section 615. The Committee continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Section 616. The Committee continues the provision requiring agencies to certify that a Schedule C appointment was not created solely or primarily to detail the employee to the White House.

Section 617. The Committee continues the provision requiring agencies to administer a policy designed to ensure that all workplaces are free from discrimination and sexual harassment.

Section 618. The Committee continues the provision prohibiting the importation of any goods manufactured by forced or indentured child labor.

Section 619. The Committee continues the provision prohibiting the payment of any employee who prohibits, threatens or prevents another employee from communicating with Congress.

Section 620. The Committee continues the provision prohibiting Federal training not directly related to the performance of official duties.

Section 621. The Committee continues the provision prohibiting the expenditure of funds for implementation of agreements in non-disclosure policies unless certain provisions are included.

Section 622. The Committee continues the provision prohibiting propaganda, publicity and lobbying by executive agency personnel in support or defeat of legislative initiatives.

Section 623. The Committee continues the provision prohibiting any Federal agency from disclosing an employee's home address to any labor organization, absent employee authorization or court order.

Section 624. The Committee continues the provision prohibiting funds to be used to provide non-public information such as mailing or telephone lists to any person or organization outside the government without the approval of the Committees on Appropriations.

Section 625. The Committee continues the provision prohibiting the use of funds for propaganda and publicity purposes not authorized by Congress.

Section 626. The Committee continues the provision directing agency employees to use official time in an honest effort to perform official duties.

Section 627. The Committee continues the provision authorizing the use of funds to finance an appropriate share of the Joint Financial Management Improvement Program.

Section 628. The Committee continues and modifies the provision authorizing agencies to transfer funds to the Policy and Operations

account of GSA to finance an appropriate share of the Joint Financial Management Improvement Program.

Section 629. The Committee continues a provision, with technical modifications, authorizing an Executive agency to use certain funds to improve the affordability of child care for lower income Federal employees.

Section 630. The Committee continues the provision that permits breast feeding in a Federal building or on Federal property if the woman and child are authorized to be there.

Section 631. The Committee continues the provision that permits interagency funding of the National Science and Technology Council and provides for a report on the budget and resources of the National Science and Technology Council. The report should include the entire budget of the National Science and Technology Council.

Section 632. The Committee continues the provision requiring that any request for proposals, solicitation, grant application, form, notification, press release, or other publications involving the distribution of Federal funds shall indicate the agency providing the funds and the amount provided. This provision shall apply to direct payments, formula funds, and grants received by a State receiving Federal funds.

Section 633. The Committee includes a new provision to extend the authorization for franchise fund pilots for one year in order to allow the Administration to evaluate their results and make a decision regarding permanent authority.

Section 634. The Committee includes a new provision to clarify that the Department of the Navy will provide and pay for utilities for the official residence of the Vice President without reimbursement.

Section 635. The Committee includes a new provision authorizing the Secretary of the Navy to accept gifts of consumable items, or funds for them, to be accepted for use at official functions at the Vice President's residence, including the hosting of foreign dignitaries.

Section 636. The Committee includes a new provision clarifying that certain Title 5 authorities are available with respect to civilian personnel of the White House Office, the Executive Residence at the White House, the Office of the Vice President, the Domestic Policy Council, and the Office of Administration.

Section 637. The Committee includes a new provision requiring the Office of Personnel Management to submit a report regarding telecommuting centers.

Section 638. The Committee continues and modifies a provision prohibiting the use of funds to monitor personal information relating to the use of Federal internet sites. Applies provision government-wide.

Section 639. The committee includes a new provision amending Title 5 to clarify retirement benefits for air traffic controllers.

Section 640. The Committee includes a new provision amending 5 U.S.C. 4507 to make Federal employees in senior technical positions eligible for Presidential rank awards.

Section 641. The Committee includes a new general provision extending authority for the FEC to assess administrative fines for straightforward violations of reporting deadlines from December 31, 2001 to December 31, 2003.

Section 642. The Committee continues, with a technical modification, the provision addressing contraceptive coverage in health plans participating in the FEHBP. The technical modification deletes the name of a provider no longer participating in the program.

Section 643. The Committee includes a new provision concerning pay parity for federal civilian employees.

APPROPRIATIONS CAN BE USED ONLY FOR THE PURPOSES FOR WHICH MADE

Title 31 of the United States Code makes clear that appropriations can be used only for the purposes for which they were appropriated as follows:

Section 1301. Application.

(a) Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.

COMPLIANCE WITH HOUSE RULES

TRANSFER OF FUNDS

Pursuant to clause 3(f)(2), rule XIII of the Rules of the House of Representatives, the following is submitted describing the transfer of funds provided in the accompanying bill.

The table shows, by title, department and agency, the appropriations affected by such transfers:

APPROPRIATION TRANSFERS RECOMMENDED IN THE BILL

Account to which transfer is to be made	Amount	Account from which transfer is to be made	Amount
Treasury Department offices, bureaus and other groups.	\$67,828,000	Department-wide Systems and Capital Investments programs.	\$67,828,000
Customs, Salaries & Expenses	2,993,000	Harbor Maintenance Fee Collection ...	2,993,000
Federal Departments	1,300,000	Office of National Drug Control Policy	1,300,000
State and local entries	118,065,000	Federal Drug Programs—HIDTA	118,065,000
Federal Departments	112,935,000	Federal Drug Programs—HIDTA	112,935,000
State and local entities	22,236,000	Counterdrug Technology Assessment Center.	22,236,000
Federal Departments	17,764,000	Counterdrug Technology Assessment Center.	17,764,000
Federal Departments	238,800,000	Special Forfeiture Fund	238,800,000
Personnel Management	115,928,000	Trust Funds, Office of Personnel Management.	115,928,000
Inspector General, OPM	10,016,000	Trust Funds, Office of Personnel Management.	10,016,000
Merit System Protection Board	2,520,000	Civil Service Retirement and Disability Trust Fund.	2,520,000
Federal Financing Bank	72,000,000	General Service Administration, Federal Buildings Fund.	72,000,000
Federal Departments	5,000,000	General Services Administration, Electronic Government Fund.	5,000,000
Treasury Department offices, bureaus and other groups.	850,000	General Services Administration, Allowances and Office Staff for Former Presidents.	850,000
Treasury Department offices, bureaus, and other organizations.	\$10,000,000	Expanded Access to Financial Services.	10,000,000

RESCISSION OF FUNDS

In compliance with clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the Committee reports that it recommends no rescissions in the bill.

CONSTITUTIONAL AUTHORITY

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives states that:

Each report of a committee on a bill or joint resolution of a public character, shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution.

The Committee on Appropriations bases its authority to report this legislation from Clause 7 of Section 9 of Article I of the Constitution of the United States of America that states:

No money shall be drawn from the Treasury but in consequence of Appropriations made by law * * *

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the following is a statement of general performance goals and objectives for which this measure authorizes funding:

The Committee on Appropriations considers program performance, including a program's success in developing and attaining outcome-related goals and objectives, in developing funding recommendations.

COMPLIANCE WITH RULE XIII, CL. 3(e) (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 122 OF DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

(Public Law 105-119)

SEC. 122. (a) * * *

* * * * *

(g)(1) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary of the Treasury is authorized to establish, for a period of ~~three~~ *four* years from date of enactment of this provision, a personnel management demonstration project providing for the compensation and performance management of not more than a combined total of 950 employees who fill critical scientific, technical, engineering, intelligence analyst, language translator, and medical positions in the Bureau of Alcohol, Tobacco and

Firearms[, the United States Customs Service, and the United States Secret Service].

* * * * *

SECTION 403 OF GOVERNMENT MANAGEMENT REFORM ACT OF 1994

(Public Law 103-356)

SEC. 403. FRANCHISE FUND PILOT PROGRAMS.

(a) * * *

* * * * *

(f) **TERMINATION.**—The provisions of this section shall expire on October 1, [2001] 2002.

ACT OF JULY 12, 1974

(Public Law 93-346)

JOINT RESOLUTION Designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations.

* * * * *

SEC. 3. The Secretary of the Navy shall, subject to the supervision and control of the Vice President, provide for the military staffing, *utilities (including electrical) for*, and the care and maintenance of the grounds of the temporary official residence of the Vice President and, subject to reimbursement therefor out of funds appropriated for such purposes, provide for the civilian staffing, care, maintenance, repair, improvement, alteration, and furnishing of such residence.

* * * * *

SEC. 6. The Secretary of the Navy is authorized and directed, with the approval of the Vice President, to accept donations of money or property for the furnishing of or making improvements in or about, *or for use at official functions in or about*, the temporary official residence of the Vice President, all such donations to become the property of the United States and to be accounted for as such.

