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FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS BILL, 2008

JULY 13, 2007.—Ordered to be printed

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

REPORT

[To accompany H.R. 2829]

The Committee on Appropriations, to which was referred the bill (H.R. 2829) making appropriations for financial services and general government for the fiscal year ending September 30, 2008, and for other purposes, reports the same with an amendment in the nature of a substitute and recommends that the bill as amended do pass.

Amounts of new budget (obligational) authority for fiscal year 2008

Total of bill as reported to the Senate	\$44,225,978,000
Amount of 2007 appropriations	40,811,304,000
Amount of 2008 budget estimate	43,811,876,000
Amount of House allowance	43,802,260,000
Bill as recommended to Senate compared to—	
2007 appropriations	+ 3,414,674,000
2008 budget estimate	+ 414,102,000
House allowance	+ 423,718,000

CONTENTS

	Page
Summary of Bill	4
Transparency in Congressional Directives	7
Title I: Department of the Treasury:	
Departmental Offices	9
Department-Wide Systems and Capital Investments Program	14
Office of the Inspector General	14
Treasury Inspector General for Tax Administration	15
Air Transportation Stabilization Program Account	16
Financial Crimes Enforcement Network	16
Financial Management Service	18
Alcohol and Tobacco Tax and Trade Bureau	18
Bureau of Engraving and Printing	19
Bureau of the Public Debt	19
Community Development Financial Institutions Fund	20
United States Mint	21
Internal Revenue Service	21
Taxpayer Services	24
Enforcement	27
Operations Support	28
Business Systems Modernization	30
Health Insurance Tax Credit Administration	31
Administrative Provisions—Department of the Treasury	33
Title II: Executive Office of the President and Funds Appropriated to the President:	
Compensation of the President	34
White House Office	34
Executive Residence at the White House	35
White House Repair and Restoration	35
Council of Economic Advisers	36
Office of Policy Development	36
National Security Council	37
Privacy and Civil Liberties Board	37
Office of Administration	38
Office of Management and Budget	38
Office of National Drug Control Policy	39
Funds Appropriated to the President:	
High Intensity Drug Trafficking Areas	42
Other Federal Drug Control Programs	43
Unanticipated Needs	46
Special Assistance to the President	46
Official Residence of the Vice President	47
Title III: The Judiciary:	
Supreme Court of the United States	48
United States Court of Appeals for the Federal Circuit	49
U.S. Court of International Trade	50
Courts of Appeals, District Courts, and Other Judicial Services	51
Vaccine Injury Compensation Fund	52
Defender Services	52
Fees of Jurors and Commissioners	53
Court Security	53
Administrative Office of the United States Courts	54
Federal Judicial Center	54
Judicial Retirement Funds	55
United States Sentencing Commission	55

	Page
Title III—Continued	
Administrative Provisions—The Judiciary	56
Title IV—District of Columbia:	
Federal Funds:	
Federal Payment for District of Columbia Resident Tuition Support ..	57
Federal Payment for Emergency Planning and Security Costs in the District of Columbia	58
Federal Payment to the District of Columbia Courts	59
Defender Services in the District of Columbia Courts	60
Federal Payment to the Court Services and Offender Supervision Agency for the District of Columbia	60
Federal Payment to the Public Defender Service for the District of Columbia	61
Federal Payment to the District of Columbia Water and Sewer Au- thority	61
Federal Payment to the Criminal Justice Coordinating Council	62
Federal Payment for School Improvement	63
Federal Payment for Consolidated Laboratory Facility	64
Federal Payment for Central Library and Branch Locations	64
Federal Payment to Reimburse the Federal Bureau of Investigation ..	65
Federal Payment to the Executive Office of the Mayor of the District of Columbia	65
District of Columbia Local Operating Budget	66
Title V—Independent Agencies:	
Commodity Futures Trading Commission	68
Consumer Product Safety Commission	69
Election Assistance Commission	70
Federal Communications Commission	71
Federal Deposit Insurance Corporation: Office of Inspector General	72
Federal Election Commission	72
Federal Labor Relations Authority	73
Federal Trade Commission	73
General Services Administration	76
Merit Systems Protection Board	86
Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation	87
National Archives and Records Administration	88
National Historical Publications and Records Commission	91
National Credit Union Administration	92
Office of Government Ethics	93
Office of Personnel Management	94
Office of Special Counsel	99
Securities and Exchange Commission	100
Selective Service System	101
Small Business Administration	102
United States Postal Service	106
United States Tax Court	108
Title VI	
General Provisions—This Act	110
Title VII:	
General Provisions—Government-Wide	112
Title VIII	
General Provisions—District of Columbia	115
Compliance With Paragraph 7, Rule XVI of the Standing Rules of the Sen- ate	118
Compliance With Paragraph 7(c), Rule XXVI of the Standing Rules of the Senate	119
Compliance With Paragraph 12, Rule XXVI of the Standing Rules of the Senate	119
Budgetary Impact of Bill	132

SUMMARY OF THE BILL

Fiscal year 2008 is the initial year for the Financial Services and General Government appropriations bill. The agencies and programs funded in this bill were previously funded in several other appropriations bills, namely the Transportation, Treasury, Housing and Urban Development, the Judiciary, and Independent Agencies appropriations bill, the Commerce, Justice, Science, and Related Agencies appropriations bill, the District of Columbia appropriations bill and the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill.

The Committee recommends \$44,225,978,000, in discretionary and mandatory appropriations. This represents an increase of \$3,414,674,000 over the fiscal year 2007 enacted level, and an increase of \$414,102,000 over the budget request. Of the total, \$21,800,000,000 is provided in discretionary appropriations, only slightly higher than the budget request of \$21,783,298,000. Mandatory appropriations total \$22,425,978,000.

The Committee recommended bill is consistent with the allocation for the Financial Services and General Government appropriations bill. The Committee has made difficult but necessary decisions to craft a bill that is within strict fiscal limitations. The President's budget request for the agencies funded by this bill is stringent.

PROJECT FUNDING

Agency	President's budget request	Senate requests
General Services Administration	\$1,395,289,000	\$280,451,000
National Archives		15,510,000
Small Business Administration		36,000,000
Total	1,395,289,000	331,961,000
Combined Total Project Funding	1,727,250,000	

The Small Business Administration account includes earmarks totaling \$36,000,000 for 75 projects. This is a reduction of 20 percent below the fiscal year 2006 funding level. The President did not request any specific projects. The bill includes no earmarks for the District of Columbia, a 100 percent reduction. Within the General Services Administration, the President requested \$1,395,289,000, of which \$615,204,000 is for construction of Federal buildings and of which \$804,483,000 is for repair of Federal buildings. The President's budget did not include funding requested by the Judiciary for courthouse construction, therefore, the Committee provides an additional \$280,451,000 in courthouse construction projects. Within the National Archives and Records Administration, the President requested \$8,663,000 for basic repairs and the Committee provides

an additional \$15,510,000 in additional funding for repair of presidential libraries.

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” [PPA] shall mean any item for which a dollar amount is contained in appropriations acts (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.

REPROGRAMMING GUIDELINES

The Committee includes a provision (sec. 610) establishing the authority of agencies to reprogram funds and the limitation on that authority. The provision specifically requires the advance approval of the House and Senate Committees on Appropriations of any proposal to reprogram funds that: (1) creates a new program; (2) eliminates a program, project, or activity [PPA]; (3) increases funds or personnel for any PPA for which funds have been denied or restricted by the Congress; (4) proposes to redirect funds that were directed in such reports for a specific activity to a different purpose; (5) augments an existing PPA in excess of \$5,000,000 or 10 percent, whichever is less; (6) reduces an existing PPA by \$5,000,000 or 10 percent, whichever is less; or (7) creates, reorganizes, or restructures offices different from the congressional budget justifications or the table at the end of the Committee report, whichever is more detailed.

The Committee retains the requirement that each agency submit an operating plan to the House and Senate Committees on Appropriations not later than 60 days after enactment of this act to establish the baseline for application of reprogramming and transfer authorities provided in this act. Specifically, each agency should provide a table for each appropriation with columns displaying the budget request; adjustments made by Congress; adjustments for rescissions, if appropriate; and the fiscal year enacted level. The table shall delineate the appropriation both by object class and by PPA. The report must also identify items of special congressional interest.

The Committee expects the agencies and bureaus to submit reprogramming requests in a timely manner and to provide a thorough explanation of the proposed reallocations, including a detailed justification of increases and reductions and the specific impact the proposed changes will have on the budget request for the following fiscal year. Except in emergency situations, reprogramming requests should be submitted no later than June 30.

The Committee expects each agency to manage its programs and activities within the amounts appropriated by Congress. The Committee reminds agencies that reprogramming requests should be submitted only in the case of an unforeseeable emergency or a situation that could not have been anticipated when formulating the

budget request for the current fiscal year. Further, the Committee notes that when a Department or agency submits a reprogramming or transfer request to the Committees on Appropriations and does not receive identical responses from the House and Senate, it is the responsibility of the Department to reconcile the House and Senate differences before proceeding, and if reconciliation is not possible, to consider the request to reprogram funds unapproved.

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, offices, and commissions. The Committee has often pointed to the natural affinity and relationship between the budget offices 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 any office or officer in the departments, agencies, and commissions, the primary conjunction between the Committee and these entities must be through the budget offices. To help ensure the Committee's ability to perform its responsibilities, the Committee insists on having direct, unobstructed, and timely access to the budget offices and expects to be able to receive forthright and complete responses from those offices and their employees.

CONGRESSIONAL BUDGET JUSTIFICATIONS

The Committee understands the administration is utilizing the Program Assessment Rating Tool [PART] as a method for evaluating programs by linking performance, goals, and benchmarks with funding decisions. In too many cases, however, the PART analysis appears to be overly subjective and designed to reach certain preconceived conclusions about a program's validity and accomplishments and its budget needs.

This approach reduces any value that PART may have as a tool for measuring the contributions of a program and the extent to which a program should be funded. More troubling, OMB and Federal agencies have tended to accommodate an increasing amount of PART performance data in the budget justifications by eliminating fundamental and objective programmatic budget data that is critical to the work of the Committee. This trend has made it increasingly difficult for the Committee to perform a meaningful review of budget justifications, including the ability to conduct necessary budget oversight work as well as the ability to reach valid and comprehensive funding decisions absent a substantial amount of additional review and budget analysis.

Budget justifications are prepared not for the use of the agency, but instead are the primary tool used by the House and Senate Committees on Appropriations to evaluate the resource requirements and fiscal needs of agencies. The Committee is aware that the format and presentation of budget materials is largely left to the agency within presentation objectives set forth by OMB. In fact, OMB Circular A-11, part 6 specifically states that the "agency should consult with your congressional committees beforehand to

ensure their awareness of your plans to modify the format of agency budget documents.” The Committee expects all the budget justifications to adhere to this directive and provide the data needed to make appropriate and meaningful funding decisions.

While the Committee values the inclusion of performance data and presentations, it is important to ensure that, in the implementation of the PART analysis, vital budget information that the Committee needs is not lost. Therefore, the Committee directs that justifications submitted with the fiscal year 2009 budget requests by agencies funded under this act must contain the customary level of detailed data and explanatory statements to support the appropriations requests at the level of detail contained in the funding table included at the end of the report. Among other items, agencies shall provide a detailed discussion of proposed new initiatives, proposed changes in the agency’s financial plan from prior year enactment, and detailed data on all programs and comprehensive information on any office or agency restructurings. At a minimum, each agency must also provide adequate justification for funding and staffing changes for each individual office and materials that compare programs, projects, and activities that are proposed for fiscal year 2009 to the fiscal year 2008 enacted level.

The Committee is aware that the analytical materials required for review by the Committee are unique to each agency in this act. Therefore, the Committee expects that each agency will coordinate with the House and Senate Committees on Appropriations in advance on its planned presentation for its budget justification materials in support of the fiscal year 2009 budget request.

TRANSPARENCY IN CONGRESSIONAL DIRECTIVES

On January 18, 2007, the Senate passed S. 1, The Legislative Transparency and Accountability Act of 2007, by a vote of 96–2. While the Committee awaits final action on this legislation, the chairman and ranking member of the Committee issued interim requirements to ensure that the goals of S. 1 are in place for the appropriations bills for fiscal year 2008.

The Constitution vests in the Congress the power of the purse. The Committee believes strongly that Congress should make the decisions on how to allocate the people’s money. In order to improve transparency and accountability in the process of approving earmarks (as defined in S. 1) in appropriations measures, each Committee report includes, for each earmark:

- (1) the name of the Member(s) making the request, and where appropriate, the President;
- (2) the name and location of the intended recipient or, if there is no specifically intended recipient, the intended location of the activity; and
- (3) the purpose of such earmark.

The term “congressional earmark” means a provision or report language included primarily at the request of a Senator, providing, authorizing, or recommending a specific amount of discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific state, local-

ity or congressional district, other than through a statutory or administrative, formula-driven, or competitive award process.

For each earmark, a Member is required to provide a certification that neither the Member (nor his or her spouse) has a pecuniary interest in such earmark, consistent with Senate Rule XXXVII(4). Such certifications are available to the public at <http://appropriations.senate.gov/senators.cfm> or go to appropriations.senate.gov and click on "Members".

TITLE I
DEPARTMENT OF THE TREASURY
DEPARTMENTAL OFFICES
SALARIES AND EXPENSES
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2007	\$216,348,000
Budget estimate, 2008	250,141,000
House allowance	250,591,000
Committee recommendation	251,641,000

PROGRAM DESCRIPTION

The Departmental Offices consist of the Office of the Secretary and Deputy Secretary, the Office of International Affairs, the Office of Domestic Finance, the Office of Terrorism and Financial Intelligence, the Office of Tax Policy, the Office of Economic Policy, the Office of the General Counsel, the Office of Legislative Affairs, the Office of Public Affairs, Office of the Treasurer, and the Office of Management. The Secretary of the Treasury has the 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; formulating fiscal policy; governing the fiscal operations of the Government; executing the Nation's financial sanction policies; disrupting and dismantling terrorist financial infrastructure; protecting the United States and international financial system from terrorist financing, money laundering, and other financial crimes; managing the public debt; managing international development policy; representing the United States on international monetary, trade and investment issues; overseeing Department of the Treasury overseas operations; and directing the administrative operations of the Department of the Treasury. The majority of the Salaries and Expenses appropriation provides resources for policy formulation and implementation in the areas of domestic and international finance, terrorist financing and financial crimes, tax, economic, trade, financial operations and general fiscal policy. This appropriation also provides resources to support the Secretary and policy components, and coordination of departmental administrative policies in financial and personnel management, procurement operations, and information systems and telecommunications.

COMMITTEE RECOMMENDATION

The Committee recommends \$251,641,000 for the Salaries and Expenses appropriation of the Departmental Offices account of the Department of the Treasury for fiscal year 2008. This amount is \$1,500,000 above the budget request and \$35,293,000 above the fiscal year 2007 enacted level. Within the funds provided under this account, the Committee has provided \$3,000,000 for information technology modernization; \$200,000 for official reception and representation expenses; \$258,000 for unforeseen emergencies; and \$5,114,000 for the Treasury-wide financial statement audits and other Treasury office and bureau audits.

The following table compares the fiscal year 2007 enacted level to the fiscal year 2008 budget estimate and the Committee's recommendation for each office:

[In thousands of dollars]

	Fiscal year 2007 enacted	2008 budget es- timate	Committee rec- ommendation
Executive direction	10,753	9,636	11,136
General counsel	8,713	10,179	10,179
Economic policies and programs	36,154	45,450	45,450
Financial policies and programs	24,632	28,869	28,869
Terrorism and financial intelligence	43,457	56,225	56,225
Treasury-wide management and programs	17,837	20,810	20,810
Administration	74,802	78,972	78,972

The Committee remains concerned with the significant management challenges faced by the Department and believes that greater emphasis must be placed on effective management leadership. The Treasury Inspector General [IG] continues to cite concerns with the corporate management structure of the Treasury and believes that the lack of effective management leadership has contributed to serious deficiencies at some of the bureaus. In addition to concerns with corporate management, the IG continues to cite the Department's management of capital investments as a major management challenge. The IG specifically recommends that the Treasury needs to ensure consistency, cohesiveness, and economy among all bureaus by establishing clear lines of accountability, providing enterprise solutions for core business activities, and providing effective oversight of information technology investments and security.

The Committee has approved the following significant program increases in the bill:

Enhanced International Economic Policy Coordination + \$618,000/ +3 FTE.—The Department of the Treasury is charged with the critical task of fortifying economic relations with foreign countries and financial institutions, working toward creating a platform for global growth and security. To this end, it is necessary to enhance policy coordination and resources through the addition of regional experts. This initiative is for additional staff to support key policy dialogues with countries like China.

CFIUS + \$940,000/ +4 FTE.—The Committee on Foreign Investment in the United States [CFIUS] is responsible for investigating the merger or acquisition of U.S. companies by foreign persons for national security implications. This function is mandated under the Exxon-Florio amendment to the Defense Production Act, and is

managed by Treasury's Office of International Affairs on the Secretary's behalf. The significance of this work has grown exponentially with the growth of foreign investment into the United States and the sharp increase in transactions filed with CFIUS. Resources provided will be used to recruit investment flow analysts and other specialists.

Economic Sanctions against State Terrorism +\$1,392,000/+2 FTE.—The Office of Foreign Assets Control [OFAC] is committed to combating terrorist networks and State sponsors of terrorism. New Executive orders with respect to Sudan and Syria were issued in 2006 and the administration is extensively engaged with respect to Iran. Each new Executive order and/or OFAC designation of terrorists and their financial networks brings with it increasing demands on OFAC's enforcement, licensing, compliance and administrative support components. Additional resources in these areas are provided to match the increased pace of new Executive orders and Treasury designations.

Sanctions Against WMD Proliferation +\$889,000/+2 FTE.—Building on resources provided in fiscal year 2007 to fund the start-up of the sanctions program against WMD proliferation, the Committee provides additional resources to effectively implement and administer Executive Order 13382. These resources will be used to strengthen OFAC's ability to track, identify, and designate financiers and other supporters of WMD proliferation.

Emerging National Security Threats +\$1,973,000/+10 FTE.—Eleven intelligence analysts (including three open-source analysts) and five production officers are provided to support the efforts of the Office of Intelligence Analysis [OIA] in addressing the most pressing and emerging national security issues; including transnational terrorist and illicit finance issues, as well as engaging in analyst exchanges with other national security and intelligence community agencies. This will also allow OIA to establish a permanent intelligence production structure, an essential component to the timely and accurate production of intelligence information.

SCIF +\$3,000,000/+0 FTE.—This initiative will provide for additional secure space to accommodate the new hires in OIA and OFAC's terrorism and WMD proliferation programs. The highly classified work of these expanding units can only be accomplished in specially constructed secure areas, known as Sensitive Compartmented Information Facilities [SCIF]. Adequate security infrastructure is critical to protecting the intelligence and national security functions of the Department. OIA's increasing reliance on highly classified intelligence information necessitates additional space requirements, as there is currently a lack of SCIF space in the Treasury building.

Disrupt and Dismantle Financial Networks +\$638,000/+2 FTE.—This funding will provide the Office of Terrorist Financing and Financial Crimes [TFFC] with increased resources to devote specific policy advisors to critical regions in the Western Hemisphere, Africa and the Middle East-South Asia nexus. These regions present specific terrorist financing and financial crimes problems, including money laundering tied to narcotics and arms trafficking, and financial flows to terrorist organizations. The Middle

East is of particular concern, as a number of countries continue to provide a base for terrorist fundraisers and financial supporters, particularly to South Asia-based terrorist groups. Additional policy advisors dedicated to these areas will allow the Treasury Department to bring together the U.S. Government tools available to law enforcement and national security agencies in the fight against terrorist financing and financial crime.

Disrupt and Dismantle Rogue Regimes +\$385,000/ +2 FTE.— This initiative will fund additional policy advisors to cover North Korea, Iran, and Syria on pressing financial issues. This funding will allow the Treasury Department to fully leverage tactical successes to develop ongoing strategic approaches to bring additional financial pressures. This initiative is consistent with and in support of Executive Orders 13338 and 13382 and section 311 of the USA PATRIOT Act.

The Committee has included \$1,500,000 for a study on energy externalities directed by section 1352 of Public Law 109–58. The true costs of energy are not always reflected in its retail price. Such costs or “externalities” can include pollution impacts, national security expenditures in the Middle East, climate risks, and many others. Congress included a requirement in the Energy Policy Act of 2005 for the Department of the Treasury to contract with the National Academy of Sciences to study these externalities and quantify them to the extent possible.

The Committee has included \$500,000 for the development of tailored, targeted materials and dissemination strategies to protect consumers against predatory lending and encourage the use of mainstream financial services. The Financial Literacy and Education Commission has developed a national strategy to promote financial literacy and education among all American consumers. Part of the national strategy is the development of tailored, targeted materials and dissemination strategies. Funds to help facilitate this part of the national strategy should be used to help protect individuals from predatory lending.

Within the funds provided, the Committee has included \$1,000,000 for a final payment to the Center for Resilient Financial Services e-Cavern Partnership. These funds, requested by Senator McConnell, will help secure the Nation’s financial data by providing secure, remote financial transaction back-up storage systems.

Terrorism and Financial Intelligence.—The committee recognizes the hard work of the Department of the Treasury in creating the Office of Terrorism and Financial Intelligence [TFI]. While the Committee supports the efforts that the Department has made to date, it strongly encourages the Department to build on this work by focusing in the next few years on stronger integration of the TFI’s Office of Intelligence and Analysis [OIA] with the Intelligence community [IC]. In particular, OIA should harness the Treasury’s unique expertise and assume a stronger leadership role in the IC on illicit finance issues. Accordingly, the Committee directs the Department’s leadership to work with the Director of National Intelligence to develop a mission plan for financial intelligence. This plan should include ways that the IC can better coordinate its ef-

forts. The Department should report to the committee by September 30, 2008, on its progress.

The Committee has included \$300,000 for TFI to create a permanent position which will be responsible for managing and overseeing all TFI information technology operations, activities, and needs. The position will focus particularly on the security of classified IT systems.

TSDN.—The Committee recognizes the importance of stabilizing and enhancing the Treasury Secure Data Network [TSDN]. Due to the importance of this classified system, the Committee directs the Office of the Chief Information Officer to ensure that adequate resources are provided to administer and oversee the stabilization and enhancement of TSDN.

Internet Gambling.—The Committee notes that the Treasury Department has not yet adopted effective regulations to implement the Unlawful Internet Gambling Enforcement Act [UIGEA]. The Committee notes that Congress directed the Department to implement, within 270 days after enactment of UIGEA, regulations that allow financial institutions to determine which financial transactions to block and which transactions to permit. The Committee further notes that these regulations should not put an undue burden on financial institutions or on their legitimate customers. Instead, UIGEA directs that the regulations should be written in a manner that can be clearly interpreted and enforced by the bank regulatory agencies and by the financial institutions seeking to enforce them. UIGEA also calls for regulations that permit institutions to choose from among different mechanisms for enforcement. The Committee expects that the regulations would provide for such flexibility, and would also encourage a dynamic mechanism for adapting to changes in circumstances such as identifying when gamblers change the accounts they use to receive funds.

Information Security.—The Treasury Office of Inspector General [OIG] continues to cite the Department's information security as a management and performance challenge. Specifically, the Department faces serious challenges in bringing its systems into compliance with information technology security policies, procedures, standards, and guidelines. The Committee strongly urges the Department to address the OIG's findings and directs the Department to provide a status report to the Committee by March 1, 2008.

Darfur Penalties.—The Committee strongly believes that the Department of the Treasury needs additional tools to enhance its ability to take effective deterrent action against sanctions violators. In a number of recent instances involving deliberate attempts to evade sanctions prohibitions, the monetary penalties available to the Department's Office of Foreign Assets Control [OFAC] did not rise to a level sufficient either to punish the level of misconduct or constitute an effective deterrent. Accordingly, the Committee has included a general provision (section 617) to increase available penalties under the International Emergency Economic Powers Act. The increased penalties will provide OFAC with significantly increased enforcement capability.

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

Appropriations, 2007	\$30,268,000
Budget estimate, 2008	18,710,000
House allowance	18,710,000
Committee recommendation	18,710,000

PROGRAM DESCRIPTION

The 1997 Treasury and General Government Appropriations Act established this account, which is authorized to be used by or on behalf of Treasury bureaus, at the Secretary's discretion, to modernize business processes and increase efficiency through technology investments, as well as other activities that involve more than one Treasury bureau or Treasury's interface with other Government agencies.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$18,710,000 for Department-wide systems and capital investment program [DSCIP]. This amount is equal to the budget request and \$11,558,000 below the fiscal year 2007 enacted level.

The following table compares the Committee recommendation with the budget request and the fiscal year 2007 enacted levels.

DSCIP Initiative	Fiscal year 2007 enacted	Fiscal year 2008 requested	Committee rec- ommendation
Critical Infrastructure Protection—Financial Institutions	\$2,093,000	.....	.....
Cyber Security—Critical Infrastructure Protection (Treasury) .....	.....	\$400,000	\$400,000
Cyber Security—Information Security	2,244,000	1,844,000	1,844,000
DO/Treasury Backup Disaster Recovery	1,656,000	4,000,000	4,000,000
E-Government Enterprise Architecture .....	.....	300,000	300,000
E-Government Initiatives	2,209,000	2,166,000	2,166,000
Enterprise Content Management .....	.....	6,000,000	6,000,000
Integrated Wireless Network .....	.....	2,000,000	2,000,000
Treasury Financial Intelligence Network	21,200,000	.....	.....
Treasury Secure Data Network	867,000	2,000,000	2,000,000
Total	30,269,000	18,710,000	18,710,000

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2007	\$16,957,000
Budget estimate, 2008	18,450,000
House allowance	18,450,000
Committee recommendation	18,450,000

PROGRAM DESCRIPTION

As a result of the 1988 amendments to the Inspector General [IG] Act, the Secretary of the Treasury established the Office of Inspector General [OIG] in 1989.

The OIG conducts and supervises audits, evaluations, and investigations designed to: (1) promote economy, efficiency, and effectiveness and prevent fraud, waste, and abuse in departmental programs and operations; and (2) keep the Secretary and Congress fully and currently informed of problems and deficiencies in the ad-

ministration of departmental programs and operations. The audit function provides program audit, contract audit 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 audit 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. These audits contribute significantly to improved financial management by helping Treasury managers identify improvements needed in their accounting and internal control systems. The evaluations function reviews program performance and issues critical to the mission of the Department, including assessing the Department's implementation of the Government Performance and Results Act [GPRA]. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$18,450,000 for salaries and expenses of the Office of Inspector General. This amount is the same as the budget request and \$1,493,000 above the fiscal year 2007 enacted level.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 2007	\$132,861,000
Budget estimate, 2008	140,533,000
House allowance	140,533,000
Committee recommendation	140,533,000

PROGRAM DESCRIPTION

The Treasury Inspector General for Tax Administration [TIGTA] was established by the IRS Restructuring and Reform Act of 1998 (Public Law 105-206). TIGTA was created to provide independent audit and investigative services necessary to improve the quality and credibility of oversight of Internal Revenue Service [IRS]. Funding was first appropriated for this account in the fiscal year 2000 Treasury and General Government Appropriations Act (Public Law 106-58).

TIGTA conducts audits, investigations, and evaluations to assess the operations and programs IRS and related entities, the IRS Oversight Board and the Office of Chief Counsel to (1) promote the economic, efficient and effective administration of the Nation's tax laws and to detect and deter fraud and abuse in IRS programs and operations; and (2) recommend actions to resolve fraud and other serious problems, abuses, and deficiencies in these programs and operations, and keep the Secretary and Congress fully and currently informed of these issues and the progress made in resolving them. TIGTA reviews existing and proposed legislation and regulations relating to the programs and operations of the IRS and related entities and makes recommendations concerning the impact

of such legislation and regulations on the economy and efficiency in the administration of programs and operations of the IRS and related entities. The audit function provides program audit, limited contract audit and financial audit services. Program audits review and audit all facets of IRS and related entities in an effort to improve IRS systems and operations, while ensuring fair and equitable treatment of taxpayers. Contract audits focus on invoices/vouchers submitted to the IRS to determine whether charges are valid and to identify erroneous and improper payments. The investigative function provides for the detection and investigation of improper and illegal activities involving IRS programs and operations and protects the IRS and related entities against external attempts to corrupt or threaten the administration of the tax laws.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$140,533,000 for the Treasury Inspector General for Tax Administration. This amount is an increase of \$7,672,000 above the fiscal year 2007 enacted level and the same as the budget request.

