

FINANCIAL SERVICES AND GENERAL GOVERNMENT  
 APPROPRIATIONS BILL, 2008

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

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 2829]

The Committee on Appropriations submits the following report in  
 explanation of the accompanying bill making appropriations for fi-  
 nancial services and general government for the fiscal year ending  
 September 30, 2008.

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#### PLANNING FOR ESSENTIAL LONG-TERM BUDGET NEEDS

The Committee believes that it is important to plan now for the long-term strength of the economic and social fabric of the country. The American people expect and deserve the best services their government can offer. Unfortunately, over the past several years government services have become deficient in many important areas. The American people deserve better.

This bill includes recommendations that will begin to close the gap between the basic government services that are currently available and the services that this Nation needs. The Committee does not have the budgetary resources, nor does it propose, to close this gap in one year. However, the Committee believes that sound planning for the future involves making a down payment today toward better government services in the future.

The population of the United States has grown by 73 million people, or 32 percent, since 1980. The census bureau predicts that, by 2010, the population will be close to 309 million. At the same time, non-defense discretionary spending has been severely curtailed. Such spending amounted to 5.2 percent of the gross domestic product in 1980, whereas it now represents 3.6 percent of GDP. It is

not surprising that government is unable to meet many basic needs in the face of a reduction of that magnitude.

The programs funded by this bill are an important part of efforts to provide good government to all Americans, regardless of economic or social background. In this bill, Congress can improve the effectiveness and fairness of enforcement of the payment of tax obligations of those who are responsible for the tax gap, which is the difference between the taxes that should be paid and the taxes that are actually paid voluntarily and on time. The bill can also offer strong regulatory protections for consumers and investors, encourage financial opportunities for communities and small businesses, and enhance essential government services by supporting the people and infrastructure that provide those services.

#### CLOSING THE TAX GAP

According to the Internal Revenue Service (IRS), taxpayers paid about \$1.8 trillion in taxes on time in 2001. Research conducted by the IRS has estimated that the “tax gap”, or the difference between total Federal taxes owed and the tax collections received, was \$345 billion for tax year 2001. Once IRS collection and enforcement actions are taken into account, the net tax gap is estimated to be \$290 billion. Others have disputed this figure and argued that the actual figure is higher. In addition to the effect of the tax gap on overall Federal resources, the very existence of the tax gap stands contrary to IRS efforts to promote compliance. The Committee agrees with the assessment of the IRS Oversight Board in its most recent annual report that “the tax gap is an injustice to compliant taxpayers who ultimately are bearing the financial burden of those who do not pay what they owe, whether intentionally or not.” As the IRS National Taxpayer Advocate noted in her annual report this year, the existence of the tax gap effectively amounts to a per-taxpayer “surtax of more than \$2,200 to subsidize noncompliance by others.”

The Government Accountability Office (GAO) has listed “Enforcement of Tax Laws” among the items on its latest “High-risk Series” (report number GAO-07-310). In this report, GAO notes that “enforcement of tax laws is vital to promote compliance by giving taxpayers confidence that others are paying their fair share.” While a commitment to tax law enforcement is one important way to maximize tax compliance, the Committee strongly believes that enforcement efforts should not be disproportionately focused on low-income taxpayers. For example, it was revealed last year that the IRS had delayed thousands of tax refunds under the Earned Income Tax Credit (EITC), and the vast majority of the refund claims were not fraudulent but were in fact the legitimate EITC claims of families and individuals. Today, fully 40 percent of all IRS individual examinations are of EITC claims, even though just 17 percent of individual tax returns claim the EITC. This is clearly a disproportionate audit focus on the poor. It is all the more troubling considering a recent finding by GAO with regard to audits of individuals who use offshore tax havens. Even in offshore tax haven cases in which agents have seen signs of tax evasion, the IRS has been either prematurely ending many of these audits, or even declining to conduct audits in the first place, in order to comply with the 3-year statute of limitations on offshore cases.

With regard to its fiscal year 2008 budget request, the Administration has proposed \$291 million in new enforcement initiatives in its fiscal year 2008 budget request, and the Treasury Department's fiscal year 2008 budget in brief notes that "once the new staff proposed in this request are trained and gain more experience, the enforcement revenue generated each year will be \$699 million. However, this estimate excludes the likely larger revenue impact from the deterrence value of these and other IRS enforcement programs (e.g., criminal investigations)." The Committee notes that since \$699 million is obviously a very small portion of the overall tax gap, the indirect effect of these enforcement initiatives would need to be quite significant in order to have any appreciable impact on the overall tax gap. In addition, the Administration has issued a package of legislative proposals aimed at improving tax compliance. But these proposals are estimated to raise just \$29 billion over 10 years, a mere one percent of the net tax gap.

While a commitment to tax law enforcement is important in maximizing tax compliance, the Committee believes that a strong commitment to IRS taxpayer service is equally important. As the IRS Oversight Board annual report notes, "Both good customer service and vigorous enforcement of the tax law benefit taxpayers. It is not an either/or proposition; both are necessary for effective tax administration. Good service leads to fully informed and satisfied taxpayers who understand their tax obligations and experience few problems when interacting with the IRS." While the Committee applauds the joint efforts of the IRS, the IRS National Taxpayer Advocate, and the IRS Oversight Board in developing the recent Congressionally-mandated Taxpayer Assistance Blueprint (TAB), the Committee believes that a sustained, long-term commitment to funding and strengthening IRS taxpayer services must be included in any strategy for closing the tax gap.

Overall, the Committee believes strongly that the following priorities must be pursued by this Committee both this year and in years to come:

- *Consistent growth in the budget of the Internal Revenue Service.* In his September 2002 "Report to the IRS Oversight Board: Assessment of the IRS and the Tax System," former IRS Commissioner Charles Rossotti called for a two percent annual growth in IRS staff together with a 3 percent annual productivity growth, similar to recommendations made by the National Commission on Restructuring the IRS in 1997. But current IRS staff levels are far below what Commissioner Rossotti argued would be needed to help close the tax gap. The Commissioner's report noted that due to continued growth in the IRS workload and the large accumulated backlog of cases, strong productivity growth alone could not possibly close the compliance gap. The Committee strongly believes that consistent staff growth at the IRS merits attention and resources.

- *Regular research efforts to determine which taxpayer service and enforcement strategies are important and effective at closing the tax gap.* The Committee agrees with the assessment of the IRS National Taxpayer Advocate and the IRS Oversight Board that the IRS must conduct regular, ongoing research to determine the most effective taxpayer service and enforcement strategies for reducing the tax gap. While the Committee is supportive of the Administra-

tion's proposal to add funding for regular research efforts into the base budget of the IRS, the Committee also agrees with the recommendation of the IRS Oversight Board that the IRS should develop a long-range strategic plan for research that goes beyond the IRS Strategic Plan's 2009 end date. The Committee directs IRS to work with the IRS National Taxpayer Advocate and the IRS Oversight Board to develop a 5-year strategic plan for research. The plan should be delivered to the Committee by no later than 120 days after the date of enactment of this Act.

- *Funding and Oversight of IRS Business Systems Modernization (BSM)*. The IRS continues to experience occasional cost overruns and delays associated with its multi-year effort to modernize its computer systems. Challenges and risks remain, and BSM continues to remain on the Government Accountability Office's (GAO) "high risk list". Nevertheless, the Committee believes that the overall BSM effort is much better focused than it has been in the past. As GAO noted in a report this year, BSM "is critical to supporting IRS's taxpayer service and enforcement goals and reducing the tax gap." As long as the IRS depends on outdated tools to perform its critical functions, the overall system of tax administration will not be in a position to effectively address the tax gap. For example, the IRS Oversight Board report points out that currently "taxpayers cannot access their own account information electronically as they can routinely do with their bank, credit card and mutual fund accounts." BSM is critical to allowing the IRS to perform its tax administration functions at peak efficiency and effectiveness. The Committee believes that, notwithstanding the wasted dollars of the past and the challenges and risks of the present, the BSM program is a vital part of the future of both service and enforcement efforts. BSM should be provided sustained funding and close oversight both this year and in future years in order to fully modernize the IRS as soon as possible.

#### PROVIDING FINANCIAL OPPORTUNITY TO DISADVANTAGED AND RURAL COMMUNITIES

The Committee finds that there is a crucial need for expanding financial services to disadvantaged and rural communities, in order to reduce the reliance on such high-cost alternative services such as payday lending. An estimated 22 percent of low-income households lack a bank or credit union account.

The Subcommittee on Financial Services and General Government held a hearing earlier this year on the subject of financial services for disadvantaged communities. Among the issues discussed at the hearing, two very strong needs were identified:

- *Community Development Financial Institutions (CDFI) Fund*. While several government agencies have addressed this issue, the Treasury CDFI Fund has particularly helped to expand the availability of credit, capital, and financial services to underserved communities throughout the Nation. A community development financial institution, or CDFI, is a legally-existing entity and a predominantly financing entity whose primary mission is community development. CDFI's include banks, credit unions, loan funds, and venture capital funds. Among CDFI banks and credit unions, one-half offer alternatives to payday loans, and nearly 40 percent provide check-cashing services to people who do not have accounts with

these institutions. Yet while the number of certified CDFI's has increased in recent years, from 468 in 2001 to 774 by the end of 2006, the annual appropriation provided to the CDFI Fund has declined during these same years, from \$118 million in fiscal year 2001 down to just \$54.5 million in fiscal years 2006 and 2007.

On average, each Federal dollar invested in the CDFI Fund leverages an additional 27 dollars in non-Federal funds. An increased appropriation to the CDFI Fund will, among other things, help provide additional financial and technical assistance to a larger number of CDFI's throughout the Nation. This, in turn, will help to further advance the goal of providing better and lower-cost financial services to disadvantaged and rural communities in the United States. The Committee believes strongly that there must be a renewed commitment over the next several years to providing sufficient resources to the CDFI Fund to help promote the program's objectives, including the wider availability of low-cost financial services.

- *Financial Education.* The need to promote the importance of saving in financial institutions was identified by the Chairman of the Board of the National Credit Union Administration (NCUA), and by the Director of the CDFI Fund, who testified that "if you spend 10 hours with a young person on financial education, it sets them on a path that will do them well for their entire life . . ." The Committee has provided an increase of \$200,000 above the request for the Treasury Department's Office of Financial Education to expand its activities and to help it provide better leadership over the National Strategy for Financial Literacy. The Committee has also provided funding increases for the Internal Revenue Service (IRS) and the Securities and Exchange Commission (SEC) for education and financial literacy. The Committee believes that these activities need ongoing attention and resources, and that there must be a particular emphasis on the financial education of students in elementary and high schools.

In addition, as the Director of the CDFI Fund recently noted in testimony before the Financial Services Appropriations Subcommittee, CDFI's must participate in financial education programs in order to receive funding. An increased commitment of federal resources to the CDFI Fund will lead to a corresponding increase in financial education efforts. Overall, the Committee believes strongly that a long-term commitment of support for financial education efforts is essential throughout Government, including at Treasury's Office of Financial Education, the IRS, the SEC, and the CDFI Fund.

Other, less obvious, government efforts also help to reduce the reliance on high-cost financial services in disadvantaged communities. For example, a strong ongoing commitment to fund IRS Business Systems Modernization efforts, together with strong oversight of those efforts, will help ensure that IRS computer systems are fully modernized and able to process and send tax refunds much quicker than is currently the case. The anticipation of a quicker refund from the IRS can serve to dissuade low-income taxpayers from seeking to purchase Refund Anticipation Loans, whose costs often amount to a significant portion of tax refunds.

## STRENGTHENING REGULATORY OVERSIGHT AND ENFORCEMENT

Corporate ethics and accountability have received a lot of notice in recent years. Headlines regarding financial accounting scandals, contracting irregularities in Iraq, insider trading, and dangerous consumer products have caught the attention of many people concerned about how such problems erode the confidence of consumers and investors. Over the long-term, the continuation of these problems will threaten the economic strength of the Nation. The agencies that are responsible for deterring such problems must not be asleep at the switch.

Many businesses and corporations have acknowledged these problems and have responded by increased standards of corporate responsibility and self-regulation. However, serious problems persist among those who place the enhancement of their personal wealth above social and ethical considerations.

The rigorous enforcement of laws and regulations relating to consumer protection and securities markets is an important element in deterring wrongdoing and promoting corporate and individual responsibility. In this bill, the Committee recommendations begin to provide the resources that will enable several critical regulatory and enforcement agencies to better fulfill their missions. Yet, the funding provided by this bill must be seen as just a down payment on a renewed effort to give these agencies the tools they need to strengthen regulatory oversight and enforcement. In the coming years, the Committee should view consumer protection as an essential government service to which more resources can be directed for the benefit of the American people.

*Consumer products.* The Consumer Product Safety Commission (CPSC) is charged with reducing the unreasonable risk of injury associated with more than 15,000 consumer products. The agency was involved in 471 product recalls in fiscal year 2006. However, the most important of the agency's resources—its people—has been in decline. From a high of 978 in 1980, staffing declined to 518 by 1994 and is proposed in the President's budget to be capped at 401 in 2008. The latest budget cuts come at a time when the CPSC should be preparing for the future so it can meet new challenges relating to emerging product technologies. This bill includes increases of \$4,110,000 above fiscal year 2007 and \$3,588,000 above the President's request to support additional staff and information technology improvements for the Commission.

*Fraudulent or misleading commercial practices.* The Federal Trade Commission (FTC) has two vital missions: consumer protection and maintaining competition. The agency is currently active in efforts to deter and prosecute credit and financial fraud, as well as identity theft, and it takes action against companies that fail to protect sensitive customer data. The FTC also has authority to act against illegal subprime lending practices. However, the FTC will need additional tools and resources in the future to keep up with new challenges, such as new Internet and other technologies that provide violators with creative ways to scam the public. The FTC also needs to maintain a vigorous antitrust program, which benefits consumers by keeping prices lower through competition. For fiscal year 2008, this bill provides increases of \$36,200,000 above

fiscal year 2007 and \$7,250,000 above the President's request to provide additional support for the FTC's activities.

*Investor protections.* The Securities and Exchange Commission (SEC) investigated 46 insider trading cases in fiscal year 2006. The agency also promotes healthy capital markets and promotes informed decision-making by investors through corporate compliance with financial disclosure rules. The complexities of financial markets require that the SEC recruit and retain individuals who are well-trained and experienced. There are now over 10,000 publicly traded companies in the United States. The number of American households investing in the stock market increased from 15.9 million in 1983 to 56.9 million in 2005, an increase of 258 percent. The Committee is concerned, however, that under-enforcement of securities laws and regulations would have a harmful effect on investor confidence and lead to reduced participation in the markets. The SEC must have sufficient resources to meet fully its enforcement responsibilities. This bill includes increases of \$15,882,000 above fiscal year 2007 and \$3,112,000 above the President's request to enhance the SEC's enforcement program, as well as to support the investor education and assistance programs which is the SEC's primary point of contact with investors who complain about the possible mishandling of their investments by securities professionals.

*The future of telecommunications.* The Federal Communications Commission (FCC) oversees a rapidly changing and expanding telecommunications environment. The digital age has revolutionized communication and how the public receives information. The FCC must keep up with these continuing changes so it can meet its missions of promoting investment and competition in the telecommunications industry, protecting consumers from privacy violations such as the unauthorized use of phone records, ensuring public safety needs are met, and promoting Internet access and choice. The bill includes an increase of \$21,718,000 over the current fiscal year to support these critical activities.

*Fines and penalties.* The Committee is concerned over the level of deterrence that is established when civil and criminal monetary penalties assessed by regulatory agencies are set too low. When such penalties simply become a cost of doing business for violators, they cease to be an effective enforcement tool. The Committee believes that Congress should look at whether current penalties provide an adequate deterrent to unsafe products, consumer fraud, deceitful marketing, and inadequate protection of customer information.

#### SUPPORTING GOOD GOVERNMENT THROUGH PEOPLE AND INFRASTRUCTURE

A strong Federal workforce needs to exist if government is to deliver effective services to the American people. Unfortunately, the Federal workforce has been under attack. This attack dates to the previous Administration and efforts to "reinvent" government and "right-size" the workforce. "Right-sizing" was a code word for "downsizing", and downsizing often resulted in reduced services for citizens.

The current Administration has taken this concept a step further by increasing reliance on contractors, cutting back on the resources—people and money—for basic government services, and al-

lowing the physical infrastructure of government to deteriorate. There has been too little emphasis on creating a workforce that is “right-skilled” or on offering the “right-services”. These ill-advised policies result in a government that is distant from the people that it should serve; government needs to return to being easily accessible and helpful to all Americans.

In 1980, the Federal civilian workforce totaled 1.2 million people. Since that time, the population of this Nation has increased 32 percent, while the number of civilian workers providing services to those people has declined 13 percent. That number has declined by 10 percent just since 1994.

The decline in the public’s accessibility to government services is also reflected in the cutting back of locations throughout the Nation where the public can go for assistance. Agencies’ regional or state offices have been eliminated or consolidated in order to save a few dollars, but the real impact is seen in the public’s reduced accessibility to government. For example, the Department of Agriculture’s Farm Service Agency (FSA) closed 418 local offices across the country from 1995 to 2006 in order to manage its reduced budget and staff. This forces farmers to either stop using FSA services or drive many extra miles to visit an office. The Federal government needs to put resources where they are most needed to provide the services it offers.

In addition to people, these resources must include physical infrastructure to support government services. Major public physical capital investment has declined as a percent of gross domestic product from 2.8 percent in the mid-1980s to an estimated 1.5 percent in fiscal year 2008. An example of this decline can be seen in spending on grants for investments in community and regional development, which fell 61 percent in inflation-adjusted terms from fiscal year 1980 to fiscal year 2006.

*Government contracting.* While the current Administration likes to take credit for “reducing” the size of government, it has also overseen the largest expansion of a “hidden government” of contractors in the history of the Nation. Spending on federal contracts has grown by \$175 billion under this Administration and totaled roughly \$400 billion in fiscal year 2006. This makes contracting one of the fastest, if not the fastest, growing component of the Federal budget. This trend does not bode well for the future as it becomes harder to monitor contractor performance and ensure the effective use of taxpayers’ dollars.

It should also be noted that the United States Government Accountability Office has listed the management of government contracting as a high-risk area due to weaknesses that were discovered in the management and oversight of contractors specifically by the Departments of Defense and Energy, as well as the National Aeronautics and Space Administration.

Earlier this year, the Committee included in H.R. 1591, the U.S. Troop Readiness, Veterans’ Health and Iraq Accountability Act, several provisions to address questionable government contracting practices. These provisions would minimize sole source contracting and cost-reimbursement contracting, require public disclosure of the justification for non-competitive contracts, and improve disclosure of government contractor overcharges.

The growth of the hidden government is also seen in persistent efforts to outsource Federal jobs to contractors. The effectiveness of agencies is measured in part by the Office of Management and Budget by the number of OMB Circular A-76 competitive sourcing competitions they carry out for tasks currently performed by Federal employees. However, replacing Federal workers with contractors raises a host of serious questions relating to the true cost of the contractors. Such cost includes the loss of skilled, technical experts in the Federal workforce who have institutional knowledge and are able to monitor effectively contractor performance.

A-76 competitions that do not take into account all the costs of contracting threaten the future viability of the Federal workforce. This bill addresses this problem by continuing and strengthening language on public-private competitions that has been included in recent appropriations bills.

#### PROJECTS

Congress has made significant reforms in the way it reviews funding for the Federal government; reforms which the Committee takes very seriously as it executes its constitutional authority. Earmarking or directed spending of Federal dollars does not begin with Congress. It begins with the Executive Branch.

The Administration, in selecting projects, goes through a process that is the functional equivalent of earmarking. When the Committee reviews the budget request, it goes through a process of rigorous review and may alter or modify this list to reflect additional priorities.

The Executive Branch also engages in another practice which steers or directs money to specific entities or purposes through a process of contracting out various activities and services.

In many important work locations, the number of people working for contractors exceeds the number of Federal employees in the same building or location. Many of these, in fact, are non-competitive or sole-sourced. When added together, the Executive Branch steers or directs far greater spending to specific projects or corporations than is directed or earmarked by Congress. And the practice of non-competitive contracting has exploded in the past five years.

As noted previously, A-76 competitions potentially outsource Federal workforce responsibilities and result in the loss of technically skilled Federal workers, institutional knowledge and effective oversight over worker performance. Limited-sourcing and sole-sourcing of contracts is another area that has grown rapidly and is a source of concern. In fiscal year 2000, 18 percent of the Treasury Department's outside contracts were not competitively bid. By fiscal year 2006, that number had risen to 28 percent. In fiscal year 2006, the Treasury Department awarded more than \$1,000,000,000 in contracts that were not competitively bid.

There is also a higher potential for abuse. The General Services Administration's (GSA) Office of Inspector General (IG) and the House Committee on Oversight and Government Reform continue to investigate the award of a no-bid contract by the GSA Administrator to a longtime associate. Within two months of Senate confirmation, the Administrator signed a contract for \$20,000 for a 24-page report promoting the GSA's use of minority- and women-owned businesses. Issues surrounding this contract include the lack

of competition in the award process, the drafting of the statement of work by the company, and the non-disclosure of the Administrator's longstanding business relationship with the recipient of the contract. The GSA IG stated in testimony that, "we are talking about the violation of key contracting principles—promoting open competition . . . and avoiding any appearance of personal favoritism in awarding government business—by the leader of the Government's premier civilian contracting agency." Evidence further suggests that a number of actions were taken by the head of this company with the expectation of payment by GSA. While no payment was ultimately made, nonetheless, this action marks an example of potential abuses through the use of sole source contracting.

#### OPERATING PLAN AND REPROGRAMMING PROCEDURES

The Committee will continue to evaluate reprogrammings proposed by agencies. Although reprogrammings may not change either the total amount available in an account or any of the purposes for which the appropriation is legally available, they represent a significant departure from budget plans presented to the Committee in an agency's budget justifications and supporting documents, which are the basis of this appropriations Act.

Section 610 of this Act requires that agencies or entities funded by the Act notify the Committee and obtain prior approval from the Committee for any reprogramming of funds that: (1) creates a new program; (2) eliminates a program, project, or activity; (3) increases funds or personnel for any program, project, or activity for which funds have been denied or restricted by the Congress; (4) proposes to use funds directed for a specific activity by either the House or Senate Committees on Appropriations for a different purpose; (5) augments existing programs, projects, or activities in excess of \$1,000,000 or 10 percent, whichever is less; (6) reduces existing programs, projects, or activities by \$1,000,000 or 10 percent, whichever is less; or (7) reorganizes offices, programs, or activities.

Additionally, the Committee expects to be promptly notified of all reprogramming actions which involve less than the above-mentioned amounts if such actions would have the effect of significantly changing an agency's funding requirements in future years, or if programs or projects specifically cited in the Committee's reports are affected by the reprogramming. Reprogrammings meeting these criteria must be approved by the Committee regardless of the amount proposed to be moved.

Section 610 also directs the agencies funded by this Act to submit operating plans for the Committee's review within 60 days of the bill's enactment. Each operating plan should include: (1) a table for each appropriation with a separate column to display the President's budget request, adjustments made by Congress, adjustments due to enacted rescissions, if appropriate, and the fiscal year enacted level; (2) a delineation in the table for each appropriation both by object class and program, project, and activity as detailed in the budget appendix for the respective appropriation; and (3) an identification of items of special congressional interest.

#### RELATIONSHIP WITH BUDGET OFFICES

Through the years, the Committee has channeled most of its inquiries and requests for information and assistance through the budget offices of the various departments, agencies, and commissions. The Committee has often pointed to the natural affinity and relationship between these organizations and the Committee which makes such a relationship workable. The Committee reiterates its longstanding position that while the Committee reserves the right to call upon all offices in the departments, agencies, and commissions, the primary conjunction between the Committee and these entities must normally be through the budget offices. The Committee appreciates all the assistance received from each of the departments, agencies, and commissions during the past year. The workload generated by the budget process is large and growing, and therefore, a positive, responsive relationship between the Committee and the budget offices is absolutely essential to the appropriations process.

#### QUALITY OF BUDGET DOCUMENTS

For years, the Committee has directed departments and agencies to improve the budget justification document quality and presentation by including relevant and specific budget information. While the Committee has seen some improvement in a few submissions, most justifications continue to be filled with references to the Program Assessment Rating Tool (PART), drowning in pleonasm, and yet still devoid of useful information. The Committee strongly encourages the administration to use a meaningful system of evaluation to justify proposed program funding levels, as long as the basis for the evaluations will also be shared with the Committee. The Committee finds little use for a budget justification which does not reveal specific details of the measurable indicators and standards used to evaluate a program's performance, relevance, or adherence to underlying authorization statute. Further, the Committee has little patience for secretaries and administrators who cannot explain the rationale behind a program's funding level other than "the PART score," "getting to green," or "this is what OMB provided." The Committee welcomes the input from the agencies, and is very interested in the methodologies used by the administration to fund various program priorities.

#### COMMITTEE HEARINGS

The Committee has conducted extensive hearings on the programs and projects provided for in this bill. Pursuant to House rules, each of these hearings was open to the public. The Committee received testimony from agency heads and other officials of the executive branch in areas under the bill's jurisdiction, as well as from certain non-government organizations that participated in these hearings. In addition, the Committee has considered written material submitted for the hearing record by private citizens and organizations. The bill recommendations for fiscal year 2008 have been developed after careful consideration of all the information available to the Committee.

## PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2008, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended, with respect to appropriations contained in the accompanying bill, the terms “program, project, and activity” shall mean any item for which a dollar amount is contained in an appropriations Act (including joint resolutions providing continuing appropriations) or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference. This definition shall apply to all programs for which new budget (obligational) authority is provided.

## TITLE I—DEPARTMENT OF THE TREASURY

## DEPARTMENTAL OFFICES

## SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2007 .....	\$216,348,000
Budget request, fiscal year 2008 .....	250,141,000
Recommended in the bill .....	250,591,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+34,243,000
Budget request, fiscal year 2008 .....	+450,000

The Departmental Offices’ function in the Treasury Department is to provide basic support to the Secretary of the Treasury, the chief operating executive of the Department. The Secretary 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; 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. This account also includes funding for the Office of Professional Responsibility.

## COMMITTEE RECOMMENDATION

The Committee recommends \$250,591,000 for Departmental Offices, Salaries and Expenses, \$450,000 above the budget request and \$34,243,000 above the amounts provided in fiscal year 2007. The funding recommendations are made based on information included in the budget justification. Language is included allowing the Department to transfer up to 2 percent between activities upon notification. Transfers may be made in excess of 2 percent upon approval of the House and Senate Appropriations Committees. Funds are to be allocated as follows:

Executive Direction .....	\$10,115,000
General Counsel .....	9,700,000
Economic Policies and Programs .....	45,450,000
Financial Policies and Programs .....	29,069,000
Terrorism and Financial Intelligence .....	56,475,000
Treasury-wide Management Policies and Programs .....	19,010,000
Administration Programs .....	80,772,000

The Committee includes in its recommendation \$258,000 for unforeseen emergencies; \$5,114,000 for the Treasury-wide Financial Statement Audit and Internal Control program, which is available until September 30, 2009; \$3,000,000 for information technology modernization requirements, which is available until September 30, 2009; \$3,000,000 for secure space requirements, which is available until September 30, 2009; \$2,300,000 available until September 30, 2009, for hiring of personnel whose work will require a security clearance investigation in order to perform highly classified work; \$2,100,000 for development and implementation of programs within the Office of Critical Infrastructure Protection and Compliance Policy, which is available until September 30, 2010; and \$150,000 for official reception and representation expenses. The Committee does not agree to the request to merge the Executive Direction and General Counsel budget activities.

OPERATING PLAN

The Committee directs the Department, upon enactment of the fiscal year 2008 appropriations Act, to submit an operating plan for the fiscal year 2008 resources provided to the Department, including all offices and bureaus, not more than 60 days after enactment. The operating plan must include funding and FTE levels for all offices and activities by fiscal year 2007 actual, fiscal year 2008 request, and fiscal year 2008 enacted. In addition, the plan must include information on any initiative, major procurement, and program at the Department. The operating plan should incorporate input from all senior level managers of the Department, and once submitted, the final plan should be made available to those managers.

FINANCIAL EDUCATION

Within the Financial Policies and Programs budget activity, the Committee provides \$900,000 for the Department's Office of Financial Education, an increase of approximately \$200,000 over the amount assumed in the President's request. The Committee notes that the Office of Financial Education lends primary support to the Financial Literacy and Education Commission, which is charged with developing a National Strategy for Financial Literacy, in conjunction with 20 Federal agencies, to improve basic financial literacy and education for all Americans. A recent report from the Government Accountability Office (GAO) notes that this strategy is largely descriptive rather than strategic and lacks certain key characteristics that are desirable in a national strategy, including clear and specific goals or performance measures by which to benchmark progress, an explanation of the resources needed to accomplish these goals, or a complete discussion of agency roles, responsibilities, and accountability. GAO recommended that the Commission (1) incorporate additional elements into the national strategy to help measure results and ensure accountability, (2) conduct

usability tests of and measure customer satisfaction with its web site, (3) independently review for duplication and evaluate the effectiveness of federal activities, and (4) expand upon current efforts to cultivate sustainable partnerships with nonprofit and private entities. The Committee directs the Department to utilize the additional funding above the request for the Office of Financial Education to further the office's outreach and education activities, with a particular emphasis on elementary and high schools, and to help implement GAO's recommendations.

#### SUBPRIME LENDING

The Committee notes that significant hardship has come upon an increased number of low and moderate-income families as a result of an increase in mortgage defaults and foreclosures, particularly associated with subprime mortgages. The Committee notes that last October, financial regulators issued guidance for alternative mortgage products, and, in March 2007, a proposed statement for subprime lending. The Committee believes strongly in the importance of homeownership for low and moderate-income persons and encourages the Department, in conjunction with the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the Federal Financial Institutions Examination Council, to further the goal of preventing defaults and foreclosures, while at the same time promoting increased homeownership for low and moderate-income families and individuals.

#### THE OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE

The Committee recommends \$56,475,000 for the Office of Terrorism and Financial Intelligence, an increase of \$250,000 above the President's request and \$13,018,000 above amounts provided in fiscal year 2007. Within the funds for the Office of Foreign Assets Control, \$250,000 is provided for efforts to reduce the backlog of Freedom of Information Act (FOIA) requests.

#### CHARITIES TARGETED FOR FREEZE ACTIONS

While the Committee is supportive of the work of the Office of Terrorism and Financial Intelligence, the Committee has concerns with regard to the freezing of assets associated with charities suspected of having links to terrorist activity. Support for terrorist activity is unacceptable, and the Department should continue to exercise its authorities to disrupt the financing and other support for terrorist activity. At the same time, the Committee is concerned about the status of funds given to charities by individual donors who believed that the funds would be used in good faith and who were unaware of any suspected links to terrorism. The Committee encourages the Department to work on ways to ensure that the funds of these particular donors can be returned to the donors, in the event of freeze actions taken against the charities.

#### OFFICE OF FOREIGN ASSETS CONTROL (OFAC) FULL-TIME EQUIVALENT STAFF

The Committee directs the Department to provide, as part of its Operating Plan, the number of FTEs devoted to the Cuba sanctions program within the Office of Foreign Assets Control, as well as the

number of FTEs devoted to sanctions programs directed against Foreign Terrorist Organizations.

#### SPECIALLY DESIGNATED NATIONALS LIST

The Committee supports the use of the Specially Designated Nationals (SDN) list as a critical tool in the fight against terrorism, weapons proliferation, drug trafficking, and other offenses. At the same time, however, the Committee is also aware of problems that have arisen as a result of Americans having names that are similar to the names of individuals on the SDN list. In many cases, individuals have found themselves denied mortgages, car loans, or other financial services as a result of being falsely identified as being on the SDN list. The Committee urges the Department to continue to work diligently to educate credit bureaus, banks, and other private sector entities of the importance of carefully using the Specially Designated Nationals list to avoid false identifications.

#### COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES

The Committee recommendation assumes that \$300,000 of the funds provided for Administration Programs and \$640,000 of the funds provided for Economic Policies and Programs are for additional staff in support of the work of the Committee on Foreign Investment in the United States (CFIUS), as requested. The Committee notes that the CFIUS caseload has grown dramatically, with 113 cases filed in 2006 and more expected in 2007. The Committee expects the Department to continue to ensure communication between CFIUS and the Congress and to continue providing notification to Congress of completed reviews.

#### CURRENCY MANIPULATION

The Committee appreciates the efforts of the Treasury Department in leading the U.S.-China Strategic Economic Dialogue which is intended to address issues such as the value of Chinese currency, human rights, energy, intellectual property rights and other topics. However, the Committee remains extremely concerned that China's currency is significantly undervalued as compared to the U.S. dollar because the Chinese government pegs the yuan to the dollar, thereby not allowing market forces to determine the true exchange rate between the two currencies. An undervalued Chinese currency makes Chinese exports to the U.S. cheaper and U.S. exports to China more expensive. This has caused job dislocation in several sectors of the economy and has added to the growing U.S. trade deficit. While the Committee understands that China has taken small steps to reform its currency policy, the Committee remains extremely troubled with the slow pace of China's currency reforms. The Committee recommendation provides an increase of \$618,000, as requested, to enhance the Department's international economic policy coordination. With these additional resources, the Committee expects the Department to increase its efforts to work with the Chinese government to immediately implement currency reforms.

#### TRAVEL CAP

The Committee has not included a travel limitation, which was \$3,000,000 in fiscal years 2006 and 2007. The Committee remains

concerned about politically motivated travel, but understands that continuing to restrict the travel of all Treasury offices and bureaus may negatively impact mission operations. The Committee will continue to monitor travel and re-evaluate this position at the next appropriate time. Therefore, the Committee restates the travel report directives contained in House Report 108-792 and directs the Department to include the purpose of the reported travel in the quarterly report. The Committee also continues the direction that the Secretary shall ensure that a portion of travel funds are made available to General Schedule employees to support the training and development of all Departmental Office employees.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS  
(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2007 .....	\$30,268,000
Budget request, fiscal year 2008 .....	18,710,000
Recommended in the bill .....	18,710,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 11,558,000
Budget request, fiscal year 2008 .....	- - -

The Department-wide Systems and Capital Investments Programs 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.

COMMITTEE RECOMMENDATION

The Committee recommends \$18,710,000 for Department-wide Systems and Capital Investments Programs, the same as the budget request and \$11,558,000 below the amounts provided in fiscal year 2007. Funds are available until September 30, 2010.

INFORMATION TECHNOLOGY PROJECT MANAGEMENT

The Committee remains concerned about the Department’s track record in executing major information technology projects. The Committee directs the Department to provide detailed information regarding all information technology initiatives and investments, development and implementation timelines, and costs and savings in the Department’s operating plan.

INFORMATION SECURITY WEAKNESSES

The Committee notes that the Treasury Department has made progress in moving toward compliance with the requirements of the Federal Information Security Management Act (FISMA), particularly in the areas of security awareness training, specialized information technology training, and systems inventories. However, an annual independent evaluation of the Department’s information security programs and practices found deficiencies in non-national security systems that, in the aggregate, constitute substantial non-compliance with FISMA and require additional improvements to adequately protect the information and systems that support Treasury operations. The Committee expects the Department to work diligently to implement the recommendations of the inde-

pendent evaluation, including improvements to: the Department's security certification and accreditation process; security awareness efforts and training; plan of action and milestones (POA&M) documents; identification of systems interfaces; security self assessments; categorizations of systems; configuration management process; and incident response process.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$16,957,000
Budget request, fiscal year 2008 .....	18,450,000
Recommended in the bill .....	18,450,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+1,493,000
Budget request, fiscal year 2008 .....	- - -

The Office of Inspector General provides agency-wide audit and investigative functions to identify and correct operational and administrative deficiencies which create conditions for existing or potential instances 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.