* * * * *

TITLE 5, UNITED STATES CODE

* * * * *

PART III—EMPLOYEES

* * * * *

Subpart C—Employee Performance

* * * * *

CHAPTER 45—INCENTIVE AWARDS

SUBCHAPTER I—AWARDS FOR SUPERIOR ACCOMPLISHMENTS

Sec.

4501. Definitions.

* * * * *

4507. Awarding of ranks in the Senior Executive Service.

4507a. *Awarding of ranks to other senior career employees.*

* * * * *

SUBCHAPTER I—AWARDS FOR SUPERIOR ACCOMPLISHMENTS

* * * * *

§ 4506. Regulations

The Office of Personnel Management shall prescribe regulations and instructions under which [the agency awards program] the awards programs set forth by this subchapter shall be carried out.

* * * * *

§ 4507a. Awarding of ranks to other senior career employees

(a) For the purpose of this section, the term “senior career employee” means an individual appointed to a position classified above GS-15 and paid under section 5376 who is not serving—

- (1) under a time-limited appointment; or
- (2) in a position that is excepted from the competitive service because of its confidential or policy-making character.

(b) Each agency employing senior career employees shall submit annually to the Office of Personnel Management recommendations of senior career employees in the agency to be awarded the rank of Meritorious Senior Professional or Distinguished Senior Professional, which may be awarded by the President for sustained accomplishment or sustained extraordinary accomplishment, respectively.

(c) The recommendations shall be made, reviewed, and awarded under the same terms and conditions (to the extent determined by the Office of Personnel Management) that apply to rank awards for members of the Senior Executive Service under section 4507.

* * * * *

Subpart G—Insurance and Annuities

* * * * *

CHAPTER 83—RETIREMENT

* * * * *

SUBCHAPTER III—CIVIL SERVICE RETIREMENT

* * * * *

§ 8335. Mandatory separation

(a) An air traffic controller shall be separated from the service on the last day of the month in which he becomes 56 years of

age[.] or completes the age and service requirements for an annuity under section 8336, whichever occurs later. The Secretary, under such regulations as he may prescribe, may exempt a controller having exceptional skills and experience as a controller from the automatic separation provisions of this subsection until that controller becomes 61 years of age. The Secretary shall notify the controller in writing of the date of separation at least 60 days before that date. Action to separate the controller is not effective, without the consent of the controller, until the last day of the month in which the 60-day notice expires.

* * * * *

SECTION 640 OF THE TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2000

SEC. 640. (a) * * *

* * * * *

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to [violations occurring between January 1, 2000 and December 31, 2001] *violations that relate to reporting periods that begin on or after January 1, 2000, and that end on or before December 31, 2003.*

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93–344), as amended, the financial assistance to state and local governments is as follows:

	<i>Millions</i>
FY 2002 new budget authority	232
2002 outlays resulting therefrom	58

COMPARISON WITH BUDGET RESOLUTION

Clause 3(c)(2) of rule XIII of the House of Representatives requires section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 302(b) of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

[In millions of dollars]

	302(b) allocation		This bill—	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary	16,880	16,134	13,021	16,223
Mandatory	15,478	15,475	15,478	15,475

Note.—Pursuant to section 314 of the Congressional Budget Act of 1974, as amended, increases to the Committee's section 302(a) allocation are authorized for funding in the reported bill for the Earned Income Tax Credit Compliance Initiative. After the bill is reported to the House, the Chairman of the Committee on the Budget will provide an increased section 302(a) allocation consistent with the funding provided in the bill.

FIVE YEAR OUTLAY PROJECTIONS

In compliance with section 308(a)(1)(B) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

	<i>Millions</i>
Budget Authority	32,499
Outlays:	
Fiscal year 2002	27,972
Fiscal year 2003	2,830
Fiscal year 2004	671
Fiscal year 2005	262
Fiscal year 2006 and future years	131

Note.—The above table includes mandatory appropriations and discretionary appropriations.

COMPLIANCE WITH RULE XIII, CLAUSE 3(F)(1)

Pursuant to clause 3(f)(1) of rule XIII of the Rules of the House of Representatives, the Committee has inserted at the appropriate place in the report a description of the effects of provisions proposed in the accompanying bill which may be considered, under certain circumstances, to change the application of existing law, either directly or indirectly.

The bill provides, in some instances, for funding of agencies and activities where legislation has not yet been finalized. In addition, the bill carries language, in some instances, permitting activities not authorized by law, or exempting agencies from certain provisions of law, but which has been carried in appropriations acts for many years. Additionally, the Committee includes a number of new general provisions.

In title IV of the bill, in connection with the General Services Administration, certain limitations on availability of revenue in the Federal Buildings Fund and certain legislative provisions have been carried forward from last year.

The bill continues a number of general provisions applying to agencies covered by the bill as well as certain provisions applying Government-wide. These provisions have been carried in the prior year appropriations bill, and some have been carried for many years. Additionally, the Committee includes a number of new general provisions.

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

The Committee has continued language which provides funds for operation and maintenance of the Treasury Building and Annex, hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for real properties leased or owned overseas; official travel expenses, official reception and representation expenses; and unforeseen emergencies of a confidential nature. The Committee continues language providing funds for grants to state and local law enforcement groups to help fight money laundering.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS

The Committee has continued language that provides funds for the development and acquisition of automated data processing equipment, software, and services, providing transfer authority, and prohibiting expenditures for IRS's Information Technology Systems.

OFFICE OF INSPECTOR GENERAL

The Committee has continued language that provides funds to carry out the provisions of the Inspector General Act of 1978, the hire of vehicles, official travel expenses, and unforeseen emergencies.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

The Committee has continued language that provides for the purchase and hire of motor vehicles, services by 5 U.S.C. 3109, travel expenses, and unforeseen emergencies.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

The Committee has continued language that provides funds for the repair, alteration, and improvement of the Treasury Building and Annex.

EXPANDED ACCESS TO FINANCIAL SERVICES

The Committee has continued language providing \$10,000,000 for the Secretary of the Treasury to develop and implement a program to expand access to financial services to low-income individuals who do not currently utilize bank accounts or other financial service opportunities.

FINANCIAL CRIMES ENFORCEMENT NETWORK

The Committee has continued language that provides funds for hire of vehicles and official reception and representation expenses; the travel of non-federal personnel attending conferences or meetings involving financial law enforcement, intelligence, and regulation; the purchase of personal services contracts; and allowing FinCEN to provide assistance to federal law enforcement agencies with or without reimbursement.

COUNTERTERRORISM FUND

The Committee continues and modifies language that provides funds for the Secretary of the Treasury to reimburse Treasury Department organizations for support of counterterrorism efforts. The language no longer designates this as emergency funding.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

The Committee has continued language that provides funds for: material and support costs of basic training; the purchase and hire of vehicles; student athletic and related activities; uniform purchases; for the conduct of and participation in firearms matches, and presentation of awards; room and board for interns; training U.S. Postal Service, State and local law enforcement personnel;

training of foreign law enforcement personnel on a space available, reimbursable basis with discretion by the Secretary to waive reimbursement; training of private sector security officials on a reimbursable space available basis; travel expenses of non-federal personnel to attend course development meetings and training sponsored by the Center; training for the GREAT program; and the provision of short term medical services for students undergoing training at the center. It has also continued language authorizing acceptance of gifts, including funding of a gift for certain honor graduate students, and to authorize obligation of funds in anticipation of reimbursements from agencies receiving training at the Center, provided that total obligations do not exceed total budgetary resources at the end of the fiscal year.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

The Committee has continued language for acquisition of necessary additional real property and facilities, and for ongoing maintenance, facility improvements, and related expenses, to remain available until expended.

INTERAGENCY CRIME AND DRUG ENFORCEMENT

The Committee has continued language funding Treasury participation in and contribution to regional crime and drug enforcement task forces.

FINANCIAL MANAGEMENT SERVICE

The Committee has continued language that provides that funds for necessary expenses of the Financial Management Service, a representation allowance, and provides that funds for systems modernization will remain available for three years.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

The Committee has continued language which provides funds for the hire of aircraft, the services of expert witnesses, official reception and representation expenses, training of State and local law enforcement agencies, the provision of laboratory assistance to State and local agencies, the payment of attorney's fees, the equipping of certain vessels, vehicles, equipment or aircraft. The Committee has continued language that: provides that no funds shall be used to consolidate or centralize the records pertaining to firearms licenses; prohibits the payment of administrative expenses in changing the definition of curios or relics; prohibits the transfer of ATF's functions to another federal agency; prohibiting electronic retrieval of information gathered pursuant to 18 U.S.C. 923(g)(4) by name or personal identification; and prohibits ATF from acting upon applications for relief from Federal firearms disabilities. The Committee has continued language relating to payment of per diem and/or subsistence allowances to cover situations where a major investigative assignment requires an employee to work 16 hours or more per day or to remain overnight at his or her post of duty; and continues language providing funding for cooperative research and development programs for Laboratory Services and Fire Research

Center activities. The Committee continues and modifies language regarding the purchase of vehicles. The Committee includes language making funding for Gang Resistance Education And Training (GREAT) grants available for obligation until September 30, 2003.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

The Committee has continued and modified language that provides funds for the purchase and hire of vehicles, official reception and representation expenses, personal services contracts abroad, compensation to informers, rental space for pre-clearance operations, special operations, procurement of automation infrastructure items, research, uniforms, repairs to Customs facilities, the child pornography tipline and Project Alert. The Committee continues the provision establishing the aggregate overtime limitation. The Committee eliminates language restricting the number of vehicles that may be procured, and includes new language that provides funding for the procurement and deployment of non-intrusive inspection technology.