The Committee commends TIGTA for its ongoing review of the IRS's business systems modernization program and other information technology projects. The Committee also acknowledges the critical importance of the priorities TIGTA has identified for fiscal year 2008, including ensuring the privacy and security of taxpayer information from internal and external threats. The Committee urges continued TIGTA oversight of tax gap issues, including data reliability, enforcement law, and taxpayer assistance, to ensure that the IRS enhances voluntary compliance by balancing taxpayer services and enforcement without jeopardizing taxpayer rights.

AIR TRANSPORTATION STABILIZATION PROGRAM ACCOUNT

Appropriations, 2007	
Budget estimate, 2008	-\$3,600,000
House allowance	-3,600,000
Committee recommendation	-3,600,000

PROGRAM DESCRIPTION

The Air Transportation Safety and System Stabilization Act, Public Law 107-42, established the Air Transportation Stabilization Board.

COMMITTEE RECOMMENDATION

The Committee does not provide any appropriation funding, as requested, for the Air Transportation Stabilization Program for fiscal year 2008. Bill language, as requested, is included that terminates the program and rescinds all unobligated balances.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

Appropriations, 2007	\$73,216,000
Budget estimate, 2008	85,844,000
House allowance	83,344,000
Committee recommendation	85,844,000

PROGRAM DESCRIPTION

The Financial Crimes Enforcement Network [FinCEN], a bureau within the Treasury Department's Office of Terrorism and Financial Intelligence, is the largest overt collector of financial intelligence in the United States. FinCEN's mission is to safeguard the financial system from the abuses of financial crime, including terrorist financing, money laundering and other illicit activity. FinCEN accomplishes its mission by administering the Bank Secrecy Act, a collection of statutes that form the Nation's anti-money laundering/counter-terrorist financing regulatory regime. As the delegated administrator of the Bank Secrecy Act, FinCEN is responsible for the development and implementation of regulations, rules and guidance issued under the Bank Secrecy Act. FinCEN also oversees the work of eight Federal agencies that have been delegated responsibility to examine various sectors of the financial industry for compliance with the Bank Secrecy Act's requirements. FinCEN is responsible for collecting, maintaining, and disseminating the information reported by financial institutions under the Bank Secrecy Act through a Government-wide access service. In coordination with Treasury's Office of Intelligence and Analysis, FinCEN analyzes this financial information and other information and intelligence to develop both strategic and tactical analytical products that support law enforcement, intelligence and regulatory agencies. FinCEN is the United States' Financial Intelligence Unit [FIU] and a founding member of the Egmont Group of Financial Intelligence Units. As the United States FIU, FinCEN routinely shares information and cooperates with other FIUs around the world to address the global problems of terrorist financing, money laundering, and other illicit activity.

COMMITTEE RECOMMENDATION

The Committee recommends \$85,844,000 for the Financial Crimes Enforcement Network [FinCEN]. This amount is \$12,628,000 above the fiscal year 2007 enacted level and the same as the budget request.

The bill includes the following program increases for fiscal year 2008:

Disaster Recovery Capability +\$743,000/+0 FTE.—Funds are included to provide ongoing site maintenance, telecommunications and system hosting for the critical information technology system disaster recovery site established in fiscal year 2007 through redirection of one-time prior year funding. By establishing this capability for critical system redundancy, FinCEN has reduced the system recovery time from 6 months to 4 hours and significantly reduced the risk of losing access to critical systems.

Enhance Project Management Capability +\$1,750,000/+4 FTE.—FinCEN requires additional resources to meet OMB, Treasury and GAO recognized requirements to improve its project management capability. A recent review of FinCEN's programs has identified a need to strengthen project management practices throughout the organization, including both information technology and non-information technology projects. A portion of this initiative will fund IT program and support activities including capital plan-

ning, enterprise architecture, information security, and contractor technical assistance.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

Appropriations, 2007	\$235,381,000
Budget estimate, 2008	235,191,000
House allowance	234,423,000
Committee recommendation	235,191,000

PROGRAM DESCRIPTION

In 1940, the United States Department of the Treasury established the Fiscal Service, which consisted of the Bureau of Accounts, the Bureau of the Public Debt, and the Office of the Treasurer. A 1974 reorganization of the Fiscal Service created the Bureau of Government Financial Operations, which was formed from a merger of the Bureau of Accounts and most functions of the Office of the Treasurer. In 1984, the Bureau of Government Financial Operations was renamed the Financial Management Service [FMS].

FMS implements payment policy and procedures for the Federal program agencies, issues and distributes payments, promotes the use of electronics in the payment process, and assists agencies in converting payments from paper checks to electronic funds transfer [EFT]. FMS also provides debt collection operational services to client agencies and implements collections policy, regulations, standards and procedures for the Federal Government and assists agencies in converting collections from paper to electronic media.

FMS also provides financial accounting, reporting, and financing services to the Federal Government and the Government's agents who participate in the payments and collections process by generating a series of daily, monthly, quarterly and annual Government-wide reports. FMS also works directly with agencies to help reconcile reporting differences.

COMMITTEE RECOMMENDATION

The Committee recommends \$235,191,000 for salaries and expenses for FMS. This amount is the same as the budget request and \$190,000 below the fiscal year 2007 enacted level.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

SALARIES AND EXPENSES

Appropriations, 2007	\$90,618,000
Budget estimate, 2008	93,515,000
House allowance	93,515,000
Committee recommendation	97,015,000

PROGRAM DESCRIPTION

The Homeland Security Act created the Alcohol and Tobacco Tax and Trade Bureau [TTB] within the Department of the Treasury and charged TTB with collecting revenue and protecting the public.

TTB enforces the Federal laws and regulations relating to alcohol and tobacco. TTB works directly and in cooperation with others to

maintain a sound revenue management and collection system that continues to reduce the regulatory burden, improve service, collect the revenue due, and prevent tax evasion and other criminal conduct. The TTB is also responsible for preventing consumer deception, ensuring that regulated products comply with Federal commodity, safety, and distribution requirements, and providing high quality customer service.

COMMITTEE RECOMMENDATION

The Committee recommends \$97,015,000 for TTB for fiscal year 2008. This amount is an increase of \$3,500,000 over the budget request and an increase of \$6,397,000 over the fiscal year 2007 enacted level. The increase over the budget request is to begin to address the replacement of obsolete IT equipment.

BUREAU OF ENGRAVING AND PRINTING

PROGRAM DESCRIPTION

The Bureau of Engraving and Printing [BEP] has been the sole manufacturer of U.S. paper currency for almost 150 years. The origin of the BEP is traced to an Act of Congress passed on February 25, 1862, 12 Stat. 345, authorizing the Secretary of the Treasury to issue a new currency—United States notes. While this law was the cornerstone authority for the operations of the engraving and printing division of the Treasury for many years, it was not until an Act of June 20, 1874, 18 Stat. 100, that the Congress first referred to this division as the “Bureau of Engraving and Printing.” The Bureau’s status as a distinct bureau within the Department of the Treasury was solidified by section 1 of the Act of June 4, 1897, 30 Stat. 18, which placed all of the business of the BEP under the immediate control of a director, subject to the direction of the Secretary of the Treasury. The 1897 law is now codified in 31 U.S.C. 303.

The BEP designs, manufactures, and supplies Federal Reserve notes, and other security documents issued by the Federal Government.

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

No direct appropriation is required to cover the activities of the BEP.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

Appropriations, 2007	\$177,623,000
Budget estimate, 2008	172,871,000
House allowance	172,871,000
Committee recommendation	172,871,000

PROGRAM DESCRIPTION

The Public Debt Service was formed in 1919 with the appointment of the first Commissioner of the Public Debt. The Public Debt Service took general charge of debt operations including debt accounting and securities issue and retirement, which had been conducted by several independent divisions within the Treasury. Acting under the authorization of the Reorganization Act of 1939, the President created the Bureau of the Public Debt, which was established as part of the Fiscal Service in the Department of the Treasury effective June 30, 1940, (31 U.S.C. 306). In 1993, the Savings Bonds Division, a separate organization, was made part of the Bureau.

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

COMMITTEE RECOMMENDATION

The Committee recommends the budget request level of \$172,871,000 for the Bureau of the Public Debt for fiscal year 2008. This amount is a reduction of \$4,752,000 below the fiscal year 2007 enacted level.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM
ACCOUNT

Appropriations, 2007	\$54,506,000
Budget estimate, 2008	28,557,000
House allowance	100,000,000
Committee recommendation	90,000,000

PROGRAM DESCRIPTION

The Community Development Financial Institutions Fund makes investments in the form of grants, loans, equity investments, deposits, and technical assistance grants to new and existing community development financial institutions [CDFIs], through the CDFI program. CDFIs include community development banks, credit unions, venture capital funds, revolving loan funds, and microloan funds, among others. Recipient institutions engage in lending and investment for affordable housing, small business and community development within underserved communities. The CDFI Fund administers the Bank Enterprise Award [BEA] Program, which provides a financial incentive to insured depository institutions to undertake community development finance activities. The CDFI Fund also administers the New Markets Tax Credit Program, a program that provides an incentive to investors in the form of a tax credit, which is expected to stimulate private community and economic development activities.

COMMITTEE RECOMMENDATION

The Committee recommends \$90,000,000 for the CDFI Fund, which is \$35,494,000 above the fiscal year 2007 enacted level and \$61,443,000 above the budget request.

The Committee is again concerned about the proposed reductions to CDFI and the respective programs within CDFI, such as the Bank Enterprise Award [BEA]. These programs play an important role in providing financial services to underserved communities in both urban and rural communities across the country. The Committee expects the BEA program to be funded in accordance with the authorizing statute, 12 U.S.C. 4718(a)(4).

The Committee recommends a set-aside of \$8,000,000 for grants, loans, and technical assistance and training programs to benefit Native American, Alaskan Natives, and Native Hawaiian communities in the coordination of development strategies, increased access to equity investments, and loans for development activities.

UNITED STATES MINT

UNITED STATES MINT PUBLIC ENTERPRISE FUND

PROGRAM DESCRIPTION

The United States Mint manufactures coins, sells numismatic and investment products, and provides for security and asset protection. Public Law 104–52 established the U.S. Mint Public Enterprise Fund (the Fund). The Fund encompasses the previous Salaries and Expenses, Coinage Profit Fund, Coinage Metal Fund, and the Numismatic Public Enterprise Fund. The Mint submits annual audited business-type financial statements to the Secretary of the Treasury and to Congress in support of the operations of the revolving fund.

The operations of the Mint are divided into two major activities: Manufacturing and Sales (including circulating coinage and numismatic and investment products); and Protection. The Mint is credited with receipts from its circulating coinage operations, equal to the full cost of producing and distributing coins that are put into circulation, including depreciation of the Mint's plant and equipment on the basis of current replacement value. Those receipts pay for the costs of the Mint's operations, which include the costs of production and distribution. The difference between the face value of the coins and these costs are profits, which is deposited as seigniorage to the general fund. In fiscal year 2006, the Mint transferred \$750,000,000 to the general fund. Any seigniorage used to finance the Mint's capital acquisitions is recorded as budget authority in the year that funds are obligated for this purpose and as receipts over the life of the asset.

COMMITTEE RECOMMENDATION

The Committee recommends a spending level of \$33,200,000 for circulating coinage and protective service capital investments for the Mint. This amount is an increase of \$6,432,000 above the fiscal year 2007 enacted level and is equal to the budget request.

INTERNAL REVENUE SERVICE

PROGRAM DESCRIPTION

The Internal Revenue Service [IRS] administers the Nation's tax laws and collects the revenue that funds most of the Federal Gov-

ernment's operations and public services. The IRS's mission is to provide taxpayers with quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. The IRS focuses its enforcement programs toward increasing voluntary tax compliance by deterring taxpayers inclined to evade their tax obligations while vigorously pursuing those who violate the law. Each year, IRS employees deal directly with more American taxpayers than any other institution, public or private. In 2006, the IRS collected more than \$2,200,000,000,000 in revenue and processed more than 208 million tax returns. During the 2006 filing season, more than half of all individual taxpayers (nearly 68 million) filed electronically. Also, in 2006, the IRS provided assistance to taxpayers more than 95 million times through toll-free telephone lines, correspondence or visits to its more than 400 offices nationwide. An important focus for the IRS in recent years has been to undertake a major modernization of its systems, including expanding its Internet services, and business operations to better serve taxpayers and enforce the law.

COMMITTEE RECOMMENDATION

The Committee recommends \$11,141,610,000 for the Internal Revenue Service for fiscal year 2008. This is an increase of \$544,544,000 above the fiscal year 2007 enacted level and \$46,111,000 above the budget request.

Appropriations Account Structure.—Section 21051 of Public Law 110–5 established a new appropriations account structure beginning with fiscal year 2007. Under this structure, the IRS's activities are more properly aligned to budget activities by creating new “Taxpayer Services”, “Enforcement”, and “Operations Support” accounts in place of the former “Processing, Assistance, and Management”, “Tax Law Enforcement”, and “Information Systems” accounts. The “Business Systems Modernization” and “Health Insurance Tax Credit Administration” accounts are maintained. The Committee expects the IRS to continue to comport with this revised account structure.

Tax Gap.—The vast majority of Americans pay their fair share of taxes, yet there is still a “tax gap.” The tax gap is the difference between what taxpayers are supposed to pay and what they actually do pay. In its update of the results of a 3-year study, the IRS found that for tax year 2001, about 84 percent of owed taxes were paid voluntarily and timely. However, a significant number of taxpayers do not comply with the Tax Code resulting in an estimated gross tax gap of \$345,000,000,000. The IRS estimates that after enforcement and other late payments are factored into the gross tax gap, the net tax gap is about \$290,000,000,000. The most current estimate of the tax gap remains largely unchanged from the IRS's initial update conducted in 2006, and has remained relatively stable for the past three decades based on previous IRS studies. The accuracy of the tax gap, however, is uncertain given the use of outdated and incomplete information and questionable methodology. Some experts, including the GAO and TIGTA, believe that the tax gap may actually be higher than estimated by the IRS. The Committee strongly believes that the IRS must and can reduce the tax gap if the IRS is given additional resources and is able to improve

its operational capabilities (most notably through the Business Systems Modernization program).

To reduce the tax gap, the IRS's budget request has set a goal of increasing the voluntary compliance rate from a current estimate of about 83.7 percent to 85 percent by 2009. However, the budget request does not include a strategic plan to achieve this goal. To reduce the tax gap, experts recommend a number of approaches, including: improving information reporting, improving taxpayer services, increasing research on noncompliance, improving the partnership between the IRS and the tax administration community, and leveraging technology to improve IRS's systems. The Committee supports all of these approaches in combination and believes that the administration must develop a detailed business plan on how it will reduce the tax gap. Accordingly, the Committee has included an administrative provision that requires the IRS to develop a detailed, strategic plan that demonstrates how it will achieve and how it will measure the voluntary compliance goal of 85 percent by 2009.

The Committee notes that as part of its budget submission, the IRS proposes 16 legislative reforms to recoup \$29,000,000,000, or 10 percent of the \$290,000,000,000 net tax gap over 10 years. The Committee is concerned that such an approach is far from aggressive, and amounts to a meager return of a penny on the dollar.

Operating Plan and Notification.—In addition to the normal operating plan requirements detailed in the introduction in this report, the Committee directs the IRS to include details on any planned reorganization, job reductions or increases to offices or activities within the agency, and modifications to any service or enforcement activity. Some past examples that would qualify under this directive include: the Modernization and Information Technology Systems [MITS] reorganization and the proposed closure of taxpayer assistance centers. The Committee also directs the IRS to obtain the approval of the IRS Oversight Board prior to submitting its operating plan to the Committee. Further, the IRS should promptly notify the Committee and the IRS Oversight Board if there are any substantial changes of these plans.

The Committee remains concerned about any efforts to reduce significantly taxpayer services, including face-to-face services. Therefore, the Committee directs that if the IRS proposes further reductions in taxpayer services, such reductions must be consistent with the budget justification, operating plan, and Taxpayer Assistance Blueprint, and the IRS must demonstrate that such reductions will not result in a decline in voluntary compliance. Where such reductions involve a reduction in face-to-face service, the IRS must demonstrate that the proposed reductions do not adversely impact compliance by taxpayers who are dependent on such services, by showing, through such means as a successful pilot program, survey, or other empirical study, that there is an effective and viable service alternative available.

IRS Staffing Plans.—The Committee continues to support adequate staffing levels for effective tax administration and supports the staffing plans for the Internal Revenue Service facilities in the communities of Martinsburg and Beckley, West Virginia. Therefore, the Committee urges the IRS, within the constraints of the fiscal

year 2008 funding levels, to make no staffing reductions at the Martinsburg National Computing Center and the programmed level at the Finance Center in Beckley, West Virginia. Further, the Committee directs the IRS to provide an annual report to the Committee on its efforts to protect and increase staffing levels at the Martinsburg and Beckley IRS facilities.

The Committee is concerned about potential reduction or elimination of submission processing activities, including reductions in force, at the IRS Philadelphia and Andover Service Centers. The Committee includes bill language precluding the IRS from spending any funds on any such reduction or elimination until the IRS has submitted to the House and Senate Appropriations Committees a detailed report that reviews the potential for transferring submission processing employees to Automated Collection System [ACS] positions within their commuting area. The Committee directs that this report shall include an estimate of additional ACS positions that could be funded, including training costs, with levels of funding the IRS expects to spend for activities under 26 U.S.C. 6306; an estimate of the increased collections in fiscal year 2008 and from fiscal year 2008 through fiscal year 2012 due to these increased ACS positions; and an assessment of placement of additional ACS positions in the Philadelphia and Andover Service Centers.

Taxpayer Services in Alaska and Hawaii.—Given the remote distance of Alaska and Hawaii from the U.S. mainland and the difficulty experienced by Alaska and Hawaii taxpayers in receiving needed tax assistance by the national toll-free line, it is imperative that the Taxpayer Advocate Service Center in each of these States is fully staffed and capable of resolving taxpayer problems of the most complex nature. The Committee directs the Internal Revenue Service to continue to staff each Taxpayer Advocate Service Center in each of these States with a Collection Technical Advisor and an Examination Technical Advisor in addition to the current complement of office staff.

TAXPAYER SERVICES

Appropriations, 2007	\$2,138,238,000
Budget estimate, 2008	2,103,089,000
House allowance	2,155,000,000
Committee recommendation	2,149,200,000

PROGRAM DESCRIPTION

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 \$2,149,000,000 for Taxpayer Services, which is \$10,962,000 above the fiscal year 2007 enacted level and \$46,111,000 above the budget request. Bill language is included providing not less than \$3,000,000 for the tax counseling for

the elderly program, not less than \$9,000,000 for low-income taxpayer clinic grants, and not less than \$10,000,000 to establish and administer a community volunteer income tax assistance matching grant program for tax return preparation assistance.

Taxpayer Assistance Blueprint.—In response to the Committee’s directive in the fiscal year 2006 Treasury Appropriations Act, the IRS, in consultation with the IRS Oversight Board and the National Taxpayer Advocate, began developing a “Taxpayer Assistance Blueprint” to develop a 5-year strategic plan on taxpayer services. As directed by the Committee, the IRS is reviewing its current portfolio of taxpayer services and exploring other types of services to meet the needs of taxpayers. Further, this plan will detail how it plans to meet the service needs on a geographic basis (by State and major metropolitan area), including any proposals to realign existing resources to improve taxpayer access to services, and address how the plan will improve taxpayer service based on reliable data on taxpayer service needs. The plan will also address efforts to expand efforts to partner with State and local governments and private entities to improve taxpayer services. The Committee commends the IRS, the IRS Oversight Board, and the National Taxpayer Advocate for their time and efforts on the Blueprint. Further, the Committee appreciates the efforts to conduct research on taxpayer needs and taxpayer service performance.

The Committee directs the IRS, the IRS Oversight Board, and the National Taxpayer Advocate to submit annually to Congress an updated Taxpayer Assistance Blueprint identifying any changes to its strategic plan for taxpayer service, including any research and relevant findings completed to date, and any open issues requiring additional research.

E-Filing.—The Committee is disappointed with the IRS’s performance in increasing the number of tax filers who submit their returns electronically and without additional cost. Most experts, including the IRS Oversight Board, believe that the IRS will not meet its congressionally mandated goal of having 80 percent of tax returns filed electronically by 2007. Accordingly, the Committee directs the IRS, in consultation with stakeholders, such as the National Taxpayer Advocate, to develop a detailed strategic plan to meet the 80 percent e-File goal. This plan should address alternate electronic filing strategies, including Telefile and 2-D Bar Coding and methods of e-filing directly with the IRS for free. This plan should be submitted to the House and Senate Committees on Appropriations by no later than March 1, 2008.

The Committee believes that the IRS will provide better taxpayer service, achieve improved compliance, and reduce the tax gap if taxpayer behavior is better understood and applied research is integrated into the development of taxpayer service and enforcement initiatives. Toward that end, the Committee directs the National Taxpayer Advocate and the IRS Office of Research to report to the Appropriations Committees of the House and Senate by September 30, 2008, on factors that influence taxpayer compliance behavior, including how and the extent to which each factor influences taxpayer compliance behavior. The report shall also make recommendations for the establishment of a cognitive learning and applied research laboratory.

EITC.—The Committee is concerned that many low-income taxpayers and their families are having their Earned Income Tax Credit [EITC] benefits unnecessarily diminished through high-cost, short-term products such as refund anticipation loans [RALs]. The Committee directs the Internal Revenue Service, in consultation with the National Taxpayer Advocate, to educate consumers about the costs associated with these products and expand access to alternative methods of obtaining timely tax refunds.

Community Volunteer Income Tax Assistance.—The Volunteer Income Tax Assistance [VITA] program is an important aspect of the IRS' efforts to provide income tax preparation assistance programs for low-income taxpayers. The Committee provides \$10,000,000 to the IRS specifically for exclusive use as part of a matching grant program to be established and administered by the IRS for not for profit organizations which provide volunteer income tax return preparation services for lower income individual taxpayers. The IRS shall operate this matching grant program in a manner similar to the Low Income Taxpayer Clinic Program.

The IRS is not permitted to treat any in-kind contributions from the IRS as counting toward the \$10,000,000 appropriation nor shall the IRS reduce any current contributions toward tax return preparation services. As the IRS develops and promotes this grant program, the Committee strongly urges the IRS to take steps to address the problems identified by both the GAO and the TIGTA regarding the accuracy of tax preparation services provided at VITA sites in the past.

Charitable Exempt Organizations.—The Committee is encouraged by recent IRS actions to invest greater resources in activities that educate charitable exempt organizations about their obligations under the tax code, helping to increase voluntary compliance and strengthen charities' ability to improve lives and communities. The Committee anticipates that the IRS will utilize the increased resources in this appropriation to continue to expand outreach to and education of charitable organizations, particularly in light of recent, sweeping changes to tax-exempt laws in the Pension Protection Act and other statutes.

IRS Free File Program.—The Free File Program allows taxpayers meeting certain income requirements to electronically prepare and file their income tax returns free of charge. The IRS administers the Program as a partnership with the Free File Alliance, a consortium of tax software companies. The Committee is concerned about the findings of a recent TIGTA audit report reflecting a substantial drop in usage of the program. Although 93 million taxpayers were eligible for the program in calendar year 2006, only 3.9 million filers (4.2 percent) participated in 2006, down from the 5.12 million taxpayers using Free File in 2005. As of April 14, 2007, only 3.3 million taxpayers had filed using the free service. The Committee is concerned that this decline in usage could keep the IRS from meeting the congressionally-mandated goal of having 80 percent of the Federal income tax returns filed electronically by the end of 2007. The Committee strongly urges the IRS to examine the reasons why eligible taxpayers are not using the program, and to place a high priority on addressing the recommendations for improved marketing and administration of the program as outlined by

TIGTA. The Committee further urges the IRS to devote the resources necessary to ensure that individual taxpayers who come to the IRS Website are not subjected to cross-marketing and selling activity when utilizing Free File. The IRS should likewise promote public awareness of the availability of this program among those who can most benefit from its free services, particularly lower income, disadvantaged, the working poor and other underserved populations.

ENFORCEMENT

Appropriations, 2007	\$4,686,478,000
Budget estimate, 2008	4,925,498,000
House allowance	4,925,498,000
Committee recommendation	4,925,498,000

PROGRAM DESCRIPTION

The Enforcement appropriation provides for the examination of tax returns, both domestic and international; the administrative and judicial settlement of taxpayer appeals of examination findings; technical rulings; monitoring employee pension plans; determining qualifications of organizations seeking tax-exempt status; examining tax returns of exempt organizations; enforcing statutes relating to detection and investigation of criminal violations of the internal revenue laws; identifying under reporting of tax obligations; securing unfiled tax returns; and collecting unpaid accounts.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request level of \$4,925,498,000 for enforcement activities for fiscal year 2008. This amount is \$239,020,000 above the fiscal year 2007 enacted level and the same as the budget request. Bill language is included to transfer not less than \$57,252,000 to the Interagency Crime and Drug Enforcement [ICDE] program and to transfer up to \$10,000,000 from enforcement to the Operations Support account to support the ICDE program.

National Research Program.—The Committee strongly supports the work of the National Research Program [NRP] to increase understanding on the tax gap. While the IRS’s NRP has done a commendable job in updating the tax gap estimates, there remain significant challenges in both obtaining complete and timely data and developing reliable methods for interpreting the data. The IRS and others have expressed concerns with the certainty of the overall tax gap estimate in part because some areas of the estimate rely on old data (from the 1970s and 1980s) and it has no estimates for other areas of the tax gap. GAO, TIGTA, the National Taxpayer Advocate, and the IRS Oversight Board also have all recommended greater and more frequent data collection and studies of the tax gap. The Committee agrees with this recommendation. Accordingly, the Committee directs the IRS to submit a detailed research plan that will address the shortfalls in the NRP. The plan should include the use of a rolling sample, which was recommended by the IRS Oversight Board and GAO that covers all types of tax returns. Under this approach, one-fifth of the sample could be collected every year. The plan should include cost estimates of implementing

the plan. The plan should be developed in consultation with the National Taxpayer Advocate and approved by the IRS Oversight Board prior to its submission to the House and Senate Committees on Appropriations by no later than March 1, 2008. Finally, to cover the costs of implementing the plan, the Committee encourages the IRS to request the use of unobligated funds as part of the re-programming authority provided under this act.

The Committee believes that an understanding of the causes of inadvertent noncompliance and the role of preparers in facilitating both inadvertent and intentional noncompliance will improve tax administration and should inform IRS's allocation of resources. Thus, in administering its NRP for fiscal year 2008, the Committee directs the IRS to collect information on the causes of noncompliance, including inadvertent noncompliance, the type of return preparation method (self, volunteer, paid preparer, or IRS preparer), whether the taxpayer was represented during the examination, and the extent to which that taxpayer sought and received IRS services. The Committee further directs the IRS to use an independent external survey firm to conduct interviews with NRP taxpayers in order to identify the causes of taxpayer noncompliance. The Committee directs the National Taxpayer Advocate to assist with this effort.

Misclassification of Contractors.—The Committee is concerned with the misclassification of workers as independent contractors, who file using IRS Form 1099. Many of these workers should be correctly classified as employees and should file using W-2 forms. This misclassification leads to the underreporting and underpayment of employment and payroll taxes by employers and individuals, which accounts for a substantial portion of the gross tax gap. Therefore, the Committee strongly urges the IRS to provide increased tax enforcement in industries where misclassification of employees is widespread.

Charitable Exempt Organizations.—The Committee notes Congress' recent enactment of sweeping changes to the tax laws governing charitable exempt organizations that will help strengthen the accountability and transparency of the nonprofit community. The Committee is aware that funding for Internal Revenue Service oversight of exempt organizations has remained relatively constant over the past 20 years while the nonprofit community has nearly doubled in size and grown in complexity.

OPERATIONS SUPPORT

Appropriations, 2007	\$3,544,835,000
Budget estimate, 2008	3,769,587,000
House allowance	3,769,587,000
Committee recommendation	3,769,587,000

PROGRAM DESCRIPTION

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 for fiscal year 2008. This amount is \$224,752,000 above the fiscal year 2007 enacted level and the same as the budget request. Bill language is included allowing \$75,000,000 of these funds to remain available until September 30, 2009 for information technology support and not to exceed \$1,000,000 to remain available until September 30, 2010, for research; \$2,000,000 for the Internal Revenue Oversight Board; and \$50,000 for official reception and representation. The Committee has provided additional reception and representation funds due to the IRS's growing role in international tax administration. These funds will be used to host meetings with international tax organizations such as the Joint International Tax Shelter Information Centre, Inter-American Center for Tax Administrators, and others.