COMMITTEE RECOMMENDATION

The Committee recommends \$18,450,000 for the Office of Inspector General, the same as the budget request and \$1,493,000 above the amounts provided in fiscal year 2007. The bill includes \$2,000,000 for official travel expenses, \$2,500 for official reception and representation expenses, and up to \$100,000 for unforeseen emergencies.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$132,861,000
Budget request, fiscal year 2008 .....	140,533,000
Recommended in the bill .....	140,533,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+7,672,000
Budget request, fiscal year 2008 .....	- - -

The Internal Revenue Service (IRS) Restructuring and Reform Act of 1998 established the Office of Treasury Inspector General for Tax Administration (TIGTA) and abolished the IRS Office of the Chief Inspector. TIGTA 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 as fol-

lows: (1) to 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) to recommend actions to resolve fraud and other serious problems, abuses, and deficiencies in these programs and operations.

COMMITTEE RECOMMENDATION

The Committee recommends \$140,533,000 for the Treasury Inspector General for Tax Administration, the same as the budget request and \$7,672,000 above the amounts provided in fiscal year 2007.

AIR TRANSPORTATION STABILIZATION PROGRAM

(INCLUDING RESCISSION OF FUNDS)

Appropriation, fiscal year 2007 .....	- - -
Budget request, fiscal year 2008 .....	-\$3,600,000
Recommended in the bill .....	-3,600,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	-3,600,000
Budget request, fiscal year 2008 .....	- - -

The Air Transportation Stabilization Board (ATSB) was authorized in the Air Transportation Safety and Stabilization Act to issue \$10,000,000,000 of federal credit instruments to air carriers. The statute requires the compensation of air carriers “for losses incurred by the air carriers as a result of the terrorist attacks on the United States that occurred on September 11, 2001,” and provides among other criteria, that “such agreement is a necessary part of maintaining a safe, efficient, and viable commercial aviation system in the United States.”

COMMITTEE RECOMMENDATION

The Committee recommendation rescinds \$3,600,000 in unobligated balances, as proposed in the President’s budget. It is the Committee’s understanding that the Board has met the requirements established under Public Law 107–42, has one loan remaining, and expects to complete its activities in fiscal year 2007.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$73,216,000
Budget request, fiscal year 2008 .....	85,844,000
Recommended in the bill .....	83,344,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+10,128,000
Budget request, fiscal year 2008 .....	-2,500,000

The Financial Crimes Enforcement Network (FinCEN) is responsible for implementing Treasury’s anti-money laundering regulations through administration of the Bank Secrecy Act (BSA), 31 U.S.C. section 5311, et seq. It also serves as a U.S. Government source for the systematic collection and analysis of information to assist in the investigation of money laundering and other financial crimes. FinCEN supports law enforcement investigative efforts by Federal, state, local and international agencies, and fosters inter-agency and global cooperation against domestic and international

financial crimes. It also provides U.S. policymakers with strategic analyses of domestic and worldwide trends and patterns. It works to prevent 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.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$83,344,000 for the Financial Crimes Enforcement Network, \$2,500,000 below the budget request and \$10,128,000 above the amounts provided in fiscal year 2007. Of the amounts provided, \$8,955,000 is available until September 30, 2009, for regulatory support programs, and \$16,340,000 is available until September 30, 2010, for information technology and special analytical initiatives. The Committee has not included \$2,500,000 in requested funds to begin implementation of the cross-border wire transfer initiative. The Committee notes that the Department has still not made a final determination as to whether to proceed with this initiative, and that a planned cost-benefit analysis of the initiative has yet to take place.

#### PROJECT MANAGEMENT

FinCEN has experienced its share of difficulty in managing information technology projects. This was especially evident in last year's failure associated with the project to upgrade the retrieval and sharing component of BSA Direct. After nearly two years in development and \$15,000,000 spent, FinCEN terminated the project contract when significant concerns were raised about schedule delays and project management. The Committee has included the requested amount of \$1,750,000 for improvements to FinCEN's project management capability and fully expects FinCEN to avoid future project failures.

#### FINANCIAL MANAGEMENT SERVICE

##### SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$235,381,000
Budget request, fiscal year 2008 .....	235,191,000
Recommended in the bill .....	234,423,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 958,000
Budget request, fiscal year 2008 .....	- 768,000

The Financial Management Service (FMS) is responsible for the management of Federal finances and the collection of Federal debt. As the Federal 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 operate 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 collecting Federal non-tax debt that is due and owed to the Government and coordinating efforts to collect debt from those who have defaulted on agreements with the Federal Government.

COMMITTEE RECOMMENDATION

The Committee recommends \$234,423,000 for the Financial Management Service, \$768,000 below the budget request and \$958,000 below the amounts provided in fiscal year 2007. The Committee notes that not to exceed 50 percent of any end-of-year balances of budget authority may remain available in fiscal year 2008 under the terms and conditions of the fiscal year 2007 enacted bill. The Committee believes, therefore, that a reduction to the budget request of \$768,000 is appropriate to reflect a minimum level of expected end-of-year balances that will be available in fiscal year 2008 and will not affect the operations of the account. Of the funds provided, the Committee recommends \$9,220,000 for information systems modernization initiatives, which is available until September 30, 2010, and \$2,500 for official reception and representation expenses.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	90,618,000
Budget request, fiscal year 2008 .....	93,515,000
Recommended in the bill .....	93,515,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+2,897,000
Budget request, fiscal year 2008 .....	--

The Alcohol and Tobacco Tax and Trade Bureau (TTB) 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, and tobacco. TTB focuses on collecting revenue; reducing taxpayer burden and improving service while preventing diversion; and protecting the public and preventing consumer deception in certain regulated commodities.

COMMITTEE RECOMMENDATION

The Committee recommends \$93,515,000 for the Alcohol and Tobacco Tax and Trade Bureau, the same as the budget request and \$2,897,000 above the amounts provided in fiscal year 2007. Within the amount provided, the bill includes up to \$6,000 for official reception and representation expenses and up to \$50,000 for cooperative research and development programs.

UNITED STATES MINT

UNITED STATES MINT PUBLIC ENTERPRISE FUND

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

of the Congress such that those levels compete with other requirements for funding.

#### COMMITTEE RECOMMENDATION

The Committee recommends a spending level for capital investments by the Mint for circulating coinage and protective services of \$33,200,000, the same as the budget request and \$6,432,000 above the fiscal year 2007 spending level. The following table provides basic information on the revenues, costs, and products of the Mint for fiscal years 2006 through 2008:

	Circulating coins	Quarters	Numismatic/Bullion	Protection
2006 (Actual):				
Number of coins	13.1 billion .....	3.0 billion .....	24 million.	
Cost of Operations	\$326 million .....	\$269 million .....	\$873 million .....	\$37 million
Revenue*	\$520 million .....	\$752 million .....	\$1,052 million.	
2007 (Est.):				
Number of coins	12.5 billion .....	2.7 billion .....	24 million.	
Cost of Operations	\$454 million .....	\$414 million .....	\$1,044 million .....	\$38 million
Revenue*	\$980 million .....	\$680 million .....	\$1,050 million.	
2008 (Est.):				
Number of coins	12.4 billion .....	2.7 billion .....	24 million.	
Cost of Operations	\$408 million .....	\$410 million .....	\$1,041 million .....	\$39 million
Revenue*	\$838 million .....	\$687 million .....	\$1,050 million.	
Net Revenue (FY 2008)**	\$430 million .....	\$277 million .....	\$9 million .....	(\$39) million

\*Revenue estimates here are shown as the face value of circulating coins and quarters, and the sales of numismatic/bullion coins. In budgetary terms, this corresponds to the total earned revenues plus total other financing sources.

\*\*Net Revenue shown here is calculated as the difference between Revenue and Cost of Operations in FY 2008. In budgetary terms, this represents circulating coinage seigniorage and numismatic program profit.

#### BUREAU OF THE PUBLIC DEBT

##### ADMINISTERING THE PUBLIC DEBT

Appropriation, fiscal year 2007 .....	\$180,623,000
Budget request, fiscal year 2008 .....	182,871,000
Recommended in the bill .....	182,871,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+2,248,000
Budget request, fiscal year 2008 .....	— — —

The Bureau of the Public Debt is responsible for the conduct of all public debt operations and the promotion of the sale of U.S. securities.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$182,871,000 for Administering the Public Debt, the same as the budget request and \$2,248,000 above the amounts provided in fiscal year 2007. Of this amount, the Committee recommends \$2,500 for official reception and representation expenses, and \$2,000,000 for systems modernization, which is available until September 30, 2010. Language is included that reduces the total amount by no more than \$10,000,000 as definitive security issue fees and Treasury Direct Investor Account Maintenance fees are collected.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND  
PROGRAM ACCOUNT

Appropriation, fiscal year 2007 .....	\$54,506,000
Budget request, fiscal year 2008 .....	28,557,000
Recommended in the bill .....	100,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	45,494,000
Budget request, fiscal year 2008 .....	71,443,000

The Community Development Financial Institutions (CDFI) Fund provides grants, loans, equity investments, and technical assistance to new and existing community development financial institutions such as community development banks, community development credit unions, and housing and microenterprise loan funds. Recipients use the funds to support mortgage, small business and economic development lending in underserved and distressed neighborhoods and to support the availability of financial services in these neighborhoods. The Fund is also responsible for implementation of the Community Renewal Tax Relief Act of 2000.

COMMITTEE RECOMMENDATION

The Committee recommends \$100,000,000 for the CDFI Fund program, \$71,443,000 above the budget request and \$45,494,000 above the amounts provided in fiscal year 2007. Of the funds provided, \$13,500,000 is for administrative costs of the program. The Committee directs that the Bank Enterprise Award (BEA) program be funded at not less than \$14,000,000.

The Committee notes that poverty, lack of economic opportunity, and lack of low-cost financial services continue to be problems across much of the Nation, particularly in many Hispanic-American, African-American, and Native American communities. The Committee appreciates the ongoing efforts of the CDFI Fund to work to remedy the particular problems in these communities and strongly encourages the CDFI Fund to continue to place a heavy emphasis on these efforts.

BUREAU OF ENGRAVING AND PRINTING

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 U.S., such as postage and internal revenue stamps. The BEP also executes certain printings for various territories administered by the U.S., particularly postage and revenue stamps.

The operations of the BEP are financed by a revolving fund established in accordance with the provisions of Public Law 81-656, August 4, 1950 (31 U.S.C. 181), which requires the BEP to be reimbursed by customer agencies for the costs of all 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. The following table summarizes BEP revenue and expense data for fiscal years 2006 through 2008:

Description	FY 2006	FY 2007	FY 2008
	Actual	Estimated	Estimated
Revenue:			
Federal Reserve Notes .....	\$467,000	\$550,000	\$596,000
Postage Stamps .....	3,000	--	--
Other Security Products & Services .....	7,000	6,000	6,000
Total Revenue .....	\$447,000	\$556,000	\$602,000
Cost of operations .....	\$486,000	\$556,000	\$602,000
Net Revenue (to Treasury)* .....	(\$9,000)	--	--

\*The loss of \$9 million in FY 2006 was planned and funded out of working capital.

## INTERNAL REVENUE SERVICE

### TAXPAYER SERVICES

Appropriation, fiscal year 2007 .....	\$2,138,238,000
Budget request, fiscal year 2008 .....	2,103,089,000
Recommended in the bill .....	2,155,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+16,762,000
Budget request, fiscal year 2008 .....	+51,911,000

The Taxpayer Services appropriation provides for taxpayer services, including forms and publications; processing tax returns and related documents; filing and account services; taxpayer advocacy services; and assisting taxpayers to understand their tax obligations, correctly file their returns, and pay taxes due in a timely manner.

### COMMITTEE RECOMMENDATION

The Committee recommends \$2,155,000,000 for Taxpayer Services, an increase of \$51,911,000 above the amounts provided in the President's request, and \$16,762,000 above amounts provided in fiscal year 2007. Of the funds provided, the Committee recommends \$8,000,000 for low-income taxpayer clinic grants and up to \$4,100,000 for the Tax Counseling for the Elderly Program. The Committee has also included not less than \$179,600,000 for operating expenses of the Taxpayer Advocate Service, an increase of \$9,317,000 above the amount assumed in the President's request.

In addition, the Committee has provided increases over the President's request in the following areas: (1) \$71,500,000 for Pre-filing Services Management, an increase of \$6,194,000 above the amount assumed in the President's request; (2) \$127,500,000 for Taxpayer Communications and Education, an increase of \$12,827,000 above the amount assumed in the President's request. The Committee directs that this increase be directed toward the development and management of educational programs, partnerships with stakeholder groups, and the dissemination of tax information to taxpayers and the general public through a variety of media; (3) \$70,000,000 for Media and Publications, an increase of \$5,253,000 above the amount assumed in the President's request; and (4) \$165,228,000 for Account Management and Assistance—Field Assistance, an increase of \$18,320,000 above the amount assumed in the President's request. The Committee directs that this increase be directed toward face-to-face assistance, education, and compliance services to taxpayers, including tax return preparation and answering tax questions.

The Committee directs that all of these increases be added to the base and included in future-year budget requests.

#### CONTINUING IMPORTANCE OF IRS TAXPAYER SERVICES

The Committee believes these funding increases are especially necessary because the IRS has reduced these activities significantly in recent years. These services are important in helping individuals and businesses to understand their tax obligations and to file correct tax returns. While the IRS notes that an increasing amount of these services are being provided as a result of various volunteer efforts, including Volunteer Income Tax Assistance (VITA) sites, Tax Counseling for the Elderly (TCE) sites, and others, the Committee believes that this should not serve as a justification to reduce IRS services in these areas. Volunteer services should supplement, not replace, IRS services. The Committee notes that the IRS Oversight Board and the IRS National Taxpayer Advocate have both stressed the continued importance of IRS services related to outreach and education, and the IRS National Taxpayer Advocate has additionally stressed the importance of maintaining IRS assistance in preparing tax returns.

The Committee directs IRS to strengthen, improve, and expand taxpayer service. In recent years, the IRS has made an attempt to close 68 Taxpayer Assistance Centers and to reduce telephone service operating hours, while at the same time eliminating other IRS services such as Telefile. These services are important to taxpayers, particularly those with low incomes who often lack Internet access. At the same time, taxpayer services that seem expensive for the IRS to maintain, such as Taxpayer Assistance Centers, may actually pay for themselves by helping taxpayers to comply with their tax obligations and pay what they owe. According to a survey commissioned by the IRS Oversight Board, approximately 41 percent of U.S. taxpayer households contacted the IRS at least once within the last two years. A reduction in the IRS mission of taxpayer service is unacceptable.

The Committee is appreciative of the combined efforts of the IRS, the IRS National Taxpayer Advocate, and the IRS Oversight Board in crafting the congressionally-mandated Taxpayer Assistance Blueprint. The IRS is directed to provide semiannual reports to the Committee, beginning not later than 60 days after the date of enactment, on the status of the implementation of the Taxpayer Assistance Blueprint. The Committee further directs that such reports be prepared in consultation with the IRS National Taxpayer Advocate and the IRS Oversight Board.

#### IRS SERVICES FOR LIMITED ENGLISH PROFICIENT TAXPAYERS

The Committee is concerned about the availability of IRS taxpayer services for taxpayers with limited or no proficiency in English. In her most recent annual report, the IRS National Taxpayer Advocate noted that, although 6 percent of taxpayers do not speak English at home, a significant number of IRS services, forms, and publications are available only in English. While the Committee appreciates the progress the IRS has made in recent years, including efforts to implement a Spanish-language version of the "Where's My Refund?" service, the Committee shares the Taxpayer Advocate's assessment that more needs to be done, especially for

languages other than Spanish but also for Spanish-language services. The Committee directs IRS to improve and expand upon its efforts at non-English language versions of IRS forms and services, including Free File.

SCHEDULING APPOINTMENTS AT IRS TAXPAYER ASSISTANCE CENTERS

The Committee is concerned about the findings of an October 2006 TIGTA report that concluded that taxpayers who call local IRS Taxpayer Assistance Centers (TAC's) are often unable to schedule appointments to resolve tax issues. While many taxpayers are able to resolve account issues through other means, the Committee strongly believes that face-to-face services must remain available for taxpayers. The Committee is encouraged that IRS has committed to implementing TIGTA's recommendations for improving the TAC telephone hotline program (the 3709 Line Program) and expects IRS to keep the Committee updated on the status of the improvements.

USER FEE COLLECTIONS

The Committee is concerned about the budget assumption of \$131,000,000 in user fee collections. The budget request assumes the various appropriations accounts of IRS will be supplemented by the user fee collections, with \$94,500,000 of the fee collections supplementing the Taxpayer Services account. The Committee notes that there is risk in assuming these fee collections will materialize as projected. The IRS is directed to report to the Committee on a quarterly basis, beginning not later than 60 days after the date of enactment of this Act, with updated projections on expected user fees collections.

DISABLED VETERANS

The Committee appreciates the efforts of the IRS in working with the Department of Veterans Affairs (VA) to determine the number of disabled military retirees who have been denied back tax refunds due to the 3-year statute of limitations. The Committee directs IRS to: (1) retain the information it has obtained regarding veterans who have been denied back tax refunds, and (2) continue to work with the VA to identify additional cases arising in tax year 2006 of affected veterans who have been denied back tax refunds due to the 3-year statute of limitations. The Committee directs IRS to provide an update on these efforts to the Committee by no later than 90 days following the date of enactment.

ENFORCEMENT

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2007 .....	\$4,686,478,000
Budget request, fiscal year 2008 .....	4,925,498,000
Recommended in the bill .....	4,925,498,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+239,020,000
Budget request, fiscal year 2008 .....	-----

The Enforcement appropriation provides for the examination of tax returns, both domestic and international; the administrative and judicial settlement of taxpayer appeals of examination find-

ings; 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; identifying underreporting of tax obligations; securing unfiled tax returns; and collecting unpaid accounts.

COMMITTEE RECOMMENDATION

The Committee recommends \$4,925,498,000 for Enforcement. Of the funds provided, the Committee recommends \$57,252,000 to support IRS activities under the Interagency Crime and Drug Enforcement program and allows up to \$10,000,000 to be transferred to Operations Support for the purposes of the Interagency Crime and Drug Enforcement program.

THE EARNED INCOME TAX CREDIT

The Committee shares the strong concerns expressed by the IRS National Taxpayer Advocate about IRS enforcement efforts targeted at Earned Income Tax Credit (EITC) claimants. While the Committee believes that fraudulent EITC claims, like other fraudulent tax claims, should be denied, the Committee also believes that great care must accompany any enforcement efforts in the area of EITC claims. Under the IRS Questionable Refund Program, it was discovered that thousands of legitimate EITC claims were delayed by multiple months. Such delays impose tremendous hardships on low-income families and individuals who depend on the Earned Income Tax Credit refund for a significant portion of annual income. While the Committee appreciates that the IRS has moved to place safeguards on its examinations of EITC claims, the Committee notes that EITC refund claims still comprise 40 percent of all IRS individual examinations. It is simply unacceptable for the legitimate EITC refunds of low-income families and individuals to be delayed. The Committee expects IRS to make every effort to ensure that delays do not happen.

OPERATIONS SUPPORT

Appropriation, fiscal year 2007 .....	\$3,544,835,000
Budget request, fiscal year 2008 .....	3,769,587,000
Recommended in the bill .....	3,769,587,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+224,752,000
Budget request, fiscal year 2008 .....	---

The Operations Support appropriation provides for overall planning and direction of the IRS, including shared service support related to facilities services, rent payments, printing, postage, and security; other support functions that are considered overhead but essential to the successful operation of IRS programs including resources for headquarters management activities, including IRS-wide support for strategic planning, communications and liaison, finance, human resources, EEO and diversity; research and statistics of income; and necessary expenses for information systems and telecommunication support, including developmental information systems and operational information systems.

## COMMITTEE RECOMMENDATION

The Committee recommends \$3,769,587,000 for Operations Support, the same as the request and \$224,752,000 above the amounts provided in fiscal year 2007. Of the funds provided, not to exceed \$1,600,000 is for the IRS Oversight Board, \$25,000 is for official reception and representation expenses, \$1,000,000 is available until September 30, 2010, for research, and \$75,000,000 is available until September 30, 2009, for information technology support.

## BUDGETARY TREATMENT OF OPERATIONS SUPPORT ACCOUNT

The Committee notes that the IRS, in its fiscal year 2008 budget presentation, has presented its budget request for Taxpayer Service and Enforcement in two separate sets of numbers. The first set contains the numbers by appropriation account. The second set includes higher amounts for both Taxpayer Service and Enforcement, by combining each one with portions of the Operations Support appropriation. Under this second presentation of numbers, Taxpayer Service, for example, appears to be proposed for an increase relative to fiscal year 2007, whereas in the account-by-account listing of numbers, the request for Taxpayer Service is proposed to be reduced below the fiscal year 2007 amount. The IRS is directed to provide the Committee with additional information on how the requested funds for Operations Support will be spent. The Committee expects future budget justifications to include a more thorough explanation of the budgetary treatment of this account, including its relationship to service and enforcement.

## INFORMATION TECHNOLOGY PROJECTS

The Committee remains concerned with the management of information technology (IT) projects. While progress has been made with the Business Systems Modernization (BSM) program, the IRS must not neglect the non-BSM projects. Mid-filing season failure of critical non-BSM systems should not and must not happen. The Committee directs the IRS to review all critical systems and report to the Committee by October 31, 2007, on any system problems or risks that could impact the 2008 filing season, including corrective actions.

In addition, the Committee is troubled by the findings of a January 2007 TIGTA report showing that the business cases used to manage and fund specific IRS information technology investments remain inaccurate and unreliable, resulting in potential mismanagement and waste of taxpayer dollars. The Committee notes that TIGTA has provided various recommended actions to be undertaken by the IRS Chief Information Officer (CIO), including improvements to oversight, reviews, access controls, and coordination with Treasury's Capital Planning and Investment Control office. The Committee is pleased that the IRS has agreed with TIGTA's recommendations and plans to complete corrective actions for all recommendations by October 2007. The Committee expects the Commissioner, CIO, and other senior IRS leadership to continue to work to ensure the reliability of cost and schedule information associated with information technology investments.

## IRS INFORMATION SECURITY

The Committee notes that, while recent TIGTA and GAO evaluations found that the IRS has made some progress toward improving information security, there are still areas of significant concern. The Committee is particularly troubled by the findings of TIGTA's March 23, 2007 report that the IRS has lost at least 490 laptop computers over the last 4 years. The report noted that "it is very likely a large number of the lost or stolen IRS computers contained . . . unencrypted data", exposing a significant number of taxpayers to potential identity theft. The Committee believes that it is absolutely essential that the IRS work to prevent taxpayer personal information from becoming compromised. The Committee is encouraged that the IRS has agreed to implement the recommendations of TIGTA's report, including recommendations related to incident response procedures; quantification of the impact of past incidents; employee awareness and training; cable locks; encryption checks; systemic disk encryption; boot process settings; encryption of backup data sent to non-IRS facilities; and reviews of backup media, access lists, and physical security.

At the same time, however, the Committee is deeply disturbed by the findings of a March 30, 2007 GAO report on information security at IRS, which notes that "until IRS fully implements an agencywide information security program that includes risk assessments, enhanced policies and procedures, security plans, training, adequate tests and evaluations, and a continuity of operations process for all major systems, the financial and sensitive taxpayer information on its systems will remain vulnerable." The Committee expects IRS to work diligently to implement the recommendations of GAO's report as quickly as possible.

## BUSINESS SYSTEMS MODERNIZATION

Appropriation, fiscal year 2007 .....	\$212,659,000
Budget request, fiscal year 2008 .....	282,090,000
Recommended in the bill .....	282,090,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+69,431,000
Budget request, fiscal year 2008 .....	---

The Business Systems Modernization appropriation provides funding to modernize key business systems of the Internal Revenue Service.

## COMMITTEE RECOMMENDATION

The Committee recommends \$282,090,000 for Business Systems Modernization (BSM), the same as the budget request and \$69,431,000 above the amounts provided in fiscal year 2007. Consistent with previous years, the release of the funds, with the exception of labor costs, is subject to the approval of a GAO-reviewed expenditure plan. The Department is directed to notify the Committee, within seven days, if BSM management funds are reallocated to the capital asset acquisition program.

The GAO has noted that IRS has made significant progress in implementing GAO's prior recommendations and improving modernization management controls and capabilities. However, two key projects experienced cost overruns during 2006, and critical controls and capabilities related to requirements development and

management and post-implementation reviews of deployed BSM projects have not yet been fully implemented. In addition, more work remains to be done to fully develop a long-term vision and strategy for completing the BSM program, including establishing time frames for consolidating and retiring legacy systems. Future BSM project releases continue to face significant risks and issues that could impact overall cost and schedule estimates. The Committee is encouraged that IRS recognizes this and has developed mitigation strategies. The Committee expects IRS to work diligently to implement GAO’s recommendations and to immediately report to the Committee any delays or cost overruns associated with BSM efforts.

INTEGRATED FINANCIAL SYSTEM PROJECT

The Committee notes that the IRS Oversight Board has expressed support for funding and completing upgrades to the IRS enterprise-wide Integrated Financial System (IFS). As the fiscal year 2008 budget report of the IRS Oversight Board notes, “the IFS upgrade is needed to ensure that the IRS remains in compliance with federal accounting and other financial management requirements.” The Committee notes that TIGTA has reported that the IRS lacks a comprehensive, integrated system that provides accurate, relevant, and timely financial and operating data describing the performance measures, productivity, and associated costs of IRS programs. The Committee directs IRS to report to the Committee, within 60 days of enactment, on plans for upgrades to the Integrated Financial System.

HEALTH INSURANCE TAX CREDIT ADMINISTRATION

Appropriation, fiscal year 2007 .....	\$14,856,000
Budget request, fiscal year 2008 .....	15,235,000
Recommended in the bill .....	15,235,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+379,000
Budget request, fiscal year 2008 .....	---

The Health Insurance Tax Credit Administration appropriation provides contractor support to develop and administer the advance payment option for the health insurance tax credit included in Public Law 107-210, the Trade Act of 2002.

COMMITTEE RECOMMENDATION

The Committee recommends \$15,235,000 for Health Insurance Tax Credit Administration, the same as the budget request and \$379,000 above the amount provided in fiscal year 2007.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

(INCLUDING TRANSFER OF FUNDS)

Section 101. The Committee continues a provision that allows for the transfer of five percent (three percent in the case of Enforcement) of any appropriation made available to the IRS to any other IRS appropriation, upon the advance approval of the Committees on Appropriations.

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

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

Section 104. The Committee continues a provision that makes funds available for improved facilities and increased manpower to provide efficient and effective 800 number help line service for taxpayers.

Section 105. The Committee includes a provision directing that not less than \$6,822,000,000 shall be available for tax enforcement and related support activities funding in the Enforcement and Operations Support accounts, and that an additional \$406,000,000 shall be available for tax enforcement and related support activities.

Section 106. The Committee includes a provision limiting to \$1,000,000 the amount of funds in this or any other Act that may be used to enter into, renew, extend, administer, implement, enforce, provide oversight of, or make any payment related to any qualified tax collection contract (as defined in section 6306 of the Internal Revenue Code of 1986). The Committee seriously questions the efficacy of this program. Since September 2006, the IRS has been utilizing private debt collection companies to collect various tax debts, while allowing the private companies to keep up to 24 percent of all the tax debt they help collect. The Committee strongly believes that this giveaway to private debt collectors amounts to a waste of taxpayer resources; it is money that should be received into the U.S. Treasury. Indeed, the Commissioner of Internal Revenue has publicly acknowledged that these cases could be pursued less expensively by employees of the IRS. The Committee urges the IRS to study the feasibility of retraining IRS employees who are losing jobs as a result of the rampdown of IRS submission processing centers. These employees could perform the same tasks as the private debt collection company employees, without the Federal Government having to lose up to 24 percent of the taxes they collect. The Committee directs IRS to report to the Committee within 30 days of enactment on the feasibility of retraining IRS employees to handle the cases that are currently being assigned to private debt collection companies.

Section 107. The Committee includes a new provision that extends, through July 23, 2013, the authority of the Secretary of the Treasury to exercise streamlined critical pay authority with respect to certain IRS professional positions, as provided by the Internal Revenue Service Restructuring and Reform Act of 1997 (Public Law 105–206).

Section 108. The Committee includes a new provision that extends, through July 23, 2013, the authority of the Secretary of the Treasury with respect to certain IRS personnel flexibilities relating to recruitment, retention, relocation incentives, and performance awards, under the Internal Revenue Service Restructuring and Reform Act of 1997 (Public Law 105–206).

Section 109. The Committee includes a new provision transferring from the Office of Management and Budget to the Office of Personnel Management the authority to fix the rate of basic pay for

IRS positions that have been designated by the Secretary of the Treasury under streamlined critical pay authority.

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY

Section 110. The Committee continues a provision that allows the Department of the Treasury to purchase uniforms, insurance, and motor vehicles without regard to the general purchase price limitations, and enter into contracts with the State Department for health and medical services for Treasury employees in overseas locations.

Section 111. The Committee continues a provision that authorizes transfers, up to two percent, between “Departmental Offices—Salaries and Expenses”, “Office of the Inspector General”, “Financial Management Service”, “Alcohol and Tobacco Tax and Trade Bureau”, “Financial Crimes Enforcement Network”, and the “Bureau of the Public Debt” appropriations under certain circumstances.

Section 112. The Committee continues a provision that authorizes transfer, up to two percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 113. The Committee continues a provision limiting funds for the purchase of law enforcement vehicles unless the purchase is consistent with vehicle management principles.

Section 114. The Committee continues a provision that prohibits the Department of the Treasury from undertaking a redesign of the one dollar Federal Reserve note.

Section 115. The Committee continues a provision that provides for transfers from and reimbursements to “Financial Management Service, Salaries and Expenses” for the purposes of debt collection.

Section 116. The Committee continues a provision extending the pay demonstration program.

Section 117. The Committee continues a provision that requires Congressional approval for the construction and operation of a museum by the United States Mint.

Section 118. The Committee continues a provision prohibiting funds in this Act from being used to merge the Mint and the Bureau of Engraving and Printing without the approval of the House and Senate committees of jurisdiction.

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

These funds provide for the compensation of the President as well as official expenses of the Executive Office of the President, as authorized by title 3, United States Code.

COMPENSATION OF THE PRESIDENT

Appropriation, fiscal year 2007 .....	\$450,000
Budget request, fiscal year 2008 <sup>1</sup> .....	450,000
Recommended in the bill .....	450,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	---
Budget request, fiscal year 2008 .....	---

<sup>1</sup>Proposed in a consolidated appropriation titled “The White House”.

These funds provide for the compensation of the President, including an expense allowance as authorized by 3 U.S.C. 102.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$450,000 for Compensation of the President, including an expense allowance of \$50,000. These are the same as amounts appropriated in fiscal year 2007 and the same as requested by the President. The bill specifies that any unused amount shall revert to the Treasury consistent with 31 U.S.C. 1552.

WHITE HOUSE OFFICE

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$53,616,000
Budget request, fiscal year 2008 <sup>1</sup> .....	53,156,000
Recommended in the bill .....	53,156,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 460,000
Budget request, fiscal year 2008 .....	---

<sup>1</sup>Proposed in a consolidated appropriation titled "The White House".

The Salaries and Expenses account of the White House Office supports staff and administrative services necessary for the direct support of the President, including costs for the Homeland Security Council.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$53,156,000 for the White House Office, which is \$460,000 less than the fiscal year 2007 level and the same as the Administration's request. The Committee notes that the White House Office account had unobligated balances of budget authority in excess of \$6,500,000, or more than 10 percent of its appropriation, remaining at the end of fiscal years 2005 and 2006. The Committee expects to be kept fully informed of the reasons for any significant differences between actual and budgeted spending.

This account also includes up to \$1,500,000 for the Privacy and Civil Liberties Oversight Board. The Committee is concerned about the extensive editing made by the Administration to the first report to Congress of the Board, the motivation for those edits, and how such editing may be detrimental to the independence of the Board. The Committee believes that the Board must have the authority and independence to thoroughly review, assess, and report accurately on privacy and civil liberties matters. The Committee strongly urges the Administration to respect the Board's mission and to refrain from substantive editing of its work.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

Appropriation, fiscal year 2007 .....	\$12,398,000
Budget request, fiscal year 2008 <sup>1</sup> .....	12,814,000
Recommended in the bill .....	12,814,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+416,000
Budget request, fiscal year 2008 .....	---

<sup>1</sup>Proposed in a consolidated appropriation titled "The White House".

These funds provide for the care, maintenance, and operation of the Executive Residence, including official and ceremonial functions of the President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$12,814,000 for the operating expenses of the Executive Residence, an increase of \$416,000 from the amounts appropriated in fiscal year 2007 and the same as the amounts requested by the President. The bill includes the same restrictions on reimbursable expenses for use of the Executive Residence as were enacted in fiscal year 2007.

WHITE HOUSE REPAIR AND RESTORATION

Appropriation, fiscal year 2007 .....	\$1,683,000
Budget request, fiscal year 2008 <sup>1</sup> .....	1,600,000
Recommended in the bill .....	1,600,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 83,000
Budget request, fiscal year 2008 .....	---

<sup>1</sup>Proposed in a consolidated appropriation titled "The White House".

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.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,600,000 for White House Repair and Restoration, a decrease of \$83,000 below the amount enacted in fiscal year 2007 and the same as the amount requested by the President.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$4,032,000
Budget request, fiscal year 2008 <sup>1</sup> .....	4,118,000
Recommended in the bill .....	4,118,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+86,000
Budget request, fiscal year 2008 .....	---

<sup>1</sup>Proposed in a consolidated appropriation titled "The White House".

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.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,118,000 for the Council of Economic Advisers, an increase of \$86,000 from the amount enacted in fiscal year 2007 and the same as requested by the President.

## OFFICE OF POLICY DEVELOPMENT

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$3,487,000
Budget request, fiscal year 2008 <sup>1</sup> .....	3,482,000
Recommended in the bill .....	3,482,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 5,000
Budget request, fiscal year 2008 .....	---

<sup>1</sup> Proposed in a consolidated appropriation titled "The White House".

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.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,482,000 for the Office of Policy Development, a decrease of \$5,000 from the amount enacted in fiscal year 2007 and the same as the request.

## NATIONAL SECURITY COUNCIL

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$8,684,000
Budget request, fiscal year 2008 <sup>1</sup> .....	8,640,000
Recommended in the bill .....	8,640,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 44,000
Budget request, fiscal year 2008 .....	---

<sup>1</sup> Proposed in a consolidated appropriation titled "The White House".

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$8,640,000 for the National Security Council, a decrease of \$44,000 from the amount appropriated in fiscal year 2007 and the same as requested by the President.

## OFFICE OF ADMINISTRATION

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$88,643,000
Budget request, fiscal year 2008 <sup>1</sup> .....	103,110,000
Recommended in the bill .....	92,829,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+4,186,000
Budget request, fiscal year 2008 .....	- 10,281,000

<sup>1</sup> Proposed in a consolidated appropriation titled "The White House".

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, in-

clude financial, personnel, library and records services, information management systems support, and general office services.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$92,829,000 for the Office of Administration, an increase of \$4,186,000 above the amount appropriated in fiscal year 2007 and a decrease of \$10,281,000 below the amount requested by the President.