HARBOR MAINTENANCE FEE COLLECTION

The Committee has continued language relating to the appropriations of funds to be transferred to and merged with the Customs Salaries and Expenses account to be used for the collection of the Harbor Maintenance Fee pursuant to Public Law 103-182.

OPERATION, MAINTENANCE, AND PROCUREMENT, AIR AND MARINE INTERDICTION PROGRAMS

The Committee has continued language providing funds for the operation and maintenance of marine vessels, aircraft and other equipment; operational training and mission-related travel; rental payments; operations for interdiction of narcotics and other goods; provision of support to Customs and other federal, state, or local agencies in enforcement or administration of laws enforced by Customs; and for other law enforcement and emergency humanitarian efforts; and prohibiting transfer of certain aircraft without prior Committee approval.

AUTOMATION MODERNIZATION

The Committee has continued and modified language providing funding for major information technology projects for the U.S. Customs Service, provides that funds are available until expended, and modifies the characterization of expenditure plans.

U.S. MINT

The Committee has included new language identifying the source of funding for the operations and activities of the U.S. Mint and specifying the level of funding for circulating coinage and protective service capital investments. The Committee has included new language requiring the U.S. Mint pay for a study of coin circulation by the General Accounting Office.

BUREAU OF THE PUBLIC DEBT

The Committee has continued language which provides that funds may be used for reception and representation expenses and language which provides that a portion of the funds will remain available until expended. The Committee also has continued language which provides that appropriations from the General Fund will be reduced as fees are collected and language which provides that funds are to be derived from the Oil Spill Liability Trust Fund for administration of the Fund.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

The Committee has continued language providing funds for management services, rent and utilities, services authorized by 5 U.S.C. 3109, and official reception and representation expenses. The Committee has modified the language concerning the intent of the funds to include reference to pre-filing and filing services and related activities. The Committee also has continued language providing funds for the Tax Counseling for the Elderly program.

TAX LAW ENFORCEMENT

The Committee has continued language that provides funds for the purchase and hire of vehicles, and services authorized by 5 U.S.C. 3109. The Committee has modified the language concerning the intent of the funds to include reference to post-filing services and related activities. The Committee continues language providing that funds provided for research shall be available for two fiscal years.

EARNED INCOME TAX CREDIT COMPLIANCE INITIATIVE

The Committee has continued language providing that funds for earned income tax credit compliance and error reduction initiatives may be used to reimburse the Social Security Administration.

INFORMATION SYSTEMS

The Committee has continued language that provides funds for information systems and telecommunications support and funds for the hire of motor vehicles.

BUSINESS SYSTEMS MODERNIZATION

The Committee has continued language that provides for the capital asset acquisition of information technology, including management and related contractual costs of said acquisitions, including contractual costs associated with operation authorized by 5 U.S.C. 3109. The Committee has renamed the account, previously called the Information Technology Investment account, and continued restrictions on the use of the funds.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

Section 101. The Committee continues the provision that allows the transfer of 5 percent of any appropriation, made available to

the IRS to any other IRS appropriation, subject to prior Congressional approval.

Section 102. The Committee continues the provision that requires the IRS to maintain a training program in taxpayer's rights, dealing courteously with taxpayers, and cross cultural relations.

Section 103. The Committee continues the provision that requires the IRS to institute policies and procedures, which will safeguard the confidentiality of taxpayer information.

Section 104. The Committee continues the provision that requires the IRS to maintain and improve a 1-800 help line service for taxpayers.

UNITED STATES SECRET SERVICE

The Committee has continued language that provides funds for the hire of aircraft, training and assistance requested by State and local governments, services of expert witnesses, rental of certain buildings, improvements to buildings as may be necessary for protective functions, per diem and subsistence allowance, the conduct of firearms matches, presentation of awards, travel of employees on protective missions, for repairs, alterations, and minor construction, making grants to conduct behavioral research, uniforms, research reimbursement for protection as authorized by law, reception and representation expenses, assistance to foreign law enforcement for counterfeit investigations. The Committee continues language permitting some funding for protective travel to remain available for two years. The Committee continues language making funds available as a grant for activities related to the investigations of exploited children. The Committee continues and modifies language regarding the purchase of vehicles.

ACQUISITION, CONSTRUCTION, IMPROVEMENT, AND RELATED EXPENSES

The Committee has continued language providing funds for the acquisition, construction, improvement, and related expenses of Secret Service facilities.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

Section 110. The Committee continues the provision that requires the Secretary of the Treasury to comply with certain reprogramming guidelines when obligating or expending funds for law enforcement activities.

Section 111. The Committee continues the provision that allows the Department of the Treasury to purchase uniforms, insurance, and motor vehicles without regard to the general purchase price limitation, and enter in to contracts with the State Department for health and medical services for Treasury employees in overseas locations.

Section 112. The Committee continues the provision that requires expenditures of funds so as not to diminish efforts under the Federal Alcohol Administration Act.

Section 113. The Committee continues the provision that authorizes transfers, up to 2 percent, between law enforcement appropriations under certain circumstances.

Section 114. The Committee continues the provision that authorizes transfers, up to 2 percent, between Departmental Offices, Office of the Inspector General, Financial Management Service, and the Bureau of the Public Debt appropriations under certain circumstances.

Section 115. The Committee continues the provision that authorizes transfer, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 116. The Committee continues the provision that provides that no funds may be obligated for the purchase of law enforcement vehicles until the Secretary of the Treasury certifies that the purchase is consistent with Departmental vehicle management principles.

Section 117. The Committee continues the provision that prohibits the Department of the Treasury from undertaking a redesign of the \$1 Federal Reserve note.

Section 118. The Committee continues the provision that provides for transfers from and reimbursements to the Salaries and Expenses appropriation of the Financial Management Service for the purposes of debt collection.

Section 119. The Committee includes a new provision that authorizes intelligence and intelligence-based activities of the Department of Treasury.

Section 120. The Committee includes a new provision that extends the pilot project for designated critical occupations for one additional year.

Section 121. The Committee includes a new provision that requires authorization for the construction and operation of a museum by the United States Mint.

TITLE II—POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

The Committee has continued language that prohibits funds made available to the Postal Service from being used to close or consolidate certain post offices, from charging employees of local and child support agencies a fee for information, provides funds for free mail for the blind, and for six day mail delivery and rural delivery of mail at existing levels. The Committee continues language regarding the availability of funds.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT AND THE WHITE HOUSE OFFICE

The Committee has continued language that mandates that unused amounts of the President's expense allowance will revert to the Treasury and not be taxable to the President and which provides funds for service authorized by 5 U.S.C. 3109, subsistence expenses, hire of vehicles, newspapers, periodicals, teletype news service, travel, and official entertainment expenses. The Committee has continued language making funds available for reimbursement to the White House Communications Agency.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

The Committee has continued language that provides funds for operation and maintenance of the White House for official entertainment expenses; language specifying the authorized use of funds; language specifying that reimbursable expenses are the exclusive authority of the Executive Residence to incur obligations and receive offsetting collections; language requiring the sponsors of political events to make advance payments; language requiring the national committee of the political party of the President to maintain \$25,000 on deposit; language requiring the Executive Residence to ensure that amounts owed are billed within 60 days of a reimbursable event and collected within 30 days of the bill notice; language authorizing the Executive Residence to charge and assess interest and penalties on late payments; language authorizing all reimbursements to be deposited into the Treasury as a miscellaneous receipt; language requiring a report to the Committee on the reimbursable expenses within 90 days of the end of the fiscal year; language requiring the Executive Residence to maintain a system for tracking and classifying reimbursable events; and language specifying that the Executive Residence is not exempt from the requirements of subchapter I or II of chapter 37 of title 31, United States Code.

WHITE HOUSE REPAIRS AND RESTORATION

The Committee has continued language that provides funds for the repair, alteration, and improvement of the Executive Residence at the White House and includes new language that allows the funds to be used for preventative maintenance in conjunction with the General Services Administration, the Secret Service, the Office of the President, and other agencies charged with the administration and care of the White House.