Information Technology [IT] Management and Oversight.—The IRS has made significant strides in improving the management and oversight of its business systems modernization [BSM] program. Unfortunately, the IRS has not adequately addressed major systemic problems with its non-BSM portfolio of information technology projects as demonstrated by recent failures during the past filing season. TIGTA has identified problems in several areas of IT management and oversight including, but not limited to, such areas as classification of investment projects, oversight and governance structure, risk management, contingency planning, and contractor performance and accountability. Further, it appears that the Department of the Treasury and the Office of Management and Budget have not exercised proper oversight for the business cases (OMB Circular A-11 Exhibit 300) used to justify the funding of the IRS's IT projects.

The Committee remains troubled by the IT management and oversight problems at the IRS, as demonstrated by the failures with the Electronic Fraud Detection System, and it expects better performance to ensure it can support its tax administration activities. Accordingly, the Committee directs the IRS to review its entire non-BSM IT portfolio (regardless of tier classification) and make any changes as necessary to ensure that each project has (1) been properly classified for investment decision and management purposes, (2) the appropriate governance structure in place (such as an executive steering committee), (3) a risk management plan, (4) a contingency plan in case of breakdowns or failures in scheduled deliverables, (5) adequate provisions in the contracts to ensure penalties and repayment to the agency if performance is not met, (6) adequate contractor staffing and management in place to fulfill the contract terms and deliverables, and (7) been certified by the head of the relevant IRS business unit that the project is deemed necessary for its operations and meets its requirements. The Committee also directs the Chief Information Officer to certify that this

review has been completed and submits such certification to the IRS Oversight Board, the Department of the Treasury, the Office of Management and Budget, the House and Senate Committees on Appropriations, the House Ways and Means Committee, and the Senate Finance Committee by no later than 90 days after the date of enactment of this act. This certification should be accompanied by a report on every individual IT project reviewed, a list of projects considered to be high risk, and any actions being taken to address problems identified by this review. The Committee directs the IRS to provide monthly briefings to the IRS Oversight Board and TIGTA on the status of its IT portfolio and to report immediately on any project that has experienced significant cost variances or milestone delivery date slippages.

Modernization Vision and Strategy.—The Committee highly commends the IRS for developing a new vision and strategy plan for IT modernization. This plan was a joint effort between the Modernization and Information Technology Services [MITS] organization and the IRS business units to develop a comprehensive business strategy for the IRS’s IT needs. The Committee recommends that the plan be further refined to include a finer level of detail, and specifically, to include milestones and out-year cost estimates.

The Committee encourages the IRS to review options for modernizing its financial management software system. The IRS should consider the most cost-effective management solution, including an assessment of how other agencies have resolved similar situations and an analysis of potential consolidation of financial management systems with other entities within the Department, and report to the Committees on Appropriations of the Senate and House on the results of the review.

BUSINESS SYSTEMS MODERNIZATION

Appropriations, 2007	\$212,659,000
Budget estimate, 2008	282,090,000
House allowance	282,090,000
Committee recommendation	282,090,000

PROGRAM DESCRIPTION

This account provides for revamping business practices and acquiring new technology. The IRS has undertaken a multi-year, multi-billion dollar effort to migrate from its antiquated legacy system to bring the IRS tax administration system to a level of public and private sector best practices. The IRS is using a formal methodology to prioritize, approve, fund, and evaluate its portfolio of business systems modernization investments. This methodology is designed to enforce a documented, repeatable, and measurable process for managing investments throughout their life cycle. The process is reviewed by the Government Accountability Office on a regular basis as part of the submission requirements for expenditure plans to the House and Senate Committees on Appropriations. The expenditure plan approval process prior to the use of appropriated funds continues for fiscal year 2008.

COMMITTEE RECOMMENDATION

The Committee recommends \$282,090,000 for Business Systems Modernization [BSM] for fiscal year 2008. This amount is the same as the budget request and \$69,431,000 above the fiscal year 2007 enacted level. Under the revised appropriations account structure, the BSM account has been modified to include funding for IRS staffing associated with direct management of the BSM program.

The Committee continues to believe that BSM is the IRS's highest management and administrative priority. As one of the Federal Government's largest most visible, and sensitive modernizations efforts, managing the risks inherent in BSM will require vigilant management attention for several years. To the IRS's credit, the program has made steady progress over the past 2 years. The Committee is heartened that the budget request reflects the criticality of continued progress in modernizing IRS's antiquated tax administration and financial systems. The Committee is concerned about the impact of any delays in releasing components of the BSM deliverables and appreciates regular progress updates.

HEALTH INSURANCE TAX CREDIT ADMINISTRATION

Appropriations, 2007	\$14,856,000
Budget estimate, 2008	15,235,000
House allowance	15,235,000
Committee recommendation	15,235,000

PROGRAM DESCRIPTION

This appropriation provides operating funds to administer the advance payment feature of a refundable Trade Adjustment Assistance health insurance tax credit program to assist dislocated workers with their health insurance premiums. The tax credit program was enacted by the Trade Act of 2002 (Public Law 107-210) and became effective in August 2003.

COMMITTEE RECOMMENDATION

The Committee recommendation provides the budget request level of \$15,235,000 for the Health Insurance Tax Credit Administration in fiscal year 2008. This amount is \$379,000 above the fiscal year 2007 enacted level, and the same as the budget request.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

The Committee has included five administrative provisions carried in prior appropriations acts and seven new administrative provisions. The administrative provisions are as follows:

Section 101 continues a provision allowing the IRS to transfer up to 5 percent of any appropriation made available to the Agency in fiscal year 2008 to any other IRS account, with the exception of the Enforcement account, which is limited to 3 percent. The IRS is directed to follow the Committee's reprogramming procedures outlined earlier in this report.

Section 102 continues a provision maintaining a training program in taxpayers' rights and cross-cultural relations.

Section 103 continues a provision requiring the IRS to institute and enforce policies and procedures, which will safeguard the confidentiality of taxpayer information.

Section 104 continues a provision directing that funds shall be available for improved facilities and increased staffing to support a 1-800 help line service for taxpayers.

Section 105 continues and modifies a provision designating not less than \$177,000,000 for the operating expenses of the Taxpayer Advocate Service [TAS] of which not less than \$115,000,000 shall be made available from the Enforcement. Further, this amount does not include the normal overhead expenses that IRS provides outside of the TAS account. Accordingly, the Committee directs the IRS to continue providing overhead support from accounts outside of TAS.

Section 106 is a new provision designating not less than \$6,822,000,000 for enhanced tax enforcement to address the Federal tax gap and an additional \$406,000,000 for the Internal Revenue Service for enhanced tax enforcement activities. This provision is consistent with section 207(c)(2)(B) of the concurrent resolution on the budget for fiscal year 2008 (House Report 110-153).

Section 107 allows the IRS to transfer funds among its accounts to implement the new account structure established in fiscal year 2007.

Section 108 is a new provision that requires the IRS to develop a tax gap strategic plan that details the approaches it will use to achieve a voluntary compliance rate of 85 percent in 2009. This goal was established by the administration in its fiscal year 2007 budget justifications.

Section 109 is a new provision that extends an expiring authorization of streamlined critical pay authority, a personnel flexibility available to the IRS.

Section 110 is a new provision that extends expiring authorization of personnel flexibilities available to the IRS for recruitment, retention, relocation incentives, relocation expenses, and performance awards for senior executives.

Section 111 is a new provision that makes a technical correction to designate the Office of Personnel Management as the agency responsible for fixing the rate of basic pay for critical authority positions.

Section 112 is a new provision that limits the amount of funds in this 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.

Section 113 is a new provision requiring use of funds to retrain and reassign to collection activities employees whose positions are being eliminated as a result of ramping down IRS processing centers, precluding any use of funds to expand the number of qualified tax collection contracts while the IRS is eliminating processing center employees, mandating a cost comparison study and report, and requiring implementation of a disability preference program for any additional qualified tax collection contracts.

Section 114 is a new provision restricting the use of funds to ramp down or eliminate submission processing activities, including reductions in force, until the IRS studies and issues a report.

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY

The Committee includes 10 administrative provisions carried over from prior appropriations acts and one new administrative provision. The administrative provisions are as follows:

Section 113 authorizes certain basic services within the Treasury Department in fiscal year 2008, including purchase of uniforms; maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; and contracts with the Department of State for health and medical services to employees and their dependents serving in foreign countries.

Section 114 authorizes transfers, up to 2 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 115 authorizes transfer, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 116 requires the purchase of law enforcement vehicles be consistent with departmental vehicle management principles.

Section 117 prohibits the Department of the Treasury and the Bureau of Engraving and Printing from redesigning the \$1 Federal Reserve Note.

Section 118 authorizes the Secretary of the Treasury to transfer funds from Salaries and Expenses, Financial Management Service, to the Debt Collection Fund as necessary to cover the costs of debt collection. Such amounts shall be reimbursed to the Salaries and Expenses account from debt collections received in the Debt Collection Fund.

Section 119 amends section 122(g)(1) of Public Law 105–119 as amended (5 U.S.C. 3104 note), relating to personnel management demonstration project authority by striking “8 years” and inserting “10 years”.

Section 120 requires prior approval for the construction and operation of a museum by the United States Mint.

Section 121 prohibits the merger of the United States Mint and the Bureau of Engraving and Printing without prior approval of the committees of jurisdiction.

Section 122 is a provision that authorizes the Department’s intelligence activities.

Section 123 is a new provision that amends section 3333(a) of title 31, United States Code regarding the Check Forgery Insurance Fund.

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

COMPENSATION OF THE PRESIDENT

Appropriations, 2007	\$450,000
Budget estimate, 2008	450,000
House allowance	450,000
Committee recommendation	450,000

PROGRAM DESCRIPTION

This account provides 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. This is the same as the fiscal year 2007 enacted level and the same as the budget estimate. The expense account is for official use as authorized by title 3, United States Code and is not considered taxable to 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

Appropriations, 2007	\$53,616,000
Budget estimate, 2008	⁽¹⁾
House allowance	53,156,000
Committee recommendation	51,656,000

¹The budget proposes a consolidation of most accounts for the White House of \$186,920,000, including this account.

PROGRAM DESCRIPTION

The Salaries and Expenses account of the White House Office provides staff assistance and administrative services for the direct support of the President. The office also serves as the President's representative before the media. In accordance with 3 U.S.C. 105, the office also supports and assists the activities of the First Lady.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$51,656,000 for White House Office Salaries and Expenses. The recommendation is \$1,960,000 less than the fiscal year 2007 enacted level.

The Committee has rejected the administration's request to include many of the offices under the Executive Office of the Presi-

dent under a single, consolidated account. The Committee objects to the overall proposal since it would undermine the ability of the Congress to exercise adequate oversight regarding how these funds are expended.

The Committee includes \$2,000,000 for the Privacy and Civil Liberties Oversight Board as a separate account. The Committee directs the Executive Office of the President to include detailed budget information for the Civil Liberties Oversight Board in next year's budget justification.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

Appropriations, 2007	\$12,398,000
Budget estimate, 2008	(¹)
House allowance	12,814,000
Committee recommendation	12,814,000

¹The budget proposes a consolidation of most accounts for the White House of \$186,920,000 including this account.

PROGRAM DESCRIPTION

These funds provide for the care, maintenance, repair, alteration, refurbishing, improvement, air-conditioning, heating, and lighting of the White House and the official and ceremonial functions of the President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$12,814,000 for the Executive Residence at the White House. The Committee recommendation is \$416,000 more than the fiscal year 2007 enacted level and is equal to certain assumptions in the budget estimate. In particular, the administration's request includes many of the accounts under the Executive Office of the President under a single, consolidated account, including this account. The Committee objects to the overall proposal since it would undermine the ability of the Congress to exercise adequate oversight regarding how these funds are expended. The accompanying bill also continues certain restrictions on reimbursable expenses for use of the Executive Residence.

WHITE HOUSE REPAIR AND RESTORATION

Appropriations, 2007	\$1,683,000
Budget estimate, 2008	(¹)
House allowance	1,600,000
Committee recommendation	1,600,000

¹The budget proposes a consolidation of most accounts for the White House of \$186,920,000 including this account.

PROGRAM DESCRIPTION

This account funds 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 the 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, the same amount as assumed in the overall budget request and a reduction of \$83,000 from the fiscal year 2007 enacted level.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

Appropriations, 2007	\$4,032,000
Budget estimate, 2008	(¹)
House allowance	4,118,000
Committee recommendation	4,118,000

¹The budget proposes a consolidation of most accounts for the White House of \$186,920,000 including this account.

PROGRAM DESCRIPTION

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 the preparation of the annual Economic Report of the President to Congress.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,118,000 for salaries and expenses of the Council of Economic Advisers. This amount is the same as the amount assumed in the overall budget request and is \$86,000 more than the fiscal year 2007 enacted level.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

Appropriations, 2007	\$3,487,000
Budget estimate, 2008	(¹)
House allowance	3,482,000
Committee recommendation	3,482,000

¹The budget proposes a consolidation of most accounts of the White House of \$186,920,000 including this account.

PROGRAM DESCRIPTION

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 \$3,482,000 for the Office of Policy Development. This is the same as assumed in the budget request and \$5,000 below the fiscal year 2007 enacted level. In particular,

the administration's request includes many of the accounts under the Executive Office of the President under a single, consolidated account, including this account. The Committee objects to the overall proposal since it would undermine the ability of the Congress to exercise adequate oversight regarding how these funds are expended.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

Appropriations, 2007	\$8,684,000
Budget estimate, 2008	(1)
House allowance	8,640,000
Committee recommendation	8,640,000

¹The budget proposes a consolidation of most accounts of the White House of \$186,920,000 including this account.

PROGRAM DESCRIPTION

The National Security Council advises the President in integrating domestic, foreign, and military policies relating to the national security.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$8,640,000 for the salaries and expenses of the National Security Council [NSC]. This amount is the same as assumed in the budget request and \$44,000 less than the fiscal year 2007 enacted level.

PRIVACY AND CIVIL LIBERTIES OVERSIGHT BOARD

SALARIES AND EXPENSES

Appropriations, 2007	(1)
Budget estimate, 2008	(2)
House allowance	\$2,000,000
Committee recommendation	\$2,000,000

¹\$1,500,000 was included in the White House office appropriation.
²\$1,500,000 was included in the White House office budget request.

PROGRAM DESCRIPTION

Recommended by the July 22, 2004, report of the National Commission on Terrorist Attacks Upon the United States (the 9/11 Commission), the Privacy and Civil Liberties Oversight Board was established by the Intelligence Reform and Terrorism Prevention Act of 2004. It consists of five members appointed by and serving at the pleasure of the President. The Board advises the President and other senior executive branch officials to ensure that concerns with respect to privacy and civil liberties are appropriately considered in the implementation of all laws, regulations, and executive branch policies related to efforts to protect the Nation against terrorism. This includes advising on whether adequate guidelines, supervision, and oversight exist to protect these important legal rights of all Americans.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,000,000 for the Board in a separate appropriation account. Funding for the Board has previously been carried in the White House Office, Salaries and Expenses appropriation account. The fiscal year 2007 amount was \$1,500,000 and the fiscal year 2008 budget request was also \$1,500,000. The Committee believes that the work of this important Board warrants a separate appropriation account. The Committee expects the Board's annual report, as required under Public Law 108-458, to specifically detail how the additional funds provided have benefited the work and responsibilities of the Board.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 2007	\$88,643,000
Budget estimate, 2008	(¹)
House allowance	92,829,000
Committee recommendation	92,829,000

¹The budget proposes a consolidation of most accounts of the White House of \$186,920,000 including this account.

PROGRAM DESCRIPTION

The Office of Administration's mission is to provide high-quality, cost-effective administrative services to the Executive Office of the President. These services, defined by Executive Order 12028 of 1977, include financial, personnel, library and records services, information management systems support, and general office services.

COMMITTEE RECOMMENDATION

The Committee has provided \$92,829,000 to the Office of Administration for fiscal year 2008, an increase of \$4,186,000 over the fiscal year 2007 enacted level and \$10,281,000 below the amount assumed in the budget request.

The Committee has not included space rental costs for Office of Management and Budget [OMB] and Office of National Drug Control Policy [ONDCP] in this account. Funding for these costs is included within the accounts of the respective offices. That accounts for the reduction from the budget request.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

Appropriations, 2007	\$76,714,000
Budget estimate, 2008	70,866,000
House allowance	78,394,000
Committee recommendation	78,394,000

PROGRAM DESCRIPTION

The Office of Management and Budget [OMB] assists the President in the discharge of his budgetary, management, and other executive responsibilities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$78,394,000 for the Office of Management and Budget which is \$1,680,000 more than the fiscal year 2007 enacted level and \$7,528,000 more than the budget request.

The Committee has included space rental costs in this account, rather than in the Office of Administration as assumed in the budget request, which accounts for the increase over the budget.

The Committee directs OMB’s attention to the reporting directive contained in the OPM section of the report.

The Committee directs the Director of the Office of Management and Budget to report to Congress no later than March 1, 2009, regarding the extent to which executive departments and agencies that administer directed funding allocate the designated amounts to intended recipients at a level less than the amount specified in any enacted bill or accompanying report describing such directed funding.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriations, 2007	\$26,766,000
Budget estimate, 2008	23,833,000
House allowance	26,636,000
Committee recommendation	25,152,000

PROGRAM DESCRIPTION

The Office of National Drug Control Policy [ONDCP], established by the Anti-Drug Abuse Act of 1988, and reauthorized by Public Law 109–469, is charged with developing policies, objectives and priorities for the National Drug Control Program. In addition, ONDCP administers the Counterdrug Technology Assessment Center, the High Intensity Drug Trafficking Areas program, the National Youth Anti-Drug Media Campaign, the Drug-Free Communities Program and several other related initiatives.

This account provides funding for personnel compensation, travel, and other basic operations of the Office, and for general policy research to support the formulation of the National Drug Control Strategy.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$25,152,000 for ONDCP’s salaries and expenses. This amount is \$1,614,000 below the fiscal year 2007 enacted level and \$1,269,000 above the budget request.

An amount of \$2,753,000 is provided under this heading for rental payments to the General Services Administration [GSA] instead of providing these funds under the heading “Office of Administration”. Within this amount the Committee provides the following funding levels:

	Amount	FTEs
Office of the Director	\$4,150,000	18
Office of the Deputy Director		(1)

	Amount	FTEs
Office of Management and Administration	3,072,000	15
Office of Legal Counsel	1,100,000	6
Office of Public Affairs	2,130,000	7
Office of Legislative Affairs	1,015,000	7
Major Cities		
Counterdrug Technology Assessment Center		
Office of Planning and Budget	3,092,000	17
Office of Demand Reduction	1,780,000	11
Office of National Youth Anti-Drug Media Campaign	825,000	6
Office of State, Local & Tribal Affairs	2,125,000	14
Office of Supply Reduction	2,860,000	17
Office of Intelligence	(²)	
Policy Research	250,000	

¹ Vacant.

² Not Requested.

Should a Deputy Director be established, ONDCP shall notify the Committee immediately in order to address funding issues. Funding is denied for the Major Cities program which has demonstrated no discernable results. The director of the Drug-Free Communities Support Program, who has had the dual mission of overseeing the Major Cities program, is better served, the Committee believes, by focusing on the main mission of helping communities prevent drug use.

Funding has never been specifically requested for the Major Cities program, which is unauthorized, but which has been staffed by other ONDCP personnel who have permanent jobs in other components and funded via the salaries and expenses account. The Committee is aware of some objections raised by the authorizing committee and believes that ONDCP should seek authorization prior to allocating staffing and funding resources for this unauthorized program.

Policy Research and Evaluation.—The Committee notes that funding for policy research and evaluation is intended to support short-term, policy-oriented secondary data and drug program analyses such as the economic costs to society of drug abuse, price and purity trends, and the estimated availability of illicit drugs. These studies are viewed as an important contribution to the Nation's understanding of drug use and its consequences. The use of policy research funds was never intended by the Committee to be used for primary data collection. The Committee requires that funding for policy research be used as it was originally intended and requests that ONDCP report to the Committee on its policy research plans for using these funds within 30 days after the enactment of this act.

The Committee is aware of the extensive travel conducted by ONDCP officials in recent years and questions the need for such extensive travel. The Committee provides a level of \$600,000 for travel, as follows: \$150,000 for the Office of Supply Reduction; \$100,000 for the Office of Demand Reduction; \$150,000 to the Office of State, Local and Tribal Affairs; \$50,000 for the Office of Performance and Budget; and \$150,000 for all other ONDCP offices and components.

The Committee does not agree with ONDCP's proposal to reorganize 3 of the agency's 12 components, therefore the Committee has

included a provision to continue the prohibition against the reorganization.

The principal purpose of the White House Office of National Drug Control Policy [ONDCP] is to establish priorities, objectives, and policies for the Nation's drug control program. The Committee is concerned that the overall organization of ONDCP is ineffective and must be improved. In fact, 7 years ago, an independent review found weaknesses in ONDCP management and organization, and unfortunately these problems persist today. The Committee believes an investigation into funding allocations and expenditures, as well as the use of resources is warranted. The Committee believes an independent review of the overall organization and management of grants and funding systems would be beneficial to ONDCP and the Congress. Such an evaluation may provide insight into changes and improvements that could make ONDCP more effective in the future. Therefore, the Committee has allocated funding for a study by the National Academy of Public Administration [NAPA] to conduct a review of organization and management. In addition, the Committee also requests that the Government Accountability Office [GAO] review the grant management systems, and other funding systems—emphasizing the criteria and methodology used to award and distribute funds. The Committee is aware and supportive of GAO's ongoing review of the Drug-Free Communities program, and recommends that GAO also review the Counterdrug Technology Assessment Center and High Intensity Drug Trafficking Areas Program, among others. The Committee expects NAPA and GAO to work together, sharing progress and information during the course of their reviews, which should begin within 60 days after the enactment of this act.

The Committee directs the Director to provide to the Committees on Appropriations quarterly reports on travel expenditures, summarized by office, program, and individual, including dates and purpose of travel. The Committee further directs the Director to provide to the Committees on Appropriations quarterly reports on current staffing levels and plans for future hirings. The staffing report shall include office, position title, salary, and job classifications of all persons employed by ONDCP, including contractors.

Meth use.—House Report 109–703, the conference report to accompany H.R. 3058, directed ONDCP to increase its focus, resources and activities targeted at combating meth abuse. The Director shall report to the Committee within 30 days after enactment of this act on ONDCP's accomplishments pursuant to that directive. As part of that report, the Director shall also report on additional options for how ONDCP, in conjunction with other Federal agencies if appropriate, can reduce meth use, particularly in rural communities. The Committee encourages the consideration of options that result in the expansion of methamphetamine treatment for pregnant and parenting women offenders.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

Appropriations, 2007	\$20,000,000
Budget estimate, 2008	5,000,000
House allowance	10,000,000
Committee recommendation	

PROGRAM DESCRIPTION

The Counterdrug Technology Assessment Center [CTAC] was established by the Counter-Narcotics Technology Act of 1990 (Public Law 101-510) and reauthorized in 1998 (Public Law 105-277) to serve as the central counterdrug technology research and development organization for the United States Government. CTAC encompasses two separate functions: (1) the Research and Development program [R&D], which supports improvements to counterdrug capabilities that transcend the need of any single Federal agency; and (2) the Technology Transfer Program [TTP], which provides state-of-the-art, affordable, easily integrated and maintainable tools to enhance the capabilities of State and local law enforcement agencies for counterdrug missions.

COMMITTEE RECOMMENDATION

Funding for this once valuable program, has deteriorated steadily from a level of \$46,538,000 in fiscal year 2003 to a requested level of only \$5,000,000 in fiscal year 2008. Funding from previous years has remained unexpended despite congressional direction to reinstate CTAC programs as previously existed, and congressional intent with regard to this program has been ignored. The Committee is highly disappointed in the director of this program and is troubled by his ideas for research and development that appear to have little or no value, such as studying sewage, among others. Moreover, the CTAC Director serves a dual mission as a special assistant to the director, diluting his ability to focus on managing and spending CTAC resources. The CTAC program has adequate unexpended balances from previous years to continue funding for the program in fiscal year 2008, therefore, the Committee provides no funding for the CTAC account.

FUNDS APPROPRIATED TO THE PRESIDENT

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2007	\$224,730,000
Budget estimate, 2008	220,000,000
House allowance	226,000,000
Committee recommendation	235,000,000

PROGRAM DESCRIPTION

The High Intensity Drug Trafficking Areas [HIDTA] program was established by the Anti-Drug Abuse Act of 1988, as amended, and the Office of National Drug Control Policy's reauthorization (Public Law 109-469) to provide assistance to Federal, State and local law enforcement entities operating in those areas most adversely affected by drug trafficking.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$235,000,000 for the HIDTA program, an increase of \$10,270,000 over the fiscal year

2007 level and \$15,000,000 more than the budget request. The Committee directs that funding shall be provided for the existing HIDTAs at no less than the fiscal year 2007 initial allocation level, unless the Director submits to the House and Senate Committees on Appropriations, and the Committees approve, a request for re-programming of the funds based on clearly articulated priorities for the HIDTA program, as well as published ONDCP performance measures of effectiveness. Furthermore, the Committee directs the Director to take appropriate steps to ensure that the HIDTA funds are transferred to the appropriate drug control agencies expeditiously.

In allocating HIDTA funds, the Committee expects the Director of ONDCP to ensure that the entities receiving these limited resources make use of them strictly for implementing the strategy for each HIDTA, taking into consideration local conditions and resource requirements. In this regard, methamphetamine is a primary illicit drug threat across the country. Its widespread use and resulting addiction, combined with the overwhelming availability of high purity, low cost methamphetamine is cause for serious concern. Cocaine and heroin also represent significant threats and Ecstasy is an increasing danger. Marijuana is readily available and widely abused across the United States. The prevalence of Canadian-produced marijuana, commonly known as BC Bud, and potent marijuana from the Appalachian States are two examples that demonstrate the need for and value of marijuana eradication programs.

The HIDTA funds should not be used to supplant existing support for ongoing Federal, State, or local drug control operations normally funded out of the operating budgets of each agency. ONDCP is directed to hold back all HIDTA funds from a State until such time as a State or locality has met its financial obligation.

The Committee is disappointed by ONDCP's delay in the award of HIDTA funding, and includes provisions in the bill to address this issue.

OTHER FEDERAL DRUG CONTROL PROGRAMS
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2007	\$192,951,000
Budget estimate, 2008	224,485,000
House allowance	197,800,000
Committee recommendation	204,735,000

PROGRAM DESCRIPTION

The Anti-Drug Abuse Act of 1988 (Public Law 100-690), as amended, and the Office of National Drug Control Policy Reauthorization Act (Public Law 109-469) established this account to be administered by the Director of the Office of National Drug Control Policy. The funds appropriated to the program support high-priority drug control programs and may be transferred to drug control agencies.

This account includes the following programs: National Youth Anti-Drug Media Campaign, Drug-Free Communities Support Program, National Community Anti-Drug Coalition Institute, National

Drug Court Institute, U.S. Anti-Doping Agency, World Anti-Doping Agency [WADA] membership dues, National Alliance for Model State Drug Laws, and Performance Measures Development.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$204,735,000 for Other Federal Drug Control Programs, which is \$11,784,000 more than the fiscal year 2007 enacted level and \$19,750,000 less than the budget request. Within this amount, the Committee provides the following funding levels:

	Amount
National Youth Anti-Drug Media Campaign	\$100,000,000
Drug-Free Communities Support Program	90,000,000
National Drug Court Institute	1,000,000
U.S. Anti-Doping Agency	10,285,000
World Anti-Doping Agency [WADA]	1,700,000
National Alliance for Model State Drug Laws	1,500,000
Performance Measures Development	250,000

National Youth Anti-Drug Media Campaign.—The Committee has provided consistent monetary support for the National Youth Anti-Drug Media Campaign since it was initially funded by Congress in fiscal year 1998. The Committee continues to be concerned about the direction and efficacy of the Media Campaign as it is currently structured, and notes that independent reports have concluded that the Media Campaign has not had a demonstrable nationwide effect on reducing drug use among the Campaign’s target population. Furthermore, the GAO confirms that the Media Campaign has not been effective in reducing youth drug use. The Committee is concerned that meth is having a disproportional impact on our rural communities, rendering the addiction an epidemic in the lives of so many Americans from the Nation’s farmlands, reservations, and small towns. Most of these communities, because they are located outside of urban areas, lack the comprehensive support services needed to effectively address the addiction and its devastating grip on so many families. The Committee provides \$100,000,000 for the Media Campaign, of which at least \$10,000,000 shall be for meth prevention ads. The Committee directs that no more than 10 percent of the funding provided for the Media Campaign be used for administrative costs.