*Enterprise services program.*—The Committee recommendation assumes adoption of certain components of the Enterprise Services Program and fully funds the Office of Administration as requested except for funds for General Services Administration (GSA) rental payments for the Office of Management and Budget (OMB) and the Office of National Drug Control Policy (ONDCP). The Committee recommends funding for OMB rent (\$7,528,000) and ONDCP rent (\$2,753,000) under their respective headings for “Salaries and Expenses” and provides the same levels of funding as the President’s request. The Committee has provided all miscellaneous costs in the Enterprise Services Program, as requested.

The Committee recommends funding for all Office of Administration activities at the requested level for each activity in fiscal year 2008.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$76,714,000
Budget request, fiscal year 2008 .....	70,866,000
Recommended in the bill .....	78,394,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+1,680,000
Budget request, fiscal year 2008 .....	+7,528,000

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$78,394,000 for the Office of Management and Budget (OMB), an increase of \$1,680,000 above the amount appropriated in fiscal year 2007 and \$7,528,000 above the amount requested by the President.

The Committee recommends \$7,528,000 under this heading for rental payments to GSA instead of providing these funds under the heading “Office of Administration”.

The Committee recommends a limitation of \$3,000 for reception and representation expenses as requested by the President.

*“E-Government” initiative.*—The Committee notes that it continues a government-wide general provision that precludes the use of funds for the “e-Government” initiative prior to consultation with and approval by the Committee on Appropriations. The Committee continues to be concerned about OMB using this initiative to force its management priorities on agencies that would otherwise choose different approaches to serving the public and other government agencies that are better tailored to meet the needs of their customers and meet their statutory requirements. The Committee

urges OMB and all agencies to work directly with the individual appropriations subcommittees in advance of recommending e-Government transfers so that approved worthy initiatives can move forward without disruption.

*Federal Transit Benefit Program.*—The Committee is very supportive of the Federal Transit Benefit Program that provides a subsidy to Federal employees who commute using public transportation. This program helps reduce traffic congestion and pollution, while helping Federal employees reduce their commuting costs. However, the Committee is extremely concerned with the Government Accountability Office’s findings that the program has ineffective controls, which has resulted in fraud and abuse by Federal employees in several agencies. The Committee understands that the Office of Management and Budget (OMB) has developed guidance for all Federal agencies to address fraud and abuse in this program. The Committee appreciates OMB’s efforts regarding this issue and directs OMB to report to the Committee within 180 days of enactment of this Act on the implementation of this guidance and its effectiveness in reducing fraud and abuse.

#### OFFICE OF NATIONAL DRUG CONTROL POLICY

##### SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$26,766,000
Budget request, fiscal year 2008 .....	23,883,000
Recommended in the bill .....	26,636,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	– 130,000
Budget request, fiscal year 2008 .....	+2,753,000

The Office of National Drug Control Policy Reauthorization Act of 2006 charges the Office of National Drug Control Policy, established by the Anti-Drug Abuse Act of 1988, with developing policies, objectives and priorities for the National Drug Control Program.

##### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$26,636,000 for the Office of National Drug Control Policy (ONDCP), a decrease of \$130,000 from the enacted fiscal year 2007 level and an increase of \$2,753,000 over the President’s request.

The Committee recommends \$2,753,000 under this heading for rental payments to GSA instead of providing these funds under the heading “Office of Administration”.

The Committee recommends funding to support the requested level of 123 FTEs.

The Committee continues to be concerned with methamphetamine production, trafficking and abuse. The Committee is pleased that ONDCP reports a drop in methamphetamine use since 2005, as well as declines in methamphetamine superlab and small toxic lab incidents. However, according to the National Drug Intelligence Center’s National Drug Threat Assessment 2007, sharp decreases in domestic methamphetamine production have been offset by increased production in Mexico for U.S. distribution by Mexican drug trafficking organizations. The Committee directs ONDCP to continue its efforts to work with various agencies, such as the Depart-

ments of Justice, State, Homeland Security and Health and Human Services, along with State and local governments, to develop and implement strategies to reduce the demand for and supply of methamphetamine in the U.S.

The Committee directs the ONDCP to report to the Committee, within 90 days of enactment of this Act, on the aerial eradication program in Colombia. The report should describe the financial and managerial responsibilities for the program, including the degree to which the Colombian government is participating in these responsibilities. The report should also include, for the most recent full year of operations: (1) the average cost of the aerial herbicide spray program per hectare sprayed, including expenditures for all facets of the spray operations; (2) the proportion of the sprayed coca crop that is considered to be damaged or destroyed; (3) the proportion of the sprayed crop that is considered salvageable for immediate or eventual harvest; (4) the estimated number of the growers whose crops are sprayed who will replant coca in any location within the subsequent six months; and (5) the ratio of the cumulative area sprayed to the estimated reduction in the amount of land under coca cultivation compared to the previous year's estimate, for each department and for the country as a whole.

The Committee directs the ONDCP to update, within 90 days of enactment of this Act, the report on the price and purity of illicit drugs, which was last issued in November 2004. The updated report should include comparable data analyses as was included in the previous report, as well as additional data analysis as appropriate. The report should include the most recent available data from the System to Retrieve Information from Drug Evidence (STRIDE) database of the Drug Enforcement Administration.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

Appropriation, fiscal year 2007 .....	\$20,000,000
Budget request, fiscal year 2008 .....	5,000,000
Recommended in the bill .....	10,000,000
Bill compared with:	
Appropriation, fiscal year 2007. ....	- 10,000,000
Budget request, fiscal year 2008 .....	+5,000,000

Pursuant to title IV of the Office of National Drug Control Policy Reauthorization Act of 2006, the Counterdrug Technology Assessment Center serves as the central counterdrug research and development organization for the United States Government.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$10,000,000 for the Counterdrug Technology Assessment Center, \$10,000,000 below the fiscal year 2007 enacted level and an increase of \$5,000,000 over the President's request. Included in the appropriation is \$5,000,000 for supply and demand reduction research, the same as the President's request, and \$5,000,000 for the Technology Transfer Program, which was proposed to be terminated in the President's request.

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

Appropriation, fiscal year 2007 .....	\$224,730,000
Budget request, fiscal year 2008 .....	220,000,000
Recommended in the bill .....	226,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+1,270,000
Budget request, fiscal year 2008 .....	+6,000,000

The High Intensity Drug Trafficking Areas (HIDTA) Program was established by the Director of ONDCP pursuant to section 1005 of the Anti-Drug Abuse Act of 1988, and now as reauthorized by title III of the Office of National Drug Control Policy Act of 2006 to provide assistance to Federal and State and local law enforcement entities operating in those areas most adversely affected by drug trafficking.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$226,000,000 for the HIDTA Program, \$1,270,000 above the the fiscal year 2007 level and \$6,000,000 above the President’s request.

The HIDTA program serves to enhance and coordinate drug control effects among local, State, and Federal law enforcement agencies in order to eliminate or reduce drug trafficking, and the Committee supports a vigorous HIDTA program. To achieve its mission, the HIDTA program must continue to enhance individual and national performance and work to develop a system that enhances the synchronization of drug control efforts.

The Committee includes language requiring that HIDTAs existing in fiscal year 2008 receive funding at least equal to the fiscal year 2007 initial allocation level.

The Committee recommendation specifies that not less than \$2,100,000 shall be used for auditing services and related activities. The Committee understands that within this amount, ONDCP plans to use \$300,000 to \$400,000 for the Performance Management Process (PMP) data collection system, which is in the final stages of full implementation. ONDCP is directed to include PMP in the spending plan required under section 202 of this Act.

The Committee is concerned about the current direction and management of the Lake County HIDTA, and it believes that a change in management is needed to ensure the HIDTA’s ability to meet its program goals. The Committee encourages the ONDCP to appoint a highly qualified Federal official to chair the Executive Board of the Lake County HIDTA for fiscal year 2008 through fiscal year 2011.

The Committee is also concerned that the Appalachian and Ohio HIDTAs have not received sufficient funding in the past.

OTHER FEDERAL DRUG CONTROL PROGRAMS

Appropriation, fiscal year 2007 .....	\$192,951,000
Budget request, fiscal year 2008 .....	224,485,000
Recommended in the bill .....	197,800,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+4,849,000
Budget request, fiscal year 2008 .....	-26,685,000

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$197,800,000 for Other Federal Drug Control Programs, an increase of \$4,849,000 above the enacted fiscal year 2007 level and \$26,685,000 below the President's request.

The Committee recommends funding for the following programs for fiscal year 2008:

Drug Free Communities .....	\$90,000,000
Training and technical assistance for drug court professionals .....	1,000,000
Model Acts .....	1,000,000
Demonstration programs for chronic hard drug users under community supervision .....	1,000,000
National Youth Anti-Drug Media Campaign .....	93,000,000
United States Anti-Doping Agency .....	9,600,000
World Anti-Doping Agency Dues .....	1,700,000
Performance Measures Development .....	500,000

The Committee is concerned about the effectiveness of the National Youth Anti-Drug Media Campaign. According to the results of a study commissioned by ONDCP and supported by a Government Accountability Office (GAO) review, there is no clear evidence that the campaign has resulted in a reduction in drug use among youth. While the campaign has received praise for the quality of its advertisements and has won a number of awards, it is much more important that the campaign is actually effective in changing the behavior of youth who are susceptible to drug use, as well as increasing parental monitoring behavior. The study and the GAO report raise serious questions on those points. While ONDCP has made changes to the media campaign since the time of the study, such as the launch of "Above the Influence", the Committee cannot justify granting over a 30 percent increase in funding for the campaign as requested in the President's fiscal year 2008 budget when these questions remain. The Committee recommendation reflects a \$6,000,000 reduction below the fiscal year 2007 enacted level. The Committee directs ONDCP to report to the Committee within 90 days of enactment of this Act with recommendations on the development of improved and meaningful measurements of the effectiveness of the media campaign, including measurements that would indicate how the campaign influences youth and parent behavior.

The Committee directs ONDCP to maintain funding for non-advertising services for the Media Campaign at no less than the fiscal year 2007 amount and to ensure that these activities continue to include special initiatives designed to reach Hispanic audiences and engage private sector participation in the program.

The Committee continues to support efforts to demonstrate the harmful consequences of using performance-enhancing drugs. The Committee is encouraged that representatives of major professional sports leagues, the U.S. Olympic Committee, and Federal agencies are increasing their collaboration on this issue. These organizations must continue to strengthen their commitment to stop performance-enhancing drug use by athletes, as well as to educate youth on the dangers of such drugs. Professional sports organizations must work closely with U.S. Anti-doping Administration (USADA) and other organizations to educate high school, middle school and grade school children on the dangers of performance-enhancing drugs.

## UNANTICIPATED NEEDS

Appropriation, fiscal year 2007 .....	\$990,000
Budget request, fiscal year 2008 .....	1,000,000
Recommended in the bill .....	1,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+10,000
Budget request, fiscal year 2008 .....	---

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

## COMMITTEE RECOMMENDATION

The Committee recommends \$1,000,000 for unanticipated needs, an increase \$10,000 above the enacted fiscal year 2007 level and the same as the President's request. Expenditures from this account may be authorized by the President.

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

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$4,432,000
Budget request, fiscal year 2008 .....	4,432,000
Recommended in the bill .....	4,432,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	---
Budget request, fiscal year 2008 .....	---

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,432,000 for the Office of the Vice President, the same as fiscal year 2007 level and the amount requested by the President.

## OPERATING EXPENSES

## (INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2007 .....	\$322,000
Budget request, fiscal year 2008 .....	320,000
Recommended in the bill .....	320,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	-2,000
Budget request, fiscal year 2008 .....	---

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.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$320,000 for the Operating Expenses of the Vice President's residence, a decrease of \$2,000 below the amount enacted in fiscal year 2007 and the same as requested by the President.

ADMINISTRATIVE PROVISIONS—EXECUTIVE OFFICE OF THE  
PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

Section 201. The Committee continues language to permit the transfer of not to exceed 10 percent of funds from certain offices within the Executive Office of the President.

Section 202. The Committee includes a provision requiring a financial plan by the Director of the ONDCP prior to the obligation of funds in fiscal year 2008.

TITLE III—THE JUDICIARY

The funds recommended by the Committee in title III of the accompanying bill are for the operation and maintenance of United States Courts and include the salaries of judges, magistrates, probation and pretrial services officers, and supporting personnel and other expenses of the Federal Judiciary.

In addition to direct appropriations, the Judiciary collects fees and has various carryover authorities. The Judiciary uses these non-appropriated funds to offset its direct appropriation requirements. Consistent with prior year practices, the Committee expects the Judiciary to submit a financial plan, allocating all sources of available funds including appropriations, fee collections, and carry-over balances. The Judiciary should consider this financial plan to be the baseline for determining if reprogramming notification is required. The Committee expects the plan to be submitted within 90 days after enactment of this Act.

The Committee encourages the Judiciary to explore ways to increase outreach to minority law students with the goal of increasing the number of minorities in clerkship positions.

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$62,576,000
Budget request, fiscal year 2008 .....	66,526,000
Recommended in the bill .....	66,526,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+3,950,000
Budget request, fiscal year 2008 .....	---

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$66,526,000 for fiscal year 2008 for the salaries and expenses of personnel and the cost of operating the Supreme Court, excluding the care of the building and grounds. The recommendation is \$3,950,000 above the fiscal year 2007 level and is the same as the request for this account. The recommendation provides inflationary and other standard adjustments and supports additional five FTE.

For the third year, the Committee has included bill language making \$2,000,000 available until expended for the purpose of making information technology investments. The Committee directs the Supreme Court to provide an annual report, to be included in its budget justification materials, showing information technology carry-over balances and describing each expenditure made in the previous fiscal year and planned expenditures in the budget year.

## CARE OF THE BUILDING AND GROUNDS

Appropriation, fiscal year 2007 .....	\$11,427,000
Budget request, fiscal year 2008 .....	12,201,000
Recommended in the bill .....	12,201,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+774,000
Budget request, fiscal year 2008 .....	---

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$12,201,000 for fiscal year 2008 for personnel and other services relating to the Supreme Court building and grounds, which is supervised by the Architect of the Capitol. The recommendation is the same as the request and \$774,000 above the fiscal year 2007 level. The Committee expects to be informed of any changes to the scope and projected completion date of the original building modernization project. Language in the bill allows funds to remain available until expended.

## UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$25,311,000
Budget request, fiscal year 2008 .....	28,538,000
Recommended in the bill .....	27,976,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+2,665,000
Budget request, fiscal year 2008 .....	-562,000

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$27,976,000 for fiscal year 2008 for the salaries and expenses of the United States Court of Appeals for the Federal Circuit. The recommendation is \$2,665,000 above the fiscal year 2007 appropriation and \$562,000 below the request.

## UNITED STATES COURT OF INTERNATIONAL TRADE

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$15,825,000
Budget request, fiscal year 2008 .....	16,727,000
Recommended in the bill .....	16,544,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+719,000
Budget request, fiscal year 2008 .....	-183,000

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$16,544,000 for fiscal year 2008 for the salaries and expenses of the United States Court of International Trade. The Committee recommendation is \$183,000 below the budget request and \$719,000 above the fiscal year 2007 level. The recommendation provides inflationary and other standard adjustments.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL  
SERVICES

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$4,476,569,000
Budget request, fiscal year 2008 .....	4,854,455,000
Recommended in the bill .....	4,660,590,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+184,021,000
Budget request, fiscal year 2008 .....	- 193,865,000

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,660,590,000 for the operations of the regional courts of appeals, district courts, bankruptcy courts, the Court of Federal Claims, and probation and pretrial services offices. The recommendation is \$184,021,000 above the fiscal year 2007 appropriation and \$193,865,000 below the request. The recommendation provides inflationary and other standard adjustments.

The Committee understands that the Judiciary's staffing, operations and maintenance, and information technology resources are allocated to the courts according to formulas that are approved by the Judicial Conference and equitably distribute resources based on the workload of each district. The Committee believes this is the optimal method of making such allocations and expects the Judiciary to continue to allocate its resources using this system. The Committee also expects the Administrative Office to periodically update the formulas to ensure their accuracy.

VACCINE INJURY COMPENSATION TRUST FUND

Appropriation, fiscal year 2007 .....	\$3,952,000
Budget request, fiscal year 2008 .....	4,099,000
Recommended in the bill .....	4,099,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+147,000
Budget request, fiscal year 2008 .....	- - -

COMMITTEE RECOMMENDATION

The Committee recommends a reimbursement of \$4,099,000 for fiscal year 2008 from the Special Fund to cover expenses of the Claims Court associated with processing cases under the National Childhood Vaccine Injury Act of 1986. This amount is \$147,000 above the amount available in fiscal year 2007 and equal to the request.

DEFENDER SERVICES

Appropriation, fiscal year 2007 .....	\$776,283,000
Budget request, fiscal year 2008 .....	859,834,000
Recommended in the bill .....	830,499,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+54,216,000
Budget request, fiscal year 2008 .....	- 29,335,000

COMMITTEE RECOMMENDATION

This account provides funding for the operation of the Federal Public Defender and Community Defender organizations and for compensation and reimbursement of expenses of panel attorneys

appointed pursuant to the Criminal Justice Act (CJA) for representation in criminal cases.

The Committee recommends an appropriation of \$830,499,000 for fiscal year 2008. The recommendation is \$54,216,000 above the fiscal year 2007 level and \$29,335,000 below the request. The recommendation provides inflationary and other standard adjustments. The recommendation also includes increases for the expected number of representations for fiscal year 2008 and for the rate of compensation of panel attorneys from \$94 to \$100 per hour.

FEES OF JURORS AND COMMISSIONERS

Appropriation, fiscal year 2007 .....	\$60,945,000
Budget request, fiscal year 2008 .....	62,350,000
Recommended in the bill .....	62,350,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+1,405,000
Budget request, fiscal year 2008 .....	---

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$62,350,000 for payments to jurors, which is \$1,405,000 above the fiscal year 2007 level and the same as the request.

COURT SECURITY

Appropriation, fiscal year 2007 .....	\$378,663,000
Budget request, fiscal year 2008 .....	421,789,000
Recommended in the bill .....	396,476,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+17,813,000
Budget request, fiscal year 2008 .....	-25,313,000

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$396,476,000 for Court Security in fiscal year 2008 to provide for necessary expenses of security and protective services in courtrooms and adjacent areas. This is an increase of \$17,813,000 above the fiscal year 2007 level and \$25,313,000 below the request.

The recommendation provides for inflationary increases, 52 additional court security officers, as well as court security officers and screening equipment at Probation and Pretrial Services Offices in leased facilities.

Bill language is included allowing up to \$15,000,000 to remain available until expended.

The Committee wishes to express concern with the quality of service the Judiciary is receiving from the Federal Protective Service, which is reimbursed for security services. The Committee encourages the Judiciary to continue to explore options with other Federal law enforcement agencies that might be able to provide these security services.

## ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$72,377,000
Budget request, fiscal year 2008 .....	78,536,000
Recommended in the bill .....	75,667,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+3,290,000
Budget request, fiscal year 2008 .....	-2,869,000

The Administrative Office of the United States Courts (AO) provides administrative and management support to the United States Courts, including the probation and bankruptcy systems. It also supports the Judicial Conference of the United States in determining Federal Judiciary policies, in developing methods to allow the courts to conduct business efficiently and economically, and in enhancing the use of information technology in the courts.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$75,667,000 for the salaries and expenses of the AO, which is \$3,290,000 above the fiscal year 2007 level and \$2,869,000 below the request.

## FEDERAL JUDICIAL CENTER

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$22,874,000
Budget request, fiscal year 2008 .....	24,835,000
Recommended in the bill .....	23,994,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+1,120,000
Budget request, fiscal year 2008 .....	-841,000

The Center improves the management of Federal Judicial dockets and court administration through education for judges and staff, and research, evaluation, and planning assistance for the courts and the Judicial Conference.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$23,994,000 for the salaries and expenses of the Federal Judicial Center for fiscal year 2008, which is \$1,120,000 above the fiscal year 2007 level and \$841,000 below the request.

## JUDICIAL RETIREMENT FUNDS

## PAYMENT TO JUDICIARY TRUST FUNDS

Appropriation, fiscal year 2007 .....	\$58,300,000
Budget request, fiscal year 2008 .....	65,400,000
Recommended in the bill .....	65,400,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+7,100,000
Budget request, fiscal year 2008 .....	---

These funds cover the estimated annuity payments to be made to retired bankruptcy judges, magistrate judges, Claims Court judges, and spouses and dependent children of deceased judicial officers.

## COMMITTEE RECOMMENDATION

The Committee provides \$64,500,000 for payments to the Judicial Officers' Retirement Fund, the Judicial Survivors' Annuities Fund, and the Claims Court Judges Retirement Fund for fiscal year 2008. This amount is the same as the budget request and \$7,100,000 above the fiscal year 2007 level. These payments are considered mandatory for budget scorekeeping purposes.

## UNITED STATES SENTENCING COMMISSION

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$14,601,000
Budget request, fiscal year 2008 .....	16,191,000
Recommended in the bill .....	15,477,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+876,000
Budget request, fiscal year 2008 .....	-714,000

The purpose of the Commission is to establish, review, and revise sentencing guidelines, policies, and practices for the Federal criminal justice system. The Commission is also required to monitor the operation of the guidelines and to identify and report necessary changes to the Congress.

## COMMITTEE RECOMMENDATION

The Committee recommends \$15,477,000 for the salaries and expenses of the United States Sentencing Commission for fiscal year 2008, which is \$876,000 above the fiscal year 2007 appropriation and \$714,000 below the request.

## ADMINISTRATIVE PROVISIONS—THE JUDICIARY

Section 301. The Committee continues language to permit funds in the bill for salaries and expenses for the Judiciary to be available for employment of experts and consultant services as authorized by 5 U.S.C. 3109.

Section 302. The Committee continues language that permits up to 5 percent of any appropriation made available for fiscal year 2008 to be transferred between Judiciary appropriations accounts provided that no appropriation shall be decreased by more than 5 percent or increased by more than 10 percent by any such transfer except in certain circumstances. In addition, the language provides that any such transfer shall be treated as a reprogramming of funds under sections 605 and 610 of the accompanying bill and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

Section 303. The Committee continues language authorizing not to exceed \$11,000 to be used for official reception and representation expenses incurred by the Judicial Conference of the United States.

Section 304. The Committee continues language requiring a financial plan for the Judiciary within 90 days of enactment of this Act.

Section 305. The Committee includes language extending a judgeship for Northern Ohio.

## TITLE IV—DISTRICT OF COLUMBIA

## FEDERAL PAYMENTS

## FEDERAL PAYMENT FOR RESIDENT TUITION SUPPORT

Appropriation, fiscal year 2007 .....	\$32,868,000
Budget request, fiscal year 2008 .....	35,100,000
Recommended in the bill .....	35,100,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+2,232,000
Budget request, fiscal year 2008 .....	---

The Resident Tuition Support program was created by the District of Columbia College Access Act of 1999 to provide District college-bound students the opportunity to expand their higher education choices. The program receives its funding through a Federal appropriation which is deposited into a dedicated account under the control of the District of Columbia Chief Financial Officer. These funds are used on behalf of eligible District of Columbia residents to pay an amount based upon the difference between in-State and out-of-State tuition at eligible public and private institutions of higher education.

## COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$35,100,000 for the resident tuition support program, \$2,232,000 above the fiscal year 2007 appropriation and the same as the budget request. Of the amounts made available, not more than \$1,200,000 may be used for administrative expenses.

## FEDERAL PAYMENT FOR EMERGENCY PLANNING AND SECURITY COSTS

Appropriation, fiscal year 2007 .....	\$8,533,000
Budget request, fiscal year 2008 .....	3,000,000
Recommended in the bill .....	3,352,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	-5,181,000
Budget request, fiscal year 2008 .....	+352,000

## COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$3,352,000 for emergency planning and security costs, \$5,181,000 below the fiscal year 2007 appropriation and \$352,000 above the budget request. These funds are for emergency planning and security costs related to the presence of the Federal government in the District of Columbia and surrounding jurisdictions.

The Committee acknowledges the unique role of the District of Columbia National Guard in addressing emergencies that may occur as a result of the presence of the Federal government and includes funding of \$352,000 for the District of Columbia National Guard to pay the costs of a tuition assistance program for guard members who are non-District residents.

The Committee recognizes that emergency planning and security costs may increase for fiscal year 2009 due to the Presidential Inauguration in the District of Columbia.

## FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

Appropriation, fiscal year 2007 .....	\$216,723,000
Budget request, fiscal year 2008 .....	213,861,000
Recommended in the bill .....	256,395,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+39,672,000
Budget request, fiscal year 2008 .....	+42,534,000

The Committee recommends a Federal payment of \$256,395,000 for operation of the District of Columbia Courts, \$39,672,000 above the fiscal year 2007 appropriation and \$42,534,000 above the budget request. This amount includes \$10,800,000 for the Court of Appeals, \$100,543,000 for the Superior Court, \$54,052,000 for the Court System, and \$91,000,000 for capital improvements to courthouse facilities. This level of funding for capital improvements is meant to provide a one-time increase to fulfill some of the Court's highest priority needs.

The Committee continues to be concerned over substandard working conditions for the U.S. Marshals Service at the District of Columbia Superior Court Cell Block at the Moultrie Courthouse. The Committee directs the District of Columbia Courts to report to the Committee, within 60 days of enactment of this Act, on the plan to upgrade the conditions to an acceptable level. The Committee strongly encourages the District of Columbia Courts to incorporate cell block upgrades as a priority among the other capital requirements that are funded through this recommendation.

## DEFENDER SERVICES IN THE DISTRICT OF COLUMBIA COURTS

Appropriation, fiscal year 2007 .....	\$43,475,000
Budget request, fiscal year 2008 .....	43,475,000
Recommended in the bill .....	52,475,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+9,000,000
Budget request, fiscal year 2008 .....	+9,000,000

## COMMITTEE RECOMMENDATION

The Committee recommends \$52,475,000 for Defender Services in District of Columbia Courts, \$9,000,000 above the fiscal year 2007 appropriation and \$9,000,000 above the budget request.

The recommendation includes a pay adjustment for defenders from \$65 per hour to \$90 per hour to ensure the Courts can continue to attract qualified attorneys.

## FEDERAL PAYMENT TO THE COURT SERVICES AND OFFENDER SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA

Appropriation, fiscal year 2007 .....	\$179,603,000
Budget request, fiscal year 2008 .....	190,343,000
Recommended in the bill .....	190,343,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+10,740,000
Budget request, fiscal year 2008 .....	---

## COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$190,343,000 for the Court Services and Offender Supervision Agency (CSOSA), \$10,740,000 above the fiscal year 2007 appropriation and the same as the budget request. Of the amounts provided, \$140,499,000 is

for the Community Supervision Program and \$49,849,000 is for the Pretrial Services Agency, and not to exceed a total of \$560,000 is for information technology infrastructure enhancement acquisitions. The increase in funds over the prior year is due to (1) the increased capacity and operations at Karrick Hall (the District's Re-entry and Sanctions Center) and (2) an effort to reduce the ratio of defendants to pretrial services officers from 115:1 to approximately 75:1.

FEDERAL PAYMENT TO THE PUBLIC DEFENDER SERVICE FOR THE  
DISTRICT OF COLUMBIA

Appropriation, fiscal year 2007 .....	\$31,103,000
Budget request, fiscal year 2008 .....	32,710,000
Recommended in the bill .....	32,710,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+1,607,000
Budget request, fiscal year 2008 .....	-- --

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$32,710,000 for the Public Defender Service for the District of Columbia (PDSDC), \$1,607,000 above the fiscal year 2007 appropriation and the same as the budget request. In prior years, PDSDC was funded as a part of the Court Services and Offender Supervision Agency (CSOSA).

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND  
SEWER AUTHORITY

Appropriation, fiscal year 2007 .....	\$6,930,000
Budget request, fiscal year 2008 .....	12,000,000
Recommended in the bill .....	12,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+5,070,000
Budget request, fiscal year 2008 .....	-- --

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$12,000,000 to the District of Columbia Water and Sewer Authority (WASA), \$5,070,000 above the fiscal year 2007 appropriation and the same as the budget request. These funds are to continue implementation of the Combined Sewer Overflow Long-Term Plan. Funds will be matched with by a \$7,000,000 payment from WASA and a \$5,000,000 payment from the District of Columbia.

FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING  
COUNCIL

Appropriation, fiscal year 2007 .....	1,287,000
Budget request, fiscal year 2008 .....	1,300,000
Recommended in the bill .....	1,300,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+13,000
Budget request, fiscal year 2008 .....	-- --

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$1,300,000 to the Criminal Justice Coordinating Council (CJCC), \$13,000 above

the fiscal year 2007 appropriation and the same as the budget request. These funds support initiatives related to the coordination of Federal and local criminal justice resources in the District of Columbia. Similar to the prior year, the Committee directs the CJCC to submit annual performance measures in an annual report.

FEDERAL PAYMENT TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

Appropriation, fiscal year 2007 .....	\$20,000,000
Budget request, fiscal year 2008 .....	- - -
Recommended in the bill .....	6,148,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 13,852,000
Budget request, fiscal year 2008 .....	+6,148,000

The Committee recommends a Federal payment of \$6,148,000 for the Chief Financial Officer of the District of Columbia \$13,852,000 below fiscal year 2007 and \$6,148,000 above the request. These funds are for education, environmental, social service and economic development initiatives in the District of Columbia. The Committee directs each grantee to submit a comprehensive budget and a report on the activities to be carried out with the funds no later than March 15, 2008. The District CFO will submit a comprehensive report no later than April 30, 2008, to the Committee on Appropriations highlighting which grantees did not comply with the reporting requirements. The Committee requires that any funds to these grantees must be spent primarily in the District of Columbia to benefit District residents.

Excel Institute .....	\$250,000
Earth Conservation Corps .....	231,000
STEEED Youth program .....	150,000
Catalyst—Eastgate HOPE VI project .....	81,000
ARISE Foundation .....	231,000
Eastern Market .....	131,000
Howard University College of Dentistry .....	40,000
Center for Inspired Teaching .....	40,000
Sitar Center for the Arts .....	10,000
Menzfit .....	10,000
Historic Congressional Cemetery .....	500,000
Barracks Row .....	500,000
Southeastern University .....	250,000
International Youth Service and Development Corps .....	500,000
Bright Beginnings Inc .....	100,000
Everybody Wins! .....	50,000

FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT

Appropriation, fiscal year 2007 .....	\$39,600,000
Budget request, fiscal year 2008 .....	40,800,000
Recommended in the bill .....	40,800,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+1,200,000
Budget request, fiscal year 2008 .....	- - -

The Committee recommends a Federal payment of \$40,800,000 for school improvement, \$1,200,000 above fiscal year 2007 and the same as the budget request. These funds are allocated as follows: \$13,000,000 to improve public school education in the District of Columbia, \$13,000,000 to expand quality charter schools, and \$14,800,000 to the Secretary of Education for opportunity scholar-

ships for low-income children in the District of Columbia, of which \$1,800,000 is for administrative expenses.

The Committee acknowledges the recent events regarding management of the schools and looks forward to new direction for the DCPS under Mayoral supervision. The Committee encourages the Mayor and associated staff to consider the structure and composition of the payments for school improvement into the framework of the DCPS and the Mayor's policy agenda.

FEDERAL PAYMENT FOR CONSOLIDATED LABORATORY FACILITY

Appropriation, fiscal year 2007 .....	\$4,950,000
Budget request, fiscal year 2008 .....	10,000,000
Recommended in the bill .....	10,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+5,050,000
Budget request, fiscal year 2008 .....	---

COMMITTEE RECOMMENDATION

The Committee recommends a federal payment of \$10,000,000 for a consolidated bioterrorism and forensics lab, \$5,050,000 above fiscal year 2007 and the same as the budget request. The Committee requests an updated spending plan from the District of Columbia on the capital needs of this project.

The Committee encourages the District to explore all options for Federal funding that may be available to construct and operate this laboratory.

FEDERAL PAYMENT FOR CENTRAL LIBRARY AND BRANCH LOCATIONS

Appropriation, fiscal year 2007 .....	---
Budget request, fiscal year 2008 .....	\$10,000,000
Recommended in the bill .....	10,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+10,000,000
Budget request, fiscal year 2008 .....	---

COMMITTEE RECOMMENDATION

The Committee recommends a payment of \$10,000,000, as requested, for the District of Columbia's capital program for modernization of neighborhood libraries.

FEDERAL PAYMENT TO REIMBURSE THE FEDERAL BUREAU OF INVESTIGATION

Appropriation, fiscal year 2007 .....	---
Budget request, fiscal year 2008 .....	\$5,000,000
Recommended in the bill .....	4,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+4,000,000
Budget request, fiscal year 2008 .....	-1,000,000

COMMITTEE RECOMMENDATION

The Committee recommends a payment of \$4,000,000 for the District of Columbia to reimburse the Federal Bureau of Investigation (FBI) to perform forensics laboratory services for cases awaiting analysis. The Committee expects that this funding will be used to expand the resources including personnel, associated with the examination and DNA analysis for the District of Columbia cold case

backlog. While the Committee would like to support the advancement of work on cases involving crimes committed in the District of Columbia, there is some concern that the District will not actually receive additional services for this payment to the FBI. The Committee requests that the District report back 60 days after the end of fiscal year 2008 on the forensics work that was performed on behalf of the District, which would not otherwise have been completed.

#### DISTRICT OF COLUMBIA FUNDS

The Committee recommends a total of \$9,777,362,000 for the operating expenses of the District of Columbia as contained in the fiscal year 2008 proposed budget and financial plan submitted to the Congress by the Government of the District of Columbia in June 2007. Of the total, \$6,022,444,000 is from local funds, \$2,015,853,000 is from Federal grant funds, \$1,730,503,000 is from other funds, \$8,562,000 is from private funds, and \$116,552,000 is from funds previously appropriated in this Act as Federal payments. In addition, an increase of \$1,595,503,000 is for capital construction projects. The Committee directs that any changes to the financial plan as submitted by the District must follow the reprogramming guidelines.

With the expanded authority to use District funds, the Committee expects the District government to first and foremost address capital infrastructure needs.

The Committee commends the DC leadership on the continued financial health of the District. The past year has brought new leaders to the District. The Committee expects the current administration and council to adhere to the same fiscal discipline and responsibility demonstrated in recent years, and the sound principles set forth by the Chief Financial Officer. Consistent with last year's report, the Committee expects the District government to use the flexible authority allowed in sections 818, 819, and 820 to first and foremost address capital infrastructure and other one-time needs.

#### TITLE V—INDEPENDENT AGENCIES

##### CONSUMER PRODUCT SAFETY COMMISSION

###### SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$62,728,000
Budget request, fiscal year 2008 .....	63,250,000
Recommended in the bill .....	66,838,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+4,110,000
Budget request, fiscal year 2008 .....	+3,588,000

The Consumer Product Safety Act established the Consumer Product Safety Commission (CPSC), an independent Federal regulatory agency, to reduce unreasonable risk of injury associated with consumer products. Its primary responsibilities and overall goals are: to protect the public against unreasonable risk of injury associated with consumer products; to develop uniform safety standards for consumer products, minimizing conflicting State and local regulations; and to promote research into prevention of product-related deaths, illnesses, and injuries.

COMMITTEE RECOMMENDATION

The Committee recommends \$66,838,000 for fiscal year 2008, \$4,110,000 above fiscal year 2007 and \$3,588,000 above the President's budget request. The Committee is concerned about the steady reductions in Commission staff over the past several years. The staffing reductions have placed a strain on the agency's ability to meet its mission. The Committee rejects the further reduction of staff proposed in the President's request and recommends funding sufficient to maintain staff at the fiscal year 2007 FTE authorized level of 420.