SPECIAL ASSISTANCE TO THE PRESIDENT AND OFFICIAL RESIDENCE
OF THE VICE PRESIDENT

The Committee has continued language that provides funds for operation and maintenance of the official residence of the Vice President, the hire of vehicles, official entertainment expenses and provides for the transfer of funds as necessary. The Committee has continued language that enables the Vice President to provide assistance to the President, services authorized by 5 U.S.C. 3109, subsistence, and the hire for vehicles.

COUNCIL OF ECONOMIC ADVISERS

The Committee has continued language that provides funds for the expenses of the Council of Economic Advisers.

OFFICE OF POLICY DEVELOPMENT

The Committee has continued language that provides funds for expenses of the Office of Policy Development.

NATIONAL SECURITY COUNCIL

The Committee has continued language that provides funds for expenses of the National Security Council.

OFFICE OF ADMINISTRATION

The Committee has continued language that provides funds for expenses of the Office and the hire of vehicles and funds for a capital investment plan that provides for the continued modernization of the information technology infrastructure. The Committee has included new language prohibiting the use of certain Information Technology funds until the Office of Administration submits a report that (a) includes an Enterprise Architecture, as defined in OMB Circular A-130 and federal Chief Information Officer guidance; (b) presents and Information Technology (IT) Human Capital Plan, to include an inventory of current IT workforce knowledge and skills, a definition of needed IT knowledge and skills, a gap analysis of any shortfalls, and a plan for addressing any shortfalls; (c) presents a capital investment plan for implementing the Enterprise Architecture; (d) includes a description of the IT capital planning and investment control process; and (e) is reviewed and approved by OMB, is reviewed by the General Accounting Office, and is approved by the Committee on Appropriations.

OFFICE OF MANAGEMENT AND BUDGET

The Committee has continued language that provides funds for expenses, the hire of vehicles, carrying out provisions of chapter 35 of 44 U.S.C., directs that funds shall be applied only to items for which appropriations were made, prohibits the review of agricultural marketing orders and the alteration of certain testimony. The Committee has included new language: (1) establishing a representational allowance; (2) prohibiting the use of funds for the purpose of OMB calculating, preparing, or approving any tabular or other material that proposes the sub-allocation of budget authority or outlays by the Committees on Appropriations; (3) prohibiting the obligation of certain funds for the Office of Information and Regulatory Affairs until the Office of Management and Budget submits a report to the House Committee on Appropriations that provides an assessment of the total costs of implementing Executive Order 13166; and (4) requiring the Housing, Treasury and Finance Division, in consultation with the Small Business Administration, to develop subsidy cost estimates for certain loans and to report on the progress of these estimates prior to the submission of the President's fiscal year 2003 budget.

OFFICE OF NATIONAL DRUG CONTROL POLICY

The Committee has continued language that provides funds for expenses, research, official reception and representation expenses, participation in joint projects, and allows for the acceptance of gifts. The Committee has continued language providing funds for model state drug law conferences and policy research and evaluation and making these funds available until expended.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

The Committee has continued language that provides funds for counternarcotics research and development and the technology transfer program.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

The Committee has continued language that provides a certain level of funding for drug control activities for State, local and Federal drug control efforts, and requires obligation of funds within a specified period of time. The Committee continues language regarding the availability of funds.

SPECIAL FORFEITURE FUND

The Committee has continued and modified language that provides a certain level of funding for the Drug-Free Media Campaign Act, for the Drug-Free Communities Act, and to provide a grant to the National Drug Court Institute, and for the Counterdrug Intelligence Executive Secretariat. The Committee also modifies language relating to funding anti-doping efforts through the U.S. Anti-Doping Agency.

TITLE IV—INDEPENDENT AGENCIES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

The Committee has continued language that provides funds for expenses of the Committee.

FEDERAL ELECTION COMMISSION

The Committee has continued language that provides funds for expenses of the Commission and specifying a level of funding for internal automated data processing systems and reception and representation expenses.

FEDERAL LABOR RELATIONS AUTHORITY

The Committee has continued language that provides funds for the expenses of the authority, including authorized services, hire of experts and consultants, hire of passenger motor vehicles, and rental of conference rooms in the District of Columbia. The Committee has also continued provisions on compensation for public members of the Federal Service Impasse Panel and of the use of fees charged to participants at labor-management relations conferences.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

The Committee has continued language dealing with the conditions under which funds made available to the Federal Buildings Fund can be used and has designated certain projects that can be undertaken. Many technical provisions have been included regard-

ing use of funds in the Federal Buildings Fund that are not specifically authorized by law.

The Committee has continued language to limit funds available for construction and repair and alteration of building projects not authorized by law. A more detailed analysis of the Federal Buildings Funds can be found in the General Services Administration chapter of this report.

POLICY AND OPERATIONS

The Committee continues language which provides funds for government-wide policy and oversight activities, the Board of Contract Appeals, accounting records management and other services incident to adjudication of Indian Tribal Claims, services authorized by 5 U.S.C. 3109, and official reception and representation expenses. The Committee continues language which provides that a portion of the funds appropriated will remain available until expended.

OFFICE OF INSPECTOR GENERAL

The Committee has continued language that provides funds for services authorized by 5 U.S.C. 3109 and expenses for the Office, payment for information and detection of fraud, and awards.

ELECTRONIC GOVERNMENT FUND

The Committee includes new language that provides funds for necessary expenses in support of interagency projects that enable the Federal Government to expand its ability to conduct activities electronically through the development and implementation of innovative use of the Internet and other electronic methods. The Committee includes new language that allows funds to be transferred, upon condition, and to be available until expended.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

The Committee has continued language that provides funds for compliance with Public Law 95-138.

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 401. The Committee continues the provision that provides that costs included in rent received from government corporations for operation, protection, maintenance, upkeep, repair and improvement shall be credited to the Federal Buildings Fund.

Section 402. The Committee continues the provision providing authority for the use of funds for the hire of motor vehicles.

Section 403. The Committee continues the provision providing that funds made available for activities of the Federal Buildings Fund may be transferred between appropriations with advance approval of the Congress.

Section 404. The Committee continues the provision prohibiting the use of funds for developing courthouse construction requests that do not meet GSA standards and the priorities of the Judicial Conference.

Section 405. The Committee continues the provision providing that no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or

any other service usually provided, to any agency which does not pay the requested rent.

Section 406. The Committee continues the provision providing for Information Technology Fund repayment from sponsored projects that realize program savings.

Section 407. The Committee continues the provision that permits GSA to pay small claims (up to \$250,000) made against the government.

Section 408. The Committee provides a new provision requiring the General Services Administration to increase its fiscal year 2002 expenditures for purchasing alternative fuel vehicles by \$5,000,000 above its fiscal year 2001 expenditures.

MERIT SYSTEMS PROTECTION BOARD

The Committee has continued language that provides funds for the Board.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY TRUST FUND

The Committee includes new language that provides funds for the Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund, allows a portion of the funds to be transferred by the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation to support the Native Nations Institute, and requires a report on the funding transfer.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

The Committee has continued language that provides funds for the review and declassification of documents, the hire of passenger vehicles, and language that authorizes the Archivist to use excess funds available from the amount borrowed for construction of the National Archives facility for expenses necessary to provide storage for holdings. The Committee provides new language specifying funds for the electronic records archive and making a portion of these funds available until September 30, 2004.

REPAIRS AND RESTORATION

The Committee has continued language that provides funds for the repair, alteration, and improvement of archives facilities and presidential libraries.

OFFICE OF GOVERNMENT ETHICS

The Committee has continued language that provides funds for the Office.

OFFICE OF PERSONNEL MANAGEMENT

The Committee has continued language that provides for expenses of the Office, services authorized by 5 U.S.C. 3109, medical examinations under certain conditions, rental of conference rooms,

hire of vehicles, official reception and representation expenses, advances for reimbursement per diem and/or subsistence allowances for employees affected by Voting Rights Act activities, transfers to appropriate trust funds, prohibition of funds for the Legal Examining Unit, authority to accept donations for the White House Fellows program, and making funds available until expended for automating retirement record keeping. The Committee includes new language making funding available until expended for a government-wide human resources data network.

OFFICE OF INSPECTOR GENERAL

The Committee has continued language that provides funds for expenses of the Office, audit of the retirement and insurance programs, and the rental of conference rooms.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

The Committee has continued language that provides funds for the payment of government contributions.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

The Committee has continued language that provides funds for the payment of government contributions.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The Committee has continued language that provides funds for the payment of government contributions.

OFFICE OF SPECIAL COUNSEL

The Committee has continued language that provides funds for the Office, including the payment of fees and expenses for witnesses, rental of conference rooms, and the hire of passenger motor vehicles.