Drug-Free Communities Support Program.—ONDCP has directed the Drug-Free Communities Support Program [DFCSP] in partnership with the Office of Juvenile Justice and Delinquency Prevention since it was created by the Drug-Free Communities Act of 1997 (Public Law 105–20). DFCSP provides dollar for dollar matching grants of up to \$125,000 to local coalitions that mobilize their communities to prevent youth alcohol, tobacco, illicit drug, and inhalant abuse. Such grants support coalitions of youth; parents; media; law enforcement; school officials; faith-based organizations; fraternal organizations; State, local, and tribal government agencies; healthcare professionals; and other community representatives. The DFCSP enables these coalitions to strengthen their coordination and prevention efforts, encourage citizen participation in substance abuse reduction efforts, and disseminate information

about effective programs. The Committee provides \$90,000,000 for the continuation of the DFCSP.

The Committee has also included a provision in the bill directing ONDCP to provide \$2,000,000 of DFCSP funds for training and related purposes as authorized by section 4 of Public Law 107–82, as amended by Public Law 109–469.

United States Anti-Doping Agency.—The United States Anti-Doping Agency [USADA] is the independent anti-doping agency for Olympic sports in the United States, and is responsible for managing the testing and adjudication process for U.S. Olympic, Pan Am and Paralympic athletes. As a nonprofit corporation under the leadership of an independent Board of Directors, USADA has the authority to set forth guiding principles in anti-doping policy and to enforce any doping violations. In addition to managing collection and testing procedures, USADA is also responsible for enhancing research efforts and promoting educational programs to inform athletes of the rules governing the use of performance enhancing substances, the ethics of doping and its harmful health effects.

The Committee provides \$10,285,000 for USADA, which is \$1,870,000 more than the fiscal year 2007 level and \$8,000,000 more than the budget request.

World Anti-Doping Agency.—ONDCP is a full participant in the World Anti-Doping Agency [WADA], which promotes and coordinates international activities against doping in all forms of sports. The Committee provides \$1,700,000 for membership dues to the WADA, consistent with the commitment the United States has entered for support of WADA. In providing these funds, the Committee directs ONDCP to use its voice and vote as the United States' representative in this world body to ensure that all countries' athletes are subject to fair and equal standards and treatment.

National Drug Court Institute.—The National Drug Court Institute facilitates the growth of the drug court movement by promoting and disseminating education, research, and scholarship concerning drug court programs and providing a comprehensive drug court training series for practitioners. Drug courts provide an effective means to fight drug-related crime through the cooperative efforts of State and local law enforcement, the judicial system, and the public health treatment network. The Committee provides \$1,000,000 for the National Drug Court Institute.

National Alliance For Model State Drug Laws.—The National Alliance for Model State Drug Laws [NAMSDL] is a national organization that drafts, researches, and analyzes model drug and alcohol laws and related State statutes, provides access to a national network of drug and alcohol experts, and facilitates working relationships among State and community leaders and drug and alcohol professionals. In doing so, NAMSDL encourages States to adopt and implement laws, policies, and regulations to reduce drug trafficking, drug use, and their related consequences. The Committee provides \$1,500,000 to NAMSDL and directs ONDCP to provide the entire amount directly to NAMSDL within 30 days after enactment of this act.

NAMSDL can play a key role in coordinating State efforts to ensure that methamphetamine manufacturers are not able to cir-

cumvent limits on the sale of methamphetamine precursor chemicals by traveling across State lines when buying these chemicals and taking advantage of different State recordkeeping systems. Accordingly, within 120 days after enactment of this act, the Committee directs NAMSDL, with assistance from ONDCP and the Department of Justice and after appropriate consultation with State law enforcement and regulatory organizations and with retail sellers, to issue a report to the Committee on Appropriations describing the model architecture and operation of statewide methamphetamine precursor electronic logbook systems.

Performance Measures.—Performance Measures funding is used to conduct evaluation research for assessing the effectiveness of the National Drug Control Strategy. Projects undertaken with these resources are to entail efforts to encourage and work with selected programs to develop and improve needed data sources. As noted in Senate Report 109–109, the Committee is concerned that initiatives proposed for funding under PMD are more appropriately funded as part of CTAC’s R&D Program or ONDCP Policy Research. The Committee provides \$250,000 for this program and directs ONDCP to outline and submit to the Committee a detailed plan for projects that assess the effectiveness of the strategy in achieving its goals and objectives, and develop and improve needed data sources, including specific funding levels, no later than 120 days after enactment of this act.

UNANTICIPATED NEEDS

Appropriations, 2007	\$990,000
Budget estimate, 2008	1,000,000
House allowance	1,000,000
Committee recommendation	1,000,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends \$1,000,000 which is \$10,000 more than appropriated in fiscal year 2007 and the same as the budget request.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

Appropriations, 2007	\$4,432,000
Budget estimate, 2008	4,432,000
House allowance	4,432,000
Committee recommendation	4,432,000

PROGRAM DESCRIPTION

This appropriation provides for staff and expenses to enable the Vice President to provide assistance to the President in connection with the performance of executive duties and responsibilities. The Vice President also has a staff funded by the Senate to assist him

in the performance of his legislative duties. These funds also support the official activities of the spouse of the Vice President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,432,000 for special assistance to the President. This amount is the same as the budget request and the same as the fiscal year 2007 enacted level.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

Appropriations, 2007	\$322,000
Budget estimate, 2008	320,000
House allowance	320,000
Committee recommendation	320,000

PROGRAM DESCRIPTION

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

Funds to renovate the residence are provided through the Department of the Navy budget. The Committee has had a long-standing interest in the condition of the residence and expects to be kept fully apprised by the Vice President's office of any and all renovations and alterations made to the residence by the Navy.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$320,000 for the official residence of the Vice President. This amount is the same as the budget request and \$2,000 less than the fiscal year 2007 enacted level.

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

Section 201. The Committee continues a provision that provides flexibility in the use of funds in accounts under the Executive Office of the President.

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

Section 203. The Committee includes a new provision allowing for the transfer of up to 3 percent among programs within ONDCP.

Section 204. The Committee includes a new provision establishing new reprogramming requirements for ONDCP.

Section 205. The Committee includes a new provision requiring ONDCP to comport with budget estimates except as otherwise provided in this act, or through an approved reprogramming.

TITLE III
THE JUDICIARY

PROGRAM DESCRIPTION

Established under Article III of the Constitution, the judicial branch of Government is a separate but equal branch. The Federal Judiciary consists of the Supreme Court, United States Courts of Appeals, District Courts, Bankruptcy Courts, Court of International Trade, Court of Federal Claims and several other entities and programs. The organization of the judiciary, the district and circuit boundaries, the places of holding court, and the number of Federal judges are legislated by the Congress and signed into law by the President.

The Committee's recommended funding levels support the Federal judiciary's role of providing equal justice under the law and include sufficient funds to support this critical mission. The recommended funding level includes the salaries of judges and support staff and the operation and security of our Nation's courts.

The judicial branch is reminded that it, too, is subject to the same funding constraints facing the executive and legislative branches and continues to urge the Federal judiciary to devote its resources primarily to the retention of staff. Further, the judiciary is encouraged to contain controllable costs such as travel, construction, and other non-essential expenses.

In addition, the judiciary is reminded that section 705 of the accompanying act applies to the judicial as well as the executive branch.

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

Appropriations, 2007	\$62,576,000
Budget estimate, 2008	66,526,000
House allowance	66,526,000
Committee recommendation	66,522,000

PROGRAM DESCRIPTION

The United States Supreme Court consists of nine justices appointed under Article III of the Constitution of the United States, one of whom is appointed as Chief Justice of the United States. The Supreme Court acts as the final arbiter in the Federal court system.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$66,522,000 for the Justices, their supporting personnel, and the costs of operating the Supreme Court, excluding the care of the building and grounds.

The recommendation is \$3,946,000 above the fiscal year 2007 funding level and reflects the judiciary's re-estimate of fiscal year 2008 requirements. The Committee has provided inflationary and other standard adjustments and supports five additional staff to support information technology [IT] operations of the Court.

CARE OF THE BUILDING AND GROUNDS

Appropriations, 2007	\$11,427,000
Budget estimate, 2008	12,201,000
House allowance	12,201,000
Committee recommendation	12,201,000

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$12,201,000 for personnel and other services related to the Supreme Court building and grounds, which is supervised by the Architect of the Capitol. The recommendation is \$774,000 above the fiscal year 2007 funding level and identical to the budget request. The Committee has provided the additional two permanent staff to address workload increases along with the four temporary staff in support of various construction projects. The Committee directs the Court to report to the Committee on its construction and modernization plans and to update the Committee as the Court becomes aware of any changes in schedule or budgetary needs.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SALARIES AND EXPENSES

Appropriations, 2007	\$25,311,000
Budget estimate, 2008	28,538,000
House allowance	27,976,000
Committee recommendation	27,438,000

PROGRAM DESCRIPTION

The United States Court of Appeals for the Federal Circuit was established under Article III of the Constitution on October 1, 1982. The court was formed by the merger of the United States Court of Customs and Patent Appeals and the appellate division of the United States Court of Claims. The court consists of twelve judges who are appointed by the President, with the advice and consent of the Senate. Judges are appointed to the court under Article III of the Constitution of the United States.

The Federal Circuit has nationwide jurisdiction in a variety of subject matter, including international trade, government contracts, patents, certain claims for money from the United States Government, Federal personnel, and veterans' benefits. Appeals to the court come from all Federal district courts, the United States Court of Federal Claims, the United States Court of International Trade, and the United States Court of Veterans Appeals. The court also takes appeals of certain administrative agencies' decisions, including the Merit Systems Protection Board, the Board of Contract Appeals, the Board of Patent Appeals and Interferences, and the Trademark Trial and Appeals Board. Decisions of the United States International Trade Commission, the Office of Compliance of

the United States Congress and the Government Accountability Office Personnel Appeals Board are also reviewable by the court.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$27,438,000. The recommendation is \$2,127,000 above the fiscal year 2007 funding level, \$1,100,000 below the budget request, and \$1,004,000 below the judiciary’s re-estimate of fiscal year 2008 requirements. Of the amount provided, the Committee has partially funded the highest priority requested increase, providing three FTE.

The Committee understands that the case management/electronic case filing [CM/ECF] system being developed by the judiciary will save time and create efficiencies that are being realized at every step of the judicial process. Data and documents added to the trial court CM/ECF system will be available throughout the life of the case. Linked national systems also allow for easy access to documents in all courts. All of the CM/ECF systems are supported by the national support structure that maintains the application, provides training and support, and provides replication of all data—and nearly uninterrupted access to court documents—in case of emergencies. The CM/ECF system, designed to link the judiciary at every level, is being implemented with all 12 regional courts of appeals. Feedback from the courts has been positive, particularly in the areas of efficiencies gained and improved training time. All courts of appeals, including the Federal Circuit, were invited to participate in the development process, but the Federal Circuit chose instead to develop its own system. Due to budgetary constraints, the Committee is unable to fund duplicative systems that are not able to take advantage of savings due to economies of scale.

U.S. COURT OF INTERNATIONAL TRADE

SALARIES AND EXPENSES

Appropriations, 2007	\$15,825,000
Budget estimate, 2008	16,727,000
House allowance	16,544,000
Committee recommendation	16,632,000

PROGRAM DESCRIPTION

The United States Court of International Trade, located in New York City, consists of nine Article III judges. The court has exclusive nationwide jurisdiction over civil actions brought against the United States, its agencies and officers, and certain civil actions brought by the United States, arising out of import transactions and the administration and enforcement of the Federal customs and international trade laws.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$16,632,000. The recommendation is \$807,000 above the fiscal year 2007 funding level and \$95,000 below the budget request.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

Appropriations, 2007	\$4,476,569,000
Budget estimate, 2008	4,854,455,000
House allowance	4,660,590,000
Committee recommendation	4,709,991,000

PROGRAM DESCRIPTION

Salaries and Expenses is one of four accounts that provide total funding for the Courts of Appeals, District Courts and Other Judicial Services. In addition to funding the salaries of judges and support staff, this account also funds the operating costs of appellate, district and bankruptcy courts, and probation and pretrial services offices.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,709,991,000. The recommendation is \$233,422,000 above the fiscal year 2007 funding level and \$144,464,000 below the budget request.

The Committee has adequately funded this account to enable the courts to meet their workload demands. The Committee believes retention of personnel should remain a top priority and has funded the requested judges and staffing increases and looks forward to receiving regularly updated reports about staffing at the Southwest border and other critical areas for which the judiciary received funding for in fiscal year 2007 and fiscal year 2008. The Committee has provided \$1,100,000 of the \$9,100,000 increase requested for information technology new programs and improvements.

The Committee acknowledges the cost containment measures undertaken by the judiciary and strongly supports the continuation of those efforts. The Committee urges the Judicial Conference to weigh carefully its need for more space to adjudicate cases against the Federal judiciary's rent needs. The Committee is pleased that efforts to deal with rent issues by the judiciary and the General Services Administration have improved. The Committee encourages the Judicial Conference to ensure adequate checks are in place so that future construction requests and projects are subjected to the highest standards of cost-efficiency. The Committee directs the Administrative Office of the Courts to report to the Committee no later than 120 days after the date of enactment of this act on steps that have been and are being taken to encourage more efficient use of space by district and circuit courts. Strategic planning has become a valuable tool to the executive branch agencies as they plan for the future.

Carryover Funds.—Due to unique circumstances, the judiciary has reported significant carryover funds in recent fiscal years. The Committee is concerned that the administrative office has not first used these carryover funds to offset projected decreases in fee collections and other projected needs and has, instead, used this funding to augment existing programs. This has resulted in an increase in the judiciary's uncontrollable costs, unnecessary funding requests and greater baseline needs. As such, the Administrative Of-

office is directed to ensure that current and projected funding needs are met first with carryover funds before enhancing any program. The Committee directs the Administrative Office to separately include in future financial plans, for approval by the House and Senate Committees on Appropriations, all sources of carryover funds and their desired application.

VACCINE INJURY COMPENSATION TRUST FUND

Appropriations, 2007	\$3,952,000
Budget estimate, 2008	4,099,000
House allowance	4,099,000
Committee recommendation	4,099,000

PROGRAM DESCRIPTION

Enacted by the National Childhood Vaccine Injury Act of 1986 (Public Law 99-660), the Vaccine Injury Compensation Program is a Federal no-fault program designed to resolve a perceived crisis in vaccine tort liability claims that threatened the continued availability of childhood vaccines nationwide. The statute’s primary intention is the creation of a more efficient adjudicatory mechanism that ensures a no-fault compensation result for those allegedly injured or killed by certain covered vaccines. This program protects the availability of vaccines in the United States by diverting a substantial number of claims from the tort arena.

Not only did this act create a special fund to pay judgments awarded under the act, but it also created the Office of Special Masters [OSM] within the United States Court of Federal Claims to hear vaccine injury cases. The act stipulates that up to eight special masters may be appointed for this purpose. The special masters expenditures are reimbursed to the judiciary for vaccine injury cases from a special fund set up under the Vaccine Act.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,099,000. The recommendation is \$147,000 above the fiscal year 2007 funding level and consistent with the budget request.

DEFENDER SERVICES

Appropriations, 2007	\$776,283,000
Budget estimate, 2008	859,834,000
House allowance	830,499,000
Committee recommendation	840,601,000

PROGRAM DESCRIPTION

The Defender Services program ensures the right to counsel guaranteed by the Sixth Amendment, the Criminal Justice Act (18 U.S.C. 3006A(e)) and other congressional mandates for those who cannot afford to retain counsel and other necessary defense services. The Criminal Justice Act provides that courts appoint counsel from Federal public and community defender organizations or from a panel of private attorneys established by the court. The Defender Services program helps to maintain public confidence in the Nation’s commitment to equal justice under the law and ensures the successful operation of the constitutionally based adversary system

of justice by which Federal criminal laws and federally guaranteed rights are enforced.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$840,601,000. The recommendation is \$64,318,000 above the fiscal year 2007 funding level and \$19,233,000 below the budget request.

Panel Attorney Pay Rates.—The Committee has increased the non-capital panel attorney rate per hour from \$94 to \$96 in fiscal year 2008. The Committee approves of the judiciary's presentation of this cost-of-living adjustment request as a program increase, instead of an adjustment to base.

FEEES OF JURORS AND COMMISSIONERS

Appropriations, 2007	\$60,945,000
Budget estimate, 2008	62,350,000
House allowance	62,350,000
Committee recommendation	63,081,000

PROGRAM DESCRIPTION

This account provides for the statutory fees and allowances of grand and petit jurors and for the compensation of jury and land commissioners. Budgetary requirements depend primarily upon the volume and the length of jury trials demanded by parties to both civil and criminal actions and the number of grand juries being convened by the courts at the request of the United States Attorneys.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$63,081,000. The recommendation is \$2,136,000 above the fiscal year 2007 funding level and reflects the judiciary's re-estimate of fiscal year 2008 requirements.

COURT SECURITY

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2007	\$378,663,000
Budget estimate, 2008	421,789,000
House allowance	396,476,000
Committee recommendation	412,720,000

PROGRAM DESCRIPTION

The Court Security appropriation was established in 1983 and funds the necessary expenses incident to the provision of protective guard services, and the procurement, installation, and maintenance of security systems and equipment for United States courthouses and other facilities housing Federal court operations, including building access control, inspection of mail and packages, directed security patrols, perimeter security provided by the Federal Protective Service, and other similar activities as authorized by section 1010 of the Judicial Improvement and Access to Justice Act (Public Law 100-702).

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$412,720,000. The recommendation is \$34,057,000 above the fiscal year 2007 funding level and \$2,006,000 below the judiciary's re-estimate of fiscal year 2008 requirements.

Judicial Facility Security Program.—As provided in bill language, the United States Marshals Service [USMS] is responsible for administering the Judicial Facility Security Program consistent with standards and guidelines agreed to by the Director of the Administrative Office of the U.S. Courts and the Attorney General. However, court security funding is appropriated by Congress directly to the judiciary which provides an important stewardship role, including financial and program oversight. While court security funding is subsequently transferred to the USMS, which is responsible for program administration, the Committee expects full cooperation from the USMS as the judiciary conducts the fiduciary and program oversight responsibilities pertaining to this funding.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

Appropriations, 2007	\$72,377,000
Budget estimate, 2008	78,536,000
House allowance	75,667,000
Committee recommendation	78,536,000

PROGRAM DESCRIPTION

The Administrative Office [AO] of the United States Courts was created in 1939 by an Act of Congress. It serves the Federal judiciary in carrying out its constitutional mission to provide equal justice under the law. Beyond providing numerous services to the Federal courts, the AO provides support and staff counsel to the Judicial Conference of the United States and its committees, and implements Judicial Conference policies as well as applicable Federal statutes and regulations. The AO is the focal point for communication and coordination within the judiciary and with Congress, the executive branch, and the public on behalf of the judiciary.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$78,536,000. This recommendation is \$6,159,000 above the fiscal year 2007 funding level and the same as the budget request.

FEDERAL JUDICIAL CENTER

SALARIES AND EXPENSES

Appropriations, 2007	\$22,874,000
Budget estimate, 2008	24,835,000
House allowance	23,994,000
Committee recommendation	24,475,000

PROGRAM DESCRIPTION

The Federal Judicial Center, located in Washington, DC, improves the management of Federal judicial dockets and court ad-

ministration through education for judges and staff and research, evaluation, and planning assistance for the courts and the Judicial Conference. The Center's responsibilities include educating judges and other judicial branch personnel about legal developments and efficient litigation management and court administration. Additionally, the Center also analyzes the efficacy of case and court management procedures and ensures the Federal judiciary is aware of the methods of best practice.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$24,475,000. The recommendation is \$1,601,000 above the fiscal year 2007 funding level and \$360,000 below the budget request.

The Committee has included all requested funds in the Center's adjustment to base and half the funds requested for education, research and technology enhancements. The Committee directs the Federal Judicial Center to keep the Committee apprised of staff brought on board throughout fiscal year 2007.

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIARY TRUST FUNDS

Appropriations, 2007	\$58,300,000
Budget estimate, 2008	65,400,000
House allowance	65,400,000
Committee recommendation	65,400,000

PROGRAM DESCRIPTION

The funds in this account cover the estimated future benefit payments to be made to retired bankruptcy judges and magistrate judges, claims court judges, and spouses and dependent children of deceased judicial officers.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$65,400,000 for payments to the Judicial Officers' Retirement Fund and the Claims Court Judges Retirement Fund. The recommendation is \$7,100,000 above the fiscal year 2007 funding level and identical to the budget request.

UNITED STATES SENTENCING COMMISSION

SALARIES AND EXPENSES

Appropriations, 2007	\$14,601,000
Budget estimate, 2008	16,191,000
House allowance	15,477,000
Committee recommendation	15,477,000

PROGRAM DESCRIPTION

The United States Sentencing Commission establishes, reviews and revises 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 an appropriation of \$15,477,000. The recommendation is \$876,000 above the fiscal year 2007 funding level and reflective of the judiciary's re-estimate of fiscal year 2008 requirements.

ADMINISTRATIVE PROVISIONS—THE JUDICIARY

The Committee recommends the following administrative provisions for the judiciary.

Section 301 allows the judiciary to expend funds for the employment of experts and consultant services.

Section 302 allows the judiciary, subject to the Committee's reprogramming procedures, to transfer up to 5 percent between appropriations, but limits to 10 percent the amount that can be transferred into any one appropriation.

Section 303 limits official reception and representation expenses incurred by the Judicial Conference of the United States to no more than \$11,000.

Section 304 requires the Administrative Office to submit an annual financial plan for the judiciary.

Section 305 allows for a salary adjustment for Justices and judges.

Section 306 grants the judicial branch the same tenant alteration authorities as the executive branch.

Section 307 clarifies that the U.S. Marshals Service has the authority to provide security services at several designated primary courthouses as part of a pilot program.

Section 308 adds Vancouver, Washington, as a place of holding court.

TITLE IV
DISTRICT OF COLUMBIA
FEDERAL PAYMENTS
FEDERAL FUNDS

A total of \$613,746,000 in Federal funds are estimated to be available to the District of Columbia government, the District of Columbia Courts, the District of Columbia Court Services and Offender Supervision Agency, and other D.C. entities. This is \$22,734,000 above the fiscal year 2007 enacted level and \$16,157,000 above the budget request. A total of \$2,015,854,000 in Federal funds will be received by the District government from the various Federal grant programs, including Federal reimbursements from such programs as Medicaid and Medicare.

FEDERAL PAYMENT FOR DISTRICT OF COLUMBIA RESIDENT TUITION
SUPPORT

Appropriations, 2007	\$32,868,000
Budget estimate, 2008	35,100,000
House allowance	35,100,000
Committee recommendation	33,000,000

PROGRAM DESCRIPTION

The Resident Tuition Support program was created by the District of Columbia College Access Act of 1999 and expanded through the District of Columbia College Access Improvement Act of 2001. This program provides eligible college-bound District residents the opportunity to expand their higher education choices.

Under the program, financial assistance is available to qualified District residents who attend public colleges outside of the District of Columbia, private postsecondary institutions in the District of Columbia, Maryland, or Virginia, or any historically black college or university. The private-school tuition grants are restricted to nonprofit institutions. Students who attend public schools receive assistance equal to the difference between the tuition paid by residents of the state in which the institution is located and the tuition charged to nonresident students, with an annual limit of \$10,000 and a lifetime limit of \$50,000. Private-school students receive a \$2,500 maximum annual grant, with a lifetime limit of \$12,500.

Since its inception, the program has disbursed nearly \$160,000,000 for the benefit of over 11,000 District of Columbia residents. Thirty-eight percent of the grantees are the first members of their families to attend college.

The Committee understands that the program will have an estimated \$7,000,000 in carryover funds available in fiscal year 2008, and even if projected program costs reach almost \$38,000,000, addi-

tional Federal funds needed to cover those costs would total only \$31,000,000.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$33,000,000 for the resident tuition support program, an increase of \$132,000 over the fiscal year 2007 enacted level and \$2,100,000 below the budget request. The Committee urges the State Education Office to continue its efforts to improve the college graduation rate of program participants. Because program costs have the potential of growing beyond a level for which increased Federal funding may be available and sustainable, the Committee directs the Mayor and the State Education Office to institute effective cost containment measures and regularly report to Congress on the effects of these efforts. The Committee further directs the District to fully explore non-Federal sources of additional funds to augment the Federal investment to meet program needs. As specified in Public Law 106-98 which established the program, the Committee directs the Mayor to address any insufficiency in funding through ratable reductions and other adjustments or prioritization considerations based on the income and need of eligible students.

FEDERAL PAYMENT FOR EMERGENCY PLANNING AND SECURITY COSTS
IN THE DISTRICT OF COLUMBIA

Appropriations, 2007	\$8,533,000
Budget estimate, 2008	3,000,000
House allowance	3,352,000
Committee recommendation	3,352,000

PROGRAM DESCRIPTION

Due to the fact that the District of Columbia is the seat of the Federal Government and headquarters of many international organizations, District police, fire, and emergency personnel have had to provide security for a number of events. As the need for the District of Columbia to provide security has increased, overtime costs for personnel escalate and divert police from neighborhood patrols. The President has supported reimbursing the District for these costs. In addition, the District of Columbia National Guard, under the exclusive jurisdiction of the President of the United States, is specifically trained to support law enforcement during critical missions, such as demonstrations, Presidential inaugurations and funerals, and emergency services for weather-relayed contingencies. The D.C. Air Guard patrols the skies over the District on round-the-clock alert. However, residency restrictions preclude a significant number of Guard members from eligibility for tuition assistance programs, which has severely hampered recruitment and retention efforts.

COMMITTEE RECOMMENDATION

The Committee recommends \$3,352,000 to reimburse the District of Columbia for the costs of providing public safety at events related to the presence of the national capital in the District of Columbia and for the costs of providing support to respond to immediate and specific terrorist threats or attacks in the District of Co-

lumbia or surrounding jurisdictions. The Committee recommends \$352,000 for a tuition assistance program for non-resident District of Columbia National Guard members. The total funding is \$5,181,000 below the fiscal year 2007 enacted level and \$352,000 above the budget request.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

Appropriations, 2007	\$216,723,000
Budget estimate, 2008	213,861,000
House allowance	256,395,000
Committee recommendation	217,318,000

PROGRAM DESCRIPTION

Under the National Capital Revitalization and Self-Government Improvement Act of 1997, the Federal Government is required to finance the District of Columbia Courts. This Federal payment to the District of Columbia Courts funds the operations of the District of Columbia Court of Appeals, Superior Court, the Court System, and the Capital Improvement Program. Capital improvements include establishing a permanent home for the D.C. Family Court, a complete renovation of the historic Old Courthouse, as well as design and renovation work on several other buildings in Judiciary Square. By law, the annual budget includes estimates of the expenditures for the operations of the Courts prepared by the Joint Committee on Judicial Administration and the President's recommendation for funding the Courts' operations.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment to the District of Columbia Courts of \$217,318,000, which is \$595,000 above the fiscal year 2007 enacted level and \$3,457,000 above the budget request. This amount includes \$10,800,000 for the Court of Appeals, \$98,359,000 for the Superior Court, \$52,170,000 for the Court System, and \$55,989,000 for capital improvements to courthouse facilities.

The Committee is very concerned about the substandard working conditions of the United States Marshals Service at the Moultrie Courthouse Cell Block. The work areas have inadequate ventilation and insufficient space for storage of their personal effects. While this is unpleasant and should be remedied, the Committee is primarily concerned that safety of the marshals may be compromised by these conditions. Currently, the security equipment fails to provide complete monitoring of all areas of the cell block, allowing for blind spots which pose a risk to both marshals and inmates. In addition, the cells are not large enough to accommodate the inmate population, leading to 50 or more people being held in a cell intended for no more than 20, creating unacceptable conditions. Therefore, 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

Appropriations, 2007	\$43,475,000
Budget estimate, 2008	43,475,000
House allowance	52,475,000
Committee recommendation	43,475,000

PROGRAM DESCRIPTION

The District of Columbia Courts appoint and compensate attorneys to represent persons who are financially unable to obtain such representation. The Defender Services programs provide counsel for indigent persons who are charged with criminal offenses, for family proceedings involving child abuse, neglect, and termination of parental rights, and for guardianship proceedings for protection of mentally incapacitated individuals and minors whose parents are deceased.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$43,475,000 for Defender Services in the District of Columbia Courts. This is the same as the fiscal year 2007 enacted level and the same as the budget request.