The recommendation includes an additional \$1,500,000 above the request for information technology improvements, including upgrades to administrative systems and databases. The Committee is concerned about the state of the CPSC's information technology systems and their ability to support data collection and analysis that provides needed information on product-related injuries and deaths. The Committee directs the CPSC to include a full report on its information technology modernization requirements in its fiscal year 2009 budget request.

The bill also includes language that limits official reception and representation expenses to no more than \$500 in fiscal year 2008.

The Committee is concerned about the level of civil penalties the CPSC is able to assess due to violations of the Consumer Product Safety Act and CPSC regulations. The current civil penalty is capped at \$7,000 for each violation, up to a maximum penalty of \$1,825,000. The Committee believes that this cap should be either substantially raised or eliminated. Higher civil penalties will create an incentive for increased manufacturer compliance and cooperation with the CPSC, as well as encourage manufacturers to recall products more quickly. The Committee encourages the CPSC to work with the authorizing committees of jurisdiction to develop a more effective civil penalty structure.

ELECTION ASSISTANCE COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2007 .....	\$16,263,000
Budget request, fiscal year 2008 .....	15,467,000
Recommended in the bill .....	15,467,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 796,000
Budget request, fiscal year 2008 .....	---

The Election Assistance Commission (EAC) was established by the Help America Vote Act of 2002 (HAVA) and is charged with implementing provisions of that Act relating to the reform of federal election administration throughout the United States, including the development of voluntary voting systems guidelines, the certification and testing of voting systems, studies of election administration issues, and the implementation of election reform payments to states as well as grant programs related to election reform.

COMMITTEE RECOMMENDATION

The Committee recommends \$15,467,000 for the EAC, a decrease of \$796,000 below the fiscal year 2007 enacted level and the same as the budget request. The recommendation also includes the requested transfer of \$3,250,000, a reduction of \$1,700,000 from fiscal year 2007, to the National Institute of Standards and Technology.

The EAC is charged with one of the most important roles in our democracy: helping to ensure our elections are fair, free from tampering, and ultimately, trustworthy. The Committee is concerned about EAC policies that keep the American people from important information compiled by the EAC in the course of conducting research. For example, the EAC commissioned a study on voter fraud and voter intimidation, yet did not release the findings of the independent consultants who conducted the study. The EAC instead released a substantially edited version of the consultants' work and, in so doing, excluded important conclusions reached by the consultants. Among the excluded information is an analysis that undermines the notion that voter fraud in American elections is rampant. The conclusions included in such studies may or may not be compelling, but the American public should be given the opportunity to make that judgment by having access to the studies.

The Committee strongly encourages the EAC to increase transparency to ensure that its work is not perceived by the public as influenced by political considerations. The EAC should make public all draft reports of independent experts who have been commissioned to conduct studies of election administration issues.

The EAC is a small agency with a very limited staff and budget. As such, the EAC needs to refocus its attention and resources toward meeting certain core responsibilities under the Help America Vote Act, including serving as a national clearinghouse on best practices, further improving and implementing voluntary voting system guidelines, and directing a national voting system certification program. More attention must be given to ensuring the usability, accessibility, and security of voting systems, as well as the fair, safe, and nonpartisan administration of elections. By focusing more on these issues, the EAC will improve its credibility as a trusted resource for stakeholders in the election community.

ELECTION REFORM PROGRAMS

Appropriation, fiscal year 2007 .....	---
Budget request, fiscal year 2008 .....	---
Recommended in the bill .....	\$300,950,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+300,950,000
Budget request, fiscal year 2008 .....	+300,950,000

This appropriation provides for election reform requirements payments to states under the Help America Vote Act of 2002 and for other grant programs authorized by that Act.

COMMITTEE RECOMMENDATION

The Committee recommendation includes \$300,000,000 for payments to states for carrying out activities to meet the requirements of HAVA and carry out other activities to improve the administration of elections. Funds may be used by states to implement HAVA requirements relating to voting systems, voter registration, provi-

sional ballots, and other election administration activities. To receive payments, states will be required to file updated state plans on the use of funds with the EAC.

Also included in this recommendation are \$750,000 for the Help America Vote College Program and \$200,000 for the National Student and Parent Mock Election. Both programs are authorized by the Help America Vote Act. The college program, first implemented during the 2004 election, recruits and trains young people in colleges, universities, and community colleges to serve as nonpartisan pollworkers, helping to address a nationwide pollworker shortage. The National Student and Parent Mock Election promotes participation in elections through voter education activities for students and their parents. Funds for these activities are provided in support of the 2008 election cycle.

The Committee encourages the use of voting machines in student elections. This will allow students, the Nation's voters of tomorrow, to become familiar with voting processes and technologies so that when they turn 18, they will be comfortable with their civic duties. Groups involved in student elections should work with local election authorities to promote the use of voting machines by students.

The Committee is concerned that the EAC recently ruled that HAVA money cannot be used to fund the purchase of HAVA compliant voting equipment that would replace other voting equipment purchased with HAVA funds. While the EAC claimed that such purchases are not "reasonable" costs, the Committee believes that ensuring accurate, reliable, and accessible voting is more than reasonable; it is essential. The Committee notes that the technology for voting equipment has improved in recent years, and states now have more experience with different technologies. States should have options and the flexibility to acquire better equipment, including equipment that will provide a durable, accessible, voter-verified paper ballot. The Committee believes that the EAC's "reasonableness" test is not at all reasonable when it prevents states from using funds in this manner. Therefore, the Committee directs the EAC to reconsider its ruling. If the ruling does not change, Congress should consider a legislative remedy that will give states the flexibility they need.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$291,282,000
Budget request, fiscal year 2008 .....	313,000,000
Recommended in the bill .....	313,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+21,718,000
Budget request, fiscal year 2008 .....	---

The mission of the Federal Communications Commission (FCC) is to implement the Communications Act of 1934 in a manner that promotes competition, innovation, and deregulation in the communications industry and the availability of high quality communications services for all Americans.

## COMMITTEE RECOMMENDATION

The bill includes total budget authority of \$313,000,000 for the salaries and expenses of the FCC for fiscal year 2008, of which \$312,000,000 is to be derived from offsetting collections, resulting in a direct appropriation of \$1,000,000. The operating level for fiscal year 2008 is \$21,718,000 above the current year and the same as the request.

The Committee recommendation includes bill language, similar to that included in previous Appropriations Acts, which allows: (1) up to \$4,000 for official reception and representation expenses; (2) purchase of uniforms and acquisition of vehicles; (3) special counsel fees; (4) collection of \$312,000,000 in section 9 fees; and (5) the sum appropriated to be reduced as section 9 fees are collected.

New provisions are also included to: (1) prohibit fees collected in excess of \$312,000,000 from being available for obligation; and (2) prohibit remaining offsetting collections from prior years from being available for obligation.

The recommendation includes a \$20,980,000 transfer from the Universal Service Fund (USF) for additional audits and oversight activities. The recommendation also includes \$500,000 in direct appropriations to manage the USF audit program. The Committee believes that providing these funds to the Office of Inspector General will result in a stronger and more independent oversight and audit program. The Committee expects the FCC to continue to make efforts to eliminate grantee waste, fraud, and abuse a high priority.

The Committee is concerned about the approaching February 2009 deadline for transition to digital television (DTV) and the level of awareness in the general public concerning this deadline. Surveys show that many television viewers have never seen, read, or heard anything about digital television and the transition. The Committee is particularly concerned about viewers in disadvantaged and lower-income communities, including Hispanic, African American, disabled, and senior citizen communities, and their preparedness for the transition. The Committee commends the FCC for recognizing the need to educate the public regarding the transition and for including a DTV outreach initiative in its budget. The Committee does not believe, however, that the \$1,500,000 budgeted as an increase to base for this effort is sufficient. The recommendation increases this initiative to \$2,000,000 so that the FCC can increase consumer education and outreach.

The Committee is familiar with FCC reports on cable choice systems and their effects on consumers. The Committee expects the FCC to keep the Committee fully informed of the Commission's plans for further research and action in this area.

The recommendation includes a provision carried in previous Appropriations Acts, and in the request, limiting the funds available to administer the spectrum auctions program. The Committee expects the FCC to continue to refine its cost accounting system so that all costs, including auction costs, can be clearly distinguished by activity.

FEDERAL DEPOSIT INSURANCE CORPORATION  
OFFICE OF INSPECTOR GENERAL  
(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2007 .....	\$30,690,000
Budget request, fiscal year 2008 .....	26,848,000
Recommended in the bill .....	26,848,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 3,842,000
Budget request, fiscal year 2008 .....	- - -

Funding for the Office of the Inspector General at the Federal Deposit Insurance Corporation is provided pursuant to 31 U.S.C. 1105(a)(25), which requires a separate appropriation account for appropriations for each Office of Inspector General of an establishment defined under section 11(2) of the Inspector General Act of 1978.

COMMITTEE RECOMMENDATION

The Committee recommendation, the same as the budget request, provides for the transfer of \$26,848,000 from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund to finance the Office of Inspector General for fiscal year 2008.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$54,528,000
Budget request, fiscal year 2008 .....	59,224,000
Recommended in the bill .....	59,224,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+4,696,000
Budget request, fiscal year 2008 .....	- - -

The Federal Election Commission (FEC) 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.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$59,224,000 for the Federal Election Commission (FEC), an increase of \$4,696,000 over the amount appropriated in fiscal year 2007 and the same as the budget request.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$25,372,000
Budget request, fiscal year 2008 .....	23,718,000
Recommended in the bill .....	23,641,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 1,731,000
Budget request, fiscal year 2008 .....	- 77,000

Established by title VII of the Civil Service Reform Act of 1978, the Federal Labor Relations Authority (FLRA) serves as a neutral

arbiter in the labor activities of non-postal Federal employees, Departments and agencies, and Federal unions on matters outlined in the Act, including collective bargaining and the settlement of disputes. Establishment of the FLRA gives full recognition to the role of the Federal Government as an employer. Under the Foreign Service Act of 1980, the FLRA also addresses similar issues affecting Foreign Service personnel by providing full staff support for the Foreign Service Impasse Disputes Panel and the Foreign Service Labor Relations Board.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$23,641,000 for the Federal Labor Relations Authority, a decrease of \$1,731,000 below the amount appropriated in fiscal year 2007 and a decrease of \$77,000 below the budget request.

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$211,289,000
Budget request, fiscal year 2008 .....	240,239,000
Recommended in the bill .....	247,489,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+36,200,000
Budget request, fiscal year 2008 .....	+7,250,000

The mission of the Commission is to enforce a variety of Federal antitrust and consumer protection laws. Under these laws, the Commission seeks to ensure that the nation's markets are competitive, function vigorously and efficiently, and are free from undue governmental and private restrictions. The Commission also seeks to improve the operation of the marketplace by eliminating deceptive and unfair practices. Appropriations for both the Antitrust Division of the Department of Justice and the Commission are partially financed with Hart-Scott-Rodino Act pre-merger filing fees.

COMMITTEE RECOMMENDATION

The Committee recommends total budget authority of \$247,489,000 for the salaries and expenses of the Federal Trade Commission for fiscal year 2008, which is \$36,200,000 above the fiscal year 2007 level and \$7,250,000 above the request. The Committee assumes that \$139,000,000 of collections from Hart-Scott-Rodino premerger filing fees and \$20,000,000 of collections from Do-Not-Call list fees will partially offset the appropriation requirement for this account.

The Committee recommendation assumes an increase of \$4,500,000 over the request to provide additional support for: (1) increased subprime lending investigation activities, (2) the implementation of the US SAFE WEB Act to increase consumer protection activities relating to fighting cross-border fraud and deception, including spam, spyware, and Internet fraud and deception, (3) increased actions to fight identity theft, (4) increased activities relating to the FTC's maintaining competition mission, and (5) direct funding to provide training and technical assistance to developing nations as they move toward market-based economies and develop competition and consumer protection laws and policies.

The Committee recommendation also assumes an increase of \$2,750,000 over the request for information technology initiatives, such as enhanced identity theft systems for the Bureau of Consumer Protection.

The Committee encourages the FTC to give attention to subprime lending problems, identity theft, and consumer fraud that require consumer protections especially affecting Hispanic, African American, disabled, and senior citizen populations. For example, the FTC has an aggressive campaign against consumer fraud in the Hispanic community. As recent immigrants, many Hispanics are unaware of the fraudulent practices perpetrated by some businesses and individuals against consumers. Consequently, many fall prey to such predators and suffer great financial losses. They may also be unaware of the remedies that are available to them if they are victimized. The FTC should continue to promote increased awareness through its Hispanic Outreach initiative, and it should work with all at-risk populations to ensure the highest possible level of consumer protection.

The Committee urges the FTC to work with companies that extend credit to consumers to ensure that it is readily apparent to those individuals that they have the ability to “opt-out” of receiving unsolicited financial information when they complete the necessary forms for an application for credit.

The Committee also urges the FTC to encourage companies that have data breaches involving sensitive and personal consumer information to disclose to affected consumers, no later than one week following discovery of the data breach, that a data breach has occurred.

Rising gasoline prices burden the United States economy and American consumers. The FTC is charged with ensuring that anti-competitive practices do not contribute to this problem. The Committee understands, for example, that the Commission reviews proposed mergers in the energy sector; conducts inquiries into important issues involving the pricing of gasoline and other fuels; and monitors the retail prices of gasoline in 360 cities and wholesale prices in 20 major urban areas for price anomalies. The Committee strongly urges the Commission to ensure that it allocates sufficient resources to carry out these critical tasks. If in the course of Commission’s work regarding gasoline prices, the Commission identifies anticompetitive, fraudulent or criminal practices, the Committee directs the Commission to take prompt action to protect consumers and end these practices as quickly as possible and, in the case of criminal practices, to refer the matter to the Department of Justice for investigation and appropriate action.

The Committee has reviewed recent FTC consent decrees in cases involving privacy, spyware, and similar matters. The consent decrees included fines to be paid by companies found to have generated significant revenues relying upon trade practices that were unfair or deceptive in violation of statutory standards. The Committee is concerned that the Commission has failed to explain how it determined the amount of the monetary remedies assessed and that such remedies appear to be unrelated to the revenues obtained by the companies that used unfair or deceptive practices. The Committee directs the FTC to submit to the Committees on Appropriations of the House and the Senate, and to the Committee on En-

ergy and Commerce in the House and the Committee on Commerce, Science, and Transportation in the Senate, within 60 days after enactment of this Act, a report explaining its policies and standards for determining the amount of monetary remedies imposed in actions based on privacy, spyware, Internet, and similar violations and explaining the relationship of such remedies to the harms imposed upon consumers. The report should cover cases for the preceding three fiscal years. The Committee also directs the FTC to work with the appropriate authorizing committees of Congress to enact appropriate civil penalty authority for such cases and to include in the aforementioned report a description of actions being taken to obtain such authority.

The recommendation includes bill language, as requested, prohibiting the use of funds to implement or enforce subsection (e)(2)(B) of section 43 of the Federal Deposit Insurance Act.

The recommendation also includes bill language that: (1) allows for purchase of uniforms, hire of motor vehicles and contracts for collection services; (2) allows up to \$2,000 for official reception and representation expenses; (3) allows for the collection of fees; (4) allows for the sum appropriated to be reduced as fees are collected; and (5) allows funding to be available until expended.

#### GENERAL SERVICES ADMINISTRATION

The Committee reiterates concerns regarding the infraction of the Hatch Act by employees of the General Services Administration (GSA), as well as numerous other disconcerting allegations of mismanagement by the agency leadership. The Committee is concerned that these allegations have had a negative impact on the mission of the GSA, as well as employee morale at the agency. The Committee urges the GSA to resolve these issues as quickly as possible, and to restore public confidence in its efforts.

#### FEDERAL BUILDINGS FUND

Limitations on Availability of Revenue:	
Limitation on availability, fiscal year 2007 .....	\$(7,555,088,000)
Limitation on availability, budget estimate, fiscal year 2008 .....	(8,090,918,000)
Recommended in the bill .....	(7,834,612,000)
Bill compared with:	
Availability limitation, fiscal year 2007 .....	(+279,524,000)
Availability limitation, fiscal year 2008 request .....	(-256,306,000)

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

## COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$7,834,612,000 for the Fund, an increase of \$279,524,000 above the fiscal year 2007 enacted levels, a decrease of \$256,306,000 below the request.

To carry out the purposes of the Federal Buildings Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 592), the revenues and collections deposited into the Fund, shall be available for necessary expenses in the aggregate amount of \$7,902,078,000 of which: \$524,540,000 is for construction (including funds for sites and expenses and associated design and construction services), \$733,267,000 is for repairs and alterations, \$155,781,000 is for installment acquisition payments (including payments on purchase contracts), \$4,315,534,000 is for rental of space; and \$2,105,490,000 is for building operations.

The Committee greatly appreciates and supports the agency goals expressed in the administration's January 2007 Executive Order (E.G. 13423), "Strengthening Federal Environmental, Energy and Transportation Management," but it has serious doubts that these goals are attainable without substantive changes to current laws and regulations that may impede progress. As the lead Federal agency for Federal building management and Federal procurement, GSA has the primary responsibility meeting the goals of the Executive Order as they pertain to that mission. Current Federal statutory requirements, for example, that require GSA to lease public federal buildings at fair market price may prevent GSA from acquiring higher rated Leadership in Energy and Environmental Design (LEED) certified buildings even though the leasing of these buildings would actually save the Federal government money over the long term because of their lower utility and maintenance costs. The Committee, therefore, directs the General Services Administration to identify all existing laws, rules and regulations that limit, restrict or otherwise impede progress in meeting the goals expressed by Executive Order 13423, as they pertain to Federal building construction, management and Federal procurement and to report back to the Congress with its findings within 180 days after enactment of this Act.

The Committee is concerned about the delay in constructing the replacement courthouse for the Central District of California, Los Angeles division (appropriated in fiscal years 2001–2005), given the safety concerns and deteriorating conditions of the current aging federal facility. The Committee restates its commitment to the project and urges the GSA to continue working collaboratively with the Administrative Office of the United States Courts to expeditiously move the project forward and directs the GSA to report to the Committee on its progress within 90 days of enactment of this Act.

GSA Leased Space. The Committee suggests that the General Services Administration (GSA) consider the Interagency Security Committee (ISC) Security Standards for Leased Space to be one of several factors that GSA considers when entering into contracts for leased space.

The Committee is concerned that ISC Security Standards do not balance the security of buildings with the practical needs of the lo-

cation of federal agencies and that these standards have not received the benefit of thorough and independent review. The implementation of the most recent standards may significantly restrict the location of federal leased space. The Committee is especially concerned with provisions which would allow agencies to exceed ISC standards, further constricting leasing options. The Committee requests the Government Accountability Office (GAO) conduct a full review of the methodology imputed by the ISC Security Standards, as well as the Standards' utility in providing practical guidance for the leasing of buildings for federal use.

#### CONSTRUCTION AND ACQUISITION

Limitations on Availability of Revenue:	
Limitation on availability, fiscal year 2007 .....	\$701,137,000
Limitation on availability, budget estimate, fiscal year 2008 .....	615,204,000
Recommended in the bill .....	524,540,000
Bill compared with:	
Availability limitation, fiscal year 2007 .....	-176,597,000
Availability limitation, fiscal year 2008 request .....	-90,664,000

The construction and acquisition activity funds site, design, construction, and management and inspection costs for construction of new Federal facilities.

#### COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$524,540,000 for construction and acquisition, including nonprospectus projects, a decrease of \$176,597,000 below the fiscal year 2007 enacted level and \$90,664,000 below the request.

The Committee is concerned about the plans for a new Headquarters facility for the U.S. Coast Guard. The design specifications of the construction project include increases for utilization rates per person, as well as total square footage. The Committee also notes the number of sizeable special use spaces and the considerable amount of planned construction of costly secured space, on what will be a secure campus. The Committee notes that the prospectus approved by the House Transportation and Infrastructure Committee for the Coast Guard Headquarters at St. Elizabeths includes a total construction cost of \$409,000,000. The Committee expects that this project will not exceed the approved prospectus amount of \$409,000,000 in all years, including reprogramming requests. The Committee believes this is an adequate funding level to build on what is already government-owned property.

Further, the Committee would like to encourage DHS and GSA to consider the planned special use spaces of the Coast Guard facilities and ensure that the DHS Headquarters Consolidation project does not duplicate special use spaces unnecessarily.

The Committee is concerned with a lack of community planning regarding certain GSA work. As GSA considers plans for the San Ysidro Port of Entry, the Committee directs the GSA to work with the community surrounding the San Ysidro Port of Entry to develop a design plan that incorporates the interests of the surrounding commercial and business areas. As well, as GSA looks towards planning for future construction, the agency should consider the potential requirements for a Land Port of Entry at the Donna/Rio Bravo International Bridge.

## REPAIRS AND ALTERATIONS

Limitations on Availability of Revenue:	
Limitation on availability, fiscal year 2007 .....	\$618,241,000
Limitation on availability, budget estimate, fiscal year 2008 .....	804,483,000
Recommended in the bill .....	733,267,000
Bill compared with:	
Availability limitation, fiscal year 2007 .....	+115,026,000
Availability limitation, fiscal year 2008 request .....	- 71,216,000

The repairs and alterations activity funds design, construction and management and inspection for the repair, alteration, and modernization of existing real estate assets. It funds projects to improve health and safety, recapture vacant non-revenue producing Government-owned and leased space, and various special programs.

## COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$733,267,000 for repairs and alterations, an increase of \$115,026,000 from the fiscal year 2007 enacted level and \$71,216,000 below the request, including the energy program, the design program and basic repairs and alterations. The Committee directs GSA to embark on the projects in priority order, starting with those projects that address safety and health needs and moving next to the projects with completed designs.

The Committee directs that additional projects for which prospectuses have been fully approved may be funded under this category only if advance approval is obtained from the Committees on Appropriations, and that the amounts provided in this or any prior Act for "Repairs and Alterations" may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate.

The Committee notes that the President's request includes \$27,673,000 for repairs and alterations of the Nebraska Avenue Complex (NAC), currently utilized by DHS. This request includes upgrades to meet with specific needs of that Department. The Committee also notes that the President's request includes funding for design and construction of a Consolidated DHS Headquarters facility at the St. Elizabeths campus. The Committee encourages DHS and GSA to ensure balanced investment planning for improvements at the NAC. The Committee directs GSA to provide a plan within 120 days of enactment of this Act for the future uses and tenancy of the NAC given an assumption that many DHS functions will be consolidated at another facility.

## INSTALLMENT ACQUISITION PAYMENTS

Limitations on Availability of Revenue:	
Limitation on availability, fiscal year 2007 .....	\$163,999,000
Limitation on availability, budget estimate, fiscal year 2008 .....	155,781,000
Recommended in the bill .....	155,781,000
Bill compared with:	
Availability limitation, fiscal year 2007 .....	- 8,218,000
Availability limitation, fiscal year 2008 .....	- - -

The installment acquisition payments activity funds interest payment for facilities constructed under the Public Building Amend-

ment of 1972 and lease-purchase agreements since 1987, a total of 80 projects.

#### COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$155,781,000 for installation acquisition payments, a decrease of \$8,218,000 below the fiscal year 2007 enacted level and the same as the budget request. Based on this funding level, 68 of the original 80 projects will be paid off, leaving 12 projects remaining.

#### RENTAL OF SPACE

Limitations on Availability of Revenue:	
Limitation on availability, fiscal year 2007 .....	\$4,067,881,000
Limitation on availability, budget estimate, fiscal year 2008 .....	4,383,000,000
Recommended in the bill .....	4,315,534,000
Bill compared with:	
Availability limitation, fiscal year 2007 .....	+247,653,000
Availability limitation, fiscal year 2008 .....	-67,466,000

The rental of space program funds lease payments, temporary space for Federal employees during major repair and alteration projects, and relocations from Federal buildings due to forced moves and relocations as a result of health and safety conditions.

The Committee is concerned about the allocation of leased General Services Administration (GSA) office space in the Greater Washington, D.C. Metropolitan area. Evidence indicates that there is a disparity between the leased space awarded in Prince George's County and that in nearby jurisdictions in the Greater Washington, D.C. Metropolitan area. Specifically, the Committee is concerned with the lack of space awarded around Washington Metropolitan Area Transit Authority (WMATA) stations in Prince George's County, Maryland.

The Committee is concerned about weaknesses in GSA's National Broker Contract program, designed to lease space in the private market for government clients. The Government Accountability Office has cited potential for conflicts of interest in this leasing program. These conflicts may lead to situations in which this program does not always provide for the best use of taxpayer money.

GSA is directed to report to the Committee, within 120 days of enactment of this bill, on the development and implementation of measures which will quantify the performance of these contracts in comparison to GSA's in-house leasing capabilities.

#### COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$4,315,534,000 for rental of space, an increase of \$247,653,000 above the fiscal year 2007 enacted level and \$67,466,000 below the budget request.

#### BUILDING OPERATIONS

Limitations on Availability of Revenue:	
Limitation on availability, fiscal year 2007 .....	\$2,003,830,000
Limitation on availability, budget estimate, fiscal year 2008 .....	2,132,450,000
Recommended in the bill .....	2,105,490,000
Bill compared with:	
Availability limitation, fiscal year 2007 .....	+101,660,000
Availability limitation, fiscal year 2008 .....	-26,960,000

The building operations activity funds cleaning, maintenance, utilities, fuel, grounds, maintenance, space acquisitions and assignment services in government-owned facilities and in leased space when not provided by the lessor.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$2,105,490,000 for building operations, an increase of \$101,660,000 above the fiscal year 2007 enacted level and \$29,960,000 less than the budget request.

GENERAL ACTIVITIES

POLICY AND OPERATIONS

Appropriation, fiscal year 2007 <sup>1</sup> .....	\$135,522,000
Budget request, fiscal year 2008 .....	144,338,000
Recommended in the bill .....	142,945,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+7,423,000
Budget request, fiscal year 2008 .....	-1,393,000

<sup>1</sup>In FY 07 this was funded as two separate accounts, Government-wide Policy and Operating Expenses.

This appropriations account provides for government-wide policy and evaluation activities associated with the management of real and personal property assets and certain administrative services; government-wide policy support responsibilities relating to acquisition, telecommunications, information technology management, and related technology activities; and services as authorized by 5 U.S.C. 3109.

Additionally, this account provides appropriations for activities that are not feasible for a user fee arrangement. Included under this heading are the Office of Citizen Services and Communications (OCSC), personal property utilization and donation activities, select management and administration activities, support of government-wide emergency management activities, and the Civilian Board of Contract Appeals.

COMMITTEE RECOMMENDATION

This account merges the Government-wide Policy and Operating Expenses accounts as requested. On a comparable basis, the recommended level is \$7,423,000 above fiscal year 2007 and \$1,393,000 below the request.

The Committee acknowledges 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 has existed for over 10 years and plays an important role in the education of our nation's youth by providing them with timely information about their government. The Committee urges the GSA to support the mission of the Public Employees Roundtable and provide \$150,000 in administrative and logistical assistance to Public Service Recognition Week activities.

## OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2007 .....	\$52,621,000
Budget request, fiscal year 2008 .....	47,382,000
Recommended in the bill .....	47,382,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 5,239,000
Budget request, fiscal year 2008 .....	---

This appropriation provides agency-wide audit and investigative functions to identify and correct GSA management and administrative deficiencies that 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.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$47,382,000, the same as the budget request. The Committee provided extra funds to this account in fiscal year 2007 due to the heightened level of responsibility the Inspector General's office has recently undertaken. The Committee has approved \$4,500,000 of those fiscal year 2007 funds for use in fiscal year 2008. Therefore, the program level for the Inspector General for fiscal year is \$51,882,000, which is an increase over historical funding levels.

The Committee is concerned with indications that GSA is overreaching into the business of the Office of Inspector General, which should be semi-autonomous from the agency for which it conducts investigations and audits. The Committee would like to reiterate language within the Inspector General Act which states that agency heads shall not ". . . prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation." The Committee is concerned with ongoing and increasing evidence that the General Services Administration is interfering with the operations and management of the Office of Inspector General, which threatens the autonomy of the office.

## ELECTRONIC GOVERNMENT (E-GOV) FUND

## (INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2007 .....	\$2,970,000
Budget request, fiscal year 2008 .....	5,000,000
Recommended in the bill .....	2,970,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	---
Budget request, fiscal year 2008 .....	- 2,030,000

The appropriation provides 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.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,970,000 for the “e-Gov” fund, the same as the fiscal year 2007 enacted level and \$2,030,000 below the budget request.

The Committee again does not include a general provision proposed in the fiscal year 2008 budget request allowing the Office of Management and Budget (OMB) to use \$40,000,000 of surplus funds in the General Supply Fund to finance OMB’s list of “e-Gov” initiatives across government. The Committee refuses to relinquish oversight of the development and procurement of information technology projects of the various agencies under its jurisdiction. The Committee directs GSA to evaluate the pricing structure of its services to Federal agencies to determine if GSA is overcharging its Federal clients and report back to the Committee on Appropriations its findings no later than 120 days after enactment of this Act.

## ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriation, fiscal year 2007 .....	\$2,922,000
Budget request, fiscal year 2008 .....	2,500,000
Recommended in the bill .....	2,500,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 422,000
Budget request, fiscal year 2008 .....	---

This appropriation provides support consisting of pensions, office staffs, and related expenses for former Presidents Jimmy Carter, George Bush and Bill Clinton and for pension and postal franking privileges for the widows of former Presidents Lyndon B. Johnson, Gerald Ford and Ronald Reagan. 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.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,500,000 for allowances and office staff of former Presidents, a decrease of \$422,000 below the fiscal year 2007 enacted level and the same as the budget request. The following table describes the distribution of the funds:

## FISCAL YEAR 2008 BUDGET ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

(Dollars in thousands)

	Carter	Bush	Clinton	Widows	Total
Personnel Compensation .....	96	96	96	0	288
Personnel Benefits .....	2	64	65	0	131
Benefits for Former Presidents .....	191	191	201	20	603
Travel .....	2	56	50	0	108
Rental Payments to GSA .....	102	175	516	0	793
Communications, Utilities and Miscellaneous charges:					
Telephone .....	10	17	79	0	106
Postage .....	15	13	15	14	57
Printing .....	5	14	14	0	33
Other Services .....	83	76	65	0	224
Supplies & Materials .....	5	15	26	0	46

(Dollars in thousands)

	Carter	Bush	Clinton	Widows	Total
Equipment .....	7	69	35	0	111
Total Obligations .....	518	786	1,162	34	2,500

#### FEDERAL CITIZEN INFORMATION CENTER FUND

Appropriation, fiscal year 2007 .....	\$14,874,000
Budget request, fiscal year 2008 .....	17,790,000
Recommended in the bill .....	15,798,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+924,000
Budget request, fiscal year 2008 .....	-1,992,000

The Consumer Information Center (CIC) was established within the General Services Administration (GSA) by Executive Order on October 26, 1970, to help Federal departments and agencies promote and distribute consumer information collected as a byproduct of the Government's program activities.

The Federal Information Center (FIC) program was established within the GSA in 1966, and was formalized by Public Law 95-491 in 1980. The program's purpose is to provide the public with direct information about all aspects of Federal programs, regulations, and services. To accomplish this mission, contractual services are used to respond to public inquiries via a nationwide toll-free telephone call center.

In 2000, the CIC assumed responsibility for the operations of the FIC program with the resulting organization being officially named the Federal Consumer Information Center. The Federal Consumer Information Center combines the nationwide toll-free telephone assistance program and the database of the FIC with the CIC website and publications distribution programs.

During fiscal year 2002, the Federal Consumer Information Center became part of GSA's newly established Office of Citizen Services and Communications and was renamed the Federal Citizen Information Center (FCIC). The new Office serves as a central Federal gateway for citizens, businesses, other governments, and the media to obtain information and services from the government. FCIC assumed operational control of the FirstGov.gov website in fiscal year 2002.

Public Law 98-63, enacted July 30, 1983, established a revolving fund for the CIC. Under this fund, FCIC activities are financed from the following: annual appropriations from the general funds of the Treasury, reimbursements from agencies for distribution of publications, user fees collected from the public, and any other income incident to FCIC activities. All are available as authorized in appropriation acts without regard to fiscal year limitations. The bill includes a limitation of \$18,000,000 on the availability of the revolving fund. Any revenues accruing to this fund in excess of this amount shall remain in the fund and are not available for expenditure except as authorized in appropriation Acts.

## COMMITTEE RECOMMENDATION

For fiscal year 2008, the Committee recommends \$15,798,000, an increase of \$924,000 over the level for fiscal year 2007 and \$1,992,000 less than the budget request.

The appropriation will be augmented by reimbursements from Federal agencies for distribution of consumer publications, user fees from the public, and other income.

GENERAL PROVISIONS—GENERAL SERVICES  
ADMINISTRATION

Section 501. 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 502. The Committee continues the provision providing authority for the use of funds for the hire of motor vehicles.

Section 503. 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 504. 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 505. 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 506. The Committee continues the provision that permits GSA to pay small claims (up to \$250,000) made against the government.

## MERIT SYSTEMS PROTECTION BOARD

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$38,666,000
Budget request, fiscal year 2008 .....	40,086,000
Recommended in the bill .....	40,086,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+1,420,000
Budget request, fiscal year 2008 .....	---

The Merit Systems Protection Board (MSPB) is an independent, quasi-judicial agency established to protect the civil service merit system. The MSPB adjudicates appeals primarily involving personnel actions, certain Federal employee complaints, and retirement benefits issues. The MSPB reports to the President whether merit systems are sufficiently free of prohibited employment practices.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$40,086,000 for the Merit Systems Protection Board, an increase of \$1,420,000 above the amount appropriated in fiscal year 2007 and the same

as the budget request. This amount includes up to \$2,579,000 which is transferred from the Civil Service Retirement and Disability Fund. The recommendation provides funding for mandatory pay raises, training, information technology improvements, and increased rent payments.

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

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

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2007 .....	\$1,984,000
Budget request, fiscal year 2008 .....	—
Recommended in the bill .....	2,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+16,000
Budget request, fiscal year 2008 .....	+2,000,000

COMMITTEE RECOMMENDATION

The Committee recommends \$2,000,000 for the activities of the Morris K. Udall Foundation, an increase of \$16,000 above the fiscal year 2007 enacted level and \$2,000,000 above the request.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriation, fiscal year 2007 .....	\$1,896,000
Budget request, fiscal year 2008 .....	750,000
Recommended in the bill .....	2,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+104,000
Budget request, fiscal year 2008 .....	+1,250,000

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.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,000,000 for the Environmental Dispute Resolution Fund, an increase of \$104,000 above the fiscal year 2007 enacted level and \$1,250,000 above the request.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

Appropriation, fiscal year 2007 .....	\$279,338,000
Budget request, fiscal year 2008 .....	312,874,000
Recommended in the bill .....	315,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+35,662,000
Budget request, fiscal year 2008 .....	+2,126,000

This appropriation provides the National Archives and Records Administration (NARA) with funds for its basic operations dealing

with management of the Government's archives and records, services to the public, operation of Presidential libraries, and review for declassification of classified security information.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$315,000,000 for the operating expenses of NARA, an increase of \$35,662,000 above the fiscal year 2007 enacted level and \$2,126,000 above the budget request. The Committee directs that the funds provided in excess of the budget request be used first to restore the public research hours that have been reduced since October 2006, and then to provide for increases in archivist staff, to help restore staffing reductions that have been made in recent years. These amounts should be added to the Operating Expenses base and requested in future years. The Committee believes that while it is important to continue efforts to reduce the backlog of materials for archiving, these efforts should not come at the expense of providing the public with access to NARA's services. NARA is directed to report to the Committee within 30 days of enactment on specific steps it is taking to restore the research hours and to bolster NARA's archivist workforce.