UNITED STATES TAX COURT

The Committee has continued language that provides funds for services authorized by 5 U.S.C. 3109 and language which provides that travel expenses of the judges shall be paid upon written certification of the judge.

TITLE V—GENERAL PROVISIONS

THIS ACT

Section 501. The Committee continues the provision limiting the expenditure of funds to the current year unless expressly provided in this Act.

Section 502. The Committee continues the provision limiting the expenditure of funds for consulting services under certain conditions.

Section 503. The Committee continues the provision prohibiting the use of funds to engage in activities that would prohibit the enforcement of section 307 of the 1930 Tariff Act.

Section 504. The Committee continues the provision prohibiting the transfer of control over the Federal Law Enforcement Training Center out of the Department of the Treasury.

Section 505. The Committee continues the provision concerning employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 506. The Committee continues the provision concerning compliance with the Buy American Act.

Section 507. The Committee continues the provision regarding the purchase of American made equipment and products.

Section 508. The Committee continues the provision prohibiting contract eligibility where fraudulent intent has been proven in affixing "Made in America" labels.

Section 509. The Committee continues the provision prohibiting the expenditure of funds for abortions under the FEHBP.

Section 510. The Committee continues the provision that would authorize the expenditure of funds for abortions under the FEHBP if the life of the mother is in danger or the pregnancy is a result of an act of rape or incest.

Section 511. The Committee continues the provision providing that fifty percent of unobligated balances may remain available for certain purposes.

Section 512. The Committee continues the provision restricting the use of funds for the White House to request official background reports without the written consent of the individual who is the subject of the report.

Section 513. The Committee continues the provision that cost accounting standards under the Federal Procurement Policy Act shall not apply to the FEHBP.

Section 514. The Committee continues a provision regarding non-foreign area cost of living allowances.

Section 515. The Committee includes a new provision regarding apportionment for International Food Assistance Programs.

TITLE VI—GOVERNMENT WIDE GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 601. The Committee continues the provision authorizing agencies to pay costs of travel to the United States for the immediate families of Federal employees assigned to foreign duty in the event of a death or a life threatening illness of the employee.

Section 602. The Committee continues the provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Section 603. The Committee continues the provision regarding price limitations on vehicles to be purchased by the Federal Government.

Section 604. The Committee continues the provision allowing funds made available to agencies for travel, to also be used for quarters allowances and cost-of-living allowances.

Section 605. The Committee continues the provision prohibiting the government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental U.S.

Section 606. The Committee continues the provision ensuring that agencies will have authority to pay GSA bills for space renovation and other services.

Section 607. The Committee continues the provision allowing agencies to finance the costs of recycling and waste prevention programs with proceeds from the sale of materials recovered through such programs.

Section 608. The Committee continues the provision providing that funds may be used to pay rent and other service costs in the District of Columbia.

Section 609. The Committee continues the provision precluding the financing of groups by more than one Federal agency absent prior and specific statutory approval.

Section 610. The Committee continues the provision authorizing the Postal Service to employ guards and give them the same special police powers as GSA guards.

Section 611. The Committee continues the provision prohibiting the use of funds for enforcing regulations disapproved in accordance with the applicable law of the U.S.

Section 612. The Committee continues the provision limiting the pay increases of certain prevailing rate employees.

Section 613. The Committee continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Section 614. The Committee continues the provision prohibiting the expenditure of funds for the acquisition of additional law enforcement training facilities.

Section 615. The Committee continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Section 616. The Committee continues the provision requiring agencies to certify that a Schedule C appointment was not created solely or primarily to detail the employee to the White House.

Section 617. The Committee continues the provision requiring agencies to administer a policy designed to ensure that all workplaces are free from discrimination and sexual harassment.

Section 618. The Committee continues the provision prohibiting the importation of any goods manufactured by forced or indentured child labor.

Section 619. The Committee continues the provision prohibiting the payment of any employee who prohibits, threatens or prevents another employee from communicating with Congress.

Section 620. The Committee continues the provision prohibiting Federal training not directly related to the performance of official duties.

Section 621. The Committee continues the provision prohibiting the expenditure of funds for implementation of agreements in non-disclosure policies unless certain provisions are included.

Section 622. The Committee continues the provision prohibiting propaganda, publicity and lobbying by executive agency personnel in support or defeat of legislative initiatives.

Section 623. The Committee continues the provision prohibiting any Federal agency from disclosing an employee's home address to any labor organization, absent employee authorization or court order.

Section 624. The Committee continues the provision prohibiting funds to be used to provide non-public information such as mailing or telephone lists to any person or organization outside the government without the approval of the Committees on Appropriations.

Section 625. The Committee continues the provision prohibiting the use of funds for propaganda and publicity purposes not authorized by Congress.

Section 626. The Committee continues the provision directing agency employees to use official time in an honest effort to perform official duties.

Section 627. The Committee continues the provision authorizing the use of funds to finance an appropriate share of the Joint Financial Management Improvement Program.

Section 628. The Committee continues and modifies the provision authorizing agencies to transfer funds to the Policy and Operations account of GSA to finance an appropriate share of the Joint Financial Management Improvement Program.

Section 629. The Committee continues a provision, with technical modifications, authorizing an Executive agency to use certain funds to improve the affordability of child care for lower income Federal employees.

Section 630. The Committee continues the provision that permits breast feeding in a Federal building or on Federal property if the woman and child are authorized to be there.

Section 631. The Committee continues the provision that permits interagency funding of the National Science and Technology Council and provides for a report on the budget and resources of the National Science and Technology Council. The report should include the entire budget of the National Science and Technology Council.

Section 632. The Committee continues the provision requiring that any request for proposals, solicitation, grant application, form, notification, press release, or other publications involving the distribution of Federal funds shall indicate the agency providing the funds and the amount provided. This provision shall apply to direct payments, formula funds, and grants received by a State receiving Federal funds.

Section 633. The Committee includes a new provision to extend the authorization for franchise fund pilots for one year in order to allow the Administration to evaluate their results and make a decision regarding permanent authority.

Section 634. The Committee includes a new provision to clarify that the Department of the Navy will provide and pay for utilities for the official residence of the Vice President without reimbursement.

Section 635. The Committee includes a new provision authorizing the Secretary of the Navy to accept gifts of consumable items, or funds for them, to be accepted for use at official functions at the Vice President's residence, including the hosting of foreign dignitaries.

Section 636. The Committee includes a new provision clarifying that certain Title 5 authorities are available with respect to civilian personnel of the White House Office, the Executive Residence at the White House, the Office of the Vice President, the Domestic Policy Council, and the Office of Administration.

Section 637. The Committee includes a new provision requiring the Office of Personnel Management to submit a report regarding telecommuting centers.

Section 638. The Committee continues and modifies a provision prohibiting the use of funds to monitor personal information relating to the use of Federal internet sites. Applies provision government-wide.

Section 639. The Committee includes a new provision amending Title 5 to clarify retirement benefits for air traffic controllers.

Section 640. The Committee includes a new provision amending 5 U.S.C. 4507 to make Federal employees in senior technical positions eligible for Presidential rank awards.

Section 641. The Committee includes a new general provision extending authority for the Federal Election Commission to assess administrative fines for straightforward violations of reporting deadlines from December 31, 2001 to December 31, 2003.

Section 642. The Committee continues, with a technical modification, the provision addressing contraceptive coverage in health plans participating in the FEHBP. The technical modification deletes the name of a provider no longer participating in the program.

Section 643. The Committee includes a new provision concerning pay parity for federal civilian employees.

DETAILED EXPLANATIONS IN REPORT

It should be emphasized again that a more detailed statement describing the effect of the above provisions inserted or continued this year by the Committee which directly or indirectly change the application of existing law may be found at the appropriate place in this report.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f)(1) of rule XIII of the House of Representatives, the following table lists the appropriations in the accompanying bill that are not authorized by law:

APPROPRIATIONS NOT AUTHORIZED BY LAW

	Last year of authorization	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
Department Wide Systems and Capital Investments Program.	N/A	N/A	N/A	\$67,828,000
Treasury Building and Annex Repair and Restoration.	N/A	N/A	N/A	\$32,932,000
Expanded Access to Financial Services.	N/A	N/A	N/A	\$10,000,000
Financial Crimes Enforcement Network.	N/A ¹	N/A	N/A	\$45,760,000
Counterterrorism Fund	N/A	N/A	N/A	\$44,879,000
Federal Law Enforcement Training Center, Salaries and Expenses and Acquisition, Construction, Improvements and Related Expenses.	N/A ²	N/A	N/A	\$124,603,000
Interagency Crime and Drug Enforcement.	N/A	N/A	N/A	\$106,965,000

APPROPRIATIONS NOT AUTHORIZED BY LAW—Continued

	Last year of authorization	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
Bureau of Alcohol, Tobacco and Firearms, except those activities related to the enforcement of tobacco smuggling and regulation of explosives.	N/A ³	N/A	N/A	\$824,199,000
US Customs Service (except Harbor Maintenance Fee).	1992	Such sums	\$1,484,084,000	\$2,672,531,000
Office of Management and Budget, Office of Information and Regulatory Affairs.	2001	\$8,000,000	\$6,157,000	\$6,331,000
Counter Technology Assessment Center, Technology Transfer.				\$22,236,000
Federal Election Commission	1981	\$9,400,000	\$9,662,000	\$43,223,000
General Services Administration, Electronic Government Fund.	N/A	N/A	N/A	\$5,000,000
Office of Government Ethics	1999	Such sums	\$8,492,000	\$10,060,000

N/A: No specific authorization available.