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

Appropriations, 2007	\$179,603,000
Budget estimate, 2008	190,343,000
House allowance	190,343,000
Committee recommendation	190,791,000

PROGRAM DESCRIPTION

The Court Services and Offender Supervision Agency [CSOSA] for the District of Columbia is an independent Federal agency created by the National Capital Revitalization and Self-Government Improvement Act of 1997. CSOSA acquired the operational responsibilities for the former District agencies in charge of probation and parole, and houses the Pretrial Services Agency within its framework. The mission of CSOSA is to increase public safety, prevent crime, reduce recidivism and support the fair administration of justice in close collaboration with the community. The CSOSA appropriation supports the Community Supervision Program and the Pretrial Services Agency.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$190,791,000, which is \$11,188,000 above the fiscal year 2007 enacted level and \$448,000 above the budget request. The Committee notes that the increased resources will enable CSOSA to open all units of the Re-Entry and Sanctions Center and allow Pretrial Services to reduce the ratio of pre-trial supervisors to defendants from approximately 124:1 to 75:1, slightly above the national average. However, the Committee is concerned that even with the proposed budget increase, funding for CSOSA for offender contract treatment, including substance abuse, halfway-back residential sanctions, mental health and sex offender assessments, and transitional housing re-

mains flat. CSOSA estimates that there are 2,800 chronic, substance-abusing offenders in need of treatment intervention on an annual basis. Of this number, approximately 1,150, or 41 percent, are supervised at the maximum or intensive highest-risk level, but the budget will enable CSOSA to provide the full continuum of contract treatment services for only 60 percent of the highest risk offenders. The Committee provides additional funds to help CSOSA begin to address this shortfall.

The Committee is supportive of CSOSA’s efforts to successfully return ex-offenders to their communities. For a number of years, CSOSA has worked with grassroots, nonprofit providers of transitional housing that offer counseling, mentoring, and life skills training to men and women returning home from prison. The Committee notes that this is a model program for the Nation and intends that not less than \$1,000,000 be available to continue this important work.

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

Appropriations, 2007	\$31,103,000
Budget estimate, 2008	32,710,000
House allowance	32,710,000
Committee recommendation	32,710,000

PROGRAM DESCRIPTION

The Public Defender Service [PDS] for the District of Columbia, an independent organization established by a District of Columbia statute (16 D.C. Code 2–1601–1608), has a distinct mission to provide legal representation services within the District of Columbia. PDS provides legal representation to indigent defendants and provides support in the form of training, consultation, and legal reference services to members of the local bar appointed as counsel in criminal, juvenile, and mental health cases involving indigent individuals. In prior years, PDSDC was funded as a part of the Court Services and Offender Supervision Agency [CSOSA]. However, the missions of the two organizations are separate and distinct. The PDS, like public defender agencies of other jurisdictions, should have an independent budget submission and appropriation. Recognizing that status, the Committee provides funding for the Public Defender Service for the District of Columbia separately from that of CSOSA.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment to the Public Defender Service for the District of Columbia of \$32,710,000, which is \$1,607,000 above the fiscal year 2007 enacted level and the same as the budget request.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Appropriations, 2007	\$6,930,000
Budget estimate, 2008	12,000,000
House allowance	12,000,000
Committee recommendation	12,000,000

PROGRAM DESCRIPTION

Approximately one-third of the District is served by a combined sewer system, constructed by the Federal Government in 1890, in which both sanitary waste and storm water flow through the same pipes. When the collection system or the Blue Plains treatment plant reach capacity, typically during periods of heavy rainfall, the system is designed to overflow the excess water. This mixture of sewage and storm water runoff is discharged to the Anacostia and Potomac Rivers, Rock Creek and tributary waters between 60 and 75 times each year. Under a judicial consent decree, the Water and Sewer Authority is undertaking a 20-year, \$2,200,000,000 sewer construction program to reduce overflows, which is projected to improve water quality and significantly reduce debris in our Nation's capital waterways.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$12,000,000, to be matched by \$7,000,000 provided by the Water and Sewer Authority, and \$5,000,000 in local funds, to continue implementation of the Combined Sewer Overflow Long-Term Plan. This is an increase of \$5,070,000 above the fiscal year 2007 enacted level and the same as the budget request.

FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING
COUNCIL

Appropriations, 2007	\$1,287,000
Budget estimate, 2008	1,300,000
House allowance	1,300,000
Committee recommendation	1,300,000

PROGRAM DESCRIPTION

The Criminal Justice Coordinating Council for the District of Columbia [CJCC] is the primary venue in which District of Columbia criminal justice agencies can identify and address interagency coordination issues. Its mission is to address coordination difficulties among District of Columbia criminal justice agencies and address criminal justice issues, such as drugs, juvenile justice, halfway houses, information technology, and identification of arrestees. The CJCC was originally established pursuant to a Memorandum of Agreement in May 1998 and operates as an independent working group to foster cooperation among the more than a dozen Federal and local governmental agencies which have law enforcement responsibility in our Nation's Capital. As part of a local enactment in August 2001, the CJCC was established as an independent agency within the District of Columbia.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$1,300,000 to the Criminal Justice Coordinating Council [CJCC]. This is \$13,000 above the fiscal year 2007 enacted level and the same as the budget request. The Committee directs the CJCC to submit annual performance measures in an annual report, which should also describe progress made on individual CJCC initiatives.

FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT

Appropriations, 2007	\$39,600,000
Budget estimate, 2008	40,800,000
House allowance	40,800,000
Committee recommendation	40,800,000

PROGRAM DESCRIPTION

The Committee continues a three-sector funding arrangement to provide resources for the District of Columbia Public Schools, charter schools, and for a scholarship program for low-income students to attend private schools. Given the beleaguered state of the District of Columbia Public School System, the Committee is encouraged by the enactment of Public Law 110-33 and the Mayor's initiative to chart a new management course for the troubled public school system. The Committee acknowledges the daunting challenges this undertaking presents, given that District of Columbia public school students chronically perform well below national averages in reading and mathematics, fewer than half of the core courses in District schools are taught by teachers who have earned a degree or passed competency classes in their subjects, antiquated administrative recordkeeping system falls woefully short of any reasonable standards, and school buildings throughout the city suffer from disrepair, including hazardous defects, of 10 waiting months or even years for necessary repairs. Despite decades of varied and inconsistent efforts and alternative approaches, past attempts to institute change have regrettably failed to produce the comprehensive, sustainable results required for the children of the District.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$40,800,000, which is \$1,200,000 above the fiscal year 2007 enacted level and the same as budget request. These funds are allocated as follows: \$13,000,000 for the District of Columbia Public Schools; \$13,000,000 to expand quality charter schools; and \$14,800,000 to the Secretary of Education for opportunity scholarships for low-income students in the District of Columbia, \$1,800,000 of which may be used for administrative expenses. The Committee encourages the Mayor and associated staff to consider the structure and composition of the Federal payments for school improvement into the framework of the District of Columbia Public Schools and the Mayor's policy agenda.

The Committee notes that the 5-year pilot program for opportunity scholarships for low-income students is entering its final year, and expects that evaluation reports will be timely submitted. The Committee is aware that the Government Accountability Office is currently reviewing this program. The Committee directs that within 60 days of enactment, the Secretary of Education shall report to the Committees on Appropriations on (1) the sufficiency of the staffing and accounting systems of the grantee to enable reliable reporting on program operations; (2) steps taken by the grantee to provide accurate information to parents regarding the characteristics of participating schools, including accreditation and the proportion of teachers holding at least a bachelor's degree; (3) the

extent to which the grantee is conducting regular site inspections and financial evaluations of participating schools; (4) whether the grantee maintains sufficient documentation of tuition and fees of participating schools so as to ensure that schools charge program participants and other student the same tuition and fees; and (5) how the grantee determines whether participating schools are lawfully operating in the District of Columbia, including requirements affecting the safety and health of children.

FEDERAL PAYMENT FOR CONSOLIDATED LABORATORY FACILITY

Appropriations, 2007	\$4,950,000
Budget estimate, 2008	10,000,000
House allowance	10,000,000
Committee recommendation	10,000,000

PROGRAM DESCRIPTION

The District’s forensics laboratory capacity has not kept pace with the innovations in the field and is therefore unable to meet the demands of the current workload. As a result, the District is forced to seek help from the FBI crime laboratory in Quantico, Virginia. Because the FBI has its own workload capacity, it limits the evidence it will process for the District to four pieces of forensic evidence for violent crimes. The lack of capacity and outmoded technology have led to many so-called “cold” or unsolved crime cases in the District. A new comprehensive laboratory will not only allow the District to more effectively and efficiently process crime cases, but it will be an essential element in processing evidence associated with potential bioterrorism attacks.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$10,000,000 for costs associated with the construction of a new comprehensive laboratory facility in the District of Columbia. This is \$5,050,000 above the fiscal year 2007 enacted level, and the same as the budget request. The Committee directs that this Federal payment be equally matched with local funds.

FEDERAL PAYMENT FOR CENTRAL LIBRARY AND BRANCH LOCATIONS

Appropriations, 2007	
Budget estimate, 2008	\$10,000,000
House allowance	10,000,000
Committee recommendation	10,000,000

PROGRAM DESCRIPTION

The District’s libraries are in a state of significant disrepair and are poorly equipped. The adult illiteracy rate in the District of Columbia is 37 percent. In many major metropolitan areas around the country, new libraries have revitalized many distressed neighborhoods. A Blue Ribbon Task Force of local and national experts recommended the creation of a state-of-the-art library system to add multi-lingual support, hundreds of new computers with broadband technology, and deep reference materials and children’s programs.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$10,000,000 as a Federal contribution toward the costs associated with the renovation and rehabilitation of District of Columbia libraries. This is \$10,000,000 above the fiscal year 2007 enacted level and the same as the budget request.

FEDERAL PAYMENT TO REIMBURSE THE FEDERAL BUREAU OF INVESTIGATION

Appropriations, 2007	
Budget estimate, 2008	\$5,000,000
House allowance	4,000,000
Committee recommendation	5,000,000

PROGRAM DESCRIPTION

Due to lack of capacity at its laboratory, the District of Columbia has relied on the services of the Federal Bureau of Investigations to perform evidence examination and analysis in criminal cases to help process backlogged cases and help solve cold cases.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment to the District of Columbia of \$5,000,000 to remain available until September 30, 2010 to be used to reimburse the Federal Bureau of Investigation for laboratory services for District of Columbia cases. This is \$5,000,000 above the fiscal year 2007 enacted level, and the same as the budget request. The funds shall be available for the sole purposes of paying costs incurred by the FBI for evidence examination and subsequent DNA analysis for the District of Columbia cold case DNA backlog, expansion of resources dedicated to the processing of District of Columbia cases, including an increase in personnel, after October 1, 2007, and data entry and analysis for District of Columbia cold cases.

FEDERAL PAYMENT TO THE EXECUTIVE OFFICE OF THE MAYOR OF THE DISTRICT OF COLUMBIA

Appropriations, 2007	
Budget estimate, 2008	
House allowance	
Committee recommendation	\$14,000,000

COMMITTEE RECOMMENDATION

The Committee provides \$14,000,000 as a Federal payment to the Executive Office of the Mayor of the District of Columbia to enhance the quality of life for the District's residents. The Committee intends that of this amount, \$5,000,000 shall be to enhance local efforts to improve the water quality of the Anacostia River; \$2,200,000 shall be used to support the Mayor's new public education initiative; \$1,800,000 shall be used to promote and sustain financial stability for married couples in the District; \$4,000,000 shall be used to expand pediatric healthcare services; and \$1,000,000 for historic preservation. The Committee directs the Mayor to submit a detailed spending plan, including performance measures, before these funds may be expended. The Committee re-

quests that the Mayor provide this plan within 30 days of the enactment of this act. The Committee further directs the Mayor to submit a progress report on activities conducted no later than June 1, 2008, and a final report, including a detailed description of outcomes achieved, no later than November 1, 2009.

HIGHLIGHTS OF INITIATIVES

The Committee notes the successful launch of the “Together is Better” program in the District of Columbia, a community-based effort to promote, support and stabilize marriages in low-income neighborhoods as a strategy for decreasing the incidence of single parenthood.

In fiscal year 2006, the Committee provided \$3,000,000 to initiate this effort. A key component of the program are Marriage Development Accounts [MDAs], which offer low-income married or engaged couples the opportunity to save for the purchase of a home, to start a business, or to pay for post-secondary education or job training for themselves or their children. Couples must meet income and asset requirements to qualify for an MDA. Participating couples have a high incentive to save because their contributions will be matched at a ratio of 3:1 by the Federal Government and partnering private institutions.

Using Federal funds, community-based organizations are providing participating couples with financial counseling, couples’ mentoring, couples’ counseling, and relationship training. These organizations are also reaching out to the community through a media campaign and by hosting informational events and “family fun days” in neighborhood churches, civic centers, and parks.

The Committee is pleased to highlight some of the first-year successes of the federally funded “Together is Better” program: 100 couples have participated in couples workshops; 40 couples have opened MDA accounts and are saving for appreciable assets; over 100 men have participated in fatherhood training; 850 families have participated in “Family Fun Days” in the District’s Ward 7 and Ward 8; and 125 couples renewed their vows during “Celebration of Black Marriage Day.”

The Committee is pleased that the Mayor of the District of Columbia has recognized these efforts and has provided \$400,000 in fiscal year 2007 to continue to support the “Together is Better” program.

Employment Assistance.—The Committee is impressed with the success of STRIVE–DC which provides assistance for the hard to serve in obtaining and retaining employment. The Committee urges the District of Columbia Department of Employment Services to work with STRIVE–DC to expand and replicate this model of demonstrated effectiveness in order to serve additional job seekers.

DISTRICT OF COLUMBIA LOCAL OPERATING BUDGET

The Committee recommends a total of \$9,773,775,000 for the operating expenses of the District of Columbia as contained in the fiscal year 2008 budget submitted to the Congress by the Government of the District of Columbia on June 7, 2007 including requested amendments received on June 29, 2007. Of the total, \$6,111,623,000 is from local funds, \$2,015,854,000 is from Federal

grant funds, \$1,637,736,000 is from other funds, and \$8,562,000 is from private funds. The Committee directs that any changes to the financial plan as submitted by the District must follow the re-programming guidelines.

TITLE V
INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

Appropriations, 2007	\$97,981,000
Budget estimate, 2008	116,000,000
House allowance	(1)
Committee recommendation	116,000,000

¹This account is funded in the Agriculture appropriations bill in the House of Representatives, which has not been acted on in the House.

PROGRAM DESCRIPTION

The Commodity Futures Trading Commission [CFTC] was established as an independent agency by the Commodity Futures Trading Commission Act of 1974 (88 Stat. 1389; 7 U.S.C. 4a).

The Commission administers the Commodity Exchange Act, 7 U.S.C. section 1, et seq. The 1974 Act brought under Federal regulation futures trading in all goods, articles, services, rights, and interests; commodity options trading; and leverage trading in gold and silver bullion and coins; and otherwise strengthened the regulation of the commodity futures trading industry. It established a comprehensive regulatory structure to oversee the volatile futures trading complex.

The CFTC is the sole Federal regulator responsible for overseeing the futures markets by encouraging competitiveness and efficiency, ensuring market integrity, and protecting market participants against manipulation, abusive trading practices, fraud, and other unscrupulous activities. Effective oversight by the CFTC enables the markets to better serve their designated functions of providing a price discovery mechanism and a means to offset price risk.

Programs in support of the overall mission include market surveillance analysis and research; registration, audits, and contract markets; enforcement; reparations; proceedings; legal counsel; agency direction; and administrative support services. CFTC activities are carried out in Washington, DC and in regional offices located in Chicago, New York City, and Kansas City.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$116,000,000 for the Commodity Futures Trading Commission. This is the same as the budget request, and \$18,019,000 above the fiscal year 2007 enacted level. The Committee supports the need for increased resources for the CFTC to ensure appropriate oversight of the futures markets, which are expanding steadily in volume and new users, and rapidly evolving in their complexity and diversity. The Committee recognizes that to keep pace with the industry it regulates,

the CFTC must reverse critical staffing declines in order to achieve and sustain a sufficient level of specialized expertise essential in the face of a quintupled trading volume on U.S. exchanges, the rapidly changing nature of traded products, evolving platforms on which they are traded, and the need for vigilant enforcement to preserve market integrity and protect market users. The Committee further acknowledges the need for CFTC to make mission-critical investments in technology.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriations, 2007	\$62,728,000
Budget estimate, 2008	63,250,000
House allowance	66,838,000
Committee recommendation	70,000,000

PROGRAM DESCRIPTION

The Commission is an independent regulatory agency that was established on May 14, 1973, and is responsible for protecting the public against unreasonable risks of injury from consumer products; assisting consumers to evaluate the comparative safety of consumer products; developing uniform safety standards for consumer products and minimizing conflicting State and local regulations; and promoting research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

In carrying out its mandate, the Commission establishes mandatory product safety standards, where appropriate, to reduce the unreasonable risk of injury to consumers from consumer products; helps industry develop voluntary safety standards; bans unsafe products if it finds that a safety standard is not feasible; monitors recalls of defective products; informs and educates consumers about product hazards; conducts research and develops test methods; collects and publishes injury and hazard data, and promotes uniform product regulations by governmental units.

COMMITTEE RECOMMENDATION

The Committee recommends \$70,000,000 for the Consumer Product Safety Commission, which is \$7,272,000 above the fiscal year 2007 funding level and \$6,750,000 above the budget request. The Committee provides additional funding to hire needed employees, particularly in the areas of hazard identification and reduction, and compliance and field operations, space for additional employees, and critically needed IT improvements. The Committee is aware that nearly two-thirds of all products recalled are imports and two-thirds of those are made in China. The funding increase provided will help the CPSC carry out its important mission of protecting children and families against unreasonable risk of injury and death from consumer products.

ELECTION ASSISTANCE COMMISSION
SALARIES AND EXPENSES
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2007	\$16,263,000
Budget estimate, 2008	15,467,000
House allowance	¹ 15,467,000
Committee recommendation	16,517,000

¹The House bill also provides \$300,950,000 under a separate account designated for Election Reform Programs.

PROGRAM DESCRIPTION

The Election Assistance Commission [EAC] was created by the Help America Vote Act of 2002 [HAVA]. Under HAVA, the EAC's role is to promulgate voluntary State guidelines for election systems, develop a national certification program for voting equipment, and provide related guidance. The EAC is also charged with awarding grants to improve election administration and enhancing election equipment.

COMMITTEE RECOMMENDATION

The Committee provides \$16,517,000 for EAC's administrative expenses, which is \$254,000 more than the fiscal year 2007 level and \$1,050,000 more than the budget request. The accompanying bill provides \$3,250,000 of these funds for transfer to the National Institute for Standards and Technology for technical assistance related to the development of voluntary State voting systems guidelines.

Of the additional funds provided, \$750,000 is provided for the Help America Vote Act College Program. The Committee also provides \$300,000 within the overall amount provided, for mock election programs for students in secondary education programs with oversight and competitive award by the EAC. Before funding is awarded, any grantee shall explain in detail how the mock elections are to be conducted, the number of students participating, guidelines that the program employs, internal fiscal controls used, and a statement attesting to the non-partisanship of the program.

Research Products.—The Committee directs that no Federal funds shall be used in a way that would bar the public release of final research presented to the Commission for its consideration. While the Commission may determine how to respond to research performed with Federal funds, any use of research paid for from the public funds shall be made available without substantive edits. The Commission shall review and produce its own reports without partisan influence or bias, and shall not unduly limit the rights of Federally-funded researchers to speak freely about the research following the conclusion of the contract.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

Appropriations, 2007	\$291,282,000
Budget estimate, 2008	313,000,000
House allowance	313,000,000
Committee recommendation	313,000,000

PROGRAM DESCRIPTION

The FCC is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable. The FCC is also charged with promoting the safety of life and property through wire and radio communications. The mandate of the FCC under the Communications Act is to make available to all people of the United States a rapid, efficient, nationwide, and worldwide wire and radio communication service. The FCC performs five major functions to fulfill this charge: spectrum allocation, creating rules to promote fair competition and protect consumers where required by market conditions, authorization of service, enhancing public safety and homeland security, and enforcement.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$313,000,000 for the salaries and expenses of the Federal Communications Commission [FCC], of which \$312,000,000 is to be derived from the collection of fees. The recommendation is \$21,718,000 above the fiscal year 2007 enacted level and the same as the budget request.

Broadcast Television Standards.—The Committee continues to be concerned about the declining standards of broadcast television and the impact this decline is having on America's children. Overall sexual content, foul language, and violence have greatly increased over the past decade. The Committee directs the FCC to continue to report to Congress on the issues associated with resurrecting a broadcast industry code of conduct for content of programming that, if adhered to by the broadcast industry, would protect against the further erosion of broadcasting standards.

The Committee has included language (sec. 501) to extend FCC's exemption from the Anti-deficiency Act [ADA] until December 31, 2008. The ADA contains accounting rules which would derail the operation of the FCC's universal service electronic rate program. Requiring the FCC to adhere to the ADA would result in the disruption of payments to schools and libraries for broadband services.

The Committee has included language (sec. 502) that prohibits the FCC from enacting certain recommendations regarding universal service that were made to it by the Joint Board of FCC members and State Utility Commissioners. The recommendation would limit universal support to one line. This would be harmful to small businesses, especially in rural areas, which need a second line for a fax or for other business purposes.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

Appropriations, 2007	(\$30,690,000)
Budget estimate, 2008	(26,848,000)
House allowance	(26,848,000)
Committee recommendation	(26,848,000)

PROGRAM DESCRIPTION

The FDIC Office of Inspector General conducts audits, investigations, and other reviews to assist and augment the FDIC's contribution to the stability of, and public confidence in, the Nation's financial system. A separate appropriation more effectively ensures the OIG's independence consistent with the Inspector General Act of 1978, as amended and other legislation.

COMMITTEE RECOMMENDATION

The Committee recommends \$26,848,000 for the FDIC inspector general, the same as the budget request and \$3,842,000 less than the fiscal year 2007 enacted level. Funds are to be derived by transfer from the Deposit Insurance Fund and the FSLIC resolution fund.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

Appropriations, 2007	\$54,528,000
Budget estimate, 2008	59,224,000
House allowance	59,224,000
Committee recommendation	59,224,000

PROGRAM DESCRIPTION

The Federal Election Commission [FEC] was created through the 1974 Amendments to the Federal Election Campaign Act of 1971 [FECA]. Consistent with its duty of executing our Nation's Federal campaign finance laws, and in pursuit of its mission of maintaining public faith in the integrity of the Federal campaign finance system, FEC conducts three major regulatory programs: (1) providing public disclosure of funds raised and spent to influence Federal elections; (2) enforcing compliance with restrictions on contributions and expenditures made to influence Federal elections; and (3) administering public financing of Presidential campaigns.

COMMITTEE RECOMMENDATION

The Committee recommends \$59,224,000 for the Federal Election Commission, which is the same as the budget request and \$4,696,000 more than the fiscal year 2007 enacted level.

So that the Congress may better understand the impact of the cost of political advertising on the overall escalation of the costs of House and Senate campaigns, the Government Accountability Office shall report to the Congress on the 10-year trend in the cost of House and Senate campaigns as well as the percentage of those costs that are incurred due to rising broadcast advertising rates.

The Committee instructs the Government Accountability Office to revisit and update the report entitled “Campaign Finance Reform: Early Experiences of Two States That Offer Full Public Funding” (GAO-03-453), to account for data and experiences from the last two election cycles.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

Appropriations, 2007	\$25,372,000
Budget estimate, 2008	23,718,000
House allowance	23,641,000
Committee recommendation	23,718,000

PROGRAM DESCRIPTION

The Federal Labor Relations Authority [FLRA] is an independent administrative Federal agency created by title VII of the Civil Service Reform Act of 1978 with a mission to carry out five statutory responsibilities: (1) determining the appropriateness of units for labor organization representation; (2) resolving complaints of unfair labor practices; (3) adjudicating exceptions to arbitrator’s awards; (4) adjudicating legal issues relating to duty to bargain; and (5) resolving impasses during negotiations.

The FLRA’s authority is divided by law and by delegation among a three-member authority and an Office of General Counsel, appointed by the President and subject to Senate confirmation; and the Federal Service Impasses Panel, which consists of seven part-time members appointed by the President.

In addition, the FLRA is engaged in case-related interventions and training and facilitation of labor-management partnerships and in resolving disputes. FLRA promotes labor-management cooperation by providing training and assistance to labor organizations and agencies on resolving disputes, facilitates the creation of partnerships, and trains the parties on rights and responsibilities under the Federal Labor Relations Management statute.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$23,718,000 for the Federal Labor Relations Authority. This amount is the same as the budget request and \$1,654,000 below the fiscal year 2007 enacted level.

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

Appropriations, 2007	\$211,289,000
Budget estimate, 2008	240,239,000
House allowance	247,489,000
Committee recommendation	240,239,000

PROGRAM DESCRIPTION

The Federal Trade Commission [FTC] administers a variety of Federal antitrust and consumer protection laws. Activities in the antitrust area include detection and elimination of illegal collusion, anticompetitive mergers, unlawful single-firm conduct, and inju-

rious vertical agreements. The FTC regulates advertising practices, service industry practices, marketing practices, and credit practices as it addresses fraud and other consumer concerns.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$240,239,000. The recommendation is \$28,950,000 above the fiscal year 2007 enacted level and the same as the budget request.

Of the amounts provided, \$144,600,000 is from Hart-Scott-Rodino pre-merger filing fees and \$19,000,000 is from Do-Not-Call fees. The total amount of direct appropriations for this account is therefore \$76,639,000. The Committee notes that this change reflects an increase in offsetting fee collection receipts since last year.

Do-Not-Call Initiative.—The recommendation includes \$19,000,000 for the FTC Do-Not-Call initiative and implementation of the Telemarketing Sales Rule [TSR], of which the entire amount is to be derived from the collection of fees. The Do-Not-Call initiative was launched pursuant to the FTC's amended TSR to establish a national database of telephone numbers of consumers who choose not to receive telephone solicitations from telemarketers. The Do-Not-Call initiative has received broad support from, and will provide significant benefits to, consumers from all corners of the United States.

Child Protection.—The FTC in September of 2000, released a report entitled: "Marketing Violent Entertainment to Children: A Review of Self-Regulation and Industry Practices in the Motion Picture, Music Recording & Electronic Game Industries". The report was very critical of the entertainment industry and its persistent and calculated marketing of violent games, movies, and music to children. In response to this report, the entertainment industry has promised to impose tougher regulations on itself and to voluntarily comply with the report's recommendation. The FTC should continue with, and expand upon, its efforts in this area. The Committee directs the Commission to continue to engage in consumer research and workshops, underage shopper-retail compliance surveys, and marketing data collection.

Internet.—The FTC is charged with monitoring compliance with the Children's Online Privacy Protection Act (Public Law 105-277). The recommendation provides the Commission the funding resources it needs to meet the challenges of increased fraud on the Internet. The Committee commends the FTC for recognizing the unique and difficult challenge posed by the Internet, an international phenomenon that lacks borders, to protect the safety of our children.

Childhood Obesity.—The Committee previously requested that the FTC prepare and submit a comprehensive analysis of the types and amounts of food marketing directed at children and adolescents including an analysis of commercial advertising time on television, radio, and in print media; in-store marketing; direct payments for preferential shelf placement; events; promotions on packaging; all Internet activities; and product placements in television shows, movies, and video games. While the Committee understands that this report is a significant undertaking, in the 2 years since the report was originally requested our understanding of the scope

of the problem of childhood obesity has increased dramatically. Given that nearly 25 million kids are overweight or obese, and risk having a shorter lifespan than their parents, this information is critical to making informed policy decisions addressing the connections between childhood obesity and food marketing. As a result the final report shall be submitted to the Committee no later than December 31, 2007.

Oil and Natural Gas.—The activities of the Commission include review of mergers, acquisitions and other transactions within the oil and natural gas industries, and investigation of potential anti-competitive behaviors in those industries. Given the enormous importance of these industries to the United States economy and in light of increased market concentration and rising prices in these industries, beginning on January 1, 2008, the Committee directs the Commission to issue a report every 6 months to the Committee on Appropriations on all activities the Commission has taken in the previous 6 month period with regard to the review of mergers, acquisitions and other transactions and the investigation of pricing behavior or any potential anticompetitive actions in those industries, and on the resources that the Commission has devoted to such reviews and investigations during that period.

Interchange Rates.—The Committee directs the Commission to issue a report to the Committee on Appropriations within 60 days of enactment on all activities the Commission has taken in the previous 12 month period to review the antitrust implications of the collective setting of credit and debit card interchange rates and the disclosure, or lack thereof, of the terms and provisions of interchange rate agreements by credit card associations and their member banks. The Committee also directs the Commission to issue a report to the Committee on Appropriations within 180 days of enactment of this act on the Commission's analysis of the antitrust implications of the collective setting of credit and debit card interchange rates and the disclosure, or lack thereof, of interchange rate agreements by credit card associations and their member banks to the merchants who are parties to those card usage agreements.