The Committee notes that the National Archives served as an important source of information for the recent Public Broadcasting Service (PBS) documentary film, "The War." This film has been criticized for its lack of inclusiveness in chronicling the American contribution to the allied victory in World War II, particularly with regard to the important contribution made by Hispanic Americans, who won numerous Congressional medals of honor. While the National Archives and Records Administration (NARA) ultimately cannot ensure the veracity and fairness of the histories produced by those who utilize NARA's facilities, the Committee encourages NARA to seek any and all opportunities to promote accurate, fair, and inclusive histories of the United States.

#### ELECTRONIC RECORDS ARCHIVES

Appropriation, fiscal year 2007 .....	\$45,254,000
Budget request, fiscal year 2008 .....	58,028,000
Recommended in the bill .....	58,028,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+12,774,000
Budget request, fiscal year 2008 .....	---

The Electronic Records Archives appropriation supports all direct NARA actions and activities associated with this major project for preserving digitally created records for archival purposes, storing and managing them electronically, and ensuring appropriate long-term access.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$58,028,000 for the Electronic Records Archives project, an increase of \$12,774,000 above the fiscal year 2007 enacted level and the same as the budget request. Consistent with previous years, the release of the funds is subject to the approval of a GAO-reviewed expenditure plan. In addition, NARA is directed to submit to the House and Senate Committees on Appropriations quarterly reports on the cost, sched-

ule, and performance of the Electronic Records Archives (ERA) project. These quarterly reports should provide information on the status of the project's schedule, budget, and expenditures as measured against a reported baseline; a prioritization of project risks and their mitigation efforts; and corrective actions taken to manage identified schedule slippages, cost overruns, or quality problems should they occur.

#### REPAIRS AND RESTORATION

Appropriation, fiscal year 2007 .....	\$9,120,000
Budget request, fiscal year 2008 .....	8,663,000
Recommended in the bill .....	16,095,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+6,975,000
Budget request, fiscal year 2008 .....	+7,432,000

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.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$16,095,000 for repairs and restoration, \$7,432,000 above the budget request and \$6,975,000 above the fiscal year 2007 enacted level. The increase above the request is for improvements to Presidential libraries.

#### NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION GRANTS PROGRAM

##### (INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2007 .....	\$7,425,000
Budget request, fiscal year 2008 .....	— — —
Recommended in the bill .....	10,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+2,575,000
Budget request, fiscal year 2008 .....	+10,000,000

The National Historical Publications and Records Commission (NHPRC) program provides for grants to preserve and publish records that document American history. Administered within the National Archives and Records Administration, 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.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$10,000,000 for the National Historical Publications and Research Commission grants program, an increase of \$2,575,000 above the fiscal year 2007 enacted level. The budget request proposed no funding for this program.

The Committee has strong concerns about the proposal not only to eliminate this program but also to correspondingly reduce the base funding in the Operating Expenses account by \$2,000,000. The Committee notes that this amount is significantly greater than

the amount actually needed to administer the NHPRC program. The Committee believes that the operating expenses of the NHPRC program must be budgeted accurately and expects NARA to do so in future budget submissions.

NATIONAL CREDIT UNION ADMINISTRATION  
CENTRAL LIQUIDITY FACILITY

	Limitation on direct loans	limitation on admin- istrative expenses
Fiscal year 2008 recommendation .....	(1,500,000,000)	(329,000)
Fiscal year 2007 appropriation .....	(1,500,000,000)	(323,000)
Fiscal year 2008 request .....	(1,500,000,000)	(329,000)
Comparison with 2007 appropriation .....	---	(+6,000)
Comparison with 2008 request .....	---	---

The Committee recommends a limitation of \$1,500,000,000 on the Central Liquidity Facility (CLF) lending activity to member credit unions from borrowed funds. This limitation represents the same level as fiscal year 2007 and the same as the budget request. The Committee expects to be kept apprised of CLF lending activity.

The Committee recommends the budget request of not more than \$329,000 for administrative expenses, an increase of \$6,000 above the fiscal year 2007 enacted level and the same as the budget request.

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

Appropriation, fiscal year 2007 .....	\$941,000
Budget request, fiscal year 2008 .....	950,000
Recommended in the bill .....	1,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+59,000
Budget request, fiscal year 2008 .....	+50,000

The Community Development Revolving Loan Fund Program (CDRLF) was established in 1979 to assist officially designated "low-income" credit unions in providing basic financial services to low-income communities. Low-interest loans and deposits are made available to assist these credit unions. Loans or deposits are normally repaid in five years, although shorter repayment periods may be considered. Technical assistance grants are also available to low-income credit unions. Earnings generated from the CDRLF are available to fund technical assistance grants in addition to funds provided for specifically in appropriations acts. Grants are available for improving operations as well as addressing safety and soundness issues.

COMMITTEE RECOMMENDATION

For fiscal year 2008, the Committee recommends \$1,000,000 for the National Credit Union Administration's Community Development Revolving Loan Fund for technical assistance grants. While the Administration and NCUA have not requested additional funds for loans in fiscal year 2008, the Committee expects the CDRLF to continue making loans from their available funds derived from repaid loans and interest earned on previous loans to designated credit unions.

## OFFICE OF GOVERNMENT ETHICS

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$11,115,000
Budget request, fiscal year 2008 .....	11,750,000
Recommended in the bill .....	11,750,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+635,000
Budget request, fiscal year 2008 .....	— —

The Office of Government Ethics (OGE), established by the Ethics in Government Act of 1978, partners with other executive branch Departments and agencies to foster high ethical standards. The OGE issues and monitors rules, regulations, and memoranda pertaining to the prevention and resolution of conflicts of interest, post-employment restrictions, standards of conduct, and financial disclosure for executive branch employees.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$11,750,000 for the Office of Government Ethics, an increase of \$635,000 above the amount appropriated in fiscal year 2007 and the same as the budget request.

## OFFICE OF PERSONNEL MANAGEMENT

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007:	
General fund .....	\$111,605,000
Transfer from trust funds .....	112,546,000
Budget request, fiscal year 2008:	
General fund .....	101,765,000
Transfer from trust funds .....	111,936,000
Recommended in the bill:	
General fund .....	101,765,000
Transfer from trust funds .....	123,401,000
Bill compared with:	
Appropriation, fiscal year 2007:	
General fund .....	— 9,840,000
Transfer from trust funds .....	+10,855,000
Budget request, fiscal year 2008:	
General fund .....	— —
Transfer from trust funds .....	+11,465,000

The Office of Personnel Management (OPM) is the Federal Government agency responsible for management of Federal human resources policy and oversight of the merit civil service system. Although individual agencies are increasingly responsible for personnel operations, OPM provides a Government-wide 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 Federal 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.

## COMMITTEE RECOMMENDATION

The Committee recommends a general fund appropriation of \$101,765,000 for OPM, a decrease of \$9,840,000 below the enacted fiscal year 2007 level and the same as the fiscal year 2008 budget request. The recommendation includes \$5,991,000 for the Enterprise Human Resources Integration project, \$1,351,000 for the Human Resources Line of Business project, \$340,000 for the E-Payroll project, and \$170,000 for the E-Training program.

The Committee also recommends \$123,401,000 for administrative expenses to be transferred from the appropriate trust funds. The amount includes \$26,465,000 for retirement systems modernization, an increase of \$11,465,000 over the request. The Committee expects that this amount, together with a recent reprogramming approved by the Committee, will keep the project largely on schedule. The Committee directs OPM to provide the Committee with quarterly reports, starting on January 31, 2008, on the implementation of “waves” for activating Federal employees under the retirement systems modernization program.

The Committee appreciates the importance of OPM’s Federal Human Capital Survey in providing data for independent analyses of Federal employee satisfaction. OPM shall continue to make agencies’ survey data publicly available in a consistent and consolidated format, and in a timely manner.

The Committee urges OPM, working with the appropriate authorizing committees, to consider changes in law to bring Federal prevailing rate employees currently working in the Narragansett Bay, Rhode Island Wage Area within the coverage of the Boston, Massachusetts Wage Area. Currently, “white collar” Federal workers in Southeastern Massachusetts and Rhode Island are included in the Boston, Massachusetts Wage Area, while “blue collar” workers are not. There is no reason for different treatment between the two categories of employees.

The Committee is aware of the vacancy at the Federal Prevailing Wage Advisory Committee at OPM. The Committee expects the OPM to report back to Congress within 90 days of enactment of this Act about the progress made on considering a wage change to the Narragansett Bay, Rhode Island Wage Area, despite the vacancy at the Committee.

## OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2007:	
General fund .....	\$2,061,000
Transfer from trust funds .....	16,278,000
Budget request, fiscal year 2008:	
General fund .....	1,519,000
Transfer from trust funds .....	16,481,000
Recommended in the bill:	
General fund .....	1,519,000
Transfer from trust funds .....	16,981,000
Bill compared with:	
Appropriation, fiscal year 2007:	
General fund .....	- 542,000
Transfer from trust funds .....	+703,000
Budget request, fiscal year 2008:	
General fund .....	---
Transfer from trust funds .....	+500,000

This appropriation provides agency-wide 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.

#### COMMITTEE RECOMMENDATION

The Committee recommends a general fund appropriation of \$1,519,000 for the Office of Inspector General (OIG) of the Office of Personnel Management, \$542,000 below the fiscal year 2007 enacted level and the same as the fiscal year 2008 budget request. In addition, the recommendation provides \$16,981,000 from appropriate trust funds, which is \$703,000 above the fiscal year 2007 level and \$500,000 above the request. The additional funds will enable the Office of Inspector General to maintain audit and investigative staff at the current level and avoid deterioration of the OIG's audit capabilities. The Committee recognizes the beneficial financial impact of the OIG in terms of the recovery of funds that result from investigations and audits.

#### GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriation, fiscal year 2007 .....	\$8,780,260,000
Budget request, fiscal year 2008 .....	8,884,000,000
Recommended in the bill .....	8,884,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+103,740,000
Budget request, fiscal year 2008 .....	---

This appropriation covers: (1) the Government's share of the cost of health insurance for 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 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.

#### COMMITTEE RECOMMENDATION

The Committee recommends a mandatory appropriation of \$8,884,000,000 for the Government Payment for Annuity, Employees Health Benefits, an increase of \$103,740,000 above the fiscal year 2007 enacted level, and the same as the Administration's request.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES LIFE  
INSURANCE

Appropriation, fiscal year 2007 .....	\$39,000,000
Budget request, fiscal year 2008 .....	41,000,000
Recommended in the bill .....	41,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+2,000,000
Budget request, fiscal year 2008 .....	- - -

This appropriation finances the Government's share of premiums, which is one-third the cost, for basic life insurance for annuitants retiring after December 31, 1989, and who are less than 65 years old.

COMMITTEE RECOMMENDATION

The Committee recommends a mandatory appropriation of \$41,000,000 for the Government Payment for Annuitants, Employees Life Insurance, an increase of \$2,000,000 above the fiscal year 2007 enacted level, and the same as the Administration's request.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriation, fiscal year 2007 .....	\$10,532,000,000
Budget request, fiscal year 2008 .....	11,941,000,000
Recommended in the bill .....	11,941,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+1,409,000,000
Budget request, fiscal year 2008 .....	- - -

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 Federal 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.

COMMITTEE RECOMMENDATION

The Committee recommends a mandatory appropriation of \$11,941,000,000 for the Payment to Civil Service Retirement and Disability Fund, an increase of \$1,409,000,000 above the fiscal year 2007 enacted level, and the same as the Administration's request.

## OFFICE OF SPECIAL COUNSEL

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$15,524,000
Budget request, fiscal year 2008 .....	16,368,000
Recommended in the bill .....	16,368,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+844,000
Budget request, fiscal year 2008 .....	- - -

The Office of Special Counsel (OSC): (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.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$16,368,000 for the Office of Special Counsel, an increase of \$844,000 above the fiscal year 2007 enacted level, and the same as the fiscal year 2008 budget request.

The Committee acknowledges and is concerned about the effect that recently initiated investigations may have on the OSC's resources. The Committee urges the OSC to carefully evaluate the need for additional appropriations and, if additional funds are necessary to conduct these investigations, pursue with the Office of Management and Budget a budget amendment to formally request the funds.

## SECURITIES AND EXCHANGE COMMISSION

## SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$892,560,000
Budget request, fiscal year 2008 .....	905,330,000
Recommended in the bill .....	908,442,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+15,882,000
Budget request, fiscal year 2008 .....	+3,112,000

The primary mission of the SEC is to protect investors and maintain the integrity of the securities markets. This includes ensuring full disclosure of financial information, regulating the nation's securities markets, and preventing fraud and malpractice in the securities and financial markets.

## COMMITTEE RECOMMENDATION

The Committee recommendation includes \$908,442,000 for the SEC, including \$867,045,000 from new fee collections and \$41,397,000 from prior year balances. This total funding level is \$15,882,000 above the resources provided in fiscal year 2007 and \$3,112,000 above the request. The Committee provides an increase above the request to enhance the SEC's enforcement program, including investigations of accounting fraud, market manipulation, insider trading, and investment scams that target seniors and low-income communities. Additional resources are also provided for the

Office of Investor Education and Assistance to expand investor education and financial literacy activities. The Committee commends the SEC for efforts to promote financial literacy, such as its recent participation in a program to teach personal finance concepts to high school juniors and seniors in the District of Columbia, and encourages the SEC to continue and expand such efforts.

The Committee continues to be concerned about the implementation of section 404 of the Sarbanes-Oxley Act of 2002 with respect to the costs borne by small businesses. The Committee strongly supports the Act's goal of ensuring that public companies identify any weaknesses in their internal controls so that investors can have confidence in companies' financial reporting. The Committee also appreciates the SEC's efforts, as reflected in its recent approval of new interpretive guidance on the implementation of section 404, to address the concerns of small businesses. However, the Committee is concerned that small businesses will not have sufficient time to review, assess, and prepare for compliance with the SEC's rules or the Public Company Accounting Oversight Board's (PCAOB) proposed auditing standard. Further, the small business community should have confidence that the new rules will actually reduce the cost of compliance. Therefore, the Committee encourages the SEC to continue to postpone the implementation of section 404 for companies with assets of less than \$75 million for one additional year so that these companies will have time to review the revised requirements and prepare to comply fully with section 404. The delay would also give the SEC and the PCAOB additional time to fully review and take into consideration the comments of investors, small businesses, and auditing firms regarding the new guidance and standards.

Smaller public companies deserve their own advocate within the SEC to help them face the joint challenge of meeting the 404 compliance deadlines with untested risk-based regulation. The Committee recognizes the important role of the Commission's Office of Small Business Policy, and directs it to act as the Commission's Small Business Ombudsman. It encourages the Office to maintain an "open door" policy, regularly soliciting comments from small businesses and publishing their concerns within the Commission, to assure that the needs of small business are reflected in the Commission's rules, and in the interpretations and guidance the SEC provides to the public.

The Committee recommendation assumes that \$10,198,000 will be available for the Electronic Discovery Program, as assumed in the President's request.

The Committee recommendation also includes bill language, similar to that included in previous Appropriations Acts, which: (1) allows for the rental of space; (2) makes up to \$3,500 available for official reception and representation expenses; (3) makes up to \$20,000 available for a permanent secretariat for the International Organization of Securities Commissions; and (4) makes up to \$100,000 available for expenses of meetings and consultations with foreign governmental and regulatory officials.

The Committee supports allowing the agency flexibility to manage its resources in an efficient manner and expects that, within 60 days of enactment of this Act, the SEC shall submit an initial spending plan by division/office describing personnel and non-per-

sonnel planned expenditures. This spending plan shall then serve as the basis for all future reprogramming notifications, in accordance with section 610 of this Act.

### SELECTIVE SERVICE SYSTEM

#### SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$24,850,000
Budget request, fiscal year 2008 .....	22,000,000
Recommended in the bill .....	22,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	-2,850,000
Budget request, fiscal year 2008 .....	---

The Selective Service System was established by the Selective Service Act of 1948. The basic mission of the System is to be prepared to supply manpower to the Armed Forces adequate to ensure the security of the United States during a time of national emergency. Since 1973, the Armed Forces have relied on volunteers to fill military manpower requirements, but selective service registration was reinstated in July, 1980.

#### COMMITTEE RECOMMENDATION

For fiscal year 2008, the Committee recommends \$24,850,000 for the Selective Service System, \$2,850,000 below the fiscal year 2007 funding level and the same as the budget request, to be spent as outlined in the budget justification document.

### SMALL BUSINESS ADMINISTRATION

The Small Business Administration (SBA) assists small businesses through programs involving loans, grants, and contracting preferences. These programs maintain and strengthen an economy that depends on small businesses for 60 to 80 percent of job creation. SBA programs also serve disadvantaged populations so that their small business enterprises may overcome economic and social obstacles to success.

The recommendation provides a total of \$582,497,000 for the five appropriations accounts of the Small Business Administration (SBA). This amount is \$118,980,000 above the budget request. Detailed guidance for the five SBA appropriations accounts is presented below.

#### SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$327,592,000
Budget request, fiscal year 2008 .....	310,103,000
Recommended in the bill .....	346,553,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+18,961,000
Budget request, fiscal year 2008 .....	+36,450,000

#### COMMITTEE RECOMMENDATION

The Committee recommends \$346,553,000 for the salaries and expenses of the SBA, which is \$18,961,000 above the current year and \$36,450,000 above the request.

Of the amount provided under this heading, \$203,177,000 is for operating expenses of the SBA. In addition, a total of \$144,414,000 from other SBA accounts may be transferred to and merged with

the salaries and expenses account for indirect operating costs. This amount consists of \$135,414,000 from the Business Loans Program Account and \$9,000,000 from the Disaster Loans Program Account for administrative expenses related to those accounts. The Committee also anticipates that SBA will have an additional \$11,381,000 in fee receipts and \$6,388,000 in reimbursable amounts from other agencies available for operating expenses. This will result in a total availability of \$365,360,000 for the operating expenses of the SBA.

The Committee recommendation for salaries and expenses includes a total of \$143,376,000 for non-credit initiatives as follows:

[In thousands of dollars]

Small Business Development Centers .....	\$100,000
Veterans Programs .....	743
SCORE .....	5,000
Women's Business Centers .....	13,000
Women's Business Council .....	743
Drug Free Workplace .....	990
Microloan Technical Assistance .....	14,500
PRIME .....	3,000
Native American Outreach .....	1,000
7(j) Technical Assistance .....	2,300
HUBZone .....	2,100
Total, non-credit initiatives .....	143,376

The SBA shall not reduce these noncredit programs to fund operating costs. In addition, the Committee directs the SBA to support no less than the fiscal year 2007 level of funding for the National Ombudsman; the Office of Advocacy, including support for the Advocacy Database; international trade programs; and the defense transition program. The Committee also expects the SBA to continue to enhance opportunities for small businesses to partner with the manufacturing sector.

The Committee recommendation includes increased resources for programs that are especially effective in aiding small businesses in socially and economically disadvantaged communities. Examples are the PRIME program, 7(j) technical assistance program, and the HUBZone program. The Committee encourages the SBA to increase efforts to reach out to small businesses in these communities.

The Committee is aware that there are certain rural areas that are underutilized business areas, but are excluded from HUBZone designation based on the current program authorization. The Committee encourages the SBA to continue to examine ways to incorporate these areas into any future revisions of the Small Business Act.

The Committee recommendation includes requested language authorizing \$3,500 for official reception and representation expenses as well as language authorizing the SBA to charge fees to cover the cost of publications and certain loan program activities. Requested language is also included that allows these fee collections to be credited to the salaries and expenses account to be available for carrying out these purposes without further appropriations.

## OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2007 .....	\$13,835,000
Budget request, fiscal year 2008 .....	15,000,000
Recommended in the bill .....	15,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+1,165,000
Budget request, fiscal year 2008 .....	---

## COMMITTEE RECOMMENDATION

The Committee recommends \$15,000,000 for the Office of Inspector General of the SBA, which is \$1,165,000 above the amount appropriated in fiscal year 2007 and the same as the request. In addition, \$500,000 will be available by transfer from the Disaster loans program account pursuant to the fiscal year 2007 supplemental appropriations Act. The Office of Inspector continues to draw on \$5,000,000 in funds made available by Public Law 109-148 to investigate waste, fraud, and abuse related to the consequences of the hurricanes in the Gulf of Mexico during calendar year 2005.

## SURETY BOND GUARANTEES REVOLVING FUND

Appropriation, fiscal year 2007 .....	\$2,824,000
Budget request, fiscal year 2008 .....	3,000,000
Recommended in the bill .....	3,000,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+176,000
Budget request, fiscal year 2008 .....	---

## COMMITTEE RECOMMENDATION

The Committee recommends a total of \$3,000,000 for the Surety Bond Guarantees Revolving Fund, which is \$176,000 above the fiscal year 2007 level and the same as the request. The Committee notes that the Surety Bond program is not covered by the Federal Credit Reform Act, and that SBA requests an appropriation only when projections show that the reserves need to be replenished to cover estimated future liabilities. The amount provided should be sufficient to address anticipated costs.

## BUSINESS LOANS PROGRAM ACCOUNT

Appropriation, fiscal year 2007 .....	\$126,145,000
Budget request, fiscal year 2008 .....	135,414,000
Recommended in the bill .....	217,944,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	+91,799,000
Budget request, fiscal year 2008 .....	+82,530,000

## COMMITTEE RECOMMENDATION

The SBA Business Loan Program serves as an important source of capital for America's small businesses. The recommendation supports \$17,500,000,000 for the 7(a) business loan program, \$7,500,000,000 for the 504 certified development company program, \$3,000,000,000 for Small Business Investment Company (SBIC) debentures, and \$12,000,000,000 for the Secondary Market Guarantee Program. These program levels are the same as in the request.

The Committee recommends a total of \$217,944,000 in new budget authority for the Business Loans Program Account, which is \$91,799,000 above the fiscal year 2007 level and \$82,530,000 above

the request. Of the amount appropriated, \$135,414,000 is for administrative expenses related to business loan programs, the same as the request. The amount provided for administrative expenses may be transferred to and merged with the appropriation for SBA salaries and expenses to cover the common overhead expenses associated with business loans.

The recommendation includes \$80,000,000 for the subsidy cost of the 7(a) business loan guarantee program.

The recommendation includes \$2,530,000 for the cost of the Microloan Program. The Committee does not approve the zero subsidy recommendation for Microloans that was assumed in the President's request. The amount provided is estimated to support \$25,000,000 in loans.

#### DISASTER LOANS PROGRAM ACCOUNT

Appropriation, fiscal year 2007 <sup>1</sup> .....	\$114,931,000
Budget request, fiscal year 2008 .....	(156,000,000)
Recommended in the bill .....	---
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 114,931,000
Budget request, fiscal year 2008 .....	---

<sup>1</sup> Does not include a rescission of \$2,300,000 in unobligated balances. The amount also does not include \$181,069,000 in unobligated balances made available through supplemental appropriations and available in fiscal year 2008.

The Committee recommendation does not include any new budget authority for this account in fiscal year 2008. This recommendation is based on the inclusion of \$181,069,000 for administrative expenses in a fiscal year 2007 supplemental appropriations bill, which remains available for obligation into fiscal year 2008.

As required by the Federal Credit Reform Act of 1990, the Congress is required to appropriate an amount sufficient to cover the subsidy costs associated with all direct loan obligations and loan guarantee commitments made in fiscal year 2008, as well as the administrative expenses of the loan programs. At this time, sufficient balances remain in the account so that no subsidy appropriation is necessary.

The Committee looks forward to learning the recommendations from the National Academy of Public Administration on how to improve SBA's Disaster Loan program.

#### ADMINISTRATIVE PROVISION—SMALL BUSINESS ADMINISTRATION

The Committee continues an administrative provision for the Small Business Administration that authorizes transfer of up to 5 percent of any appropriation to other appropriations, provided that transfers not increase an appropriation by more than 10 percent. The provision also requires that transfers be treated as reprogrammings of funds.

#### UNITED STATES POSTAL SERVICE

##### PAYMENT TO THE POSTAL SERVICE FUND

The United States Postal Service (USPS) is funded almost entirely by Postal rate payers rather than tax payers. Funds provided to the Postal Service in the Payment to the Postal Service Fund include the costs of revenue forgone on free and reduced-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. Congress does not provide funds for either general operations or capital investments.

Appropriation, fiscal year 2007 .....	\$108,915,000
Budget request, fiscal year 2008 .....	88,864,000
Recommended in the bill .....	88,864,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	- 20,051,000
Budget request, fiscal year 2008 .....	---

#### COMMITTEE RECOMMENDATION

The Committee recommends appropriations totaling \$88,864,000 for Payment to the Postal Service Fund, the same as the President's request. The recommended amount is an advance appropriation for fiscal year 2009.

*Mail processing facility consolidations.*—The USPS is undertaking a major realignment of its postal facilities and streamlining its transportation networks to achieve greater efficiencies, reduce redundancies, and achieve cost savings. However, this effort has raised many questions, including how many facilities will be needed, which facilities will be closed, what roles various facilities will serve, how long will the realignment take, and how will community concerns influence the decision-making process. Additionally, it is uncertain how the postal workforce, mailers, and communities will be affected by the realignment.

The Committee is particularly concerned about planned consolidations of the Bronx, New York, mail processing operations into Manhattan, and of the Pasadena, California, processing and distribution center into the Santa Clarita and Industry processing and distribution centers. The Committee notes that the USPS Office of Inspector General (OIG) is currently conducting a thorough review of the Bronx consolidation. Further, the Committee notes that the OIG released in September 2006 an audit report on the Pasadena consolidation. This report found “discrepancies with the Area Mail Processing (AMP) proposal in the areas of transportation costs, the number of employees affected, and changes in service standards.” The report also found that the AMP study did not notify community stakeholders and elected officials in a timely manner.

The Postal Service should work with community stakeholders and elected officials on all consolidation activities affecting the Bronx and Pasadena facilities. The Postal Service should not proceed with the Bronx consolidation until after: 1) the Inspector General completes his review and the report on that review is submitted to the Committee, and 2) public comments have been received and a report has been provided to the Committee detailing those comments. The Postal Service should not take any additional action on the consolidation or closure of the Pasadena facility until after: 1) the Postal Service conducts an additional review of the Pasadena AMP proposal to examine the claims of efficiencies and cost savings not supported by the Inspector General's report, and

2) the Postal Service reports to the Committee on this additional review and other actions it has taken to address the Inspector General's findings.

*Postal facilities.*—The Committee is concerned about the condition of postal facilities in a number of municipalities in Puerto Rico, including Dorado, Guaynabo, Rincón, San Germán, Villalba, Yabucoa, and Yauco. The Committee recommends that the Postal Service, working with local officials and community leaders, evaluate the needs of these communities and include these facilities in its nationwide priority list to ensure that capital resources are focused on the maintenance and enhancement of existing infrastructure at these facilities. The Committee further recommends that the Postal Service report on these efforts to the Committee.

The Committee is also concerned about the postal facility needs of the City of Indio, California. The Committee is aware that the current facility is inadequate to meet the City's needs given its rapid population growth. The Committee recommends that the Postal Service work with City officials to evaluate the need for a new facility and report its findings to the Committee.

*Mail service.*—The Committee is concerned about recent reports that Chicago, Illinois, has the worst in-town overnight mail service in the country. According to a recent review by USPS, only 90 percent of the first-class mail sent between Chicago ZIP codes was delivered in one day—the lowest percentage of overnight delivery in the nation. The audit found that problems were citywide. The Committee directs the Postal Service to continue working with city officials and report to the Committee on the actions being taken to correct these deficiencies expeditiously.

*Local postal management.*—The Committee urges the Postal Service to solicit and take into consideration the views of local postal management in the development of appropriate staffing levels to ensure that postal customers receive the quality mail service that they expect and deserve. The Committee directs that the Postal Service report in writing 180 days after enactment of this Act to the Committees on Appropriations of the Senate and the House of Representatives, the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Oversight and Government Reform on the steps taken to achieve this objective.

#### UNITED STATES TAX COURT

##### SALARIES AND EXPENSES

Appropriation, fiscal year 2007 .....	\$47,625,000
Budget request, fiscal year 2008 .....	45,326,000
Recommended in the bill .....	45,069,000
Bill compared with:	
Appropriation, fiscal year 2007 .....	–2,556,000
Budget request, fiscal year 2008 .....	–257,000

The U.S. Tax Court adjudicates controversies involving deficiencies in income, estate, and gift taxes. The Court also has jurisdiction to determine deficiencies in certain excise taxes to issue declaratory judgments in the areas of qualifications of retirement plans, exemption of charitable organizations, and to decide certain cases involving disclosure of tax information by the Commissioner of the Internal Revenue Service.

## COMMITTEE RECOMMENDATION

The Committee recommends \$45,069,000 for the U.S. Tax Court, \$257,000 below the budget request and \$2,556,000 below the amounts provided in fiscal year 2007. The Committee notes that the requested reduction below the fiscal year 2007 level is possible due to various personnel cost savings as well as productivity gains associated with prior information technology improvements. In addition, the Committee notes that not to exceed 50 percent of any end-of-year balances of budget authority may remain available in fiscal year 2008 under the terms and conditions of the fiscal year 2007 enacted bill. The Committee believes, therefore, that a reduction to the budget request of \$257,000 is appropriate to reflect a minimum level of expected end-of-year balances that would be available in fiscal year 2008 and will not affect the operations of the account.

## TITLE VI—GENERAL PROVISIONS, THIS ACT

Section 601. The Committee continues the provision requiring pay raises to be funded within appropriated levels in this Act or previous appropriations Acts.

Section 602. The Committee continues the provision prohibiting pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this Act.

Section 603. The Committee continues the provision prohibiting obligations beyond the current fiscal year and prohibits transfers of funds unless expressly so provided herein.

Section 604. The Committee continues the provision limiting consulting service expenditures of public record in procurement contracts.

Section 605. The Committee continues the provision prohibiting funds in this Act to be transferred without express authority.

Section 606. 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 607. The Committee continues the provision concerning employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 608. The Committee continues the provision concerning compliance with the Buy American Act.

Section 609. The Committee continues the provision prohibiting the use of funds by any person or entity convicted of violating the Buy American Act.

Section 610. The Committee continues and modifies the provision specifying reprogramming procedures. The provision requires that agencies or entities funded by the Act notify the Committee and obtain prior approval from the Committee for any reprogramming of funds that: (1) creates a new program; (2) eliminates a program, project, or activity; (3) increases funds or personnel for any program, project, or activity for which funds have been denied or restricted by the Congress; (4) proposes to use funds directed for a specific activity by either the House or Senate Committees on Appropriations for a different purpose; (5) augments existing programs, projects, or activities in excess of \$1,000,000 or 10 percent, whichever is less; (6) reduces existing programs, projects, or activi-

ties by \$1,000,000 or 10 percent, whichever is less; or (7) reorganizes offices, programs, or activities. The provision also directs the agencies funded by this Act to submit operating plans for the Committee's review within 60 days of the bill's enactment.

Section 611. The Committee continues the provision providing that fifty percent of unobligated balances may remain available for certain purposes.

Section 612. The Committee continues the provision providing that funds used by the Executive Office of the President not be used to request any official background investigation from the Federal Bureau of Investigation.

Section 613. The Committee continues the provision requiring that cost accounting standards not apply to a contract under the Federal Employee Health Benefits Program.

Section 614. The Committee continues the provision regarding non-foreign area cost of living allowances.

Section 615. The Committee continues the provision prohibiting the expenditure of funds for abortions under the FEHBP.

Section 616. The Committee continues the provision prohibiting the expenditure of funds for abortions under the FEHBP unless the life of the mother is in danger or the pregnancy is a result of an act of rape or incest.

Section 617. The Committee continues the provision waiving restrictions on the purchase of non-domestic articles, materials, and supplies in the case of acquisition by the Federal Government of information technology.

Section 618. The Committee continues the provision prohibiting the use of funds for a proposed rule relating to the determination that real estate brokerage is a financial activity.

Section 619. The Committee includes a new provision regarding investments relating to the Harry S Truman Memorial Scholarship Trust Fund.

Section 620. The Committee includes a provision prohibiting funds in this Act from being used for any Federal Government contract with any foreign incorporated entity which is treated as an inverted domestic corporation.