¹Established pursuant to Treasury Order 105-08.

²Established pursuant to Treasury Order 140-01.

³Established pursuant to Treasury Order 120-01, 120-02, and 120-03.

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 1

Date: July 17, 2001.

Measure: Treasury, Postal Service, and General Government Appropriations Bill, FY 2002.

Motion by: Mr. Istook.

Description of motion: To consolidate appropriations for 13 separate accounts within the Executive Office of the President into one appropriation account.

Results: Rejected 31 yeas to 31 nays.

Members Voting Yea

Mr. Aderholt
 Mr. Bonilla
 Mr. Callahan
 Mr. Cunningham
 Mr. DeLay
 Mr. Doolittle
 Mrs. Emerson
 Mr. Frelinghuysen
 Mr. Goode
 Ms. Granger
 Mr. Hobson
 Mr. Istook
 Mr. Kingston
 Mr. Knollenberg
 Mr. Kolbe
 Mr. Latham
 Mr. Lewis
 Mr. Miller
 Mr. Nethercutt
 Mrs. Northup
 Mr. Peterson
 Mr. Regula
 Mr. Rogers
 Mr. Sherwood
 Mr. Skeen
 Mr. Sweeney
 Mr. Tiahrt
 Mr. Walsh
 Mr. Wamp
 Mr. Wicker
 Mr. Young

Members Voting Nay

Mr. Boyd
 Mr. Clyburn
 Mr. Cramer
 Ms. DeLauro
 Mr. Dicks
 Mr. Edwards
 Mr. Farr
 Mr. Fattah
 Mr. Hinchey
 Mr. Hoyer
 Mr. Jackson
 Ms. Kaptur
 Mr. Kennedy
 Ms. Kilpatrick
 Mrs. Lowey
 Mrs. Meeke
 Mr. Mollohan
 Mr. Moran
 Mr. Murtha
 Mr. Obey
 Mr. Olver
 Mr. Pastor
 Ms. Pelosi
 Mr. Price
 Mr. Rothman
 Ms. Roybal-Allard
 Mr. Sabo
 Mr. Serrano
 Mr. Sununu
 Mr. Visclosky
 Mr. Wolf

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of eachroll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 2

Date: July 17, 2001.

Measure: Treasury, Postal Service, and General Accounting Appropriations Bill, FY 2002.

Motion by: Mr. Obey.

Description of motion: To strike language authorizing the Secretary of the Navy to pay for utilities for the official residence of the Vice President; to strike language authorizing the Secretary of Navy to accept certain gifts or funds for use at official functions at the Vice President's residence; and to insert a new provision regarding recess appointments.

Results: Rejected 29 yeas to 33 nays.

Members Voting Yea

Mr. Boyd
Mr. Clyburn
Mr. Cramer
Ms. DeLauro
Mr. Dicks
Mr. Edwards
Mr. Farr
Mr. Fattah
Mr. Hinchey
Mr. Hoyer
Mr. Jackson
Ms. Kaptur
Mr. Kennedy
Ms. Kilpatrick
Mrs. Lowey
Mrs. Meek
Mr. Mollohan
Mr. Moran
Mr. Murtha
Mr. Obey
Mr. Olver
Mr. Pastor
Ms. Pelosi
Mr. Price
Mr. Rothman
Ms. Roybal-Allard
Mr. Sabo
Mr. Serrano
Mr. Visclosky

Members Voting Nay

Mr. Aderholt
Mr. Bonilla
Mr. Callahan
Mr. Cunningham
Mr. Doolittle
Mrs. Emerson
Mr. Frelinghuysen
Mr. Goode
Ms. Granger
Mr. Hobson
Mr. Istook
Mr. Kingston
Mr. Knollenberg
Mr. LaHood
Mr. Latham
Mr. Lewis
Mr. Miller
Mr. Nethercutt
Mrs. Northup
Mr. Peterson
Mr. Regula
Mr. Rogers
Mr. Sherwood
Mr. Skeen
Mr. Sununu
Mr. Sweeney
Mr. Taylor
Mr. Tiahrt
Mr. Walsh
Mr. Wamp
Mr. Wicker
Mr. Wolf
Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 3

Date: July 17, 2001.

Measure: Treasury, Postal Service, and General Accounting Appropriations Bill, FY 2002.

Motion by: Mrs. Lowey.

Description of motion: To require that any FEHBP health care plan that provides prescription drug coverage also provide contraceptive coverage, with exceptions for two named religious plans or plans that object to coverage on the basis of religious beliefs.

Results: Adopted 40 yeas to 21 nays.

<i>Members Voting Yea</i>	<i>Members Voting Nay</i>
Mr. Boyd	Mr. Aderholt
Mr. Cramer	Mr. Bonilla
Ms. DeLauro	Mr. Cunningham
Mr. Dicks	Mr. Doolittle
Mr. Edwards	Mr. Goode
Mrs. Emerson	Mr. Istook
Mr. Farr	Mr. Kingston
Mr. Fattah	Mr. Knollenberg
Mr. Frelinghuysen	Mr. LaHood
Ms. Granger	Mr. Lewis
Mr. Hinchey	Mr. Mollohan
Mr. Hobson	Mr. Peterson
Mr. Hoyer	Mr. Rogers
Mr. Jackson	Mr. Skeen
Ms. Kaptur	Mr. Sununu
Mr. Kennedy	Mr. Taylor
Ms. Kilpatrick	Mr. Tiahrt
Mr. Kolbe	Mr. Walsh
Mr. Latham	Mr. Wamp
Mrs. Lowey	Mr. Wicker
Mrs. Meek	Mr. Wolf
Mr. Miller	
Mr. Moran	
Mr. Murtha	
Mr. Nethercutt	
Mrs. Northup	
Mr. Obey	
Mr. Olver	
Mr. Pastor	
Ms. Pelosi	
Mr. Price	
Mr. Regula	
Mr. Rothman	
Ms. Roybal-Allard	
Mr. Sabo	
Mr. Serrano	
Mr. Sherwood	
Mr. Sweeney	
Mr. Visclosky	
Mr. Young	

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 4

Date: July 17, 2001.

Measure: Treasury, Postal Service, and General Government Appropriations Bill, FY 2002.

Motion by: Mrs. DeLauro.

Description of motion: To strike the prohibition on the use of funds to pay for an abortion under the FEHBP.

Results: Rejected 26 yeas to 33 nays.

Members Voting Yea

Mr. Boyd
 Mr. Cramer
 Ms. DeLauro
 Mr. Dicks
 Mr. Farr
 Mr. Fattah
 Mr. Frelinghuysen
 Mr. Hinchey
 Mr. Hoyer
 Ms. Kaptur
 Mr. Kennedy
 Ms. Kilpatrick
 Mr. Kolbe
 Mr. Lowey
 Mrs. Meek
 Mr. Moran
 Mr. Obey
 Mr. Olver
 Mr. Pastor
 Ms. Pelosi
 Mr. Price
 Mr. Rothman
 Ms. Roybal-Allard
 Mr. Sabo
 Mr. Serrano
 Mr. Visclosky

Members Voting Nay

Mr. Aderholt
 Mr. Callahan
 Mr. Cunningham
 Mr. DeLay
 Mr. Doolittle
 Mr. Edwards
 Mrs. Emerson
 Mr. Goode
 Ms. Granger
 Mr. Hobson
 Mr. Istook
 Mr. Kingston
 Mr. LaHood
 Mr. Latham
 Mr. Lewis
 Mr. Miller
 Mr. Mollohan
 Mr. Murtha
 Mr. Nethercutt
 Mrs. Northup
 Mr. Peterson
 Mr. Regula
 Mr. Rogers
 Mr. Sherwood
 Mr. Skeen
 Mr. Sununu
 Mr. Taylor
 Mr. Tiahrt
 Mr. Walsh
 Mr. Wamp
 Mr. Wicker
 Mr. Wolf
 Mr. Young