Office of International Affairs-Antitrust Training.—The Committee is aware of the FTC's ongoing and successful program to deploy experts to developing countries in order to assist in the establishment of regulatory, trade and antitrust agencies. Global trade and competition in the 21st century increasingly involves innovation, intellectual property, and technological change. The deployment of U.S. Government expertise to emerging foreign competitive authorities is an essential tool for the development of regulations and practices that will enable the adoption of balanced policies that promote and enable free trade. Congress established the Antitrust Modernization Commission to examine, identify, and study the worldwide modernization of antitrust laws. The Committee supports the efforts of the Commission and encourages the continuation of its competition policy programs in emerging enforcement jurisdictions.

GENERAL SERVICES ADMINISTRATION
PROGRAM DESCRIPTION

The General Services Administration [GSA] was established by the Federal Property and Administrative Services Act of 1949 when Congress mandated the consolidation of the Federal Government's real property and administrative services. GSA is organized into the Public Buildings Service, the Federal Supply Service, the Federal Technology Service, the Office of Governmentwide Policy, and the Office of Citizen Services and Communications.

COMMITTEE RECOMMENDATION

The Administrator.—The Committee is extremely troubled by the leadership of the current Administrator. The Special Counsel has determined that the Administrator violated the Hatch Act's prohibition against using the Administrator's official authority or influence for the purpose of interfering with or affecting the result of an election. These findings come on top of questionable actions the Administrator has taken in the past year with regard to procurement protocols. Furthermore, the Administrator has threatened the independence of the Inspector General by undermining the IG's ability to perform its oversight function and inappropriately interfering with the IG's budget. Moreover, the Administrator has repeatedly made statements about streamlining oversight, which could result in undermining compliance with procurement rules.

In the past year, morale has been dampened at GSA and valuable employees have departed. The actions of this Administrator, since commencing at this agency approximately 1 year ago, do not reflect well on the standards for ethics and integrity the public expects from its government.

Policy and Operations.—The Committee does not consolidate the Operating Expenses account and the Government-wide Policy account into the "Policy and Operations" account as proposed by the budget request.

GSA and the Office of the Inspector General.—The obligation of the Office of the Inspector General [OIG] is to ensure that the agency from top management down fosters respect for the facts and the law, ensures good stewardship and recognizes the need for independent scrutiny of government operations and accountability. The Committee reinforces the independence of the OIG and enumerates the following stipulations, many of which reiterate statute: (1) GSA will continue to reimburse the OIG \$5,000,000 in fiscal year 2008 for Multiple Award Schedule pre-award audits and contract performance assessments of government-wide contracts; (2) neither GSA personnel nor associated contractors, subcontractors, or private attorneys will search, read, or copy the content of emails that are to or from the OIG without permission; (3) GSA will not automatically obligate and disburse the funds appropriated for the OIG without prior OIG consent; (4) GSA will not attempt to impose any unwarranted or unexplained charges from OIG's appropriated funds; (5) all budget submissions from OIG will be transmitted by GSA without any alteration to OMB, and all comments and passbacks from OMB on such submissions will be conveyed accurately to OIG; (6) GSA will not impose any freeze on hiring in OIG

at any level, including the Senior Executive Service [SES], in order to facilitate the OIG's ability to implement the IG Act; (7) OIG shall exercise authority independent of GSA for processing the announcement and filling of all SES vacancies, including the processing of all personnel functions associated with those positions, allocated by GSA to OIG personnel functions within the IG; OIG shall retain its authorization to perform all personnel functions for non-SES positions; (8) OIG will be granted the authority to initiate, and be responsible for conducting and adjudicating the background security clearances for its own employees, and will report those findings to the appropriate entities at GSA and OPM; and (9) neither GSA personnel nor associated contractors, subcontractors, or private attorneys will attempt to impede through intimidation or obfuscation, or in any other way, thwart an audit or investigation undertaken by the OIG under the IG Act.

FEDERAL BUILDINGS FUND—LIMITATIONS ON AVAILABILITY OF
REVENUE

(INCLUDING TRANSFER OF FUNDS)

Limitation of availability of revenue:	
Limitation on availability, 2007	(\$7,555,088,000)
Limitation on availability, 2008	(8,090,918,000)
House allowance	(7,834,612,000)
Committee recommendation	(8,370,706,000)

The Federal Buildings Fund program consists of the following activities financed from rent charges:

Construction and Acquisition of Facilities.—Space is acquired through the construction or purchase of facilities and prospectus-level extensions to existing buildings. All costs directly attributable to site acquisition, construction, and the full range of design and construction services, and management and inspection of construction projects are funded under this activity.

Repairs and Alterations.—Repairs and alterations of public buildings as well as associated design and construction services are funded under this activity. Protection of the Government's investment, health and safety of building occupants, transfer of agencies from leased space, and cost effectiveness are the principal criteria used in establishing priorities. Primary consideration is given to repairs to prevent deterioration and damage to buildings, their support systems, and operating equipment. This activity also provides for conversion of existing facilities and non-prospectus extensions.

Installment Acquisition Payments.—Payments are made for liabilities incurred under purchase contract authority and lease purchase arrangements. The periodic payments cover principal, interest, and other requirements on the debt incurred for construction of Federal buildings.

Rental of Space.—Space is acquired through the leasing of buildings including space occupied by Federal agencies in U.S. Postal Service facilities, 174 million rentable square feet in fiscal year 2007, and 184 million rentable square feet in fiscal year 2008.

Building Operations.—Services are provided for Government-owned and leased facilities, including cleaning, utilities and fuel, maintenance, miscellaneous services (such as moving, evaluation of new materials and equipment, and field supervision), and general

management and administration of all real property related programs including salaries and benefits paid from the Federal Buildings Fund.

Other Programs.—When requested by Federal agencies, the Public Buildings Service provides building services, such as tenant alterations, cleaning and other operations, and protection services which are in excess of those services provided under the commercial rental charge. For presentation purposes, the balances of the Unconditional Gifts of Real, Personal, or Other Property trust fund have been combined with the Federal Buildings Fund.

CONSTRUCTION AND ACQUISITION

Limitation on availability, 2007	\$701,137,000
Limitation on availability, 2008	615,204,000
House allowance	524,540,000
Committee recommendation	894,992,000

PROGRAM DESCRIPTION

The construction and acquisition fund shall be available for site, design, construction, management, and inspection costs for the construction of new Federal facilities.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$894,992,000 for construction and acquisition, including non-prospectus projects.

CONSTRUCTION AND ACQUISITION

State	Description	Amount	Requested by
AL	Mobile, U.S. Courthouse	\$2,600,000	The Judiciary, Shelby
AL	Tuscaloosa, Federal Building	21,000,000	Shelby
AZ	San Luis, Land Port of Entry I	7,053,000	The President
CA	San Ysidro, Land Port of Entry	37,742,000	The President, Feinstein
CA	San Diego, U.S. Courthouse	80,000,000	The Judiciary
CA	San Jose, U.S. Courthouse	32,000,000	The Judiciary
DC	DHS consolidation and development of St. Elizabeths campus	318,887,000	The President
DC	St. Elizabeths West Campus Infrastructure	20,752,000	The President
DC	St. Elizabeths West Campus Site Acquisition	7,000,000	The President
GA	Savannah, U.S. Courthouse Annex	2,059,000	The Judiciary
IL	Rockford, U.S. Courthouse	58,792,000	The Judiciary, Durbin
ME	Madawaska, Land Port of Entry	17,160,000	The President
MD	Montgomery County, FDA consolidation	57,749,000	The President, Cardin, Mikulski
MO	Jefferson City, United States Courthouse	66,000,000	The Judiciary, Bond
MN	Warroad, Land Port of Entry	43,628,000	The President
NY	Alexandria Bay, Land Port of Entry	11,676,000	The President
TX	El Paso, Tronillo-Guadalupe	4,290,000	The President
TX	San Antonio, U.S. Courthouse	18,000,000	The Judiciary, Hutchison
VT	Derby Line, Land Port of Entry	33,139,000	The President, Leahy

Environmental and Energy Efficiency.—The Committee is aware of GSA's environmental and energy-efficient initiatives including use of alternative-fuel and hybrid vehicles amounting to 31 percent of the total GSA fleet; use of wind, solar and other innovative renewable energy sources in its buildings; and energy-efficient buildings that incorporate sustainable design principles resulting in less energy consumption. The Committee understands that future plans

include: working with USDA to identify opportunities to increase use of biobased products; working with the Customs and Border Protection and Federal Highway Administration to develop strategies for land ports of entry to self-generate electricity; and working to integrate power controls into IT operations. The Committee is encouraged by these efforts. The Committee provides funding for the use of photovoltaic energy in public buildings pursuant to the Energy Policy Act of 2005 (Public Law 109-58). The Committee directs GSA to report to the Committee within 120 days after enactment of this act on these and any other initiatives for the environment, energy efficiency, and conservation.

REPAIRS AND ALTERATIONS

Limitation on availability, 2007	\$618,241,000
Limitation on availability, 2008	804,483,000
House allowance	733,267,000
Committee recommendation	804,483,000

PROGRAM DESCRIPTION

Under this activity, the General Services Administration [GSA] executes its responsibility for repairs and alterations [R&A] of both Government-owned and leased facilities under the control of GSA. The primary goal of this activity is to provide commercially equivalent space to tenant agencies. Safety, quality, and operating efficiency of facilities are given primary consideration in carrying out this responsibility.

R&A workload requirements originate with scheduled onsite inspections of buildings by qualified regional engineers and building managers. The work identified through these inspections is programmed in order of priority into the Inventory Reporting Information System [IRIS] and incorporated into a 5-year plan for accomplishment, based upon funding availability, urgency, and the volume of R&A work that GSA has the capability to execute annually. Since fiscal year 1995, design and construction services activities associated with repair and alteration projects have been funded in this account.

COMMITTEE RECOMMENDATION

The Committee recommends new obligational authority of \$804,483,000 for repairs and alterations in fiscal year 2008. This amount is the same as the President's request.

REPAIRS AND ALTERATIONS

State	Description	Amount	Requested by
DC	Eisenhower Executive Office Building Phase III	\$172,279,000	The President
DC	Joint Operations Center	12,800,000	The President
DC	Nebraska Avenue Complex	27,673,000	The President
NV	Reno, C. Clifton Young Federal Building and Courthouse	12,793,000	The President
NY	Thurgood Marshall U.S. Courthouse	170,544,000	The President
WV	Martinsburg, IRS Enterprise Computing Center	35,822,000	The President

INSTALLMENT ACQUISITION PAYMENTS

Limitation on availability, 2007	\$163,999,000
Limitation on availability, 2008	155,781,000
House allowance	155,781,000
Committee recommendation	155,781,000

PROGRAM DESCRIPTION

The Public Buildings Amendments of 1972 enable GSA to enter into contractual arrangements for the construction of a backlog of approved but unfunded projects. This activity provides for the payment of interest to the Federal Financing Bank related to facilities acquired pursuant to the Public Buildings Amendments of 1972 (40 U.S.C. 592).

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$155,781,000 for installment acquisition payments, the same as the budget request and \$8,218,000 below the fiscal year 2007 funding level.

RENTAL OF SPACE

Limitation on availability, 2007	\$4,067,881,000
Limitation on availability, 2008	4,383,000,000
House allowance	4,315,534,000
Committee recommendation	4,383,000,000

PROGRAM DESCRIPTION

GSA is responsible for leasing general purpose space and land incident thereto for Federal agencies, except cases where GSA has delegated its leasing authority. GSA's policy is to lease privately owned buildings and land only when: (1) Federal space needs cannot be otherwise accommodated satisfactorily in existing Government-owned or leased space; (2) leasing proves to be more efficient than the construction or alteration of a Federal building; (3) construction or alteration is not warranted because requirements in the community are insufficient or are indefinite in scope or duration; or (4) completion of a new Federal building within a reasonable time cannot be assured.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$4,383,000,000 for rental of space. The Committee recommendation is the same as the President's budget request and \$315,119,000 above the fiscal year 2007 enacted level.

BUILDING OPERATIONS

Limitation on availability, 2007	\$2,003,830,000
Limitation on availability, 2008	2,132,450,000
House allowance	2,105,490,000
Committee recommendation	2,132,450,000

PROGRAM DESCRIPTION

This activity provides for the operation of all Government-owned facilities under the jurisdiction of GSA and building services in GSA-leased space where the terms of the lease do not require the

lessor to furnish such services. Services included in building operations are cleaning, protection, maintenance, payments for utilities and fuel, grounds maintenance, and elevator operations. Other related supporting services include various real property management and staff support activities such as space acquisition and assignment; the moving of Federal agencies as a result of space alterations in order to provide better space utilization in existing buildings; onsite inspection of building services and operations accomplished by private contractors; and various highly specialized contract administration support functions.

The space, operations, and services referred to above are furnished by GSA to its tenant agencies in return for payment of rent. Due to considerations unique to their operation, GSA also provides varying levels of above-standard services in agency headquarters facilities, including those occupied by the Executive Office of the President, such as the east and west wings of the White House.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$2,132,450,000 for building operations. This amount is the same as the President’s budget request and \$128,620,000 above the fiscal year 2007 enacted level.

Use of the Stairs.—The Committee supports the continued promotion of the use of stairs by the GSA. This program has considerable health benefits for the Government workforce and the general population at very small cost to the Government. GSA is urged to include signage outside of elevators and undertake efforts so that stair use in new construction will be increased.

Use of the Dollar Coin.—The Presidential Coin Act of 2005 (Public Law 109–145) provided for the removal of barriers to circulation of the \$1 coin. The use of the coin in general circulation will provide significant savings in the manufacture of the money supply in the long-term and lower transaction costs. The Committee directs the General Services Administration to promote the use of the dollar coin in facilities under the GSA’s control that provide change to customers including restaurants, cafeterias, stores, and vending machines.

GOVERNMENT-WIDE POLICY

SALARIES AND EXPENSES

Appropriations, 2007	\$52,346,000
Budget estimate, 2008	54,791,000
House allowance	(¹)
Committee recommendation	64,791,000

¹ House bill provides \$134,945,000 for “Policy and Operations” to include both “Government-wide Policy” and “Operating Expenses.”

PROGRAM DESCRIPTION

The Office of Government-wide Policy provides for Government-wide policy development, support, and evaluation functions associated with real and personal property, supplies, vehicles, aircraft, information technology, acquisition, transportation and travel management. This office also provides for the Federal Procurement

Data Center, Workplace Initiatives, Regulatory Information Service Center, the Catalog of Federal Domestic Assistance, and the Committee Management Secretariat. The Office of Government-wide Policy, working cooperatively with other agencies, provides the leadership needed to develop and evaluate the implementation of policies designed to achieve the most cost-effective solutions for the delivery of administrative services and sound workplace practices, while reducing regulations and empowering employees.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$64,791,000 for Government-wide Policy. This amount is \$10,000,000 above the budget request and is an increase of \$12,445,000 above the fiscal year 2007 level.

The Committee notes that the General Services Administration has awarded five providers contracts under its NETWORKX solicitation, allowing Federal departments and agencies to select their preferred provider of telecommunications services. The Committee believes that departments and agencies should carefully examine the contract vehicles and encourages GSA to work with OMB and the Office of Federal Procurement Policy to ensure that the Federal Government uses fair opportunity to secure both good value for the taxpayer and the benefits of advances in telecommunication technology.

OPERATING EXPENSES

SALARIES AND EXPENSES

Appropriations, 2007	\$83,176,000
Budget estimate, 2008	89,547,000
House allowance	(¹)
Committee recommendation	89,547,000

¹ House bill provides \$134,945,000 for "Policy and Operations" to include both "Government-wide Policy" and "Operating Expenses."

PROGRAM DESCRIPTION

Operating Expenses provides funding for Government-wide activities associated with the utilization and donation of surplus personal property; disposal of real property; telecommunications, information technology management, and related technology activities; agency-wide policy direction and management; ancillary accounting, records management, and other support services; services as authorized by 5 U.S.C. 3109; and other related operational expenses.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$89,547,000 for the Operating Expenses. This amount is the same as the budget request and \$6,371,000 above the fiscal year 2007 enacted level.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2007	\$52,621,000
Budget estimate, 2008	47,382,000
House allowance	53,382,000
Committee recommendation	52,682,000

PROGRAM DESCRIPTION

This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies within the General Services Administration [GSA], including conditions for existing or potential instances of fraud, waste and mismanagement. This 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 \$52,682,000 for the Office of Inspector General. This amount is \$5,300,000 more than the budget request and \$61,000 above the fiscal year 2007 enacted level. The fiscal year 2008 budget provides for up to \$5,000,000 in reimbursable authority for pre-award audits and surveys with the understanding that the OIG and Federal Acquisition Service will work together to pilot alternative methods for reviewing contract-related activities.

ELECTRONIC GOVERNMENT [E-GOV] FUND

Appropriations, 2007	\$2,970,000
Budget estimate, 2008	5,000,000
House allowance	2,970,000
Committee recommendation	5,000,000

PROGRAM DESCRIPTION

This program supports interagency “electronic government” or “e-gov” initiatives, i.e., projects that use the Internet or other electronic methods to provide individuals, businesses, and other government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities.

Proposals for funding must meet capital planning guidelines and include adequate documentation to demonstrate a sound business case, attention to security and privacy, and a way to measure performance against planned results. In addition, a small portion of the money could be used for awards to those project management teams that delivered the best product to meet customer needs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,000,000 for the Electronic Government Fund. This amount is \$2,030,000 more than the fiscal year 2007 enacted level and the same as the budget request.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2007	\$2,922,000
Budget estimate, 2008	2,500,000
House allowance	2,500,000
Committee recommendation	2,500,000

PROGRAM DESCRIPTION

This appropriation provides for an annual pension and compensation of office staffs and other related operating expenses for each former President pursuant to Public Law 85-745, as amended. The annual pension for the widow of former President Johnson and costs of franking privileges for the widows of former President Johnson, former President Reagan and Former President Ford are also funded in this appropriation.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,500,000 for allowances and office staff for former Presidents, \$422,000 below the fiscal year 2007 funding level and the same as the budget request. The amount provided reflects the decrease associated with the closure of former President Ford's office.

Below is listed a detailed analysis of the Committee's recommendation for fiscal year 2008 funding:

FISCAL YEAR 2008 BUDGET ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

[In thousands of dollars]

	Carter	Bush	Clinton	Widows	Total
Personnel Compensation	96	96	96	.....	288
Personnel Benefits	2	64	65	.....	131
Benefits for Former Presidents	191	191	201	20	603
Travel	2	56	50	.....	108
Rental Payments to GSA	102	175	516	.....	793
Communications, Utilities and Miscellaneous charges:					
Telephone	10	17	79	.....	106
Postage	15	13	15	14	57
Printing	5	14	14	.....	33
Other Services	83	76	65	.....	224
Supplies and Materials	5	15	26	.....	46
Equipment	7	69	35	.....	111
Total Obligations	518	786	1,162	34	2,500

FEDERAL CITIZEN INFORMATION CENTER FUND

Appropriations, 2007	\$14,874,000
Budget estimate, 2008	17,790,000
House allowance	15,798,000
Committee recommendation	17,790,000

PROGRAM DESCRIPTION

The Federal Citizen Information Center [FCIC] brings together an array of U.S. Government information and services and makes them accessible to the public. This information is made available on the Internet, via e-mail, in print, or over the telephone.

Originally established within the General Services Administration [GSA] by Executive order on October 26, 1970, to help Federal departments and agencies promote and distribute printed consumer information, FCIC has evolved and consolidated a variety of complementary functions to augment the original print and media channels through which it informed the public.

On January 28, 2000, the FCIC assumed responsibility for the operations of the Federal Information Center [FIC] program. The FIC program was established within the General Services Administration 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 the nationwide toll-free National Contact Center.

On June 30, 2002, FCIC assumed operational control of the FirstGov.gov website, the official portal of the U.S. Government, and became a critical part of GSA’s newly established Office of Citizen Services and Communications. This Office brings together all of GSA’s citizen-centered programs. The new Office serves as a central Federal gateway for citizens, businesses, other governments, and the media to easily obtain information and services from the Government. On March 31, 2003, FCIC began accepting e-mail and fax inquiries from the public through the FirstGov.gov website and responds to them at its National Contact Center. FirstGov.gov was recently renamed USA.gov.

Public Law 98–63, enacted July 30, 1983, established a revolving fund for the FCIC. 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 and contact center services, 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.

COMMITTEE RECOMMENDATION

The Committee recommends \$17,790,000 for the Federal Citizen Information Center, an increase of \$2,916,000 above the fiscal year 2007 enacted level and equal to 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.

ADMINISTRATIVE PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 510 authorizes GSA to credit accounts with certain funds received from Government corporations.

Section 511 authorizes GSA to use funds for the hire of passenger motor vehicles.

Section 512 authorizes GSA to transfer funds within the Federal buildings fund for meeting program requirements.

Section 513 limits funding for courthouse construction which does not meet certain standards of a capital improvement plan.

Section 514 provides 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 rate.

Section 515 continues the provision that permits GSA to pay small claims (up to \$250,000) made against the Government.

Section 516 prohibits the use of funds by GSA to reorganize its organizational structure except through an operating plan change.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2007	\$38,666,000
Budget estimate, 2008	40,086,000
House allowance	40,086,000
Committee recommendation	40,086,000

PROGRAM DESCRIPTION

The Merit Systems Protection Board [MSPB] was established by the Civil Service Reform Act of 1978. MSPB is an independent quasi-judicial agency manifested to protect Federal merit systems against partisan political and other prohibited personnel practices and to ensure adequate protection for employees against abuses by agency management.

MSPB assists Federal agencies in running a merit-based civil service system. This is accomplished on a case-by-case basis through hearing and deciding employee appeals, and on a systemic basis by reviewing significant actions and regulations of the Office of Personnel Management [OPM] and conducting studies of the civil service and other merit systems. The intended results of MSPB's efforts are to assure that personnel actions taken against employees are processed within the law, and that actions taken by OPM and other agencies support and enhance Federal merit principles.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$37,507,000 for the Merit Systems Protection Board. This is an increase of \$1,444,000 above the fiscal year 2007 enacted level and the same as the budget request. The Committee makes available no more than \$2,579,000 for adjudicated appeals through an appropriation from the trust fund consistent with past practice, allowing for appropriate funding for MSPB to continue as arbitrator for the additional appeals cases from the Department of Defense and the Department of Homeland Security.

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

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

Appropriations, 2007	\$1,984,000
Budget estimate, 2008	
House allowance	2,000,000
Committee recommendation	3,750,000

PROGRAM DESCRIPTION

Public Law 106-568 authorized the Morris K. Udall Foundation to establish training programs for professionals in health care policy and public policy, such as the Native Nations Institute [NNI]. NNI, based at the University of Arizona, will provide Native Americans with leadership and management training and analyze policies relevant to tribes.

The General Fund payment to the Morris K. Udall Fund is invested in Treasury securities with maturities suitable to the needs of the Fund. Interest earnings from the investments are used to carry out the activities of the Morris K. Udall Foundation. The Foundation awards scholarships, fellowships and grants, and funds activities of the Udall Center.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,750,000 for the Morris K. Udall Foundation. There was no budget request and the fiscal year 2007 amount was \$1,984,000. The Committee includes language to allow up to 60 percent of the appropriation to be used for the expenses of the Native Nations Institute.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriations, 2007	\$1,896,000
Budget estimate, 2008	750,000
House allowance	2,000,000
Committee recommendation	2,000,000

PROGRAM DESCRIPTION

The U.S. Institute for Environmental Conflict Resolution is a Federal program established by Public Law 105-156 to assist parties in resolving environmental, natural resource, and public lands conflicts. The Institute is part of the Morris K. Udall Foundation, and serves as an impartial, non-partisan institution providing professional expertise, services, and resources to all parties involved in such disputes. The Institute helps parties determine whether collaborative problem solving is appropriate for specific environmental conflicts, how and when to bring all the parties together for discussion, and whether a third-party facilitator or mediator might be helpful in assisting the parties in their efforts to reach consensus or to resolve the conflict. In addition, the Institute maintains a roster of qualified facilitators and mediators with substantial experience in environmental conflict resolution, and can help parties in selecting an appropriate neutral professional.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,000,000 for the Morris K. Udall Environmental Dispute Resolution Fund. This amount is \$104,000 above the fiscal year 2007 enacted level and \$1,250,000 above the budget request.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

The National Archives and Records Administration [NARA] is the national recordkeeper. NARA is an independent agency created by statute in 1934 to safeguard the records of all three branches of the Federal Government. NARA administers the Information Security Oversight Office [ISOO], is the publisher of the Federal Register and makes grants for historical documentation through the National Historical Publications and Records Commission [NHPRC].

OPERATING EXPENSES

Appropriations, 2007	\$279,338,000
Budget estimate, 2008	312,874,000
House allowance	315,000,000
Committee recommendation	313,911,000

PROGRAM DESCRIPTION

This account provides for basic operations dealing with management of the Federal Government's archives and records, operation of Presidential Libraries, and for the review for declassification of classified security information.

COMMITTEE RECOMMENDATION

The Committee recommends \$313,911,000 for operating expenses of the National Archives and Records Administration for fiscal year 2008. This amount is \$34,573,000 above the fiscal year 2007 funding level and \$1,037,000 above the budget request.

The Committee's recommendation includes additional funds to maintain current service levels, to support the Public Interest Declassification Board, to prepare for the new George W. Bush Presidential Library, to relocate the Southwest and Central Plains Regional Archives facilities, operate the Nixon Presidential Library, and to provide IG oversight of the ERA program.

The Committee is aware that the Abraham Lincoln Presidential Library and Museum [ALPLM] opened in April 2005. It has attracted more than 1 million visitors from around the world, the fastest attendance pace of any Presidential library. The Committee encourages NARA and the ALPLM to work together to advance the legacy of Abraham Lincoln in preparation for the 16th President's bicentennial celebration.

The Committee is aware of discussions between NARA and the Woodrow Wilson Presidential Library and encourages NARA to explore mutual benefits of a partnership with the Woodrow Wilson Presidential Library to identify, gather, sort, catalogue, and digitize materials related to the history of Woodrow Wilson.

The Committee is concerned that the Information Security Oversight Office has experienced prolonged difficulty in securing co-

operation and compliance by the Office of the Vice President with the requirements of Executive Order 12958 governing the handling of national security information. The Committee directs the ISOO to notify the Committees on Appropriations of the Senate and House of Representatives on a quarterly basis concerning efforts taken and the responses obtained to address the failure or refusal of any agencies and entities in the executive branch that come into the possession of classified information to comply with directives of the ISOO.

ELECTRONIC RECORDS ARCHIVES

Appropriations, 2007	\$45,254,000
Budget estimate, 2008	58,028,000
House allowance	58,028,000
Committee recommendation	58,028,000

PROGRAM DESCRIPTION

National Archives and Records Administration [NARA] is developing an Electronic Records Archives [ERA] that will ensure the preservation of and access to Government electronic records. With the rapid changes in technology today, the formats in which records are stored become obsolete within a few years, making records inaccessible even if they are preserved intact with the most modern technology. ERA will preserve electronic records generated in a manner that enables requesters to access them on computer systems now and in the future.

COMMITTEE RECOMMENDATION

The Committee recommends \$58,028,000 for the Electronics Records Archives project. This amount is an increase of \$12,774,000 above the fiscal year 2007 enacted level and the same as the budget request. Bill language is included requiring NARA to submit a spending plan for these funds.

The Committee strongly supports the Electronic Record Archives [ERA] program at the National Archives Records Administration. The Committee continues to emphasize the importance that amounts requested in the President's budget be adequate to meet current program requirements for the development of systems to interface with agencies, receive all documents, and conduct all necessary training programs. The Committee remains committed to working to ensure that this program is adequately funded on an expedited basis so ERA can preserve the Nation's important records at the earliest feasible date.

However, the Committee is disappointed to learn that the contractor for the ERA project has stated that it will not be able to meet the September 2007 scheduled date for delivering Initial Operating Capacity due to poor design flaws and poor management of software development processes. This functionality would allow NARA and selected agencies to enter record schedules into the system, accept electronic records from NARA's legacy systems and agencies, and verify the location of the records. It appears that only the ability to enter record schedules into the system will meet the September 2007 deadline. The Committee is further concerned to learn that the cost overrun has now grown to about \$1,000,000.