Section 621. The Committee includes a provision for initiatives related to small business development and entrepreneurship, including programmatic and construction activities, to be awarded as follows:

- \$231,000 for the Abraham Lincoln National Airport Commission, Minority and Small Business Development and Procurement Opportunities;
- \$300,000 for Adelante Development Center;
- \$231,000 for the Advantage West Economic Development Group, Certified Entrepreneurial Community Program;
- \$231,000 for the Alleghany Highlands Economic Development Corporation to develop business assistance software tools;
- \$500,000 for the Ashland County, OH, Career Center for the Northeast Central Ohio Bioscience Consortium;
- \$175,000 for Barry University for the Institute for Community and Economic Development;
- \$250,000 for Ben Franklin Technology Partners;
- \$131,000 for the Boston Chinatown Neighborhood Center Workforce Development Initiative;

- \$250,000 for the Bridgeport Regional Business Council for One Coast, One Future;
- \$81,000 for the Bronx Council on the Arts for marketing of local business arts initiatives;
- \$231,000 for the Brooklyn College Entrepreneurial Center;
- \$231,000 for the Buffalo Niagara International Trade Foundation, World Trade Center Buffalo Niagara, Buffalo, NY;
- \$231,000 for California State University, Pasadena Biotech Training Facility;
- \$231,000 for the Caribbean American Chamber of Commerce and Industry, Caribbean American Trade Center/Business Incubator renovation;
- \$231,000 for the Center for Economic Growth, Business Acceleration Program, Greene County, NY;
- \$100,000 for the Center for Women and Enterprise, RI, CWE Technology Learning Center;
- \$231,000 for the City of Charlotte, NC, Belvedere Business Park Project;
- \$231,000 for the City of Chicago, IL, Small business assistance program for ex-offenders;
- \$231,000 for the City of Inglewood, CA, Grow Inglewood;
- \$231,000 for the City of Los Angeles, Adams-La Brea Retail Project;
- \$231,000 for the Colorado State University Sustainable Biofuels Development Center;
- \$300,000 for the Columbus College of Art and Design for an industrial design center;
- \$231,000 for the Community College of Philadelphia, Northeast Regional Center for Small Business Development;
- \$150,000 for the Connected Technologies Corridor, Athens WV;
- \$231,000 for the Cuyahoga Community College, Veterans Outreach and Business Development Center;
- \$231,000 for the Dartmouth Regional Technology Center ;
- \$231,000 for the Delaware County Community College Small Business Center, Media, PA;
- \$231,000 for the Detroit Economic Growth Corporation, Business Attraction program;
- \$231,000 for Detroit Renaissance for a business district;
- \$250,000 for DuPage Technology Park to establish a minority business incubator;
- \$231,000 for the Economic Development Coalition of Southeast Michigan, Ann Arbor SPARK Business Accelerator;
- \$231,000 for the Entrepreneurial Development Center Business Accelerator, Cedar Rapids, IA;
- \$231,000 for the expansion of the Incubator at the Purdue Technology Center of Northwest Indiana;
- \$500,000 for Experience Works, Inc. in Richmond Hill, GA;
- \$231,000 for Experience Works, Senior Community Service Employment Program, Arlington, VA;
- \$250,000 for the Fairplex Trade and Conference Center, Pomona, CA;
- \$231,000 for the Federal HUBZone Incubator in Elizabeth City, NC;

- \$231,000 for the Friends of the Big South Fork for community and economic development;
- \$231,000 for the Greater Harlem Chamber of Commerce;
- \$300,000 for the Greater North Louisiana Community Development Corporation;
- \$231,000 for the Greyston Foundation, Workforce Development Initiative, Yonkers, NY;
- \$231,000 for the Hispanic Information and Telecommunications Network telecommunication pilot initiative for small business development;
- \$231,000 for the Historic Downtown Retail Project, Valley Economic Development Center;
- \$231,000 for the Hudson Alpha Institute Biotechnology facility;
- \$231,000 for the Illinois Institute of Technology, Innovating Manufacturing Education ;
- \$231,000 for Indiana State University for the Center for New Business Development, Terre Haute, IN;
- \$100,000 for the Inquilinos Boricuas en Acción's Employment Services Initiative;
- \$200,000 for the Institute for Advanced Learning and Research for a business development initiative;
- \$150,000 for the John C. Calhoun Community College for robotics training equipment;
- \$131,000 for the Johnson and Wales University Latino Business Outreach Program
- \$231,000 for the Johnstown Area Regional Industries Incubator and Workforce Development program;
- \$231,000 for Kulanu for the Vocational Education Program for employment skills development;
- \$231,000 for the LaGuardia Community College Emerging Designers Unit;
- \$153,000 for Lewis and Clark State College for business training tools;
- \$231,000 for the Lorain County Community College Entrepreneurship Innovation Center;
- \$450,000 for the Louisiana Small Business Development Center;
- \$231,000 for the Louisville Medical Center Development Corporation, LMCDC/MetaCyte Business Labs and Incubator;
- \$231,000 for the Macomb County Department of Planning and Economic Development, Macomb County Business Accelerator;
- \$250,000 for the Marshalltown Community College for a rural entrepreneurship incubator;
- \$250,000 for the Medina County, OH, Office of Workforce Development;
- \$150,000 for the Mifflin County Industrial Development Corporation;
- \$500,000 for Mississippi State University for the Convergence of Scientists and Entrepreneurs to Expedite Commercialization;
- \$129,000 for the Mitchell County Development Foundation, Inc. for the Home of the Perfect Christmas Tree project;

- \$200,000 for Montana State University's manufacturing extension center;
- \$400,000 for the Montana World Trade Center;
- \$231,000 for Montgomery College for the Germantown Biotechnology Project;
- \$100,000 for the National Association of Development Organizations;
- \$231,000 for the National Federation of the Blind, Access to Libraries and Learning; Creating Technology for the Blind to promote entrepreneurship;
- \$100,000 for the New College Institute to support economic development and small business development;
- \$231,000 for the North Carolina Rural Economic Development Center Rural Ventures Fund;
- \$231,000 for the North Dakota State College of Science, Nanotechnology Applied Science Laboratory;
- \$50,000 for the North Iowa Area Community College for a regional economic development organization;
- \$150,000 for the North Side Industrial Development Co., New Business-New Beginning Program;
- \$231,000 for the Northeast Entrepreneur Fund, Northland Entrepreneur Development System for technical assistance, Virginia, MN;
- \$231,000 for the Northwest Agriculture Business Center Technological Network, Mt. Vernon, WA;
- \$231,000 for Northwestern University for the Molecular Therapeutics and Diagnostics Building;
- \$231,000 for Ohio University for Economic Development through Entrepreneurship in Appalachia;
- \$150,000 for the Oil Region Alliance of Business, Industry and Tourism;
- \$300,000 for Operation New Hope in FL;
- \$250,000 for the Peoria NEXT Innovation Center;
- \$231,000 for the Phoenix House for Drug-free workplace initiatives;
- \$231,000 for Portland State University Science Research and Teaching Center;
- \$250,000 for the Ready to Work project in OH;
- \$231,000 for the Rio Hondo College Automotive Technician Training Demonstration Project;
- \$125,000 for the Rochester Tooling and Machining Association for workforce development programs;
- \$125,000 for Rock Valley College for a manufacturing career development and training program;
- \$125,000 for the Rockford Area Ventures Small Business Incubator and Technology Commercialization Center;
- \$231,000 for the Rockland Small Business Development Center, Small Business Employment Assistance;
- \$231,000 for the Rowan University South Jersey Technology Park;
- \$231,000 for the San Francisco Planning and Urban Research Association, SPUR Urban Center;
- \$231,000 for Sandoval County, NM—Sandoval County Technology project;

- \$231,000 for the Seedco Financial Services Alabama Minority and Women-owned Business Enterprises (M/WBE) Investment Initiative for technical assistance and training;
- \$500,000 for SEKTDA for economic and small business development in Southern and Eastern Kentucky;
- \$231,000 for the Sephardic Angel Fund Financial Literacy & Business Youth Education Project, Brooklyn, NY;
- \$231,000 for SER-Jobs for Progress National, for the Dual-language Financial Literacy Technology Training;
- \$250,000 for Shawnee State University for an Immersive Technology and Arts Center;
- \$300,000 for Sierra College for a mechatronics workforce training initiative;
- \$231,000 for Soundview Community in Action technology and business development services;
- \$231,000 for the South Dakota School of Mines, Black Hills Nanoscale Minerals Institute, infrastructure development;
- \$100,000 for the South Side Innovation Center;
- \$231,000 for the Spanish American Merchants Association, Statewide Technical Assistance & Resource Program, Hartford, CT;
- \$150,000 for the St. Jerome's Church Community Center project for job skills training, Bronx, NY;
- \$231,000 for the Student Business Incubator at the University of Northern Iowa;
- \$150,000 for the TechRanch Technology Venture Center;
- \$500,000 for the Enterprise Center in TN;
- \$231,000 for the Illinois Institute of Technology, technology incubator;
- \$231,000 for the University of Texas at San Antonio, UTSA Mexico Center, business development research;
- \$250,000 for the Thomas More College for training programs in the fields of health sciences and healthcare management;
- \$231,000 for the Thurgood Marshall College Fund for the Minority Community Small Business & Economic Development Initiative;
- \$231,000 for the University of Connecticut, Avery Point for the Avery Point Technology Incubation Center;
- \$231,000 for the University of Maryland-Baltimore BioPark;
- \$231,000 for the University of Missouri, Kansas City, KCSOURCE Link, Vet Link for small business development for veterans;
- \$231,000 for the University of Notre Dame, Robinson Enterprises Community Learning Center;
- \$43,000 for the University of Pittsburgh at Bradford for an entrepreneurship center;
- \$500,000 for the University of South Florida to establish a Center for the Development of Information Technology;
- \$231,000 for the University of Southern Maine, Lewiston-Auburn College for The Learning Works project;
- \$231,000 for the University of Texas Brownsville International Trade Center;

- \$100,000 for the Urban League of Rochester, Minority and Women Business Development Programs;
- \$231,000 for the USS Saratoga Museum Foundation workforce development program;
- \$231,000 for the Valley Economic Development Center, Technical Assistance Office;
- \$231,000 for the Valley Economic Development Center, Valley Initiative for Business Expansion;
- \$231,000 for the Vermont SBDC Veterans Assistance Program;
- \$150,000 for the Wallace State Community College for an integrated manufacturing center;
- \$250,000 for the Wayne County, MI, Department of Public Services to develop technologies to support small business;
- \$200,000 for Wayne County, NY, for a business development initiative;
- \$231,000 for the West Virginia University Research Corporation for renovations of a small business incubator;
- \$231,000 for the Western MA Enterprise Fund for technical assistance for developing enterprises;
- \$231,000 for Williamsburg County, South Carolina for a commodity development small business initiative;
- \$500,000 for Wittenberg University to expand business education;
- \$350,000 for the Workforce Initiative Association in Canton, OH;
- \$231,000 for the Youngstown Edison Incubator Corporation and the Youngstown Central Area Community Improvement Corp, Youngstown Business Incubator; and
- \$231,000 for the Youngstown Warren Regional Chamber, Salute to Success, Business Entrepreneurship Incubator.

## TITLE VII—GENERAL PROVISIONS

### GOVERNMENT-WIDE

#### DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 701. The Committee continues and makes permanent 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 702. 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 703. The Committee continues the provision regarding price limitations on vehicles to be purchased by the Federal Government. Price limitations are updated consistent with the President's budget request.

Section 704. The Committee continues the provision allowing funds made available to agencies for travel, to also be used for quarter allowances and cost-of-living allowances.

Section 705. 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 706. The Committee continues the provision ensuring that agencies will have authority to pay GSA bills for space renovation and other services.

Section 707. 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 708. The Committee continues the provision providing that funds may be used to pay rent and other service costs in the District of Columbia.

Section 709. The Committee continues and makes permanent the provision prohibiting payments to persons filling positions for which they have been nominated after the Senate has voted not to approve the nomination.

Section 710. The Committee continues the provision prohibiting interagency financing of groups absent prior statutory approval.

Section 711. 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 712. The Committee continues the provision limiting the pay increases of certain prevailing rate employees.

Section 713. The Committee continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Section 714. The Committee continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Section 715. 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 716. The Committee continues and makes permanent the provision requiring agencies to administer a policy designed to ensure that all workplaces are free from discrimination and sexual harassment.

Section 717. The Committee continues the provision prohibiting the payment of any employee who prohibits, threatens or prevents another employee from communicating with Congress.

Section 718. The Committee continues the provision prohibiting Federal training not directly related to the performance of official duties.

Section 719. The Committee continues the provision prohibiting the expenditure of funds for implementation of agreements in non-disclosure policies unless certain provisions are included.

Section 720. The Committee continues the provision prohibiting propaganda, publicity and lobbying by executive agency personnel in support or defeat of legislative initiatives.

Section 721. 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 722. 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 723. The Committee continues the provision prohibiting the use of funds for propaganda and publicity purposes not authorized by Congress.

Section 724. The Committee continues the provision directing agency employees to use official time in an honest effort to perform official duties.

Section 725. The Committee continues the provision authorizing the use of funds to finance an appropriate share of the Federal Accounting Standards Advisory Board.

Section 726. The Committee continues the provision, with technical modifications, authorizing agencies to transfer funds (not to exceed \$10,000,000) to the Government-wide Policy account of GSA to finance an appropriate share of various government-wide boards and councils.

Section 727. 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 728. 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 729. The Committee continues the provision requiring documents involving the distribution of Federal funds to indicate the agency providing the funds and the amount provided.

Section 730. The Committee repeals the provision extending authorization for agency franchise funds.

Section 731. The Committee continues the provision prohibiting the use of funds to monitor personal information relating to the use of Federal Internet sites to collect, review, or create any aggregate list that includes personally identifiable information relating to access to or use of any Federal Internet site of such agency.

Section 732. The Committee continues a provision requiring health plans participating in the FEHBP to provide contraceptive coverage and provides exemptions to certain religious plans.

Section 733. The Committee continues the provision providing recognition of the U.S. Anti-Doping Agency as the official anti-doping agency.

Section 734. The Committee continues a provision allowing funds for official travel to be used by departments and agencies, if consistent with OMB Circular A-126, to participate in the fractional aircraft ownership pilot program.

Section 735. The Committee continues a provision prohibiting funds for implementation of OPM regulations limiting detailees to the Legislative Branch, and implementing limitations on the Coast Guard Congressional Fellowship Program.

Section 736. The Committee continues the provision that restricts the use of funds for Federal law enforcement training facilities.

Section 737. The Committee continues the provision concerning the use of funds for the "e-Gov" initiative that were not appropriated specifically for that purpose.

Section 738. The Committee continues a provision, with modifications, regarding public-private competitions in reference to OMB Circular A-76.

Section 739. The Committee continues a provision, with modifications, providing that the adjustment in rates of basic pay for employees under statutory pay systems taking effect in fiscal year 2008 shall be an increase of 3.5 percent. Language has been updated to reflect the current status of Department of Defense employees covered under the National Security Personnel System.

Section 740. The Committee continues the provision that prohibits executive branch agencies from creating prepackaged news stories that are broadcast or distributed in the United States unless the story includes a clear notification within the text or audio of that news story that the prepackaged news story was prepared or funded by that executive branch agency. This provision confirms the opinion of the Government Accountability Office dated February 17, 2005 (B-304272).

Section 741. The Committee continues the provision prohibiting funds used in contravention of section 552a of title 5, United States Code or section 552.224 of title 48 of the Code of Federal Regulations.

Section 742. The Committee continues, with modification, the provision requiring agencies to evaluate the creditworthiness of an individual before issuing the individual a government travel charge card and limits agency actions accordingly. The Committee recommends new language, as requested, authorizing an assessment of the individual's consumer report from a consumer reporting agency. The Committee expects that this authority to review individual employees' consumer reports shall be used only to assess creditworthiness for the purpose of issuing an individually-billed government travel charge card and shall not be used for any other purpose.

Section 743. The Committee recommends a new provision to require the Office of Management and Budget to submit a report on budget information relating to Great Lakes restoration activities.

Section 744. The Committee continues the provision concerning the application of these general provisions to title IV and to title VIII.

## TITLE VIII—GENERAL PROVISIONS

### DISTRICT OF COLUMBIA

Section 801. The Committee continues the provision that specifies that an appropriation for a particular purpose or object shall be considered as the maximum amount that may be expended for said purpose or object.

Section 802. The Committee continues the provision that permits funds for travel and payment of dues.

Section 803. The Committee continues the provision that appropriates funds for refunding overpayments of taxes collected and for paying settlements and judgments against the District of Columbia government.

Section 804. The Committee modifies the provision that prohibits the use of appropriation for publicity or propaganda purposes.

Section 805. The Committee modifies the provision that establishes reprogramming and transfer requirements with respect to notification requirements for the reprogramming of local funds.

Section 806. The Committee continues the provision that prohibits use of funds only to the objects for which the appropriations were made.

Section 807. The Committee continues the provision that clarifies the pay setting authority for District employees as the District's Merit Personnel Act rather than title 5 of the United States Code.

Section 808. The Committee continues the provision that directs the Mayor of the District of Columbia to submit new fiscal year 2008 revenue estimates as of the end of such quarter.

Section 809. The Committee continues the provision that allows the mayor to accept, obligate, and expend Federal, private, and other grants received by the District government that are not reflected in the amounts appropriated in this Act.

Section 810. The Committee continues the provision that restricts the use of official vehicles to official duties and not between a residence and workplace, except in the case of a police officer who resides in the District of Columbia at the discretion of the Chief, an officer or employee of the D.C. Fire and Emergency Medical Services Department who resides in the District of Columbia and is on call 24 hours a day, the Mayor of the District of Columbia, and the Chairman of the Council of the District of Columbia.

Section 811. The Committee modifies the provision that prohibits the use of appropriated funds by the Corporation Counsel or any other officer or entity of the District government to provide assistance for any petition drive or civil action which seeks to require Congress to provide for voting representation in Congress for the District of Columbia to apply to Federal funds.

Section 812. The Committee modifies a provision to prohibit the use of Federal funds in this Act to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

Section 813. The Committee continues the provision that requires the Chief Financial Officers of the District of Columbia to certify that they understand the duties and restrictions applicable to their agency as a result of this Act.

Section 814. The Committee continues the provision that includes a "conscience clause" on legislation that pertains to contraceptive coverage by health insurance plans.

Section 815. The Committee modifies the provision that requires the Mayor of the District of Columbia to submit quarterly reports on various issues pertaining to the District of Columbia.

Section 816. The Committee continues the provision that requires the CFO to submit a revised appropriated funds operating budget in the format of the budget that the District government submitted pursuant to section 442 of the DC Home Rule Act for all agencies no later than 30 calendar days after the date of enactment of this Act.

Section 817. The Committee continues the provision that prohibits the use of any funds in the Act to: (1) pay the fees of an attorney who represents a party in an action or any attorney who defends any action, including an administrative proceeding, brought against D.C. Public Schools under the Individuals With Disabilities

Act (IDEA) in excess of \$4,000 for that action; (2) pay the fees of an attorney or firm whom the CFO determines to have a pecuniary interest, either through an attorney, officer or employee of the firm, in any special education diagnostic services, schools, or other special education service providers; and (3) require all savings to be used to expand special education services within the District.

Section 818. The Committee continues the provision that allows for appropriations in this Act to be increased by no more than \$42,000,000 from unexpended general funds, and may be used only for one-time expenditures, to avoid deficit spending, for debt reduction, for program needs, or to avoid revenue shortfalls.

Section 819. The Committee continues the provision that allows the District to spend "Other-Type Funds" under certain conditions.

Section 820. The Committee continues the provision that allows for short-term borrowing from the emergency and contingency reserve funds established under section 450A of the District of Columbia Home Rule Act (Public Law 98-198; D.C. Official Code, sec. 1-204.50a) under certain circumstances.

Section 821. The Committee continues the provision prohibiting funds to change the legality of marijuana use.

Section 822. The Committee continues the provision relating to abortion.

Section 823. The Committee includes the provision to allow the Public Defenders Service to receive a direct appropriation.

Section 824. The Committee continues the provision which limits references to "this Act" as referring to only this title and to title IV.

#### HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

The following items are included in accordance with various requirements of the Rules of the House of Representatives:

##### CONSTITUTIONAL AUTHORITY

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, 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 which states:

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

##### 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.

APPROPRIATIONS NOT AUTHORIZED BY LAW

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

[Dollars in thousands]

	Last Year of Authorization	Authorization Level	Appropriation in Last Year of Authorization	Appropriations in this bill
<b>Title I - Department of the Treasury</b>				
Departmental Offices <sup>1,2,3,4</sup> .....	n/a	n/a	n/a	250,591
Department-wide Systems and Capital Investments.....	n/a	n/a	n/a	18,710
Office of the Inspector General.....	n/a	n/a	n/a	18,450
Inspector General for Tax Administration.....	n/a	n/a	n/a	140,533
Financial Crimes Enforcement Network.....	2005	35,500	10,416	83,344
Financial Management Service.....	n/a	n/a	n/a	234,423
Alcohol and Tobacco Tax and Trade Bureau.....	n/a	n/a	n/a	93,515
Bureau of Public Debt.....	n/a	n/a	n/a	172,871
Community Development and Financial Institutions Fund..	1998	60,000	80,000	100,000
Internal Revenue Service:				
Taxpayer Services.....	n/a	n/a	n/a	2,155,000
Enforcement <sup>5</sup> .....	n/a	n/a	n/a	4,925,498
Operations Support.....	n/a	n/a	n/a	3,769,587
Business Systems Modernization.....	n/a	n/a	n/a	282,090
Health Insurance Tax Credit Administration.....	2003	20,000	70,000	15,235
<b>Title II - Executive Office of the President</b>				
Office of Management and Budget.....	2003	various	61,988	78,394
ONDCP: Training for drug court professionals.....	n/a	n/a	n/a	1,000
<b>Title IV - District of Columbia</b>				
Federal Payment for the DC Water and Sewer Authority....	n/a	n/a	n/a	12,000
Federal Payment for School Improvement.....	n/a	n/a	n/a	26,000
Federal Payment for Central Library and Branch Locations	n/a	n/a	n/a	10,000
Federal Payment for Consolidated Laboratory Facility.....	n/a	n/a	n/a	5,000
Federal Payment to Reimburse the Federal Bureau of Investigation.....	n/a	n/a	n/a	4,000
Federal Payment to the Office of the Chief Financial Officer of the District of Columbia.....	n/a	n/a	n/a	6,148
<b>Title V - Independent Agencies</b>				
Consumer Product Safety Commission.....	1992	45,000	40,200	66,838
Election Assistance Commission:				
Salaries and expenses.....	2005	10,000	13,888	15,467
Election reform payments.....	2005	600,000	---	300,000
Federal Communications Commission.....	1991	such sums	115,794	313,000
Federal Election Commission.....	1981	9,400	51,742	59,224
Federal Trade Commission.....	1998	111,000	106,500	247,489
General Services Administration:				
Federal Building Fund <sup>6</sup> .....	<sup>6</sup>	<sup>6</sup>	<sup>6</sup>	7,933,078
GSA E-Government Fund.....	2007	such sums	2,970	2,970
Office of Government Ethics.....	2007	such sums	11,115	11,750
Office of Special Counsel.....	2007	such sums	15,524	16,368
Merit Systems Protection Board.....	2007	such sums	38,666	40,086
Securities and Exchange Commission.....	2003	776,000	716,350	908,442
Small Business Administration.....	2007	such sums	571,927	502,497

<sup>1</sup> Appropriations for International Affairs activities were permanently authorized in 31 U.S.C. sec 325(b) (1982).

<sup>2</sup> Appropriations for OFAC activities related to Cuba were permanently authorized in 22 U.S.C. sec 6609 (1992).

<sup>3</sup> Money Laundering and Financial Crimes Strategy were permanently authorized in 31 U.S.C. sec 5355 (2005).

<sup>4</sup> Treasury intelligence appropriations were last authorized in the FY 2005 Intelligence Authorization Act (P.L. 108-487).

<sup>5</sup> The Earned Income Tax Credit compliance program was authorized in P.L. 105-33 (2002).

<sup>6</sup> Deposits into the Federal buildings fund are available for real property management and related activities in the amounts specified in annual appropriation laws, as provided by 40 USC 592 .

## TRANSFERS OF FUNDS

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

The Committee recommends the following transfers:

## UNDER TITLE I—DEPARTMENT OF THE TREASURY

Under the Department of the Treasury, “Departmental offices, salaries and expenses”, up to two percent, may be transferred between program activities of the Departmental Offices; and that of the \$5,114,000 for the Treasury-wide Financial Statement Audit and Internal Control program, such amounts as necessary may be transferred to the Department’s offices and bureaus.

Under the Department of the Treasury, “Department-wide systems and capital investments programs”, amounts necessary to satisfy the requirements of the Department’s offices, bureaus, and other organizations may be transferred.

Under the Internal Revenue Service (IRS), “Enforcement”, up to \$10,000,000 may be transferred to “Operations support” for management of the Interagency Crime and Drug Enforcement program.

Section 101 allows the transfer of five percent of any appropriation (or three percent of IRS, “Enforcement”) made available to the IRS to any other IRS appropriation, subject to prior Congressional approval.

Section 111 authorizes transfers, up to two percent, between Departmental Offices, Office of Inspector General, Financial Management Service, Alcohol and Tobacco Tax and Trade Bureau, Financial Crimes Enforcement Network, and the Bureau of the Public Debt appropriations under certain circumstances.

Section 112 authorizes transfers, up to two percent, between the IRS and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 115 authorizes the transfer of funds from the “Financial management service, salaries and expenses”, to the “Debt collection fund” as necessary to cover the cost of debt collection.

## UNDER TITLE II—EXECUTIVE OFFICE OF THE PRESIDENT

Language is included under Office of National Drug Control Policy, “Counterdrug technology assessment center”, allowing for the transfer of funds to other Federal departments or agencies.

Language is included under Federal Drug Control Programs, “High intensity drug trafficking areas program”, which allows for the transfer of funds to other Federal departments or agencies.

Language is included under Federal Drug Control Programs, “Other Federal drug control programs”, allowing the transfer of funds to other Federal departments or agencies.

Language is included under Special Assistance to the President and the Official Residence of the Vice President, “Operating expenses”, allowing the transfer of funds to other Federal departments or agencies.

Section 201. The Committee continues a provision permitting the Executive Office of the President to transfer up to 10 percent of any appropriation, subject to a 15 day notification period.

UNDER TITLE III—THE JUDICIARY

Under the Judiciary, “Courts of appeals, district courts, and other judicial services”, funds may be transferred to the United States Marshals Service for courthouse security.

Section 302. The Committee continues a provision permitting the Judiciary to transfer up to five percent of any appropriation with certain limitations.

UNDER TITLE V—INDEPENDENT AGENCIES

Under Title V, Independent Agencies, a number of transfers are allowed: 1) the General Services Administration allowances and Office Staff for Former Presidents account may transfer such sums as necessary to the Department of the Treasury for certain pension benefits; 2) the General Services Administration Electronic Government Fund may transfer \$2,970,000 to Federal departments in pursuit of programs goals; 3) under the Election Assistance Commission, \$3,250,000 is transferred to the National Institute of Standards and Technology; 4) under the Federal Communications Commission, not to exceed \$20,980,000 is transferred from the Universal Service Fund; 5) under Merit Systems Protection Board, up to \$2,579,000 is transferred from the Civil Service Retirement and Disability Fund; 6) under Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation, a certain percentage of funds may be transferred to the Native Nations Institute for necessary expenses; 7) under the National Archives and Records Administration, \$2,000,000 is transferred from the National Historical Publications and Records Commission to the operating expenses account; 8) under Office of Personnel Management, amounts from certain trust funds are transferred to the salaries and expenses account for administrative expenses; 9) under Office of Personnel Management, Office of Inspector General, amounts from certain trust funds are transferred to the salaries and expenses account for administrative expenses; 10) under Administrative Provision-Small Business Administration, amounts may be transferred between appropriations of the Small Business Administration.

Section 503. The Committee continues the provision providing that funds made available for activities of the Federal Building Fund may be transferred with advance approval from the Committees on Appropriations.

UNDER TITLE VIII—GENERAL PROVISIONS, DISTRICT OF COLUMBIA

The Committee has included language to allow the District of Columbia to transfer local funds in certain instances.

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*):

**AIR TRANSPORTATION SAFETY AND SYSTEM  
STABILIZATION ACT**

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Air Transportation Safety and System Stabilization Act”.

**TITLE I—AIRLINE STABILIZATION**

**SEC. 101. AVIATION DISASTER RELIEF.**

(a) **IN GENERAL.**—Notwithstanding any other provision of law, the President shall take the following actions to compensate air carriers for losses incurred by the air carriers as a result of the terrorist attacks on the United States that occurred on September 11, 2001:

**[(1) Subject to such terms and conditions as the President deems necessary, issue Federal credit instruments to air carriers that do not, in the aggregate, exceed \$10,000,000,000 and provide the subsidy amounts necessary for such instruments in accordance with the provisions of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).]**

\* \* \* \* \*

**[SEC. 102. AIR TRANSPORTATION STABILIZATION BOARD.**

**[(a) DEFINITIONS.**—In this section, the following definitions apply:

**[(1) BOARD.**—The term “Board” means the Air Transportation Stabilization Board established under subsection (b).

**[(2) FINANCIAL OBLIGATION.**—The term “financial obligation” means any note, bond, debenture, or other debt obligation issued by an obligor in connection with financing under this section and section 101(a)(1).

**[(3) LENDER.**—The term “lender” means any non-Federal qualified institutional buyer (as defined by section 230.144A(a) of title 17, Code of Federal Regulations (or any successor regulation) known as Rule 144A(a) of the Securities and Exchange Commission and issued under the Security Act of 1933, including—

**[(A) a qualified retirement plan (as defined in section 4974(c) of the Internal Revenue Code of 1986 (26 U.S.C. 4974(c)) that is a qualified institutional buyer; and**

**[(B) a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986 (26 U.S.C. 414(d)) that is a qualified institutional buyer.**

**[(4) OBLIGOR.**—The term “obligor” means a party primarily liable for payment of the principal of or interest on a Federal credit instrument, which party may be a corporation, partnership, joint venture, trust, or governmental entity, agency, or instrumentality.

**[(b) AIR TRANSPORTATION STABILIZATION BOARD.**—

**[(1) ESTABLISHMENT.**—There is established a board (to be known as the “Air Transportation Stabilization Board”) to review and decide on applications for Federal credit instruments under section 101(a)(1).

**[(2) COMPOSITION.**—The Board shall consist of—

[(A) the Secretary of Transportation or the designee of the Secretary;

[(B) the Chairman of the Board of Governors of the Federal Reserve System, or the designee of the Chairman, who shall be the Chair of the Board;

[(C) the Secretary of the Treasury or the designee of the Secretary; and

[(D) the Comptroller General of the United States, or the designee of the Comptroller General, as a nonvoting member of the Board.

[(c) FEDERAL CREDIT INSTRUMENTS.—

[(1) IN GENERAL.—The Board may enter into agreements with 1 or more obligors to issue Federal credit instruments under section 101(a)(1) if the Board determines, in its discretion, that—

[(A) the obligor is an air carrier for which credit is not reasonably available at the time of the transaction;

[(B) the intended obligation by the obligor is prudently incurred; and

[(C) such agreement is a necessary part of maintaining a safe, efficient, and viable commercial aviation system in the United States.

[(2) TERMS AND LIMITATIONS.—

[(A) FORMS; TERMS AND CONDITIONS.—A Federal credit instrument shall be issued under section 101(a)(1) in such form and on such terms and conditions and contain such covenants, representations, warranties, and requirements (including requirements for audits) as the Board determines appropriate.

[(B) PROCEDURES.—Not later than 14 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall issue regulations setting forth procedures for application and minimum requirements, which may be supplemented by the Board in its discretion, for the issuance of Federal credit instruments under section 101(a)(1).

[(d) FINANCIAL PROTECTION OF GOVERNMENT.—

[(1) IN GENERAL.—To the extent feasible and practicable, the Board shall ensure that the Government is compensated for the risk assumed in making guarantees under this title.

[(2) GOVERNMENT PARTICIPATION IN GAINS.—To the extent to which any participating corporation accepts financial assistance, in the form of accepting the proceeds of any loans guaranteed by the Government under this title, the Board is authorized to enter into contracts under which the Government, contingent on the financial success of the participating corporation, would participate in the gains of the participating corporation or its security holders through the use of such instruments as warrants, stock options, common or preferred stock, or other appropriate equity instruments.

[(3) DEPOSIT IN TREASURY.—All amounts collected by the Secretary of the Treasury under this subsection shall be deposited in the Treasury as miscellaneous receipts.】

\* \* \* \* \*

**SEC. 104. LIMITATION ON CERTAIN EMPLOYEE COMPENSATION.**

[(a) IN GENERAL.—The President may only issue a Federal credit instrument under section 101(a)(1) to an air carrier after the air carrier enters into a legally binding agreement with the President that, during the 2-year period beginning September 11, 2001, and ending September 11, 2003, no officer or employee of the air carrier whose total compensation exceeded \$300,000 in calendar year 2000 (other than an employee whose compensation is determined through an existing collective bargaining agreement entered into prior to September 11, 2001)—

[(1) will receive from the air carrier total compensation which exceeds, during any 12 consecutive months of such 2-year period, the total compensation received by the officer or employee from the air carrier in calendar year 2000; and

[(2) will receive from the air carrier severance pay or other benefits upon termination of employment with the air carrier which exceeds twice the maximum total compensation received by the officer or employee from the air carrier in calendar year 2000.

[(b) TOTAL COMPENSATION DEFINED.—In this section, the term “total compensation” includes salary, bonuses, awards of stock, and other financial benefits provided by an air carrier to an officer or employee of the air carrier.]

\* \* \* \* \*

**SEC. 107. DEFINITIONS.**

In this title, the following definitions apply:

(1) \* \* \*

[(2) FEDERAL CREDIT INSTRUMENT.—The term “Federal credit instrument” means any guarantee or other pledge by the Board issued under section 101(a)(1) to pledge the full faith and credit of the United States to pay all or part of any of the principal of and interest on a loan or other debt obligation issued by an obligor and funded by a lender.]

\* \* \* \* \*

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**TITLE 5, UNITED STATES CODE**

\* \* \* \* \*

**PART III—EMPLOYEES**

\* \* \* \* \*

**SUBPART I—MISCELLANEOUS**

**CHAPTER 95—PERSONNEL FLEXIBILITIES RELATING TO THE INTERNAL REVENUE SERVICE**

\* \* \* \* \*

**§ 9502. Pay authority for critical positions**

(a) When the Secretary of the Treasury seeks a grant of authority under section 5377 for critical pay for 1 or more positions at the Internal Revenue Service, the [Office of Management and Budget]

*Office of Personnel Management* may fix the rate of basic pay, notwithstanding sections 5377(d)(2) and 5307, at any rate up to the salary set in accordance with section 104 of title 3.

\* \* \* \* \*

**§ 9503. Streamlined critical pay authority**

(a) Notwithstanding section 9502, and without regard to the provisions of this title governing appointments in the competitive service or the Senior Executive Service and chapters 51 and 53 (relating to classification and pay rates), the Secretary of the Treasury may, **[for a period of 10 years after the date of enactment of this section]** *before July 23, 2013*, establish, fix the compensation of, and appoint individuals to, designated critical administrative, technical, and professional positions needed to carry out the functions of the Internal Revenue Service, if—

(1) \* \* \*

\* \* \* \* \*

**§ 9504. Recruitment, retention, relocation incentives, and relocation expenses**

(a) **[For a period of 10 years after the date of enactment of this section]** *Before July 23, 2013* and subject to approval by the Office of Personnel Management, the Secretary of the Treasury may provide for variations from sections 5753 and 5754 governing payment of recruitment, relocation, and retention incentives.

(b) **[For a period of 10 years after the date of enactment of this section]** *Before July 23, 2013*, the Secretary of the Treasury may pay from appropriations made to the Internal Revenue Service allowable relocation expenses under section 5724a for employees transferred or reemployed and allowable travel and transportation expenses under section 5723 for new appointees, for any new appointee appointed to a position for which pay is fixed under section 9502 or 9503 after June 1, 1998.

**§ 9505. Performance awards for senior executives**

(a) **[For a period of 10 years after the date of enactment of this section]** *Before July 23, 2013*, Internal Revenue Service senior executives who have program management responsibility over significant functions of the Internal Revenue Service may be paid a performance bonus without regard to the limitation in section 5384(b)(2) if the Secretary of the Treasury finds such award warranted based on the executive's performance.

\* \* \* \* \*

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**SECTION 122 OF THE DEPARTMENTS OF COMMERCE,  
JUSTICE, AND STATE, THE JUICIARY, AND RELATED  
AGENCICES 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 [8] 10 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.

\* \* \* \* \*

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**SECTION 203 OF THE JUDICIAL IMPROVEMENTS ACT OF 1990**

**SEC. 203. DISTRICT JUDGES FOR THE DISTRICT COURTS.**

(a) \* \* \*

\* \* \* \* \*

(c) TEMPORARY JUDGESHIPS.—The President shall appoint, by and with the advice and consent of the Senate—

(1) \* \* \*

\* \* \* \* \*

Except with respect to the district of Kansas, the western district of Michigan, the eastern district of Pennsylvania, and the northern district of Ohio, the first vacancy in the office of district judge in each of the judicial districts named in this subsection, occurring 10 years or more after the confirmation date of the judge named to fill the temporary judgeship created by this subsection, shall not be filled. The first vacancy in the office of district judge in the district of Kansas occurring 16 years or more after the confirmation date of the judge named to fill the temporary judgeship created for such district under this subsection, shall not be filled. The first vacancy in the office of district judge in the western district of Michigan, occurring after December 1, 1995, shall not be filled. The first vacancy in the office of district judge in the eastern district of Pennsylvania, occurring 5 years or more after the confirmation date of the judge named to fill the temporary judgeship created for such district under this subsection, shall not be filled. The first vacancy in the office of district judge in the northern district of Ohio occurring [15] 20 years or more after the confirmation date of the judge named to fill the temporary judgeship created under this subsection shall not be filled. For districts named in this subsection for which multiple judgeships are created by this Act, the last of those judgeships filled shall be the judgeships created under this section.

\* \* \* \* \*

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**SECTION 403 OF THE FEDERAL FINANCIAL  
MANAGEMENT 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, 2006.]

**TITLE 31, UNITED STATES CODE**

\* \* \* \* \*

**CHAPTER 35—ACCOUNTING AND COLLECTION**

**SUBCHAPTER I—GENERAL**

Sec.

3501. Definition.

\* \* \* \* \*

**SUBCHAPTER V—PROCUREMENT PROTEST SYSTEM**

\* \* \* \* \*

3557. *Expedited action in protests for public-private competitions.*

\* \* \* \* \*

**SUBCHAPTER V—PROCUREMENT PROTEST SYSTEM**

**§ 3551. Definitions**

In this subchapter:

(1) \* \* \*

[(2)(A) The term “interested party”, with respect to a contract or a solicitation or other request for offers described in paragraph (1), means an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract.