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002**
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - DEPARTMENT OF THE TREASURY					
Departmental Offices.....	162,381	181,768	173,496	+11,115	-8,272
Department-wide systems and capital investments programs.....	62,150	70,828	68,828	+6,678	-2,000
Office of Inspector General.....	32,827	35,150	35,318	+2,491	+168
Treasury Inspector General for Tax Administration.....	118,166	122,342	123,133	+4,967	+791
Treasury Building and Annex Repair and Restoration.....	30,932	32,932	30,932	.....	-2,000
Expanded Access to Financial Services.....	9,978	.....	10,000	+22	+10,000
Financial Crimes Enforcement Network.....	37,493	45,155	45,760	+8,267	+605
Counterterrorism Fund.....	54,879	44,879	36,879	-18,000	-8,000
Federal Law Enforcement Training Center:					
Salaries and Expenses.....	99,264	100,707	101,769	+2,505	+1,062
Acquisition, Construction, Improvements, & Related Expenses.....	54,086	21,895	22,834	-31,252	+939
Total.....	153,350	122,602	124,603	-28,747	+2,001
Interagency Law Enforcement: Interagency crime and drug enforcement	103,248	106,487	106,965	+3,717	+478
Financial Management Service.....	206,396	211,594	212,316	+5,920	+722
Bureau of Alcohol, Tobacco and Firearms.....	771,143	803,521	814,199	+43,056	+10,678
GREAT grants.....	.....	.....	10,000	+10,000	+10,000
Total.....	771,143	803,521	824,199	+53,056	+20,678

United States Customs Service:					
Salaries and Expenses.....	1,878,557	1,961,764	2,059,170	+180,613	+97,406
Harbor Maintenance Fee Collection.....	2,993	2,993	2,993		
Operation, Maintenance and Procurement, Air and Marine Interdiction Programs.....	132,934	162,637	183,853	+50,919	+21,216
Miscellaneous appropriations (P.L. 106-554).....	6,985			-6,985	
Automation modernization:					
Automated Commercial System.....	122,443	122,432	122,432	-11	
International Trade Data System.....	5,389	5,400	5,400	+11	
Automated Commercial Environment.....	130,000	130,000	300,000	+170,000	+170,000
Subtotal.....	257,832	257,832	427,832	+170,000	+170,000
Customs Services at Small Airports (to be derived from fees collected).....	1,993	3,000	3,000	+1,007	
Offsetting receipts.....	-2,000	-3,000	-3,000	-1,000	
Total.....	2,279,294	2,385,226	2,673,848	+394,554	+288,622
Bureau of the Public Debt.....	182,699	185,370	187,318	+4,619	+1,948
Payment of government losses in shipment.....	1,000	1,000	1,000		

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued**
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Internal Revenue Service:					
Processing, Assistance, and Management	3,594,966	3,783,347	3,808,434	+213,468	+25,087
Tax Law Enforcement	3,366,380	3,533,198	3,541,076	+174,696	+7,878
Earned Income Tax Credit Compliance Initiative	144,681	146,000	146,000	+1,319	.....
Information Systems	1,522,416	1,563,249	1,583,065	+60,649	+19,816
Business systems modernization	71,593	396,593	391,593	+320,000	-5,000
Staffing tax administration for balance and equity	140,690	.....	.....	-140,690	.....
Total	8,840,726	9,422,387	9,470,168	+629,442	+47,781
United States Secret Service:					
Salaries and Expenses	824,885	857,117	943,777	+118,892	+86,660
Acquisition, Construction, Improvements, & Related Expenses	8,921	3,352	3,457	-5,464	+105
Total	833,806	860,469	947,234	+113,428	+86,765
Total, title I, Department of the Treasury	13,880,468	14,631,710	15,061,997	+1,181,529	+430,287
TITLE II - POSTAL SERVICE					
Payment to the Postal Service Fund	28,936	76,619	29,000	+64	-47,619
Advance appropriation, FY 2002	66,952	67,093	67,093	+141	.....
Advance appropriation, FY 2003 .....	.....	.....	47,619	+47,619	+47,619
Total	95,888	143,712	143,712	+47,824	.....

TITLE III - EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT					
Compensation of the President and the White House Office:					
Compensation of the President.....	390	450	450	+60	.....
Salaries and Expenses.....	53,171	54,165	54,651	+1,480	+486
Executive Residence at the White House:					
Operating Expenses.....	10,876	11,914	11,695	+819	-219
White House Repair and Restoration	966	8,625	8,625	+7,659	.....
Special Assistance to the President and the Official Residence of the Vice President:					
Salaries and Expenses.....	3,665	3,896	3,925	+260	+29
Operating expenses.....	353	314	318	-35	+4
Council of Economic Advisers.....	4,101	4,192	4,211	+110	+19
Office of Policy Development.....	4,023	4,119	4,142	+119	+23
National Security Council.....	7,149	7,447	7,494	+345	+47
Office of Administration	43,641	46,032	46,955	+3,314	+923
Office of Management and Budget.....	68,635	70,521	70,752	+2,117	+231
Office of National Drug Control Policy:					
Salaries and expenses	24,705	25,100	25,267	+562	+167
Counterdrug Technology Assessment Center	35,974	40,000	40,000	+4,026	.....
Total.....	60,679	65,100	65,267	+4,588	+167
Federal Drug Control Programs:					
High Intensity Drug Trafficking Areas Program	206,046	206,350	231,500	+25,454	+25,150
Special Forfeiture Fund	233,086	247,600	238,600	+5,514	-9,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued**
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Unanticipated Needs.....	998	1,000	1,000	+2	
Elections Commission of the Commonwealth of Puerto Rico	2,494			-2,494	
Total, title III, Executive Office of the President and Funds Appropriated to the President.....	700,273	731,725	749,585	+49,312	+17,860
TITLE IV - INDEPENDENT AGENCIES					
Committee for Purchase from People Who Are Blind or Severely Disabled	4,149	4,498	4,609	+460	+111
Federal Election Commission.....	40,411	41,411	43,223	+2,812	+1,812
Federal Labor Relations Authority	25,003	26,378	26,378	+1,375	
General Services Administration: Federal Buildings Fund: Appropriations	476,523	276,400	276,400	-200,123	
Advance appropriation, FY 2002-2004.....	(276,400)			(-276,400)	
Limitations on availability of revenue: Construction and acquisition of facilities	(477,676)	(386,289)	(328,816)	(-148,860)	(-57,473)
Repairs and alterations	(681,613)	(826,676)	(826,676)	(+145,063)	
Installment acquisition payments	(185,369)	(186,427)	(186,427)	(+1,058)	
Rental of space	(2,943,854)	(2,959,550)	(2,959,550)	(+15,696)	
Building Operations.....	(1,624,771)	(1,748,949)	(1,760,369)	(+135,598)	(+11,420)
Subtotal	(5,913,283)	(6,107,891)	(6,061,838)	(+148,555)	(-46,053)

	(70,595)	(72,000)	(72,000)	(72,000)	(+1,405)	
Repayment of Debt						
Total, Federal Buildings Fund	476,523	276,400	276,400	276,400	-200,123	
(Limitations)	(5,983,878)	(6,179,891)	(6,133,838)	(6,133,838)	(+149,960)	(-46,053)
Policy and Operations	137,406	138,499	137,515	137,515	+109	-984
Office of Inspector General	34,444	36,025	36,025	36,290	+1,846	+265
Electronic Government (E-Gov) Fund		20,000	5,000	5,000	+5,000	-15,000
Allowances and Office Staff for Former Presidents	2,511	3,552	3,196	3,196	+685	-356
Expenses, Presidential transition	7,084				-7,084	
Total, General Services Administration	657,968	474,476	458,401	458,401	-199,567	-16,075
Merit Systems Protection Board:						
Salaries and Expenses	29,372	30,375	30,375	30,375	+1,003	
Limitation on administrative expenses	2,424	2,520	2,520	2,520	+96	
Morris K. Udall Foundation:						
Morris K. Udall scholarship	1,996	1,746			-1,996	-1,746
Native Nations Institute		250				-250
Morris K. Udall Trust Fund			2,500	2,500	+2,500	+2,500
Environmental Dispute Resolution Fund	1,248	1,309	1,309	1,309	+61	
National Archives and Records Administration:						
Operating expenses	208,946	244,247	243,547	243,547	+34,601	-700
Reduction of debt	-6,084	-6,612	-6,612	-6,612	-528	
Repairs and Restoration	101,536	10,643	10,643	10,643	-90,893	
National Historical Publications and Records Commission:						
Grants program	6,436	4,436	10,000	10,000	+3,564	+5,564
Total	310,834	252,714	257,578	257,578	-53,256	+4,864