The Committee does not expect this delay to affect the ability to take in and manage the electronic records from the White House in 2009 and urges the contractor and NARA to redouble efforts to get this project back on track in order to meet the 2009 deadline. The Committee is appreciative of GAO's involvement in this project. The Committee directs NARA to work expeditiously with the contractor and, within 45 days of enactment, agree on an action plan for moving forward on the ERA acquisition. This plan should address management and implementation weaknesses in the project to date; recognize the need for delivery of a usable component of the system at the initial operating capability milestone; and minimize the cost impact on the government.

REPAIRS AND RESTORATION

Appropriations, 2007	\$9,120,000
Budget estimate, 2008	8,663,000
House allowance	16,095,000
Committee recommendation	25,173,000

PROGRAM DESCRIPTION

This account provides for the repair, alteration, and improvement of Archives facilities and Presidential libraries nationwide, and provides adequate storage for holdings. It will better enable NARA to maintain its facilities in proper condition for public visitors, researchers, and NARA employees, and also maintain the structural integrity of the buildings.

COMMITTEE RECOMMENDATION

The Committee recommends \$25,173,000 for the repairs and restoration account. This amount is \$16,053,000 above the fiscal year 2007 enacted level and \$16,510,000 above the budget request.

The Committee provides \$9,663,000 for ongoing repairs and restoration and recommends specific funding to be distributed as follows:

	Committee recommendation	Requested by
LBJ Presidential Library	\$3,760,000	Hutchison
FDR Presidential Library	750,000	Clinton, Schumer, Reid
JFK Presidential Library	8,000,000	Kerry
Nixon Presidential Library	1,000,000	Cochran
Anchorage Regional Archives and Records Center	2,000,000	Stevens

The Committee has prioritized funding under this account with input from NARA's capital improvement plan and projects already underway. Therefore, the Committee has included \$3,760,000 to complete renovations for the Lyndon Baines Johnson [LBJ] Presidential Library, \$8,000,000 for land acquisition and site preparation for the JFK Presidential Library, \$750,000 to complete design of the FDR Presidential Library, \$1,000,000 for the expansion of the Richard Nixon Presidential Library and \$2,000,000 for the Anchorage Regional Archives and Records Center. The Committee looks forward to seeing resources dedicated for the remainder of the funding needed for the Nixon Library in the fiscal year 2009 budget request. The Committee directs NARA to update its com-

prehensive capital needs assessment for its entire infrastructure of Presidential libraries and records facilities, as part of its fiscal year 2009 budget submission and urges that an appropriate level of funding for these facilities be included in the fiscal year 2009 budget submission and urges that an appropriate level of funding be included in the fiscal year 2009 budget submission.

The Committee recognizes the need for a new, built-to-suit, archives facility to replace rented space currently housing the National Archives and Records Administration—Pacific Region facility in Laguna Niguel, California. The Committee understands that the Orange County Great Park has offered a parcel of land to NARA in the planned museum district on the former El Toro Marine Corps Air Station for a new facility, to encompass the regional archives as well as exhibit space and public vaults. The Committee encourages NARA to continue discussions with the Great Park Corporation Board and looks forward to seeing resources dedicated for this purpose in the fiscal year 2009 budget.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

Appropriations, 2007	\$7,425,000
Budget estimate, 2008	
House allowance	10,000,000
Committee recommendation	10,000,000

PROGRAM DESCRIPTION

The National Historical Publications and Records Commission [NHPRC] provides grants nationwide to preserve and publish records that document American history. Administered within the National Archives, which preserves Federal records, 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 \$10,000,000 for the National Historical Publications and Records Commission [NHPRC]. This amount is \$2,575,000 above the fiscal year 2007 enacted level and \$10,000,000 above the budget request.

The Committee strongly supports the NHPRC program and has provided funding to continue this important program. This program has played a central role in the preservation and dissemination of the Nation’s documentary heritage. Further, the program has been successful in leveraging private sector contributions.

ADMINISTRATIVE PROVISION

The Committee includes an administrative provision directing NARA to include in its fiscal year 2009 budget justifications a comprehensive capital needs assessment for its entire infrastructure of presidential libraries and records facilities. Funding should be included in the fiscal year 2009 budget to address the highest priorities, including projects already underway.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

	Direct loan limitation	Administrative expenses
Appropriations, 2007	\$1,500,000,000	\$323,000
Budget estimate, 2008	1,500,000,000	329,000
House allowance	1,500,000,000	329,000
Committee recommendation	1,500,000,000	329,000

PROGRAM DESCRIPTION

The National Credit Union Administration [NCUA] Central Liquidity Facility [CLF] was created by the National Credit Union Central Liquidity Facility Act (Public Law 95-630). The CLF is a mixed-ownership Government corporation managed by the National Credit Union Administration Board and owned by its member credit unions.

The purpose of the CLF is to improve the general financial stability of credit unions by meeting their seasonal and emergency liquidity needs and thereby encourage savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. To become eligible for CLF services, credit unions invest in the capital stock of the CLF, and the facility uses the proceeds of such investments and the proceeds of borrowed funds to meet the liquidity needs of credit unions. The primary sources of funds for the CLF are stock subscriptions from credit unions and borrowings.

The CLF may borrow funds from any source, with the amount of borrowing limited to 12 times the amount of subscribed capital stock and surplus.

Loans are available to meet short-term requirements for funds attributable to emergency outflows from managerial difficulties or local economic downturns. Seasonal credit is also provided to accommodate fluctuations caused by cyclical changes in such areas as agriculture, education, and retail business. Loans can also be made to offset protracted credit problems caused by factors such as regional economic decline.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of limiting administrative expenses for the Central Liquidity Fund [CLF] to \$329,000 in fiscal year 2008. The Committee recommends a limitation of \$1,500,000,000 for the principal amount of new direct loans to member credit unions. These amounts are the same as the budget request.

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

Appropriations, 2007	\$941,000
Budget estimate, 2008	950,000
House allowance	1,000,000
Committee recommendation	950,000

PROGRAM DESCRIPTION

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 5 years, although shorter repayment periods may be considered. Technical assistance grants [TAGs] are also available to low-income credit unions. Until fiscal year 2001, only earnings generated from the CDRLF were available to fund TAGs. Grants are available for improving operations as well as addressing safety and soundness issues. In fiscal year 2004, NCUA designated funds for specific programs, including taxpayer assistance, financial education, home ownership initiatives, remittance services, individual development accounts [IDAs], and training assistance.

COMMITTEE RECOMMENDATION

The Committee recommends \$950,000 for technical assistance grants to community development credit unions. This funding level is equal to the budget request and is \$9,000 more than the 2007 enacted level. 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.

The Committee supports NCUA’s outreach efforts to underserved rural and urban communities across America through technical assistance grants provided within CDRLF. The Committee encourages NCUA to continue their efforts in providing an alternative to predatory lending services through their targeted technical assistance grants and support.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

Appropriations, 2007	\$11,115,000
Budget estimate, 2008	11,750,000
House allowance	11,750,000
Committee recommendation	11,750,000

PROGRAM DESCRIPTION

The Office of Government Ethics [OGE], a separate agency within the executive branch, was established by the Ethics in Government Act of 1978. OGE is charged by law to provide overall direction of executive branch policies designed to prevent conflicts of interest and ensure high ethical standards. OGE carries out these responsibilities by developing regulations pertaining to conflicts of interest, postemployment restrictions, standards of conduct, and public and confidential financial disclosure in the executive branch; by monitoring compliance with financial disclosure requirements by recommending appropriate corrective action when necessary; by evaluating the effectiveness of applicable laws; and by preparing advisory opinions and policy memoranda interpreting requirements regarding conflicts of interest, post employment restrictions, standards of conduct, and financial disclosure.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$11,750,000 for salaries and expenses of the Office of Government Ethics in fiscal year 2008. This amount is the same as the budget request and \$635,000 above the fiscal year 2007 level. The Committee encourages OGE to alert the Committee to emerging needs resulting from enactment of any new legislation affecting ethics obligations of executive branch officials and employees, as well as initiatives undertaken to fulfill OGE’s critical role in Presidential transition issues, including education on post-employment restrictions for outgoing officials and processing the expected surge of public financial disclosure reports of incoming officials.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Appropriations, 2007	\$111,605,000
Budget estimate, 2008	101,765,000
House allowance	101,765,000
Committee recommendation	101,765,000

PROGRAM DESCRIPTION

The Office of Personnel Management [OPM] was established by Public Law 95–454, the Civil Service Reform Act of 1978, enacted on October 13, 1978. In that act, the Office of Personnel Management was established in section 1101 of title 5, United States Code. Subsequent sections of chapter 11 provide for the principal officials of the agency and the functions of the Director, which are really the functions of the Agency, as well as providing for the delegation of authority for personnel management from the President and, subsequently, by the Director.

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 on issues such as veterans preference. OPM oversees examining of applicants for employment, issues regulations and policies on hiring, classification and pay, training, investigations, 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 the salaries and expenses of the Office of Personnel Management, which is \$9,840,000 less than the fiscal year 2007 level and the same as the 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 is concerned with the Office of Personnel Management's approach to human resources products and services. Federal agencies need to have the flexibility to contract as they see fit, including contracting with the private sector to provide online employment applications and processing services, as well as choice in selecting service providers and human resource systems. While the Committee understands the need for standards in public and private human resources contracts, the Committee expects OPM to allow Federal agencies to have choices in such decisions. The Committee directs OPM to report to the Committee no later than 120 days after enactment of this act, on its human resources products and services, including actions taken in response to these concerns, and indicating which products and services OPM has identified as not reasonably available from private sector providers. Furthermore, the Committee directs the Office of Management and Budget to report no later than 120 days after enactment of this act, on how the human resources products and services that OPM provides to Federal agencies meet established standards, and on the demonstrable steps OPM has taken to avoid any potential conflicts between OPM's role as a human resources IT products and services provider and its role as the designated lead agency of the Human Resources Line of Business.

Child Care.—The Committee directs OPM to work with and through the Chief Human Capital Officers Council to: (1) encourage agencies to review their agency-specific results of OPM's dependent care survey and assess their unique current and future dependent care needs; (2) identify agencies that need guidance and assistance with a review of their agency-specific survey results and assessment of their unique dependent care needs. When assessing whether current Federal dependent care programs meet the needs of their employees, agencies should consider conditions and circumstances unique to their agency and employees, such as the age and income of their workforce and geographic distribution of employees; (3) encourage agencies and assist them with a review of the workplace flexibilities they offer and a determination of whether such flexibilities best balance the needs of employees with agency mission requirements. The agencies should also determine whether opportunities exist to use flexible work options to address any recruitment and retention challenges; and (4) use the dependent care survey results to determine the most effective ways to inform and educate agencies and employees about Federal dependent care programs that are available and ensure agencies are using these methods.

FPRAC.—The Committee has been concerned with the lengthy delay by the Office of Personnel Management in appointing a Chair to the Federal Prevailing Rate Advisory Committee [FPRAC]. This vacancy has left the FPRAC unable to make decisions affecting the Federal Wage System [FWS], which is harming hard-working blue collar Federal workers. In particular, the Committee is aware that FPRAC has failed to consider the merging of the Narragansett Bay wage area with the Boston wage area, which was originally placed on the FPRAC's agenda on May 20, 2004. Federal employees within

the Narragansett Bay wage area, who are paid under one of the lowest FWS pay scales while residing in an area with one of the highest costs of living, have waited 3 years for the FPRAC to address their concerns. Disparities between Narragansett Bay area wages and those in proximate wage areas raise questions about the equity of the Federal wage pay scales in the region. The Committee directs that the immediate order of business of the FPRAC shall be to address the Narragansett Bay wage area.

Retirement System Modernization.—The Committee supports the Retirement Systems Modernization project, an effort initiated in 1997 to automate and streamline the manual and paper-intensive business processes used to administer the Federal employee retirement program. With 60 percent of the Federal workforce eligible for retirement within 10 years, it is crucial that there is an efficient and effective system in place for current and future retirees. The Committee understands that the project will be phased in five waves due to the volume of retirement records. The RSM project is entering a stage where management, integration, evaluation, and testing are of critical importance due to the February 2008 date of commencing operation. The Committee encourages OPM to continue to work cooperatively with GAO to minimize potential risks and project delays.

LIMITATION

(TRANSFER OF TRUST FUNDS)

Limitation, 2007	\$112,546,000
Budget estimate, 2008	111,936,000
House allowance	123,401,000
Committee recommendation	124,401,000

PROGRAM DESCRIPTION

These funds will be transferred from the appropriate trust funds of the Office of Personnel Management to cover administrative expenses for the retirement and insurance programs, including the cost of automating the retirement recording systems.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$124,401,000, which is \$11,855,000 over the fiscal year 2007 level and \$12,465,000 more than the budget request. The amount includes \$27,465,000 for retirement systems modernization, an increase of \$12,465,000 over the request.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2007	\$2,061,000
Budget estimate, 2008	1,519,000
House allowance	1,519,000
Committee recommendation	1,519,000

PROGRAM DESCRIPTION

The Office of Inspector General is charged with establishing policies for conducting and coordinating efforts which promote econ-

omy, efficiency, and integrity in the Office of Personnel Management’s activities which prevent and detect fraud, waste, and mismanagement in the agency’s programs. 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 agency 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. Administrative sanctions debar from participation in the health insurance program those health care providers whose conduct may pose a threat to the financial integrity of the program itself or to the well-being of insurance program enrollees.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,519,000 for salaries and expenses of the Office of Inspector General in fiscal year 2008. This amount is \$542,000 less than the fiscal year 2007 enacted level and the same as the budget request.

(LIMITATION ON TRANSFER FROM TRUST FUNDS)

Limitation, 2007	\$16,278,000
Budget estimate, 2008	16,481,000
House allowance	16,981,000
Committee recommendation	17,081,000

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on transfers from the trust funds in support of the Office of Inspector General activities totaling \$17,081,000 for fiscal year 2008. This amount is \$803,000 more than the fiscal year 2007 enacted level, and \$600,000 above the budget request. The increased funds will help restore the OIG’s budget to previous levels.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriations, 2007	\$8,780,260,000
Budget estimate, 2008	8,884,000,000
House allowance	8,884,000,000
Committee recommendation	8,884,000,000

PROGRAM DESCRIPTION

This appropriation covers the Government’s share of the cost of health insurance for annuitants covered by the Federal Employees Health Benefits Program and the Retired Federal Employees Health Benefits Act of 1960, as well as administrative expenses incurred by OPM for these programs.

COMMITTEE RECOMMENDATION

The Committee recommends a mandatory appropriation of \$8,884,000,000 for Government payments for annuitants, employees health benefits.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE
INSURANCE

Appropriations, 2007	\$39,000,000
Budget estimate, 2008	41,000,000
House allowance	41,000,000
Committee recommendation	41,000,000

PROGRAM DESCRIPTION

Public Law 96-427, the Federal Employees' Group Life Insurance Act of 1980 requires that all employees under the age of 65 who separate from the Federal Government for purposes of retirement on or after January 1, 1990, continue to make contributions toward their basic life insurance coverage after retirement until they reach the age of 65. These retirees will contribute two-thirds of the cost of the basic life insurance premium, identical to the amount contributed by active Federal employees for basic life insurance coverage. As with the active Federal employees, the Government is required to contribute one-third of the cost of the premium for retirees' basic coverage. OPM, acting as the payroll office on behalf of Federal retirees, has requested, and the Committee has provided, the funding necessary to make the required Government contribution associated with annuitants' post-retirement life insurance coverage.

COMMITTEE RECOMMENDATION

The Committee recommends a mandatory appropriation of \$41,000,000 for the Government payment for annuitants, employee life insurance.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriations, 2007	\$10,532,000,000
Budget estimate, 2008	11,941,000,000
House allowance	11,941,000,000
Committee recommendation	11,941,000,000

PROGRAM DESCRIPTION

The civil service retirement and disability fund was established in 1920 to administer the financing and payment of annuities to retired Federal employees and their survivors. The fund covers the operation of the Civil Service Retirement System and the Federal Employees' Retirement System.

This appropriation provides for the Government's share of retirement costs, transfers of interest on the unfunded liability and annuity disbursements attributable to military service, and survivor annuities to eligible former spouses of some annuitants who did not elect survivor coverage.

COMMITTEE RECOMMENDATION

The Committee recommends a mandatory appropriation of \$11,941,000,000 for payment to the civil service retirement and disability fund.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

Appropriations, 2007	\$15,524,000
Budget estimate, 2008	16,368,000
House allowance	16,368,000
Committee recommendation	16,368,000

PROGRAM DESCRIPTION

The U.S. Office of Special Counsel [OSC] was first established on January 1, 1979. From 1979 until 1989, it operated as an autonomous investigative and prosecutorial arm of the Merit Systems Protection Board (the Board). In 1989, Congress enacted the Whistleblower Protection Act, which made OSC an independent agency within the executive branch. In 1994, the Uniformed Services Employment and Reemployment Rights Act became law. It defined employment-related rights of persons in connection with military service, prohibited discrimination against them because of that service, and gave OSC new authority to pursue remedies for violations by Federal agencies.

OSC investigates Federal employee allegations of prohibited personnel practices with an emphasis on protecting Federal Government whistleblowers, and, when appropriate, prosecutes cases before the Merit Systems Protection Board and enforces the Hatch Act. OSC also provides a channel for whistleblowing by Federal employees, and may transmit allegations of reprisal to whistleblowing to the agency head concerned and require an agency investigation and a report to Congress and the President when appropriate.

COMMITTEE RECOMMENDATION

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

The Committee is encouraged by OSC's sustained effort to reduce a chronic backlog of cases and expedite case processing. However, the Committee strongly urges the OSC to work with whistleblower advocacy organizations to promote the highest level of confidence in the Whistleblower Protection Act and the OSC. The Committee acknowledges that OSC continues to experience growth in its caseload, as a result of heightened awareness of the Hatch Act stemming from media focus on several high-profile cases, a more vigorous focus on complaints under the Uniformed Services Employment and Reemployment Rights Act, and actions under the Whistleblower Protection Act. The Committee urges the OSC to evaluate the need for additional resources to handle recently initiated investigations, and if additional funds are necessary to conduct these in-

vestigations, pursue with the Office of Management and Budget a budget amendment to formally request the funds.

The Committee further directs OSC to communicate with the Committee 45 days in advance of any organizational change, if such a change would cause the geographic staffing numbers to vary above or below the following levels: Office of Special Counsel headquarters: 70 to 75 FTEs, the Midwest field office: 6 to 8 FTEs, the Dallas field office: 9 to 11 FTEs, the Oakland field office: 8 to 10 FTEs, and the District of Columbia field office: 9 to 12 FTEs. Thus the total number of FTEs for the Office of Special Counsel should not be below 102 or above 116.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

Appropriations, 2007	\$892,560,000
Budget estimate, 2008	905,330,000
House allowance	908,442,000
Committee recommendation	905,330,000

PROGRAM DESCRIPTION

The Securities and Exchange Commission [SEC] is an independent agency responsible for administering many of the Nation's laws regulating the areas of securities and finance.

The mission of the SEC is to administer and enforce Federal securities laws in order to protect investors and to maintain fair, honest, and efficient markets. This includes ensuring full disclosure of financial information, regulating the Nation's securities markets, and preventing and policing fraud and malpractice in the securities and financial markets. The strength of the American economy and our Nation's financial markets is dependent upon investors' confidence in the financial disclosures and statements released by publicly traded companies.

The Committee is concerned that American investors may be unwittingly investing in companies with ties to countries that sponsor terrorism or are linked to human rights violations. The Committee believes that a company's association with sponsors of terrorism and human rights abuses, no matter how large or small, can have a materially adverse result on a public company's operations, financial condition, earnings, and stock prices, all of which can negatively affect the value of an investment. In order to protect American investors' savings and to disclose these business relationships to investors, an Office of Global Security Risk was established within the Division of Corporation Finance. The Committee expects the work of the Office to remain a high priority during fiscal year 2008 and directs the SEC to continue to submit quarterly reports on its activities.

The Committee expects the SEC to implement key controls to effectively safeguard the confidentiality, integrity, and availability of its financial and sensitive information and systems.

The Committee encourages the SEC to continue its efforts to improve the timeliness of disbursement of funds to investors victimized by securities fraud, including the establishment of a specialized office devoted to ensuring that funds are promptly disbursed

and installation of a new computer system to simplify the tracking, collection, and distribution of assessed penalties.

The Committee also urges the SEC to pursue plans to simplify information and improve electronic access to investment information through interactive data systems.

COMMITTEE RECOMMENDATION

The Committee recommends a total budget (obligational) authority of \$905,330,000 for the salaries and expenses of the SEC, including \$863,933,000 from new fee collections and \$41,397,000 from prior year balances. This total funding level is the same as the budget request and \$12,770,000 above the fiscal year 2007 enacted level.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Appropriations, 2007	\$24,850,000
Budget estimate, 2008	22,000,000
House allowance	22,000,000
Committee recommendation	22,000,000

PROGRAM DESCRIPTION

The Selective Service System [SSS] is an independent Federal agency, operating with permanent authorization under the Military Selective Service Act (50 U.S.C. App. 451 et seq.). The agency is not part of the Department of Defense [DOD], but its basic mission 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. However, the Selective Service System remains the primary vehicle by which personnel will be brought into the military if Congress and the President should authorize a return to the draft.

In December 1987, Selective Service was tasked by law (Public Law 100-180, sec. 715) to develop plans for a post-mobilization health care personnel delivery system capable of providing the necessary critically skilled healthcare personnel to the Armed Forces in time of emergency. An automated system capable of handling mass registration and inductions is now complete, together with necessary draft legislation, a draft Presidential proclamation, prototype forms and letters, and other products. These products will be available should the need arise. The development of supplemental standby products, such as a compliance system for health care personnel, continues using very limited existing resources.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$22,000,000 for the Selective Service System. This amount is the same as the budget request and \$2,850,000 below the fiscal year 2007 enacted level. The Committee encourages the system to continue the development of its Central Registrant Processing Portal Initiative, and to improve the cost effectiveness of the registration process by con-

tinuing to increase the percentage of electronic and automatic registrations.

SMALL BUSINESS ADMINISTRATION

Appropriations, 2007	\$571,927,000
Budget estimate, 2008	463,517,000
House allowance	582,497,000
Committee recommendation	567,517,000

The Committee recommendation provides \$567,517,000 for the Small Business Administration [SBA]. The recommendation is \$4,410,000 below the fiscal year 2007 enacted level and \$104,000,000 over the budget request. Funding is distributed among the SBA appropriation accounts as described below.

SALARIES AND EXPENSES

Appropriations, 2007	\$327,592,000
Budget estimate, 2008	310,103,000
House allowance	346,553,000
Committee recommendation	412,103,000

The Committee recommendation provides \$412,103,000. The recommendation is \$84,511,000 above the fiscal year 2007 enacted level and \$102,000,000 above the budget request.

Within the amounts made available under this heading, the Committee recommends grants for the following organizations and programs:

State	Description	Amount	Requested by
AL	Mitchell College of Business, Business Library and Career Resource Center.	\$300,000	Shelby
AL	Alabama Entrepreneurial Research Network, Small Business Incubator, Tuscaloosa, AL.	300,000	Shelby
AL	Alabama Small Business Institute of Commerce, Small Business Incubator, Rainbow City, AL.	250,000	Shelby
AL	Shoals Entrepreneurial Career Network Renovation, Small Business Incubator, Florence, AL.	225,000	Shelby
AL	Alabama A&M Research Institute for Small Business Training and Development.	225,000	Shelby
AR	University of Arkansas Research and Technology Park	500,000	Lincoln; Pryor
CA	Grow Inglewood small business loan program, Inglewood, CA	500,000	Feinstein
CO	Colorado State University Sustainable Biofuels Development Center ..	350,000	Salazar
CT	Women's Business Development Center, Stamford, CT	300,000	Lieberman
DE	First State Innovation, Inc. for business development organization focused on high tech businesses, Wilmington, DE.	500,000	Biden; Carper
FL	Florida Business Continuity and Risk Management Center, Pensacola, FL.	500,000	Bill Nelson
IL	Franklin Hospital archiving and communications system, Benton, IL ..	400,000	Durbin
IL	Business incubator, Illinois State University	250,000	Durbin
IL	Illinois Department of Commerce and Economic Opportunity for state-wide broadband infrastructure and connectivity, Springfield, IL.	1,500,000	Durbin
IL	Safer Foundation for transitional employment placement, Chicago, IL.	300,000	Durbin
IL	Uhlich Children's Advantage Network for job training, placement and retention services, Chicago, IL.	250,000	Durbin
IL	First responder education initiative, Benedictine University, Lisle, IL ...	750,000	Obama
IL	Federation of Independent Illinois Colleges and Universities for training to address workforce shortage in nursing and allied health, Springfield, IL.	250,000	Obama
IN	Indiana State University, City of Terre Haute, and the Rose Hulman Institute of Technology for business incubator, Terre Haute, IN.	500,000	Bayh
IA	Entrepreneurial Development Center business accelerator, Cedar Rapids, IA.	500,000	Harkin

State	Description	Amount	Requested by
IA	Student Business Incubator at the University of Northern Iowa, Cedar Falls, IA.	500,000	Grassley
KS	Community Child Care Facility for the facilitation of Daycare needs of small businesses in the area, Manhattan, KS.	500,000	Roberts
KS	Technical Education and Training Center, Sedgwick County, KS	1,000,000	Brownback
KS	South Topeka Boulevard Business Corridor for infrastructure upgrades, Topeka, KS.	1,000,000	Brownback
KS	Equipment for Pharmaceutical Small Business Development at the University of Kansas.	750,000	Brownback
KS	Technology Entrepreneurship Development at the Kansas Technology Enterprise Corporation, Topeka, KS.	400,000	Brownback
KY	University of Kentucky/New Product Development and Commercialization Center for Rural Manufacturers.	1,000,000	McConnell
LA	Women's Business Resource Center, New Orleans, LA	45,000	Landrieu
LA	Northeast Louisiana Business and Community Development Center, University of Louisiana at Monroe.	250,000	Landrieu
LA	Grambling State University Expanding Minority Entrepreneurship Regionally Across the Louisiana Delta [EMERALD] Program (Lincoln Parish).	250,000	Landrieu
LA	Maritime Business Training Center for Construction of a Training Facility, Covington, LA.	150,000	Vitter
LA	Southeastern Louisiana University Hispanic Business and Leadership Institute, Hammond, LA.	100,000	Vitter
MD	Small business trade assistance office, Prince George's County, MD ..	350,000	Cardin
MA	Tribal Governance and Economic Development Center, Mashpee, MA ..	350,000	Kennedy; Kerry
MI	Economic Development Coalition of Southeast Michigan for business accelerator, Wayne County, MI.	300,000	Levin; Stabenow
MS	Pontotoc/Union/Lee County Alliance for industrial park development and small business assistance.	1,500,000	Cochran
MS	Mississippi Technology Alliance Center for Innovation and Entrepreneurial Alliances.	1,000,000	Cochran
MS	Industrial Outreach Center at Mississippi State University	500,000	Cochran
MS	Innovation Center at the University of Mississippi for a business incubator.	500,000	Cochran
MS	Jackson State University for continuation of the Lynch Street Corridor Redevelopment.	500,000	Cochran
MS	University of Southern Mississippi National Center for Excellence in Economic Development and Entrepreneurship.	500,000	Lott
MO	Hispanic Chamber of Commerce of Metropolitan St. Louis to open and equip a business technology research center.	500,000	Bond
MO	University of Missouri for an Asian Equities Research Center, Kansas City, MO.	750,000	Bond
MT	Technology Venture Center at Montana State University for statewide outreach for job creation, Bozeman, MT.	500,000	Baucus; Tester
NE	Center for Rural Affairs for small business training and technical assistance website, Lyons, NE.	250,000	Ben Nelson
NV	Hispanic business and demographic information initiative, University of Nevada, Reno.	400,000	Reid
NV	Center for Entrepreneurship and Technology, Reno, NV	200,000	Reid
NJ	New Jersey Association of Women Business Owners for women's business growth initiative, Hamilton, NJ.	150,000	Lautenberg
NJ	Rowan University South Jersey Technology Park, Glassboro, NJ	250,000	Lautenberg
NJ	Cedarbridge small business incubator, Lakewood, NJ	300,000	Menendez
NM	Deployment of broadband technology, Sandoval County, NM	500,000	Bingaman
NM	Arrowhead Center at New Mexico State University	1,250,000	Domenici
NM	Adelante's ACCENT School-to-Work Transition Program, Albuquerque, NM.	500,000	Domenici
NY	Northern Manhattan Coalition for Economic Development for business outreach center, New York, NY.	275,000	Schumer; Clinton
NY	City of Buffalo for microloan program for small business, Buffalo, NY.	500,000	Clinton; Schumer
NC	University of North Carolina for the expansion of the Morehead Destiny Project.	100,000	Burr
ND	Great Plains Energy Corridor Coordinating Office, Bismarck, ND	250,000	Dorgan; Conrad
ND	Nanotechnology and Applied Science Laboratory, North Dakota State College of Science.	150,000	Dorgan; Conrad

State	Description	Amount	Requested by
OR	Portland State University for a science research and teaching center.	500,000	Wyden
PA	Altoona-Blair County Development Corporation's Entrepreneurial Institute, Altoona, PA.	300,000	Specter
RI	Newport County Chamber of Commerce for marine trades training expansion, Newport, RI.	500,000	Reed; Whitehouse
SD	The N2TEC Institute for a rural technology-based economic development program, Rapid City, SD.	330,000	Johnson
TN	Pellissippi Research Centre on the Oak Ridge Corridor R&D Community, Alcoa, TN.	250,000	Alexander
TN	Center for Entrepreneurial Growth, Hamilton County, TN	250,000	Alexander
UT	GAMBIT/FAST Manufacturing & Business Technology Center, Salt Lake City, UT.	500,000	Bennett
VT	Vermont Small Business Development Center for veterans' business program, Randolph Center, VT.	300,000	Sanders
VT	Vermont Center for Emerging Technologies for a small business incubator, Burlington, VT.	750,000	Leahy
VA	Virginia Center for Innovative Technology energy independence program, Herndon, VA.	225,000	Webb; Warner
VA	Virginia Small Business Workforce Web Portal Project, Richmond, VA.	600,000	Warner; Webb
WA	Northwest Agriculture Business Center, Burlington, WA	400,000	Murray
WA	Seattle—King County Workforce Development Council for Puget Sound regional economic development initiative.	125,000	Murray
WA	Small business development center at Highline Community College, Des Moines, WA.	300,000	Cantwell
WV	Haddad Riverfront Park renovations, Charleston, WV	2,000,000	Byrd
WV	Wheeling Park Commission for a conference center at National Training Center for Public Facility Managers, Wheeling, WV.	1,000,000	Byrd
WI	Northwest Enterprise Center Network for business incubators, Spooner, WI.	750,000	Kohl

NON-CREDIT BUSINESS ASSISTANCE PROGRAMS

The Committee recommendation provides \$144,826,000 for the SBA non-credit business assistance programs. The recommendation is \$38,400,000 above the budget request.