[(B) The term includes the official responsible for submitting the Federal agency tender in a public-private competition conducted under Office of Management and Budget Circular A-76 regarding an activity or function of a Federal agency performed by more than 65 full-time equivalent employees of the Federal agency.]

(2) *The term “interested party”—*

*(A) with respect to a contract or a solicitation or other request for offers described in paragraph (1), means an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract; and*

*(B) with respect to a public-private competition conducted under Office of Management and Budget Circular A-76 regarding performance of an activity or function of a Federal agency, or a decision to convert a function performed by Federal employees to private sector performance without a competition under OMB Circular A-76, includes—*

- (i) any official who submitted the agency tender in such competition; and
- (ii) any one person who, for the purpose of representing them in a protest under this subchapter that relates to such competition, has been designated as their agent by a majority of the employees of such Federal agency who are engaged in the performance of such activity or function.

\* \* \* \* \*

**§ 3557. Expedited action in protests for public-private competitions**

*For protests in cases of public-private competitions conducted under Office of Management and Budget Circular A-76 regarding performance of an activity or function of Federal agencies, the Comptroller General shall administer the provisions of this subchapter in a manner best suited for expediting final resolution of such protests and final action in such competitions.*

\* \* \* \* \*

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**SECTION 1491 OF TITLE 28, UNITED STATES CODE**

**§ 1491. Claims against United States generally; actions involving Tennessee Valley Authority**

- (a) \* \* \*
- (b)(1) \* \* \*

\* \* \* \* \*

*(5) If a private sector interested party commences an action described in paragraph (1) in the case of a public-private competition conducted under Office of Management and Budget Circular A-76 regarding performance of an activity or function of a Federal agency, or a decision to convert a function performed by Federal employees to private sector performance without a competition under Office of Management and Budget Circular A-76, then an official or person described in section 3551(2)(B) of title 31 shall be entitled to intervene in that action.*

\* \* \* \* \*

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**SECTION 604 OF THE FAIR CREDIT REPORTING ACT**

**§ 604. Permissible purposes of reports**

(a) IN GENERAL.—Subject to subsection (c), any consumer reporting agency may furnish a consumer report under the following circumstances and no other:

- (1) \* \* \*

\* \* \* \* \*

- (3) To a person which it has reason to believe—
  - (A) \* \* \*

\* \* \* \* \*

*(G) executive departments and agencies in connection with the issuance of government-sponsored individually-billed travel charge cards.*

\* \* \* \* \*

**DISTRICT OF COLUMBIA OFFICIAL CODE**

\* \* \* \* \*

**TITLE 2—GOVERNMENT ADMINISTRATION**

\* \* \* \* \*

**CHAPTER 16—PUBLIC DEFENDER SERVICE**

\* \* \* \* \*

**§ 2-1607. Appropriation; public grants and private contributions.**

(a) [There are authorized to be appropriated through the Court Services and Offender Supervision Agency for the District of Columbia (or, until such Agency assumes its duties pursuant to § 24-133(a), through the Trustee appointed pursuant to § 24-132) in each fiscal year such sums as may be necessary to carry out this chapter. Funds appropriated pursuant to this subsection shall be transmitted by the Agency (or, if applicable, by the Trustee) to the Service.] *There are authorized to be appropriated to the Service in each fiscal year such funds as may be necessary to carry out this chapter.* The Service may arrange by contract or otherwise for the disbursement of appropriated funds, procurement, and the provision of other administrative support functions by the General Services Administration or by other agencies or entities, not subject to the provisions of the District of Columbia Code or any law or regulation adopted by the District of Columbia Government concerning disbursement of funds, procurement, or other administrative support functions. The Service shall submit an annual appropriations request to the Office of Management and Budget.

\* \* \* \* \*

**TITLE 24—PRISONERS AND THEIR TREATMENT**

\* \* \* \* \*

**CHAPTER 1—TRANSFER OF PRISON SYSTEM TO FEDERAL AUTHORITY**

\* \* \* \* \*

**SUBCHAPTER III—OFFENDER SUPERVISION AND PAROLE**

\* \* \* \* \*

**§ 24-133. Court Services and Offender Supervision Agency.**

(a) \* \* \*

\* \* \* \* \*

[(f) RECEIPT AND TRANSMITTAL OF APPROPRIATIONS FOR PUBLIC DEFENDER SERVICE.—The Director of the Agency shall receive and transmit to the District of Columbia Public Defender Service all funds appropriated for such agency.]

\* \* \* \* \*

RESCISSIONS

Pursuant to the provisions of clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following is submitted describing the rescissions recommended in the accompanying bill:

UNDER TITLE I—DEPARTMENT OF THE TREASURY

Under the Department of the Treasury, “Air Transportation Stabilization Program Account”, the Committee has included language to rescind all unobligated balances.

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3(f)(1)(A) of rule XIII of the Rules of the House of Representatives, the following statements are submitted describing the effect 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 that appropriations shall remain available for more than one year for a number of programs for which the basic authorizing legislation does not explicitly authorize such extended availability. 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.

The bill includes several limitations on official entertainment, reception and representation expenses. Similar provisions have appeared in many previous appropriations Acts. The bill includes a number of limitations on the purchase of automobiles or office furnishings. Similar limitations have appeared in many previous appropriations Acts. Language is included in several instances permitting certain funds to be credited to the appropriations recommended.

TITLE I—DEPARTMENT OF THE TREASURY

Language has been included for Departmental Offices, “Salaries and Expenses”, that 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 reception and representation expenses; unforeseen emergencies of a confidential nature; Treasury-wide financial audits and the period of availability and the transfer of these funds;

information technology modernization requirements; and specifying certain amounts for individual offices of the Departmental Offices and specifying transfer authority among offices.

Language has been included for the Department-wide Systems and Capital Investments Program that provides funds for the development and acquisition of automated data processing equipment, software, and services; provides transfer authority; limits the availability of funds; and restricts the use of funds to support or supplement IRS Operations Support or Business Systems Management.

Language has been included for the Office of Inspector General, "Salaries and Expenses", that provides funds to carry out the provisions of the Inspector General Act of 1978, including the hire of vehicles, and specifies amounts for official travel expenses, official reception and representation expenses, and unforeseen emergencies of a confidential nature.

Language has been included for the Treasury Inspector General for Tax Administration, "Salaries and Expenses", that provides funds to carry out the provisions of the Inspector General Act of 1978, the purchase and hire of motor vehicles and services authorized by 5 U.S.C. 3109; and specifies amounts for travel expenses, official reception and representation expenses, and unforeseen emergencies of a confidential nature.

Language has been included for the Air Transportation Stabilization Program Account to charge fees to a borrower associated with bankruptcy proceedings of the borrower.

Language has been included for the Financial Crime Enforcement Network, "Salaries and Expenses", that provides funds for hire of vehicles; the travel and training of non-federal and foreign government personnel attending meetings or training involving domestic or foreign financial law enforcement, intelligence, and regulation; a specific amount for official reception and representation expenses; the purchase of personal services contracts; and assistance to Federal law enforcement agencies with or without reimbursement. Language is also included that limits the availability of a certain amount.

Language has been included for the Financial Management Service, "Salaries and Expenses", that provides a certain amount for official reception and representation expenses and limits the availability for systems modernization funds.

Language has been included for the Alcohol and Tobacco Tax and Trade Bureau, "Salaries and Expenses", that provides funds for the hire of passenger motor vehicles and laboratory assistance to state and local agencies with or without reimbursement. Language is also included with specifies the amounts for official reception and representation expenses and cooperative research and development.

Language has been included for the U.S. Mint, "United States Mint Public Enterprise Fund" that identifies the source of funding for the operations and activities of the U.S. Mint and specifies the level of funding for circulating coinage and protective service capital investments.

Language has been included for the Bureau of the Public Debt, "Administering the Public Debt" that specifies funds for official reception and representation expenses and systems modernization; and provides that appropriations from the General Fund will be re-

duced as fees are collected, and that a portion of the funds are to be derived from the Oil Spill Liability Trust Fund for administration of the Fund.

Language is included for the Community Development Financial Institutions Fund Program Account that provides for services authorized by 5 U.S.C. 3109 but at certain rates; specific amounts for administrative expenses, the cost of direct loans, and administrative expenses to carry out the direct loan program; the cost of direct loans; and the principal amount of the direct loans.

Language is included under Internal Revenue Service, "Taxpayer Services" that provides funds for pre-filing assistance and education, filing account services, taxpayer advocacy services, services authorized by 5 U.S.C. 3109; and dedicating funding for the Tax Counseling for the Elderly Program and low-income taxpayer clinic grants.

Language is included for Internal Revenue Service, "Enforcement" that provides funds to provide legal and litigation support, conduct criminal investigations, enforce criminal statutes, purchase and hire of vehicles, provide services authorized by 5 U.S.C. 3109; dedicating funding for the Interagency Crime and Drug Enforcement program and associated transfer authority.

Language is included for the Internal Revenue Service, "Operations Support" that provides funds for operating and supporting taxpayer services and tax law enforcement programs; rent; facilities services; printing; postage; physical security; headquarters and other IRS-wide administration activities; research and statistics of income; telecommunications; information technology development, enhancement, operations, maintenance, and security; hire of passenger motor vehicles; services authorized by 5 U.S.C. 3109; and dedicating funding for information technology support, research, the IRS Oversight Board, and official reception and representation expenses.

Language has been included for Internal Revenue Service, "Business Systems Modernization" that provides for the business systems modernization program, including 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 and that restricts the use of the funds.

Language is included for the Internal Revenue Service, "Health Insurance Tax Credit Administration" to implement the health insurance tax credit included in the Trade Act of 2002 (Public Law 107-210).

## TITLE II—EXECUTIVE OFFICE OF THE PRESIDENT

Language under the Executive Office of the President and Funds Appropriated to the President, "Compensation of the President", provides that unused amounts of the President's expense allowance will revert to the Treasury; mandates funds are only available for their stated purpose; and specifies an amount for an expense allowance.

Language under the White House Office, "Salaries and Expenses", provides funds for services authorized by 5 U.S.C. 3109, subsistence expenses, hire of vehicles, newspapers, periodicals, teletype news service, travel, and official entertainment expenses. Lan-

guage is also included specifying funds available for the Privacy and Civil Liberties Oversight Board.

Language under the Executive Residence at the White House, "Operating Expenses", provides funds for official entertainment expenses of the President, and the care, maintenance, repair and alteration, refurnishing, improvement, heating, and lighting, including electric power and fixtures, of the Executive Residence at the White House.

Language under the Executive Residence at the White House, "Reimbursable Expenses", specifies the authorized use of funds; specifies that reimbursable expenses are the exclusive authority of the Executive Residence to incur obligations and receive offsetting collections; requires the sponsors of political events to make advance payments; requires the national committee of the political party of the President to maintain \$25,000 on deposit; requires 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; authorizes the Executive Residence to charge and assess interest and penalties on late payments; authorizes all reimbursements to be deposited into the Treasury as a miscellaneous receipt; requires a report to the Committee on the reimbursable expenses within 90 days of the end of the fiscal year; requires the Executive Residence to maintain a system for tracking and classifying reimbursable events; and specifies that the Executive Residence is not exempt from the requirements of subchapter I or II of chapter 37 of title 31, United States Code.

Language under White House Repair and Restoration provides funds for the repair, alteration, improvement, required maintenance, safety and health issues, and continued preventative maintenance of the Executive Residence at the White House and provides that funds remain available until expended.

Language under Office of Administration, "Salaries and Expenses", provides funds for continued modernization of the information technology infrastructure within the Executive Office of the President, to remain available until expended.

Language under Office of Management and Budget, "Salaries and Expenses", provides funds for expenses, the hire of vehicles, carrying out provisions of chapter 35 of 44 U.S.C.; specifies funds for official representation expenses; 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; prohibits the use of funds for the purpose of altering the transcript of testimony except for non-OMB officials; and specifies the amount of time to perform budgetary policy reviews of water resource matters on which the Chief of Engineers has reported before the report is considered approved, and specifies notification requirements.

Language under the Office of National Drug Control Policy, "Salaries and Expenses", provides funds for expenses, research, official reception and representation expenses, participation in joint projects, and allows for the acceptance of gifts. Language is also included providing funds for policy research and evaluation and making these funds available until expended.

Language under the Counterdrug Technology Assessment Center provides funds for counternarcotics research and development and

the technology transfer program, directs funds to supply reduction activities, and provides for the transfer of funds to other Federal departments or agencies.

Language under the Federal Drug Control Programs, “High Intensity Drug Trafficking Areas Program”, provides a certain level of funding for State, local and Federal drug control efforts, and provides for the transfer of funds to Federal agencies and departments. Language is also included specifying the amount of funds for auditing and associated activities, directing funding to be no less than prior year initial allocation levels unless the Director of the Office of National Drug Control policy submits a request to the Committees on Appropriations, and regarding the availability of funds.

Language under Other Federal Drug Control Programs provides funds to support a national anti-drug campaign for youth, a national media campaign, matching grants to drug-free communities (with an amount specified to be made available as directed by section 4 of Public Law 107–82, as amended by Public Law 109–469), the National Drug Court Institute, section 1105 of Public Law 109–469, the U.S. Anti-Doping Agency, the U.S. membership dues to the World Anti-Doping Agency, and evaluation and research related to National Drug Control Program performance measures; limits the availability of funds; requires a certain level of funding for non-advertising services of the media campaign and the continuation of the corporate outreach program; provides for the transfer of some funds to other Federal departments and agencies; and specifies conditions for national media campaign funds.

Language under Special Assistance to the President and the Official Residence of the Vice President, “Salaries and Expenses”, enables the Vice President to provide assistance to the President, services authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, subsistence, and the hire for vehicles.

Language under Special Assistance to the President and the Official Residence of the Vice President, “Operating Expenses”, 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.

### TITLE III—THE JUDICIARY

Under Supreme Court, “Salaries and expenses” language is included permitting certain funds to remain available until expended and specifying certain amounts for specific purposes.

Under Supreme Court, “Care of the Building and Grounds” language is included permitting funds to remain available until expended.

Under Courts of Appeals, District Courts, and Other Judicial Services, “Salaries and Expenses” language is included specifying certain funds remain available until expended for specific purposes. Language is also included providing funding from the Vaccine Injury Compensation Trust Fund for certain purposes.

Under Defender Services, language is included permitting funds to remain available until expended.

Under Fees of Jurors and Commissioners, language is included permitting funds to remain available until expended and specifying limitations for the compensation of land commissioners.

Under Court Security, language is included permitting certain funds to remain available until expended, which may be transferred to the United States Marshals Service.

Under Administrative Office of the United States Courts, “Salaries and expenses” language is included specifying certain amounts for official reception and representation expenses.

Under Federal Judicial Center, “Salaries and expenses” language is included permitting certain funds to remain available until expended for education and training, and specifying certain amounts for official reception and representation expenses.

Under Judicial Retirement Funds, “Payment to Judiciary Trust Funds” language is included specifying certain amounts for payments to specific trust funds.

Under United States Sentencing Commission, “Salaries and expenses” language is included specifying certain amounts for official reception and representation expenses.

#### TITLE IV—DISTRICT OF COLUMBIA

Language under “Federal Payment for Resident Tuition Support” provides that the amount appropriated shall remain available until expended; specifies conditions for the use, award, and financial accounting of funds; requires a quarterly financial report; and specifies the amount available for administrative expenses.

Language under “Federal Payment for Emergency Planning and Security Costs in the District of Columbia” provides that the amount appropriated shall remain available until expended, is available for reimbursement for certain events, and is available only after it has been apportioned pursuant to chapter 15 of title 31, U.S.C. and specifies certain amounts for certain purposes.

Language under “Federal Payment to the District of Columbia Courts”: (1) provides that all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration; (2) specifies certain amounts for specific purposes; (3) allows funds made available for capital improvements to remain available until September 30, 2008; and (4) provides for the reallocation of funds.

Language under “Defender Services in the District of Columbia Courts”: (1) provides that the amount appropriated shall remain available until expended; (2) authorizes funds provided in other appropriations to be used for payments under this heading; (3) specifies who shall administer these funds; and (4) provides that all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration.

Language under “Federal Payment to the Court Services and Offender Supervision Agency for the District of Columbia”: (1) specifies certain amounts for specific purposes and programs; (2) provides that all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated

and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies; (3) authorizes the Director to accept and use gifts to support offender and defendant programs and equipment and vocational training services to educate and train offenders and defendants, and details for recording the acceptance of such gifts; and (4) authorizes the Director to charge fees to cover the costs of training and materials distributed at conferences.

Language under “Federal Payment to District of Columbia Public Defender Service” provides that all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies.

Language under “Federal Payment to the District of Columbia Water and Sewer Authority” provides that the amount appropriated shall remain available until expended and specified amounts shall be matched by the District and WASA.

Language under “Federal Payment to the Criminal Justice Coordinating Council” provides that the amount appropriated shall remain available until expended to support initiatives related to the coordination of Federal and local criminal justice resources.

Language under “Federal Payment to the Office of the Chief Financial Officer of the District of Columbia” provides that each entity receiving funds submit to the Office of the Chief Financial Officer (CFO) a report, and that the CFO submit a report to the Committees on Appropriations.

Language under “Federal Payment for School Improvement” provides certain amounts for specific purposes, including funds to expand quality public charter schools in the District of Columbia, which shall remain available until September 20, 2008.

Language under “Federal Payment for Consolidated Laboratory Facility” provides amounts for certain purposes and specifies that a matching amount will be provided by the District of Columbia.

Language under “Federal Payment for Central Library and Branch Locations” provides amounts for certain purposes and are available until expended.

Language under “Federal Payment to Reimburse the Federal Bureau of Investigation” provides amounts for certain purposes and makes them available until September 30, 2010.

Language under “District of Columbia Funds” (1) limits the amount provided in this Act for the District of Columbia; (2) identifies the source of funds, including a rescission of prior year local funds; (3) establishes the District’s intradistrict authority; (4) sets funds subject to the provisions of and allocated and expended as proposed in the fiscal year 2007 District of Columbia Budget and Financial Plan; (5) provides conditions for increasing the amount provided; and (6) directs the Chief Financial Officer to assure the District of Columbia meets all requirements, but prohibits the reprogramming of capital projects.

#### TITLE V—INDEPENDENT AGENCIES

Language is included for the Consumer Product Safety Commission, “Salaries and Expenses” that provides funds for expenses, the hire of motor vehicles, services as authorized by 5 U.S.C. 3109

(with a limitation on rates for individuals), nominal awards, and official reception and representation expenses.

Language is included for the Election Assistance Commission, "Salaries and Expenses" that allows for the transfer of funds to the National Institute of Standards and Technology for election reform activities.

Language is included for the Election Assistance Commission, "Election Reform Programs" for requirements payments under section 257 of Public Law 107-252, but only for States that file a new State plan. Funds are also made available for the Help America Vote College Program and the National Student and Parent Mock Election, as authorized under Public Law 107-252.

Language is included under the Federal Communications Commission, "Salaries and Expenses", permitting funds for uniforms and allowances therefor, official reception and representation expenses, purchase and hire of motor vehicles, and special counsel fees. Language provides for the assessment and collection of offsetting collections, authorizes retention of such collections, and provides that they remain available until expended. Language removes the availability for obligation of excess collections. Language waives existing law concerning proceeds from the use of a competitive bidding system. Language is also included regarding the transfer of funds from the Universal Service Fund.

Language is included for the Federal Deposit Insurance Corporation, "Office of Inspector General" that provides for the funds to be derived from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund, or any successor to these funds.

Language is included for the Federal Election Commission, "Salaries and Expenses" that specifies funds for internal automated data processing systems and reception and representation expenses.

Language is included for the Federal Labor Relations Authority, "Salaries and Expenses" that provides funds for services authorized by 5 U.S.C. 3109, the hire of experts and consultants, hire of motor vehicles, and the rental of conference rooms; authorizes travel payments to public members of the Federal Service Impasses Panel; and allows for fees collected to be transferred to and merged with the appropriation.

Language is included for the Federal Trade Commission, "Salaries and Expenses" permitting funds for uniforms and allowances therefor, services authorized by 5 U.S.C. 3109, official reception and representation expenses, hire of motor vehicles, and contract for collection services. Language provides for the crediting and retention of certain fees. Language also prohibits funds from being used to implement subsection (e)(2)(B) of section 43 of the Federal Deposit Insurance Act.

Language is included for the General Services Administration, "Federal Buildings Fund" that allows for revenues and collections to be deposited in the Fund; specifies the conditions under which funds made available can be used and designates certain projects that can be undertaken; limits the availability of funds; and requires the approval to change the amounts identified. Many technical provisions have been included regarding use of funds in the Federal Buildings Fund that are not specifically authorized by law.

Language has been included that limits project funds available for construction and repair and alteration of buildings 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.

Language is included for General Services Administration, "Policy & Operation's" that provides funds for policy and evaluation activities associated with the management of real and personal property assets and certain administrative services; support responsibilities relating to acquisition, telecommunications, information technology management, and related technology activities; and services authorized by 5 U.S.C. 3109.

Language is also included that provides funds for expenses for activities associated with personal and real property; technology management and activities; information access activities; agency-wide policy direction and management; other support services; and official reception and representation expenses.

Language is included for the General Services Administration, "Office of Inspector General" that provides funds for information and detection of fraud; and for awards in recognition of efforts that enhance the office.

Language is included for the General Services Administration, "Electronic Government Fund" that provides funds for conducting activities electronically, limits the availability of funds, and allows these funds to be transferred.

Language is included for the General Services Administration, "Allowances and Office Staff for Former Presidents" that allows a portion of these funds to be transferred.

Language is included for the General Services Administration, "Federal Citizen Information Center Fund" that authorizes funds to be deposited in the Fund and limits the availability of funds in the Fund.

Language is included for the Merit Systems Protection Board, "Salaries and Expenses", that provides funds for services authorized by 5 U.S.C. 3109, rental of conference rooms, hire of passenger motor vehicles, direct procurement of survey printing, official reception and representation expenses, and administrative expenses to adjudicate retirement appeals, and provides for the transfer of some funds.

Language is included for the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation, "Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund", that limits the availability of funds, specifies an amount for financial audits, and provides for the transfer of some funds.

Language is included for the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation, "Environmental Dispute Resolution Fund" that limits the availability of funds.

Language is included for National Archives and Records Administration, "Operating Expenses", that provides funds for the hire of passenger motor vehicles, activities of the Public Interest Declassification Board, and the review and declassification of documents; and authorizes the use of excess funds from the amount borrowed for construction for certain purposes.

Language is included for National Archives and Records Administration, "Electronic Records Archives" that provides funds for the development of electronic records archives, research and analysis, design, development and program management; and limits the availability of funds.

Language is included for National Archives and Records Administration, "Repairs and Restoration" that provides funds for the repair, alteration, improvement, and storage; and limits the availability of funds.

Language is included for National Archives and Records Administration, "National Historical Publications and Records Commission Grants Program" that provides funds for allocations and grants for historical publications and records; provides of the transfer of funds for operating expenses; and limits the availability of funds.

Language is included under the National Credit Union Administration, "Central Liquidity Facility" that limits gross obligations and administrative expenses.

Language is included under the National Credit Union Administration, "Community Development Credit Union Revolving Loan Fund" that provides funds for technical assistance and limits the availability of funds.

Language is included under Office of Government Ethics, "Salaries and Expenses" that provides funds for services authorized by 5 U.S.C. 3109, rental of conference rooms, hire of passenger motor vehicles, and official reception and representation expenses.

Language is included under Office of Personnel Management, "Salaries and Expenses" that provides funds for services authorized by 5 U.S.C. 3109, medical examinations for veterans, rental of conference rooms, hire of passenger motor vehicles, official reception and representation expenses, advances for reimbursements, payment of per diem and/or subsistence allowances, the Enterprise Human Resources Integration project, the Human Resources Line of Business project, the E-Payroll project, the E-Training program, and the transfer of administrative expenses; limits the availability of some funds; directs that provisions shall not affect other authorities; prohibits for the Legal Examining Unit; and authorizes the acceptance of donations under certain conditions.

Language is included for Office of Inspector General, "Salaries and Expenses" that provides funds for services authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, rental of conference rooms, and the transfer of administrative expenses.

Language is included for Payment to Civil Service Retirement and Disability Fund that authorizes payments of certain annuities from the Civil Service Retirement and Disability Fund.

Language is included for Office of Special Counsel, "Salaries and Expenses" that provides funds for services authorized by 5 U.S.C. 3109, payment of fees and expenses for witnesses, rental of conference rooms, and the hire of passenger motor vehicles.

Language is included for Securities and Exchange Commission, "Salaries and Expenses" that provides for rental of space, reception and representation expenses, a permanent secretariat for the International Organization of Securities Commissions, and consultations and meetings hosted by the Commission. Language is included that

provides for the crediting of offsetting collections and unobligated balances of funds previously appropriated.

Language is included for Selective Service System, “Salaries and Expenses” that provides funds for attendance of meetings, training, uniforms, hire of passenger motor vehicles, services authorized by 5 U.S.C. 3109, and official reception and representation expenses; authorizes certain exemptions under certain conditions; and prohibits funds used in connection with the induction of any person into the Armed Forces of the United States.

Language is included for Small Business Administration, “Salaries and Expenses”, that provides for hire of motor vehicles and official reception and representation expenses. Language is also included to provide authority to charge fees and credit such fees to the account without further appropriation.

Language is included for Small Business Administration, “Business Loans Program Account”, limiting commitments for certain guarantee loan programs. Language is also included authorizing the transfer of funds for administrative expenses.

Language is included for Small Business Administration, “Direct Loans Program Account” that provides for the transfer of funds to “Office of Inspector General” and to “Salaries and Expenses”, as well as specifying the treatment of certain transfers as a re-programming of funds.

Language is included under “Administrative Provision—Small Business Administration” authorizing transfer of funds between Small Business Administration appropriations.

Language is included for the United States Interagency Council on Homelessness, “Operating Expenses” that provides funds for salaries, travel, hire of passenger motor vehicles, rental of conference rooms, and the employment of experts and consultants.

Language is included for the United States Postal Service, “Payment to the Postal Service Fund” that provides funds for revenue foregone; limits the availability of obligation of some funds; stipulates that mail for overseas voting and mail for the blind is free; stipulates that 6-day delivery and rural mail delivery shall continue at not less than the 1983 level; prohibits funds from being used to charge a fee to a child support enforcement agency seeking the address of a postal customer; and prohibits funds from being used to consolidate or close small rural and other small post offices.

Language is included for the United States Tax Court, “Salaries and Expenses” that provides funds for contract reporting and services authorized by 5 U.S.C. 3109; and that travel expenses of the judges shall be paid upon written certificate of the judge.

#### ADMINISTRATIVE AND GENERAL PROVISIONS

Sections 101, 111, 112, 201, and 302 include legislative transfer authorities.

Section 811 may be construed as placing a legislative limitation on the use of funds in the bill.

Sections 102, 103, 104, 105, 110, 113, 115, 118, 202, 301, 303, 304, 501, 502, 503, 504, 505, 506, 601, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 614, 620, 621, 702, 703, 704, 705, 706, 707, 708, 713, 715, 716, 719, 724, 729, 731, 732, 737, 739, 742, 743, 744, 801, 802, 803, 804, 805, 806, 808, 809, 810, 813, 815, 816, 817, 818, 819, 820, 821, 822, and 824 establish affirmative directions, confer new

authorities, or impose new responsibilities on departments or agencies funded by the bill.

Sections 106, 114, 117, 701, 709, 710, 717, 718, 720, 721, 722, 723, and 740 do not apply solely to the appropriations within this bill.

Sections 733 and 814 propose to state a legislative position.

Section 730 repeals existing law.

Sections 613, 617, 619, 712, 714, 725, 726, 727, 728, 734, 735, 736, 738, and 807 waive existing law.

Sections 107, 108, 109, 116, 305, and 823 amend existing law.

COMPARISON WITH THE BUDGET RESOLUTION

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1)(A) of the Congressional Budget Act of 1974 (Public Law 93-344), the following table compares the levels of new budget authority provided in the bill with the appropriate allocation under section 302(b) of the Budget Act.

[In millions of dollars]

	302(b) allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary .....	21,028	21,650	21,434	21,359
Mandatory .....	21,394	21,388	21,394	21,388

Note.—The amounts in this bill are technically in excess of the subcommittee section 302(b) suballocation. However, pursuant to section 207(d) of the congressional budget resolution for fiscal year 2008, increases to the Committee's section 302(a) allocation are authorized for funding in the reported bill for program integrity initiative spending relating to Internal Revenue Service tax compliance. 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. That new allocation will eliminate the technical difference prior to floor consideration.

FIVE-YEAR OUTLAY PROJECTIONS

In compliance with section 308(a)(1)(B) of the Congressional Budget Act of 1974, the following table contains five-year projections associated with the budget authority provided in the accompanying bill as provided to the Committee by the Congressional Budget Office.

[In millions of dollars]

	Outlays
2008 .....	38,300
2009 .....	3,129
2010 .....	537
2011 .....	263
2012 and future years .....	187

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) of the Congressional Budget Act of 1974, the Congressional Budget Office has provided the following estimates of new budget authority and outlays provided by the accompanying bill for financial assistance to State and local governments.

[In millions of dollars]

	Budget Authority	Outlays
Financial assistance to State and Local governments for 2008 .....	668	467

EARMARKS

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains the following congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.

## Earmarks, Pursuant to Clause 9 of Rule XXI

Project	Agency	Members submitting request
Abraham Lincoln National Airport Commission, Minority and Small Business Development and Procurement Opportunities	SBA	Jackson, Jesse
Adelante Development Center	SBA	Wilson, Heather; Pearce, Steven
Advantage West Economic Development Group, Certified Entrepreneurial Community Program	SBA	Shuler, Heath
Allegheny Highlands Economic Development Corporation to develop business assistance software tools	SBA	Boucher, Rick
ARISE Foundation, Life-Management Skills Intervention/Re-entry Program for High Risk Youth	DC	Wasserman Schultz, Debbie
Ashland County, OH, Career Center for the Northeast Central Ohio Bioscience Consortium	SBA	Requia, Ralph
Barracks Row	DC	Lewis, Jerry
Barry University for the Institute for Community and Economic Development	SBA	Maloney, Tim; Wasserman Schultz, Debbie
Ben Franklin Technology Partners	SBA	Dent, Charles
Boston Chinatown Neighborhood Center Workforce Development Initiative	SBA	Capuano, Michael
Bridgeport Regional Business Council for One Coast, One Future	SBA	Shays, Christopher
Bright Beginnings, Inc.	DC	Walsh, James
Bronx Council on the Arts for marketing of local business arts initiatives	SBA	Serrano, Jose
Brooklyn College, Entrepreneurial Center	SBA	Towns, Edolphus
Buffalo Niagara International Trade Foundation, World Trade Center Buffalo Niagara, Buffalo, NY	SBA	Higgins, Brian; Reynolds, Tom
California State University, Pasadena Biotech Training Facility	SBA	Schiff, Adam
Caribbean American Chamber of Commerce and Industry, Caribbean American Trade Center/Business Incubator renovation	SBA	Clarke, Yvette
Catalyst, Eastgate HOPE VI project	DC	Fattah, Chaka
Center for Economic Growth, Business Acceleration Program, Greene County, NY	SBA	Gillibrand, Kirsten
Center for Inspired Teaching	DC	Norton, Eleanor Holmes
Center for Women and Enterprise, RI, CWE Technology Learning Center	SBA	Kennedy, Patrick
City of Charlotte, NC, Belvedere Business Park Project	SBA	Watt, Melvin
City of Chicago, IL, Small business assistance program for ex-offenders	SBA	Davis, Danny
City of Inglewood, CA, Grow Inglewood	SBA	Waters, Maxine
City of Los Angeles, Adams-La Brea Retail Project	SBA	Watson, Diane
Colorado State University, Sustainable Biofuels Development Center	SBA	DeGeete, Diana; Musgrave, Marilyn; Perlmutter, Ed;
Columbus College of Art and Design for an industrial design center	SBA	Udall, Mark
Community College of Philadelphia, Northeast Regional Center for Small Business Development	SBA	Price, Deborah
Connected Technologies Corridor, Athens WV	SBA	Murphy, Patrick; Schwartz, Allyson
Cuyahoga Community College, Veterans Outreach and Business Development Center	SBA	Rahall, Nick
Dartmouth Regional Technology Center	SBA	Jones, Stephanie
Delaware County Community College Small Business Center, Media, PA	SBA	Hodes, Paul
Detroit Economic Growth Corporation, Business Attraction program	SBA	Sestak, Joe; Gerlach, Jim
Detroit Renaissance for a business district	SBA	Kipatrick, Carolyn
DuPage Technology Park to establish a minority business incubator	SBA	Coyers, John
Earth Conservation Corps	SBA	Haster, J. Dennis
Eastern Market	DC	Moran, James
Economic Development Coalition of Southeast Michigan, Ann Arbor SPARK Business Accelerator	DC	Norton, Eleanor Holmes
Entrepreneurial Development Center Business Accelerator, Cedar Rapids, IA	SBA	Dingell, John
	SBA	Loebbeck, David

Earmarks, Pursuant to Clause 9 of Rule XXI

Project	Agency	Members submitting request
Everybody Wins!	DC	LaHood, Ray
Excel Institute, Automotive Workforce Development Training Program	DC	Hoyer, Steny; Knollenberg, Joe
Expansion of the Incubator at the Purdue Technology Center of Northwest Indiana	SBA	Visclosky, Peter
Experience Works, Inc in Richmond Hill, GA	SBA	Kingston, Jack
Experience Works, Senior Community Service Employment Program, Arlington, VA	SBA	Skelton, Ike
Fairplex Trade and Conference Center, Pomona, CA	SBA	Dreier, David; Napolitano, Grace
Federal HUBZone Incubator in Elizabeth City, NC	SBA	Butterfield, G. K.
Friends of the Big South Fork for community and economic development	SBA	Davis, Lincoln
Greater Harlem Chamber of Commerce	SBA	Rangel, Charles
Greyston Foundation, Workforce Development Initiative, Yonkers, NY	SBA	Alexander, Rodney
Hispanic Information and Telecommunications Network telecommunication pilot initiative for small business development	SBA	Lowey, Nita
Historic Congressional Cemetery	SBA	Velazquez, Nydia
Historic Downtown Retail Project, Valley Economic Development Center	DC	Lewis, Jerry
Howard University College of Dentistry, Community Based Dental Education	SBA	Roybal-Allard, Lucille
Hudson Alpha Institute for Biotechnology facility	DC	Norton, Eleanor Holmes
Illinois Institute of Technology, Innovating Manufacturing Education	SBA	Cramer, Robert
Indiana State University, Center for New Business Development, Terre Haute, IN	SBA	Bean, Melissa
Inquilinos Boricuas en Accion's Employment Services Initiative	SBA	Elsworth, Brad
Institute for Advanced Learning and Research for a business development initiative	SBA	Capuano, Michael
International Youth Service and Development Corps	SBA	Goode, Virgil
	DC	Tiahrt, Todd
John C. Calhoun Community College for robotics training equipment	SBA	Aderholt, Robert; Cramer, Robert
Johnson and Wales University, Latino Business Outreach Program	SBA	Kennedy, Patrick
Johnstown Area Regional Industries Incubator and Workforce Development program	SBA	Murtha, John
Kulani, Vocational Education Program for employment skills development	SBA	McCarthy, Carolyn
LaGuardia Community College, Emerging Designers Unit	SBA	Maloney, Carolyn
Lewis and Clark State College for business training tools	SBA	Sall, Bill
Lorain County Community College, Entrepreneurship Innovation Center	SBA	Kaptur, Marcy; Sultont, Betty
Louisiana Small Business Development Center	SBA	Alexander, Rodney
Louisville Medical Center Development Corporation, LMDC/MetaCycle Business Labs and Incubator	SBA	Yamuth, John
Macomb County Department of Planning and Economic Development, Macomb County Business Accelerator	SBA	Levin, Sander
Marshalltown Community College for a rural entrepreneurship incubator	SBA	Latham, Tom
Medina County, OH, Office of Workforce Development	SBA	Regula, Ralph
MenzFit, Career Development and Interview Preparation Program	DC	Norton, Eleanor Holmes
Mifflin County Industrial Development Corporation	SBA	Peterson, John
Mississippi State University for the Convergence of Scientists and Entrepreneurs to Expedite Commercialization	SBA	Wicker, Roger
Mitchell County Development Foundation, Inc. for The Home of the Perfect Christmas Tree project	SBA	McHenry, Patrick