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued**
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Office of Government Ethics.....	9,663	10,060	10,060	+ 397	.....
Office of Personnel Management:					
Salaries and Expenses.....	93,888	99,036	99,036	+ 5,148	.....
Limitation on administrative expenses.....	101,762	115,928	115,928	+ 14,166	.....
Office of Inspector General.....	1,357	1,398	1,398	+ 41	.....
Limitation on administrative expenses.....	9,724	10,016	10,016	+ 292	.....
Government Payment for Annuitants, Employees Health Benefits.....	5,427,166	6,145,000	6,145,000	+ 717,834	.....
Government Payment for Annuitants, Employee Life Insurance.....	35,000	33,000	33,000	- 2,000	.....
Payment to Civil Service Retirement and Disability Fund.....	8,940,051	9,229,000	9,229,000	+ 288,949	.....
Total, Office of Personnel Management.....	14,608,948	15,633,378	15,633,378	+ 1,024,430	.....
Office of Special Counsel.....	11,122	11,784	11,823	+ 701	+ 39
United States Tax Court.....	37,223	37,305	37,621	+ 398	+ 316
Total, title IV, Independent Agencies.....	15,740,361	16,528,204	16,519,775	+ 779,414	- 8,429
Grand total.....	30,416,990	32,035,351	32,475,069	+ 2,058,079	+ 439,718
Current year, FY 2002.....	30,350,038	31,968,258	32,360,357	+ 2,010,319	+ 392,099
Advance appropriations, FY 2002 / FY 2003.....	66,952	67,093	114,712	+ 47,760	+ 47,619
(Limitations).....	(5,983,878)	(6,179,891)	(6,133,838)	(+ 149,960)	(- 46,053)

Scorekeeping adjustments:						
Bureau of The Public Debt (Permanent).....	148,000	148,000	148,000	148,000	+3,000	.....
Federal Reserve Bank reimbursement fund.....	131,000	134,000	134,000	134,000	+3,000	.....
US Mint revolving fund.....	13,960	22,000	17,000	17,000	+3,040	-5,000
Sallie Mae.....	1,000	1,000	1,000	1,000	.....	.....
Federal buildings fund.....	-74,000	31,000	-16,000	-16,000	+58,000	-47,000
Advance appropriations:						
Postal service, FY 2001/2002.....	64,436	.....	.....	.....	-64,436	.....
Postal service, FY 2002/2003.....	-66,952	.....	-47,619	-47,619	+19,333	-47,619
Across the board cut (0.22%).....	-47,000	.....	.....	.....	+47,000	.....
OMB/CBO adjustment.....	35,491	.....	.....	.....	-35,491	.....
Total, scorekeeping adjustments.....	202,935	336,000	236,381	236,381	+33,446	-99,619
Total mandatory and discretionary.....	30,619,925	32,371,351	32,711,450	32,711,450	+2,091,525	+340,099
Mandatory.....	14,679,607	15,690,450	15,690,450	15,690,450	+1,010,843	.....
Discretionary.....	15,940,318	16,680,901	17,021,000	17,021,000	+1,080,682	+340,099

MINORITY VIEWS OF THE HONORABLE STENY HOYER, THE
HONORABLE CARRIE MEEK, THE HONORABLE DAVID
PRICE, THE HONORABLE STEVEN ROTHMAN, AND THE
HONORABLE DAVID OBEY

We would like to commend the Chairman for his efforts. While we do not agree with every recommendation, our views have been reflected in many aspects of this bill.

The TPO bill to be considered by the House is a significant improvement over the president's request. The Committee has provided \$17.0 billion in discretionary budget authority for this bill, \$1.1 billion higher than FY 2001 and \$340 million more than the president's request. These levels are much more consistent with the levels that we argued were necessary during the budget and tax negotiations. This additional funding helps to make up for the shortfall in the President's request.

For example, the President's request did not provide sufficient resources to maintain current programs, withholding \$150 million of necessary "non-pay" inflationary increases to cover the increased costs of things like rent, energy, fuel, and travel. This bill provides these funds. The budget also failed to request any funding for Treasury law enforcement agencies in support of the 2002 Winter Olympics. This is despite the fact that in August of 1999, the Winter Olympics were designated a National Special Security Event, meaning that the Secret Service would be the lead Federal agency for designing, planning, and implementing security. This bill also provides for these costs.

The President's budget also requested insufficient funds for the Automated Commercial Environment, or "ACE." This essential initiative is key to modernizing how the Customs Service assesses and collects taxes and fees totaling over \$20 billion annually at over 300 ports. Intended to be a four-year, \$1.3 billion effort, this Committee provided the first installment of \$130 million for ACE in FY 2001 with the expectation that additional funding would be requested in the future. However, the Administration requested only \$130 million in FY 2002 and failed to request the required additional funding, thereby threatening to increase the total costs of developing the system and putting the legacy system in a position to crash and immobilize trade in this country. The Committee has acknowledged this problem and provided \$170 million over the President's request to continue this important modernization activity.

The bill also attempts to ensure that the Treasury law enforcement agencies have sufficient funds to combat terrorism, protect our borders, protect our Nation's leaders and dignitaries, prevent drug smuggling, and provide training for law enforcement. In the past, we have noted the discrepancy in funding for Treasury law enforcement agencies in comparison to Justice law enforcement agencies, despite the fact that the Treasury law enforcement func-

tion makes up nearly 40 percent of all Federal law enforcement. The President's budget request continued this trend of neglect. However, this bill provides several significant increases over the President's budget request for Treasury law enforcement, including \$45 million for the Secret Service to hire additional agents to reduce staggering overtime levels, \$15 million to hire additional Customs inspectors, \$33 million to improve Customs inspection technology, \$14 million for Customs air program improvements, and \$25 million for High Intensity Drug Trafficking Areas.

We are proud to have been able to make significant improvements to the bill during Committee consideration. For example, we were able to secure \$10 million to continue the First Accounts program. This program seeks to establish affordable banking accounts for low-income families, increase the availability of automatic teller machines in low-income neighborhoods, and educate low-income Americans about bank accounts. We also were able to ensure that Federal civilian employees would receive at least a 4.6 percent pay raise and that Federal employees participating in the Federal employees health program would continue to have contraceptive coverage.

Despite these improvements, and the additional funding provided above the President's request, we have a number of concerns that we look forward to working on in the future. We continue to be concerned with understaffing at the Customs Service. The Resource Allocation Model projects a need for almost 15,000 more staff, mostly Inspectors and Special Agents. None of the Customs locations show a decline in workload or staff coverages, so reallocation of staff does not appear to be a realistic option. The Customs Service is our first line of defense. We need to ensure that they have the resources they need to do their job effectively.

We also continue to be concerned about the decline in compliance activities at the IRS. In-person audits have decreased from 2 million in 1976 to 247,000 in 2000, a decline of 88 percent. Since 1997, there has been a significant decrease in audit coverage for large corporations (-60 percent), partnerships (-40 percent), and individuals (-62 percent). Most importantly, however, it appears that audit coverage may disproportionately impact lower-income taxpayers. The increased use of "document matching" to ensure compliance (which focuses on "verifiable" wage, salary, and non-investment income sources) excludes many higher-income taxpayers who often have income sources and deductions that are easily checked through document matching. Compounding the problem is the fact that the audit rate for individuals making \$100,000 or more has declined by 65 percent from FY 1997 to FY 2000. While we are pleased that this bill contains an additional \$86 million to complete the hiring of over 3,800 employees to help improve compliance and customer service at the IRS, we believe that this Committee needs to take a larger role in ensuring the appropriate level of compliance in order to have an equitable tax system.

We are also concerned about the funding provided for new Courthouse construction. Despite providing additional funds above the President's request, the Committee bill falls well short of the Judiciary's request. Since FY 1996, when the Judiciary began approving prioritized, 5 year Courthouse project plans, only half of the Ju-

diciary's infrastructure request has been enacted. This is not an issue of luxury for the Judiciary. The Courthouse request represents an effort to keep up with the skyrocketing judicial workload while ensuring a safe environment for employees, detainees, and the public. The longer we underfund the Court request, the more pressing the need becomes.

We have always been sensitive to the important separation between the Executive and the Legislative branches. This sensitivity is particularly important as Congress reviews the budget request for the Executive Office of the President. The President of the United States deserves the appropriate respect and deference. However, it is also important that Congress not relinquish its oversight responsibilities. We are very concerned that certain provisions included in this bill may have this effect.

On balance, we believe this legislation is a significant improvement from the President's request. We look forward to working with the Majority to continue to make improvements to the bill as it moves through the Congress.

DAVID OBEY.
STENY H. HOYER.
STEVEN R. ROTHMAN.
DAVID PRICE.
CARRIE P. MEEK.