Earmarks, Pursuant to Clause 9 of Rule XXI

Project	Agency	Members submitting request
Montana State University's manufacturing extension center	SBA	Rehberg, Dennis
Montana World Trade Center	SBA	Rehberg, Dennis
Montgomery College, Germantown Biotechnology Project	SBA	Van Hollen, Chris; Wynn, Albert
National Association of Development Organizations	SBA	Walsh, James
National Federation of the Blind, Access to Libraries and Learning; Creating Technology for the Blind to promote entrepreneurship	SBA	Sarbano, John; Jefferson, William; Ruppensberger, C.A.; Cummings, Elijah; Alexander, Rodney
New College Institute to support economic development and small business development	SBA	Goode, Virgil
North Carolina Rural Economic Development Center Rural Ventures Fund	SBA	Price, David; McIntyre, Mike; Shuler, Heath
North Dakota State College of Science, Nanotechnology Applied Sciences Laboratory	SBA	Pomeroy, Earl
North Iowa Area Community College for a regional economic development organization	SBA	Latham, Tom
North Side Industrial Development Co., New Business-New Beginning Program	SBA	Doyle, Michael
Northeast Entrepreneur Fund, Northland Entrepreneur Development System for technical assistance, Virginia, MN	SBA	Oberstar, James
Northwest Agriculture Business Center Technological Network, Mt Vernon, WA	SBA	Larsen, Rick
Northwestern University, Molecular Therapeutics and Diagnostics Building	SBA	Schakowsky, Janice
Ohio University, Economic Development through Entrepreneurship in Appalachia	SBA	Space, Zachary; Wilson, Charles
Oil Region Alliance of Business, Industry and Tourism	SBA	Peterson, John
Operation New Hope in FL	SBA	Grenshaw, Ander
Peoria NEXT Innovation Center	SBA	LaHood, Ray
Phoenix House, Drug-free workplace initiatives	SBA	Weiner, Anthony
Portland State University Science Research and Teaching Center	SBA	Wu, David; Walden, Greg
Ready to Work project in Ohio	SBA	Regula, Ralph
Rio Hondo College, Automotive Technician Training Demonstration Project	SBA	Soils, Hilda
Rochester Tooling and Machining Association for workforce development programs	SBA	Reynolds, Thomas
Rock Valley College for a manufacturing career development and training program	SBA	Manzullo, Donald
Rockford Area Ventures Small Business Incubator and Technology Commercialization Center	SBA	Manzullo, Donald
Rockland Small Business Development Center, Small Business Employment Assistance	SBA	Engel, Eliot
Rowan University South Jersey Technology Park	SBA	Andrews, Robert
San Francisco Planning and Urban Research Association, SPUR Urban Center	SBA	Pelosi, Nancy
Sandoval County, NM - Sandoval County Technology project	SBA	Udall, Tom
Seedco Financial Services Alabama Minority and Women-owned Business Enterprises (MWBE) investment initiative for technical assistance and training	SBA	Davis, Artur
SEKIDA for economic and small business development in Southern and Eastern Kentucky	SBA	Rogers, Harold
Sephardic Angel Fund Financial Literacy & Business Youth Education Project, Brooklyn, NY	SBA	Nadler, Jerrold; Weiner, Anthony
SER-Jobs for Progress National, Dual-Language Financial Literacy Technology Training	SBA	Reyes, Silvestre
Shawnee State University for an Immersive Technology and Arts Center	SBA	Schmidt, Jean
Sierra College for a mechatronics workforce training initiative	SBA	Doollittle, John
Star Arts Center, Arts for Teens Initiative	DC	Norton, Eleanor Holmes
Soundview Community in Action technology and business development services	SBA	Crowley, Joseph
South Dakota School of Mines, Black Hills Nanoscale Minerals Institute, infrastructure development	SBA	Herseth, Stephanie
South Side Innovation Center	SBA	Walsh, James
Southeastern University	DC	Knollenberg, Joe; Hoyer, Steny

Earmarks, Pursuant to Clause 9 of Rule XXI

Project	Agency	Members submitting request
Spanish American Merchants Association, Statewide Technical Assistance & Resource Program,	SBA	Larson, John
Hartford, CT	SBA	Serrano, José
St. Jerome's Church Community Center project for job skills training, Bronx, NY	DC	Fattah, Chaka
STEEED Youth Program	SBA	Brale, Bruce
Student Business Incubator at the University of Northern Iowa	SBA	Rehberg, Dennis
TechRanch Technology Venture Center	SBA	Wamp, Zach
The Enterprise Center in TN	SBA	Rush, Bobby
The Illinois Institute of Technology technology incubator	SBA	Gonzalez, Charles
The University of Texas at San Antonio, UTSA Mexico Center, business development research	SBA	Davis, Geoff
Thomas More College for training programs in the fields of health sciences and healthcare management	SBA	Cummings, Elijah
Thurgood Marshall College Fund for the Minority Community Small Business & Economic Development Initiative	SBA	DeLauro, Rosa; Courtney, Joe
University of Connecticut, Avery Point for the Avery Point Technology Incubation Center	SBA	Ruppersberger, C. A.; Cummings, Elijah; Sarbanes, John
University of Maryland-Baltimore BioPark	SBA	John
University of Missouri, Kansas City, KCSOURCE Link, Vet Link for small business development for veterans	SBA	Cleaver, Emanuel; Moore, Dennis
University of Notre Dame, Robinson Enterprises Community Learning Center	SBA	Donnelly, Joe
University of Pittsburgh at Bradford for an entrepreneurship center	SBA	Kuhl, John
University of South Florida to establish a Center for the Development of Information Technology	SBA	Young, Bill; Putnam, Adam
University of Southern Maine, Lewiston-Auburn College, The Learning Works project	SBA	Michaud, Mike
University of Texas Brownsville International Trade Center	SBA	Ortiz, Solomon
Urban League of Rochester, Minority and Women Business Development Programs	SBA	Slaughtner, Louise
USS Saratoga Museum Foundation, workforce development program	SBA	Langevin, James
Valley Economic Development Center, Technical Assistance Office	SBA	Sherman, Brad
Valley Economic Development Center, Valley Initiative for Business Expansion	SBA	Berman, Howard
Vermont SBDC Veterans Assistance Program	SBA	Welch, Peter
Wallace State Community College for an integrated manufacturing center	SBA	Aderholt, Robert
Wayne County, NJ, Department of Public Services to develop technologies to support small business	SBA	McCotter, Thaddeus
Wayne County, NY, for a business development initiative	SBA	Walsh, James
West Virginia University Research Corporation for renovations of a small business incubator	SBA	Mollohan, Alan
Western MA Enterprise Fund, technical assistance for developing enterprises	SBA	Oker, John
Williamsburg County, South Carolina, commodity development small business initiative	SBA	Clyburn, James
Wittenberg University to expand business education	SBA	Hobson, David
Workforce Initiative Association in Canton, OH	SBA	Regula, Ralph
Youngstown Edison Incubator Corporation and the Youngstown Central Area Community Improvement Corp., Youngstown Business Incubator	SBA	Ryan, Tim
Youngstown Warren Regional Chamber, Salute to Success, Business Entrepreneurship Incubator	SBA	Wilson, Charles; Ryan, Tim
In addition, the Committee includes the following earmarks requested by the President:		
Arizona: San Luis, Land Port of Entry I	GSA	The President
California: San Ysidro, Land Port of Entry	GSA	The President

Earmarks, Pursuant to Clause 9 of Rule XXI

Project	Agency	Members submitting request
District of Columbia: DHS Consolidation and development of St. Elizabeths campus	GSA	The President
District of Columbia: St. Elizabeths West Campus Infrastructure	GSA	The President
District of Columbia: St. Elizabeths West Campus Site Acquisition	GSA	The President
Maine: Madawaska, Land Port of Entry	GSA	The President
Maryland: Montgomery County, Food and Drug Administration Consolidation	GSA	The President; Hoyer, Steny; Wynn, Albert
Minnesota: Warroad, Land Port of Entry	GSA	The President
New York: Alexandria Bay, Land Port of Entry	GSA	The President
Texas: El Paso, Tornillo-Guadalupe Land Port of Entry	GSA	The President; Reyes, Silvestre; Rodriguez, Ciro
Vermont: Derby Line, Land Port of Entry	GSA	The President
District of Columbia: Eisenhower Executive Office Building, Phase II	GSA	The President
District of Columbia: Joint Operations Center	GSA	The President
District of Columbia: Nebraska Avenue Complex	GSA	The President
Nevada: Reno, C. Clifton Young Federal Building and Courthouse	GSA	The President
New York: New York, Thurgood Marshall United States Courthouse	GSA	The President
West Virginia: Martinsburg, Internal Revenue Service Enterprise Computing Center	GSA	The President

## FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the Rules of the House of Representatives, the result of each roll call vote on an amendment or on a motion to report, together with the names of those voting for and those voting against, are to be printed.

There were no roll call votes.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL)  
AUTHORITY

The following table provides a detailed summary, for each Department and agency, comparing the amounts recommended in the bill with fiscal year 2007 enacted amounts and budget estimates presented for fiscal year 2008:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>TITLE I - DEPARTMENT OF THE TREASURY</b>					
<b>Departmental Offices</b>					
Salaries and expenses.....	216,348	250,141	250,591	+34,243	+450
Executive direction.....	(10,753)	(19,815)	(10,115)	(-638)	(-9,700)
General Counsel.....	(8,713)	---	(9,700)	(+987)	(+9,700)
Economic policies and programs.....	(36,154)	(45,450)	(45,450)	(+9,296)	---
Financial policies and programs.....	(24,632)	(28,869)	(29,069)	(+4,437)	(+200)
Terrorism and Financial Intelligence.....	(43,457)	(56,225)	(56,475)	(+13,018)	(+250)
Treasury-wide management.....	(17,837)	(20,810)	(19,010)	(+1,173)	(-1,800)
Administration.....	(74,802)	(78,972)	(80,772)	(+5,970)	(+1,800)
non-print admin subtotal.....	216,348	250,141	250,591	+34,243	+450
Department-wide systems and capital investments programs.....	30,268	18,710	18,710	-11,558	---
Office of Inspector General.....	16,957	18,450	18,450	+1,493	---
Treasury Inspector General for Tax Administration.....	132,861	140,533	140,533	+7,672	---
Air transportation stabilization program account.....	---	-3,600	-3,600	-3,600	---
Financial Crimes Enforcement Network.....	73,216	85,844	83,344	+10,128	-2,500
Subtotal, Departmental Offices.....	469,650	510,078	508,028	+38,378	-2,050
Financial Management Service.....	235,381	235,191	234,423	-958	-768
Alcohol and Tobacco Tax and Trade Bureau: Salaries and expenses.....	90,618	93,515	93,515	+2,897	---
Bureau of the Public Debt.....	177,623	172,871	172,871	-4,752	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Community development financial institutions fund					
program account.....	54,506	28,557	100,000	+45,494	+71,443
Payment of government losses in shipment.....	500	1,000	1,000	+500	---
Total, Dept. of Treasury, non-IRS.....	1,028,278	1,041,212	1,109,837	+81,559	+68,625
Internal Revenue Service					
Taxpayer services.....	2,138,238	2,103,089	2,155,000	+16,762	+51,911
Enforcement.....	4,686,478	4,925,498	4,925,498	+239,020	---
Operations support.....	3,544,835	3,769,587	3,769,587	+224,752	---
Business systems modernization.....	212,659	282,090	282,090	+69,431	---
Health Insurance Tax Credit Administration.....	14,856	15,235	15,235	+379	---
Total, Internal Revenue Service.....	10,597,066	11,095,499	11,147,410	+550,344	+51,911
Total, title I, Department of the Treasury.....	11,625,344	12,136,711	12,257,247	+631,903	+120,536

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
-----					
TITLE II - EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT					
The White House					
Salaries and expenses.....	---	186,920	---	---	-186,920
Compensation of the President .....	---	450	---	---	-450
Total, Salaries and expenses.....	---	187,370	---	---	-187,370
-----					
Compensation of the President and the White House Office:					
Compensation of the President.....	450	---	450	---	+450
Salaries and expenses.....	53,616	---	53,156	-460	+53,156
Executive Residence at the White House:					
Operating expenses.....	12,398	---	12,814	+416	+12,814
White House repair and restoration.....	1,683	---	1,600	-83	+1,600
Council of Economic Advisers.....	4,032	---	4,118	+86	+4,118
Office of Policy Development.....	3,487	---	3,482	-5	+3,482
National Security Council.....	8,684	---	8,640	-44	+8,640
Office of Administration.....	88,643	---	92,829	+4,186	+92,829
Total, The White House.....	172,993	187,370	177,089	+4,096	-10,281
-----					
Office of Management and Budget.....	76,714	70,866	78,394	+1,680	+7,528
Office of National Drug Control Policy.....	26,766	23,883	26,636	-130	+2,753
Counterdrug Technology Assessment Center.....	20,000	5,000	10,000	-10,000	+5,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
High intensity drug trafficking areas program.....	224,730	220,000	226,000	+1,270	+6,000
Other Federal drug control programs.....	192,951	224,485	197,800	+4,849	-26,685
Total, Office of National Drug Control Policy.....	464,447	473,368	460,436	-4,011	-12,932
Unanticipated needs.....	990	1,000	1,000	+10	---
Special Assistance to the President and Official Residence of the Vice President:					
Salaries and expenses.....	4,432	4,432	4,432	---	---
Operating expenses.....	322	320	320	-2	---
Total, title II, Executive Office of the Presi- dent and Funds Appropriated to the President..	719,898	737,356	721,671	+1,773	-15,685
=====					
TITLE III - THE JUDICIARY					
Supreme Court of the United States					
Salaries and expenses:					
Salaries of justices.....	2,000	2,149	2,149	+149	---
Other salaries and expenses.....	60,576	64,377	64,377	+3,801	---
Subtotal.....	62,576	66,526	66,526	+3,950	---
Care of the building and grounds.....	11,427	12,201	12,201	+774	---
Total, Supreme Court of the United States.....	74,003	78,727	78,727	+4,724	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>United States Court of Appeals for the Federal circuit</b>					
Salaries and expenses:					
Salaries of judges.....	2,000	2,431	2,431	+431	---
Other salaries and expenses.....	23,311	26,107	25,545	+2,234	-562
Total, US Court of Appeals for the Fed Circuit..	25,311	28,538	27,976	+2,665	-562
<b>United States Court of International Trade</b>					
Salaries and expenses:					
Salaries of judges.....	2,000	1,765	1,765	-235	---
Other salaries and expenses.....	13,825	14,962	14,779	+954	-183
Total, US Court of International Trade.....	15,825	16,727	16,544	+719	-183
<b>Courts of Appeals, District Courts, and Other Judicial Services</b>					
Salaries and expenses:					
Salaries of judges and bankruptcy judges.....	316,000	332,434	332,434	+16,434	---
Judges COLA.....	---	5,000	---	---	-5,000
Other salaries and expenses.....	4,160,569	4,517,021	4,328,156	+167,587	-188,865
Subtotal, Salaries and expenses.....	4,476,569	4,854,455	4,660,590	+184,021	-193,865

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Vaccine Injury Compensation Trust Fund.....	3,952	4,099	4,099	+147	---
Defender services.....	776,283	859,834	830,499	+54,216	-29,335
Fees of jurors and commissioners.....	60,945	62,350	62,350	+1,405	---
Court security.....	378,663	421,789	396,476	+17,813	-25,313
Total, Courts of Appeals, District Courts, and Other Judicial Services.....	5,696,412	6,202,527	5,954,014	+257,602	-248,513
Administrative Office of the United States Courts					
Salaries and expenses.....	72,377	78,536	75,667	+3,290	-2,869
Federal Judicial Center					
Salaries and expenses.....	22,874	24,835	23,994	+1,120	-841
Judicial Retirement Funds					
Payment to judiciary trust funds.....	56,300	65,400	65,400	+7,100	---
United States Sentencing Commission					
Salaries and expenses.....	14,601	16,191	15,477	+876	-714
Total, title III, the Judiciary.....	5,979,703	6,511,481	6,257,799	+278,096	-253,682
Mandatory appropriations.....	(380,300)	(404,179)	(404,179)	(+23,879)	---
Discretionary appropriations.....	(5,599,403)	(6,107,302)	(5,853,620)	(+254,217)	(-253,682)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE IV - DISTRICT OF COLUMBIA					
FEDERAL FUNDS					
Federal payment for Resident Tuition Support.....	32,868	35,100	35,100	+2,232	---
Federal payment for Emergency Planning and Security Costs in the District of Columbia.....	8,533	3,000	3,352	-5,181	+352
Federal payment to the District of Columbia Courts....	216,723	213,861	256,395	+39,672	+42,534
Defender Services in District of Columbia Courts.....	43,475	43,475	52,475	+9,000	+9,000
Federal payment to the Court Services and Offender Supervision Agency for the District of Columbia.....	179,603	190,343	190,343	+10,740	---
Federal payment to the District of Columbia Public Defender Service.....	31,103	32,710	32,710	+1,607	---
Federal payment to the District of Columbia Water and Sewer Authority.....	6,930	12,000	12,000	+5,070	---
Federal payment for the Anacostia Waterfront Initiative.....	2,970	---	---	-2,970	---
Federal payment to the Criminal Justice Coordinating Council.....	1,287	1,300	1,300	+13	---
Federal payment for Transportation Assistance.....	990	---	---	-990	---
Federal payment for Foster Care Improvements in the District of Columbia.....	1,980	---	---	-1,980	---
Federal payment to the Office of the Chief Financial Officer of the District of Columbia.....	20,000	---	6,148	-13,852	+6,148
Federal payment for School Improvement.....	39,600	40,800	40,800	+1,200	---
Federal payment for consolidated laboratory facility..	4,950	10,000	10,000	+5,050	---
Federal payment for Central Library/branch locations..	---	10,000	10,000	+10,000	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Federal Payment to reimburse the FBI.....	---	5,000	4,000	+4,000	-1,000
Total, Title IV, District of Columbia.....	591,012	597,589	654,623	+63,611	+57,034
=====					
TITLE V - OTHER INDEPENDENT AGENCIES					
Consumer Product Safety Commission.....	62,728	63,250	66,838	+4,110	+3,588
Election Assistance Commission					
Salaries and expenses.....	16,263	15,467	15,467	-796	---
Election Reform Programs.....	---	---	300,950	+300,950	+300,950
Total, Election Assistance Commission.....	16,263	15,467	316,417	+300,154	+300,950
Federal Communications Commission					
Salaries and expenses.....	291,282	313,000	313,000	+21,718	---
Transfer from USF for OIG audits (by transfer).....	---	(20,480)	(20,980)	(+20,980)	(+500)
Offsetting fee collections - current year.....	-290,295	-312,000	-312,000	-21,705	---
Direct appropriation.....	987	1,000	1,000	+13	---
Federal Deposit Insurance Corporation: Office of					
Inspector General (by transfer).....	(30,690)	(26,848)	(26,848)	(-3,842)	---
Federal Election Commission.....	54,528	59,224	59,224	+4,696	---
Federal Labor Relations Authority.....	25,372	23,718	23,641	-1,731	-77

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>Federal Trade Commission</b>					
Salaries and expenses.....	211,289	240,239	247,489	+36,200	+7,250
Offsetting fee collections - current year.....	-129,000	-139,000	-139,000	-10,000	---
Offsetting fee collections, telephone database.....	-23,000	-19,000	-20,000	+3,000	-1,000
Direct appropriation.....	59,289	82,239	88,489	+29,200	+6,250
<b>General Services Administration</b>					
<b>Federal Buildings Fund</b>					
Appropriations.....	(93,586)	(344,450)	(88,144)	(-5,442)	(-256,306)
Limitations on availability of revenue:					
Construction and acquisition of facilities.....	701,137	615,204	524,540	-176,597	-90,664
Repairs and alterations.....	618,241	804,483	733,267	+115,026	-71,216
Installment acquisition payments.....	163,999	155,781	155,781	-8,218	---
Rental of space.....	4,067,881	4,383,000	4,315,534	+247,653	-67,466
Building operations.....	2,003,830	2,132,450	2,105,490	+101,660	-26,960
Subtotal.....	7,555,088	8,090,918	7,834,612	+279,524	-256,306
Repayment of debt.....	43,338	50,804	50,804	+7,466	---
Rental income to fund.....	-7,845,000	-7,916,272	-7,916,272	-71,272	---
Total, Federal Buildings Fund.....	-246,574	225,450	-30,856	+215,718	-256,306
Policy and operations.....	---	144,338	142,945	+142,945	-1,393

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Government-wide policy.....	52,346	---	---	-52,346	---
Operating expenses.....	83,176	---	---	-83,176	---
Office of Inspector General.....	52,621	47,382	47,382	-5,239	---
Appropriation (P.L. 110-28).....	(4,500)	---	---	(-4,500)	---
Electronic Government Fund.....	2,970	5,000	2,970	---	-2,030
Allowances and Office Staff for Former Presidents.....	2,922	2,500	2,500	-422	---
Federal Citizen Information Center Fund.....	14,874	17,790	15,798	+924	-1,992
Total, General Services Administration.....	-37,665	442,460	180,739	+218,404	-261,721
Merit Systems Protection Board					
Salaries and expenses.....	36,063	37,507	37,507	+1,444	---
Limitation on administrative expenses.....	2,603	2,579	2,579	-24	---
Total, Merit Systems Protection Board.....	38,666	40,086	40,086	+1,420	---
Morris K. Udall Foundation					
Morris K. Udall Trust Fund.....	1,984	---	2,000	+16	+2,000
Environmental Dispute Resolution Fund.....	1,896	750	2,000	+104	+1,250
Total, Morris K. Udall Foundation.....	3,880	750	4,000	+120	+3,250
National Archives and Records Administration					
Operating expenses.....	279,338	312,874	315,000	+35,662	+2,126
Reduction of debt.....	-10,026	-10,896	-10,896	-870	---
Electronic records archive.....	45,254	58,028	58,028	+12,774	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Repairs and restoration.....	9,120	8,663	16,095	+6,975	+7,432
National Historical Publications and Records Commission: Grants program.....	7,425	---	10,000	+2,575	+10,000
Total, National Archives and Records Admin.....	331,111	368,669	388,227	+57,116	+19,558
National Credit Union Administration					
Central liquidity facility: (Limitation on direct loans).....	(1,500,000)	(1,500,000)	(1,500,000)	---	---
(Limitation on admin expenses, corporate funds)...	(323)	(329)	(329)	(+6)	---
Community development credit union revolving loan fund	941	950	1,000	+59	+50
Office of Government Ethics.....	11,115	11,750	11,750	+635	---
Office of Personnel Management					
Salaries and expenses.....	111,605	101,765	101,765	-9,840	---
Limitation on administrative expenses.....	112,546	111,936	123,401	+10,855	+11,465
Office of Inspector General.....	2,061	1,519	1,519	-542	---
Limitation on administrative expenses.....	16,278	16,481	16,981	+703	+500
Govt Payment for Annuitants, Employees Health Benefits	8,780,260	8,884,000	8,884,000	+103,740	---
Govt Payment for Annuitants, Employee Life Insurance..	39,000	41,000	41,000	+2,000	---
Payment to Civil Svc Retirement and Disability Fund...	10,532,000	11,941,000	11,941,000	+1,409,000	---
Total, Office of Personnel Management.....	19,593,750	21,097,701	21,109,666	+1,515,916	+11,965
Office of Special Counsel.....	15,524	16,368	16,368	+844	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
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(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>Securities and Exchange Commission</b>					
Salaries and expenses.....	892,560	905,330	908,442	+15,882	+3,112
Prior year unobligated balances.....	-25,000	-30,330	-41,397	-16,397	-11,067
Direct appropriation.....	867,560	875,000	867,045	-515	-7,955
Selective Service System.....	24,850	22,000	22,000	-2,850	---
<b>Small Business Administration</b>					
Salaries and expenses.....	327,592	310,103	346,553	+18,961	+36,450
Rescission (unobligated balances).....	-6,100	---	---	+6,100	---
Office of Inspector General.....	13,835	15,000	15,000	+1,165	---
by transfer from Disaster Loans Program account....	(1,485)	(500)	(500)	(-985)	---
Surety bond guarantees revolving fund.....	2,824	3,000	3,000	+176	---
<b>Business Loans Program Account:</b>					
Direct loans subsidy.....	1,283	---	2,530	+1,247	+2,530
Guaranteed loans subsidy.....	---	---	80,000	+80,000	+80,000
Administrative expenses.....	124,862	135,414	135,414	+10,552	---
Rescission (unobligated balances).....	-5,000	---	---	+5,000	---
Total, Business loans program account.....	121,145	135,414	217,944	+96,799	+82,530
<b>Disaster Loans Program Account:</b>					
Administrative expenses (by transfer).....	---	(156,000)	---	---	(-156,000)
Administrative expenses (P.L. 110-28) (by transfer)	(181,069)	---	---	(-181,069)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
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(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Economic injury loans (P.L. 110-28)(by transfer)...	(25,000)	---	---	(-25,000)	---
Administrative expenses.....	114,931	---	---	-114,931	---
Rescission (unobligated balances).....	-2,300	---	---	+2,300	---
Disaster Relief, FEMA (transfer out).....	---	(-200,000)	---	---	(+200,000)
Disaster Relief, FEMA (P.L. 110-28) (transfer out)(emergency).....	(-150,000)	---	---	(+150,000)	---
Office of Inspector General (transfer out).....	(-1,485)	(-500)	(-500)	(+985)	---
Total, Disaster loans program account.....	112,631	---	---	-112,631	---
(by transfer).....	(206,069)	(156,000)	---	(-206,069)	(-156,000)
(transfer out).....	(-151,485)	(-200,500)	(-500)	(+150,985)	(+200,000)
Total, Small Business Administration.....	571,927	463,517	582,497	+10,570	+118,980
United States Postal Service					
Payment to the Postal Service Fund.....	29,000	---	---	-29,000	---
Advance appropriations.....	79,915	88,864	88,864	+8,949	---
Total, United States Postal Service.....	108,915	88,864	88,864	-20,051	---
United States Tax Court.....					
	47,625	45,326	45,069	-2,556	-257
Total, title V, Independent Agencies.....					
Appropriations.....	21,797,366	23,718,339	23,912,920	+2,115,554	+194,581
Rescissions.....	(21,730,851)	(23,629,475)	(23,824,056)	(+2,093,205)	(+194,581)
Advances.....	(-13,400)	---	---	(+13,400)	---
(by transfer).....	(79,915)	(88,864)	(88,864)	(+8,949)	---
(transfer out).....	(32,175)	(203,828)	(48,328)	(+16,153)	(-155,500)
	(-1,485)	(-200,500)	(-500)	(+985)	(+200,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2007  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Grand total.....	40,713,323	43,701,476	43,804,260	+3,090,937	+102,784
Appropriations.....	(40,646,808)	(43,612,612)	(43,715,396)	(+3,068,588)	(+102,784)
Rescissions.....	(-13,400)	---	---	(+13,400)	---
Advances.....	(79,915)	(88,864)	(88,864)	(+8,949)	---
(by transfer).....	(32,175)	(203,828)	(48,328)	(+16,153)	(-155,500)
(transfer out).....	(-1,485)	(-200,500)	(-500)	(+985)	(+200,000)
Discretionary total.....	19,517,875	21,676,898	21,434,000	+1,916,125	-242,898

ADDITIONAL VIEWS OF THE HON. JERRY LEWIS AND HON.  
RALPH REGULA

The Financial Services and General Government Appropriations Bill provides \$21,434,000,000 in discretionary budget authority, which is \$242,898,000 below the President's budget request, and \$1,916,125,000 above fiscal year 2007. The bill provides funding for a diverse number of agencies performing activities such as regulating the financial and telecommunications industries, collecting taxes and providing taxpayer assistance, providing capital to small businesses and disadvantaged communities, supporting the operations of the White House and Federal Judiciary, providing Federal payments to the District of Columbia, operating and maintaining Federal buildings, managing the Federal workforce, assisting in the administration of Federal elections, and protecting consumers and investors. While the bill provides significant increases for many of these activities, in total the bill provides funding below the level requested by the Administration. We appreciate that the Subcommittee Chairman allowed the Minority to provide input into drafting the bill.

The bill provides important increases for the Internal Revenue Service (IRS) in order to close the nearly \$300 billion tax gap, which is the difference between the amount of taxes owed and amount actually paid. We support the funds provided in the bill to enhance taxpayer services, tax enforcement, and information technology capabilities at the IRS. However, we are concerned that the bill includes a restrictive \$1,000,000 limitation on expenditures associated with private debt collections. This program, authorized by the American Jobs Creation Act, is estimated to collect \$1.4 billion in taxes over ten years. Additionally, while the bill fully funds the IRS' enforcement request, it does not provide funding over the budget request to compensate for the limitation on private debt collections. It should also be noted that the Inspector General for Tax Administration reviewed the private debt collection program and stated that the "IRS has taken proactive measures to effectively develop and implement the Program".

The bill provides \$226,000,000 for the Office of National Drug Control Policy's High Intensity Drug Trafficking Areas (HIDTA) program. We are supportive of this funding level for HIDTA which is \$1,270,000 above the current year and \$6,000,000 above the request. With the rise in violent crime across the country, it is important that this program receive adequate funding.

The bill provides \$225,166,000 for the operations of the Office of Personnel Management (OPM), which is \$1,015,000 above fiscal year 2007 and \$11,465,000 above the budget request. The Committee heard testimony that 60 percent of the Federal workforce will be eligible to retire in the next ten years. We look forward to

continuing to work with the Chairman and OPM to ensure that the Federal government is prepared to address this retirement wave.

#### EDUCATION

We are supportive of the financial education initiatives included in the bill for the Department of Treasury's Office of Financial Education, the IRS, and the Securities and Exchange Commission. We hope to work with the Chairman to further develop these initiatives as the bill moves through the appropriations process to ensure maximum programmatic impact.

The bill provides funding to improve education in the District of Columbia including \$35,100,000 for college tuition assistance, \$40,800,000 for school improvement, and \$10,000,000 to improve libraries. These funds will help support the Mayor's efforts to address the problems of the District of Columbia school system. Improving education in the District of Columbia will enhance the City's future by providing children with opportunities. We support the funding that has been included in the bill and look forward to working with the Chairman to help the Mayor and City Council in their reform efforts.

#### SERRANO AMENDMENT

We were supportive of the Chairman's Subcommittee mark for the Small Business Administration (SBA) which provides \$100,000,000 for Small Business Development Centers. However, we are disappointed that the Serrano amendment offered in Full Committee was adopted. This amendment provided \$80,000,000 to subsidize 7(a) business loans. The adoption of this amendment ignores the fact that the 7(a) program has been operating at record levels without a subsidy appropriation since the beginning of fiscal year 2005. Past practice has proven that subsidies limit access to SBA loans if demand for loans exceeds the availability of appropriations. In many past years, SBA has been forced to temporarily shut the program down or impose loan limits in order to live within available appropriations. During the 1990s, the average loan approval volume was 40,181 loans totaling \$8.6 billion in loans per year. Since it became a zero subsidy loan program, loan approvals increased to 95,900 loans and \$15.2 billion in fiscal year 2005 and 97,200 approved loans and \$13.8 billion in fiscal year 2006. In testimony before the Committee, the SBA Administrator testified that "With the zero subsidy operation in place the program has been able to expand without the threat of a shut down. Zero subsidy is good stewardship of taxpayers' money while creating a more stable loan program for small business." It is irresponsible during times of budget deficits for Congress to provide appropriations to programs that do not need Federal funding. The absence of appropriations for 7(a) loans does not hurt the operation of the program.

In addition, this amendment cut important funding from General Services Administration's (GSA) Federal Buildings Fund repairs and alterations account. GSA's current backlog of repairs and alterations of Federal buildings is estimated at \$6,600,000,000. The fiscal year 2008 request is considered a minimum to operate and maintain GSA's assets. Limiting repairs and alterations funding forces GSA to house Federal workers in more commercial leases

rather than continue in government-owned buildings at a net cost to the U.S. taxpayer. Cutting an additional \$31,000,000 from this account just digs the GSA into a deeper hole and only delays much needed repairs for buildings into the next fiscal year.

The amendment also cuts \$29,000,000 from the U.S. Postal Service revenue foregone account. Failure to fund this authorized appropriation places the remaining debt of more than \$800,000,000 at risk of nonpayment, significantly increasing postal costs. As the Postal Service works to address its long-term obligations in a responsible manner, it is counterproductive to increase those costs through nonpayment of a debt already deferred by interest free installment payments spread over a period of 42 years. This funding paid for past political mailings by both political parties, mailings of non-profit organizations and free mail for blind persons and overseas ballots. The failure to provide funds for these services will require the Postal Service to record these obligations as a bad debt and will unfairly transfer these costs to postage ratepayers. Cutting \$29,000,000 from the revenue foregone account is the equivalent of Congress not following its own directives.

#### ELECTION ASSISTANCE COMMISSION

We are also concerned that the bill includes \$300,000,000 in unrequested funding for election assistance grants. While the Help America Vote Act of 2002 authorized \$3.9 billion for grants to the States to improve their voting systems, no funding is authorized to be appropriated for this purpose in fiscal year 2008. With Presidential primaries beginning in January, it seems unlikely that these funds could possibly be used effectively before the 2008 election season begins. It should also be noted that the Election Assistance Commission has recently reported to the Committee that as of the end of October, the States had more than \$1.3 billion in available balances from prior year appropriations.

#### REPORT LANGUAGE

The front of the Committee report accompanying this bill complains that since 1980, non-defense discretionary spending has declined as a percentage of gross domestic product making it “not surprising that government is unable to meet many basic needs”. However, it should be noted that non-defense discretionary budget authority has increased by 157 percent from 1980 to 2007. This is an average increase of almost 6 percent per year. The idea that a 6 percent per year increase in spending is not sufficient is difficult to understand. Additionally, the Committee report does not mention that gross domestic product has grown in real terms by 121 percent from 1980 to 2006. Clearly, the economy has remained strong over the long term.

The front of the Committee report accompanying this bill also states that “the Federal workforce has been under attack”. While we believe that the Administration needs to continue to work to improve management of the Federal workforce including enhancing programs to attract and retain professional staff and reward performance, stating that the Federal workforce is under attack is an exaggeration. The Committee heard testimony from the Office of Personnel Management that they have 1.9 million resumes on file

and send over 260,000 emails daily to people seeking Federal employment. If the Federal workforce were truly under attack, why would so many people seek Federal employment?

CONCLUSION

We appreciate that the bill provides a level of funding below the budget request and hope that it can be improved as it moves forward through the appropriations process. Additionally, we hope that the final bill will remain free of controversial policy riders that will result in a veto by the President.

JERRY LEWIS.  
RALPH REGULA.