The Committee recommendations, by program are displayed in the following table:

NON-CREDIT BUSINESS ASSISTANCE PROGRAMS

[In thousands of dollars]

	Committee recommendation
Small Business Development Centers	97,120
Drug-free Workplace Grants	990
SCORE	4,950
Women's Business Centers	16,880
Women's Council	743
Microloan Technical Assistance	15,000
Veteran's Business Development Assistance	743
PRIME	3,000
Native American Outreach	1,000
7(j) Technical Assistance	2,300
HUBZone	2,100
Total, Non-credit Business Assistance Program	144,826

The Committee continues to support the Small Business Development Center Program.

The Committee directs the SBA to designate a full-time international finance specialist in the SBA Office of International Trade to be located in the New Orleans U.S. Export Assistance Center. The Committee is concerned that the international finance specialists that serve the gulf are located in other parts of the country and that this particular post has been vacant since early 2003. Assigning a specialist to be located in the region will encourage exporting in the gulf coast and assist local businesses with their economic recovery efforts following Hurricanes Rita and Katrina.

The Committee commends the SBA on its ongoing efforts to improve the agency's disaster planning and response for future disasters. To ensure that the SBA is better prepared and more responsive to disaster victims during this hurricane season, the Committee directs the SBA, not later than 3 months after the date of enactment of this act, to submit a report to the Committee on Appropriations of the Senate and the Committee on Small Business and Entrepreneurship of the Senate detailing how the SBA can improve the processing, approval, and disbursing of SBA disaster loans. The report should outline legislative changes, if any, to implement findings of the SBA Accelerated Disaster Response Initiative and also detail methods, if any, for the SBA to expedite loss verification and loan processing of disaster loans for businesses which are a major source of employment in an area or are vital to recovery efforts in the area such as debris removal services, manufactured housing, or building materials.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2007	\$13,835,000
Budget estimate, 2008	15,000,000
House allowance	15,000,000
Committee recommendation	15,000,000

The Committee recommendation provides \$15,000,000 for the Office of Inspector General. The recommendation is \$1,165,000 above the fiscal year 2007 enacted level and the same as the budget request.

SURETY BOND GUARANTEES REVOLVING FUND

Appropriations, 2007	\$2,824,000
Budget estimate, 2008	3,000,000
House allowance	3,000,000
Committee recommendation	3,000,000

The Committee recommendation provides \$3,000,000. The recommendation is \$176,000 above the fiscal year 2007 enacted level and the same as the budget request.

BUSINESS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2007	\$121,145,000
Budget estimate, 2008	135,414,000
House allowance	217,944,000
Committee recommendation	137,414,000

The Committee recommendation provides \$137,414,000. The recommendation is \$16,269,000 above the fiscal year 2007 enacted level and \$2,000,000 above the budget request.

The amount provided for administrative expenses may be transferred to and merged with SBA salaries and expenses, to cover the common overhead expenses associated with the business loans programs.

The recommendation provides \$2,000,000 for the Microloan Direct program.

DISASTER LOANS PROGRAM ACCOUNT

Appropriations, 2007	\$112,631,000
Budget estimate, 2008	
House allowance	
Committee recommendation	

The Committee provides no new funding for the Disaster Loans Program Account. Necessary administrative expenses for fiscal year 2008 were provided in the Supplemental Appropriations Act, 2007 (Public Law 110–28) from unobligated balances remaining. Any direct loan subsidies required in fiscal year 2008 will be derived from available unobligated balances. As always, SBA is urged to seek out emergency funding in the event of a disaster requiring loan assistance.

ADMINISTRATIVE PROVISIONS

Section 520 continues a provision concerning transfer authority and availability of funds.

Section 521 provides that all disaster loans issued in Alaska or North Dakota shall not be sold.

Section 522 makes a technical correction to the designee for a prior year’s directed grant.

UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

Appropriations, 2007	\$108,915,000
Budget estimate, 2008	88,864,000
House allowance	88,864,000
Committee recommendation	117,864,000

PROGRAM DESCRIPTION

The Post Office dates back to 1775. It became the Postal Service in 1971 as an independent establishment of the executive branch of the United States Government. The Postal Service’s basic function and obligation is to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. Its mission is to provide prompt, reliable and efficient services to patrons in all areas and render postal services to all communities.

COMMITTEE RECOMMENDATION

The Committee recommends appropriations totaling \$117,864,000 for payment to the Postal Service Fund, an increase

of \$29,000,000 above the budget request, and \$8,949,000 above the fiscal year 2007 enacted level.

This amount includes: \$29,000,000 for revenue forgone on free and reduced-rate mail pursuant to 39 U.S.C. 2401(d). The recommendation also includes \$88,864,000 as an advance appropriation for fiscal year 2009.

Revenue forgone on free and reduced-rate mail enables postage rates to be set at levels below the unsubsidized rates for certain categories of mail as authorized by subsections (c) and (d) of section 2401 of title 39, United States Code. Free mail for the blind and overseas voters will continue to be provided at the funding level recommended by the Committee.

The Committee includes provisions in the bill that would assure that mail for overseas voting and mail for the blind shall continue to be free; that 6-day delivery and rural delivery of mail shall continue without reduction; and that none of the funds provided be used to consolidate or close small rural and other small post offices in fiscal year 2008. These are services that must be maintained in fiscal year 2008 and beyond.

The Committee believes that 6-day mail delivery is one of the most important services provided by the Federal Government to its citizens. Especially in rural and small town America, this critical postal service is the linchpin that serves to bind the Nation together.

Emergency Preparedness.—In the aftermath of the anthrax attacks using the U.S. mail, Congress appropriated funds for the Postal Service's use in building a treatment facility in Washington, DC. This treatment is focused on mail delivered to Federal agencies in the Washington region and intended to render harmless biological threats in this mail. The Committee directs the Comptroller General to assess the status of the treatment process, including the cost of the treatment; the volume of treated mail and how it has changed over time; and the extent of delays in mail delivery as a result of the treatment step and how they have changed over time. The Government Accountability Office shall provide a report of its findings and any recommendations to the House and Senate Committees on Appropriations by July 1, 2008.

Mail Delivery in Chicago.—The Committee is concerned about mail delivery delays in Chicago, Illinois and supports the comprehensive review being conducted by the Postmaster General designed to upgrade postal operations and improve customer service. The Committee will continue to closely follow the Postal Service's management reform initiatives in order to secure and sustain the highest level of mail delivery service for postal consumers in Chicago.

Consolidation of Mail Processing Facilities.—The Committee understands that the results of a GAO study of the Postal Service's mail processing realignment efforts will be released soon. The Committee understands that significant issues still remain with regard to the Service's Area Mail Processing Consolidation Initiative. Among the concerns are that criteria used to select facilities for consolidation and make implementation decisions are unclear and based on inconsistent data, that actual delivery performance is not considered, and that proposed improvements to the communication

process do not change information provided to the public to ensure compliance with the public input process mandated by Congress in the Postal Accountability and Enhancement Act. The Committee directs that consolidation decisions pertaining to Sioux City, Iowa, Aberdeen, South Dakota, and Alexandria, Louisiana will not be implemented until the Postal Service fully implements the recommendations of the GAO and develops a mechanism to evaluate potential and actual impacts on delivery. The Committee directs that the Postal Service to keep the Committee informed of its consolidation plan and further directs GAO to continue the monitoring these efforts.

Local Postal Management.—The Committee urges the Postal Service to solicit and take into consideration the view 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 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.

Forever Stamp.—The Committee commends the Postal Service on the release of the “Forever Stamp,” which will remain valid for letter postage even after future rate changes. This innovation should make postal rate changes far easier for household mailers, who are the main users of adhesive postage stamps. Consumers may avoid both the inconvenience of obsolete, leftover stamps and the need for last-minute trips to the post office to buy makeup stamps. The Committee commends the Postal Service for its efforts to develop innovative proposals such as the “Forever Stamp,” and trusts that the Postal Service will continue to find new ways to make the mail a more attractive and user-friendly communications medium for the American household.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

Appropriations, 2007	\$47,625,000
Budget estimate, 2008	45,326,000
House allowance	45,069,000
Committee recommendation	45,326,000

PROGRAM DESCRIPTION

The U.S. Tax Court is an independent judicial body in the legislative branch established in 1969 under Article I of the Constitution of the United States. The Court was created to provide a national forum for the resolution of disputes between taxpayers and the Internal Revenue Service, resolve cases expeditiously while giving careful consideration to the merits of each matter, and ensure the uniform interpretation of the Internal Revenue Code. The matters over which the Court has jurisdiction are set forth in various sections of title 26 of the United States Code.

The court is composed of 19 judges, one of whom the judges elect as chief judge. In their judicial duties the judges are assisted by

senior judges, who participate in the adjudication of regular cases, and by special trial judges, who hear small tax cases and certain regular cases assigned to them by the chief judge.

The court conducts trial sessions throughout the United States, including Hawaii and Alaska. Decisions by the court are reviewable by the U.S. Courts of Appeals and, if certiorari is granted, by the Supreme Court.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$45,326,000 for the U.S. Tax Court. This amount is the same as the budget request and \$2,299,000 below the fiscal year 2007 enacted level. The Committee notes that the reduced funding reflects two major initiatives, specifically productivity gains achieved through prior investment in information technology and reduced personnel compensation based on several cost-cutting management decisions. The Committee encourages the Court to implement the security measures outlined by the Court, including installation of security systems in the homes of Tax Court judicial officers and reimbursement of the United States Marshals Service for supplying security personnel in courtrooms where the Tax Court presides.

STATEMENT CONCERNING GENERAL PROVISIONS

The Financial Services and General Government appropriation bill includes general provisions which govern both the activities of the agencies covered by the bill, and, in some cases, activities of agencies, programs, and general government activities that are not covered by the bill.

The bill contains a number of general provisions that have been carried in this bill for years and which are routine in nature and scope. General provisions in the bill are explained under this section of the report. Those general provisions that deal with a single agency only are shown immediately following that particular agency's or department's appropriation accounts in the bill. Those provisions that address activities or directives affecting all of the agencies covered in this bill are contained in title VI. General provisions that are governmentwide in scope are contained in title VII of this bill. General provisions applicable to the District of Columbia are contained in title VIII of this bill.

TITLE VI

GENERAL PROVISIONS THIS ACT

Section 601 continues the provision requiring pay raises to be absorbed within appropriated levels in this act or previous appropriations acts.

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

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

Section 604 continues the provision limiting expenditures for consulting service through procurement contracts where such expenditures are a matter of public record and available for public inspection.

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

Section 606 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 (46 Stat. 590).

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

Section 608 continues the provision prohibiting the use of funds in compliance with the Buy American Act.

Section 609 continues the provision prohibiting funding for any person or entity convicted of violating the Buy American Act.

Section 610 continues and modifies the provision authorizing the reprogramming of funds and specifies the reprogramming procedures for agencies funded by this act.

Section 611 continues the provision ensuring that 50 percent of unobligated balances may remain available for certain purposes.

Section 612 continues the provision restricting the use of funds for the Executive Office of the President to request official background reports from the Federal Bureau of Investigation without the written consent of the individual who is the subject of the report.

Section 613 continues the provision ensuring that the cost accounting standard shall not apply with respect to a contract under the Federal Employees Health Benefits Program.

Section 614 continues the provision referencing non-foreign area cost of living allowances.

Section 615 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 616 continues the provision prohibiting the use of funds for a proposed rule related to the determination that real estate brokerage activities are financial activities.

Section 617 is a new provision amending the International Emergency Economic Powers Act to increase the civil and criminal penalties under the act. The Committee includes this provision because of the situation in the Sudan and the crisis in Darfur.

Section 618 is a new provision requiring a report on the overall impact of economic sanctions on the Government of Sudan and the crisis in Darfur.

Section 619 prohibits the use of funds to enforce a provision of the Cuban Assets Control Regulations that impedes sales to Cuba.

Section 620 is a provision relating to travel to Cuba for commercial sales of agricultural and medical goods.

TITLE VII

GENERAL PROVISIONS GOVERNMENT-WIDE, DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 701 continues and makes permanent the provision authorizing agencies to pay travel costs of the families of Federal employees on foreign duty to return to the United States in the event of death or a life threatening illness of the employee.

Section 702 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 continues the provision regarding price limitations on vehicles purchased by the Federal Government. Price limitations are updated consistent with the President's budget request.

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

Section 705 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 United States.

Section 706 continues the provision ensuring that agencies will have authority to pay the General Services Administration bills for space renovation and other services.

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

Section 709 continues and makes permanent the provision prohibiting the use of appropriated funds to pay the salary of any nominee after the Senate voted not to approve the nomination.

Section 710 continues the provision precluding interagency financing of groups absent prior statutory approval.

Section 711 continues the provision prohibiting the use of appropriated funds for enforcing regulations disapproved in accordance with the applicable law of the United States.

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

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

Section 714 continues the provision that permits interagency funding of national security and emergency preparedness telecommunications initiatives, which benefit multiple Federal departments, agencies, and entities.

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

Section 717 continues the provision prohibiting the use of funds to prevent Federal employees from communicating with Congress or to take disciplinary or personnel actions against employees for such communication.

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

Section 719 continues the provision prohibiting the expenditure of funds for the implementation of agreements in certain nondisclosure policies unless certain provisions are included in the policies.

Section 720 continues the provision prohibiting use of appropriated funds for publicity or propaganda designed to support or defeat legislation pending before Congress.

Section 721 continues the provision prohibiting the use of appropriated funds by an agency to provide Federal employees home address to labor organizations, absent employee authorization or court order.

Section 722 continues the provision prohibiting the use of appropriated funds to provide non-public information such as mailing or telephone lists to any person or organization outside of the Government without approval of the Committees on Appropriations.

Section 723 continues the provision prohibiting the use of appropriated funds for publicity or propaganda purposes within the United States not authorized by Congress.

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

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

Section 726 continues the provision, with technical modifications, authorizing agencies to transfer funds to or reimburse the Government-wide Policy account of the General Services Administration to finance an appropriate share of various government-wide boards and councils.

Section 727 continues the provision authorizing breastfeeding at any location in a Federal building or on Federal property.

Section 728 continues the provision permitting interagency funding of the National Science and Technology Council, and provides for an OMB report on the budget and resources of the Council.

Section 729 continues the provision requiring identification of the Federal agencies providing Federal funds and the amount provided for all proposals, solicitations, grant applications, forms, notifications, press releases, or other publications related to the distribution of funding to a State.

Section 730 continues a provision which extends the authorization for franchise fund pilots for one year with modification.

Section 731 continues the provision prohibiting the use of funds to monitor personal information relating to the use of Federal Internet sites.

Section 732 continues the provision regarding contraceptive coverage under the Federal Employees Health Benefits Plan.

Section 733 continues the provision recognizing the U.S. Anti-Doping Agency as the official anti-doping agency for Olympic, Pan American, and Paralympic sports in the United States.

Section 734 continues the provision allowing departments and agencies to use official travel funds to participate in the fractional aircraft ownership pilot programs.

Section 735 continues the provision prohibiting funds for implementation of OPM regulations limiting detailees to the legislative branch and placing certain limitations on the Coast Guard Congressional Fellowship program.

Section 736 continues the provision prohibiting the expenditure of funds for the acquisition of certain additional Federal law enforcement training facilities.

Section 737 continues the provision providing funding for the Midway Atoll Airfield.

Section 738 continues the provision concerning the use of funds for the "e-Gov" initiative that were not appropriated specifically for that purpose.

Section 739 continues the provision, with modifications, establishing a set of outsourcing contracting requirements that provide an even playing field for the private and public sector.

Section 740 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 741 continues a provision that prohibits executive branch agencies from creating or funding prepackaged news stories that are broadcast or distributed in the United States unless specific notification conditions are met.

Section 742 continues the provision prohibiting funds used in contravention of the Privacy Act, section 552a of title 5, United States Code or section 522.224 of title 48 of the Code of Federal Regulations.

Section 743 continues, with a modification, the provision requiring each department and agency to evaluate the creditworthiness of an individual before issuing the individual a Government purchase charge card or travel card. The Committee includes new language, as requested, authorizing an assessment of the individual's consumer report from a consumer reporting agency. The Committee expects this authority to evaluate consumer credit reports shall be used for no other purpose other than to assess creditworthiness for purposes of issuing an individually billed Government travel charge card.

Section 744 includes a provision concerning the application of these general provisions to title IV and title VIII.

Section 745 includes a provision prohibiting funds from being used for any Federal Government contract with any foreign incorporated entity which is treated as an inverted domestic corporation.

Section 746 includes a provision requiring improvements to enhance public access to information on agency Inspector General websites.

TITLE VIII
GENERAL PROVISIONS
DISTRICT OF COLUMBIA

Section 801 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 continues the provision that permits funds for travel and payment of dues.

Section 803 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 modifies the provision that prohibits the use of appropriation for publicity or propaganda purposes, and permits the use of local funds for carry out lobbying activity.

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

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

Section 807 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 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 continues the provision that prohibits the use of Federal funds for salaries, expenses, or other costs associated with the offices of U.S. Senator or Representative under section 4(d) of the D.C. Statehood Constitutional Convention Initiatives of 1979.

Section 810 continues the provision restricting use of Federal funds for the implementation or enforcement of the Health Care Benefits Expansion Act of 1992.

Section 811 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 812 modifies 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, an officer or employee of the District of Columbia De-

partment of Corrections, the Mayor of the District of Columbia, and the Chairman of the Council of the District of Columbia.

Section 813 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.

Section 814 continues the provision that prohibits the use of any funds in this act to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

Section 815 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 816 continues the provision that includes a "conscience clause" on legislation that pertains to contraceptive coverage by health insurance plans.

Section 817 modifies the provision that requires the Mayor of the District of Columbia to submit reports on various issues pertaining to the District of Columbia.

Section 818 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 D.C. Home Rule Act for all agencies no later than 30 calendar days after the date of enactment of this act.

Section 819 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 Education 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. The Committee has been assured by the Executive Office of the Mayor that the District of Columbia will support removal of the cap on attorneys' fees, as applied prospectively to actions brought against it under Individuals with Disabilities Education Act, in fiscal year 2009. The Committee accepts this assurance in recognition of the fact that the Mayor has been exercising control of the public school system for less than a month and because it wishes to give the Mayor and his new school leadership team adequate time to develop a fiscal year 2009 budget that takes into consideration this change in policy and also to make substantive reforms to the special education system in the District that the Committee is hopeful will result in less frequent litigation of disputes under the act.

Section 820 continues the provision that allows for appropriations in this act to be increased by no more than \$50,000,000 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 821 continues the provision that allows the District to spend “other-type funds” under certain conditions.

Section 822 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 823 continues the provision prohibiting use of funds to change the legality of marijuana use.

Section 824 continues the provision relating to abortion.

Section 825 includes a new provision which adopts a budget treatment for the Public Defender Services for the District of Columbia independent of the Court Services and Offender Supervision Agency for the District of Columbia.

Section 826 includes a new provision to mitigate the necessity for dual budgeting of local funds when such funds are transferred but not expended.

Section 827 includes a new provision to permit full implementation of changes for education reform.

Section 828 includes a provision to permit an increase in the compensation of the District of Columbia Chief Financial Officer.

Section 829 includes a provision to permit transfer of unobligated balances in the District of Columbia Crime Victim’s Compensation Act to the Crime Victim Assistance Fund in accordance with a spending plan submitted to Congress.

Section 830 continues the provision which limits references to “this Act” as referring to only this title. Z03rept.038

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE
STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

Items providing funding for fiscal year 2008 which lack authorization are as follows:

Department of the Treasury

- Departmental Offices
- Department-wide Systems and Capital Investments
- Office of the Inspector General
- Inspector General for Tax Administration
- Financial Crimes Enforcement Network
- Financial Management Service
- Alcohol and Tobacco Tax and Trade Bureau
- Bureau of the Public Debt
- Community Development and Financial Institutions Fund
- Internal Revenue Service:
 - Taxpayer Services
 - Enforcement
 - Operations Support
 - Business Systems Modernization
 - Health Insurance Tax Credit Administration

Executive Office of the President

- Office of Management and Budget
- ONDCCP: Training for drug court professionals

District of Columbia

- Federal Payment for the DC Water and Sewer Authority
- Federal Payment for School Improvement
- Federal Payment for Central Library and Branch Locations
- Federal Payment for Consolidated Laboratory Facility
- Federal Payment to Reimburse the Federal Bureau of Investigation
- Federal Payment to the Executive Officer of the Mayor

Independent Agencies

- Commodity Futures Trading Commission
- Consumer Product Safety Commission
- Election Assistance Commission
- Federal Communications Commission
- Federal Elections Commission

Federal Trade Commission
 General Services Administration:
 Federal Building Fund
 GSA E-government Fund
 Office of Government Ethics
 Office of Special Counsel
 Merit Systems Protection Board
 Securities and Exchange Commission
 Small Business Administration

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI, OF THE
 STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on July 12, 2007, the Committee ordered reported H.R. 2829, making appropriations for financial services and general government for the fiscal year ending September 30, 2008, and for other purposes, with an amendment in the nature of a substitute; with the bill subject to further amendment and subject to the budget allocations, by a recorded vote of 15–14, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Byrd	Mr. Cochran
Mr. Inouye	Mr. Stevens
Mr. Leahy	Mr. Specter
Mr. Harkin	Mr. Domenici
Ms. Mikulski	Mr. Bond
Mr. Kohl	Mr. McConnell
Mrs. Murray	Mr. Shelby
Mr. Dorgan	Mr. Gregg
Mrs. Feinstein	Mr. Bennett
Mr. Durbin	Mr. Craig
Mr. Johnson	Mrs. Hutchison
Ms. Landrieu	Mr. Brownback
Mr. Reed	Mr. Allard
Mr. Lautenberg	Mr. Alexander
Mr. Nelson	

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
 STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the Committee.”

In compliance with this rule, the following changes in existing law proposed to be made by this bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

**TITLE 5—GOVERNMENT ORGANIZATION AND
EMPLOYEES**

* * * * *

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.

* * * * *

TITLE 22—FOREIGN RELATIONS AND INTERCOURSE

* * * * *

CHAPTER 79—TRADE SANCTIONS REFORM AND EXPORT ENHANCEMENT

* * * * *

§ 7209. Requirements relating to certain travel-related transactions with Cuba

(a) Authorization of travel relating to commercial sale of agricultural commodities

The Secretary of the Treasury shall promulgate regulations under which the travel-related transactions listed in subsection (c) of section 515.560 of title 31, Code of Federal Regulations, may be authorized on a case-by-case basis by a specific license for travel to, from, or within Cuba for the commercial export sale of agricultural commodities pursuant to the provisions of this chapter.

(a) AUTHORIZATION OF TRAVEL RELATING TO COMMERCIAL SALES OF AGRICULTURAL AND MEDICAL GOODS.—The Secretary of the Treasury shall promulgate regulations under which the travel-related transactions listed in paragraph (c) of section 515.560 of title 31, Code of Federal Regulations, are authorized by general license for travel to, from, or within Cuba for the marketing and sale of agricultural and medical goods pursuant to the provisions of this title.

* * * * *

TITLE 28—JUDICIARY AND JUDICIAL PROCEDURE

* * * * *

CHAPTER 5—DISTRICT COURTS

* * * * *

§ 128. Washington

* * * * *

(b) * * * Court for the Western District shall be held at **[Bellingham, Seattle, and Tacoma]** *Bellingham, Seattle, Tacoma, and Vancouver.*

* * * * *

§ 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.

* * * * *

TITLE 31—MONEY AND FINANCE

* * * * *

CHAPTER 33—DEPOSITING, KEEPING, AND PAYING MONEY

* * * * *

SUBCHAPTER III—MISCELLANEOUS

* * * * *

§ 3333. Relief for payments made without negligence

- (a)(1) * * *

* * * * *

[(3) The amount of the relief shall be charged to the Check Forgery Insurance Fund (31 U.S.C. 3343). A recovery or repayment of a loss for which replacement is made out of the fund shall be credited to the fund and is available for the purposes for which the fund was established.]

(3) The amount of the relief and the amount of any relief granted to an official or agent of the Department of the Treasury under 31 U.S.C. 3527, shall be charged to the Check Forgery Insurance Fund (31 U.S.C. 3343). A recovery or repayment of a loss for which replacement is made out of the fund shall be credited to the fund and is available for the purposes for which the fund was established.

* * * * *

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 sub-

chapter in a manner best suited for expediting final resolution of such protests and final action in such competitions.

* * * * *

TITLE 40—PUBLIC BUILDINGS, PROPERTY, AND WORKS

* * * * *

CHAPTER 33—ACQUISITION, CONSTRUCTION, AND ALTERATION

* * * * *

§ 3313. Delegation

(a) * * *

(1) shall, except for the authority contained in section 3305(b) of this title, be delegated on request to the appropriate [executive] federal agency when the estimated cost of the project does not exceed \$100,000; and

(2) may be delegated to the appropriate [executive] federal agency when the Administrator determines that delegation will promote efficiency and economy.

* * * * *

TITLE 50—WAR AND NATIONAL DEFENSE

* * * * *

CHAPTER 35—INTERNATIONAL EMERGENCY ECONOMIC POWERS

* * * * *

[§ 1705. Penalties

[(a) A civil penalty of not to exceed \$10,000 may be imposed on any person who violates, or attempts to violate, any license, order, or regulation issued under this chapter.

[(b) Whoever willfully violates, or willfully attempts to violate, any license, order, or regulation issued under this chapter shall, upon conviction, be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.]

SEC. 206. PENALTIES.

(a) *UNLAWFUL ACTS.*—*It shall be unlawful for a person to violate, attempt to violate, conspire to violate, or cause a violation of any license, order, regulation, or prohibition issued under this title.*

(b) *CIVIL PENALTY.*—*A civil penalty may be imposed on any person who commits an unlawful act described in subsection (a) in an amount not to exceed the greater of—*

(1) \$250,000; or

(2) an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

(c) *CRIMINAL PENALTY.—A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of, an unlawful act described in subsection (a) shall, upon conviction, be fined not more than \$1,000,000, or if a natural person, may be imprisoned for not more than 20 years, or both.*

* * * * *

FAIR CREDIT REPORTING ACT, PUBLIC LAW 91-508

* * * * *

§ 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.

* * * * *

**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] October 1, 2008.*

* * * * *

**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 years] 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 trans-*

lator, and medical positions in the Bureau of Alcohol, Tobacco and Firearms.

* * * * *

**AIR TRANSPORTATION SAFETY AND SYSTEM
STABILIZATION ACT, PUBLIC LAW 107-942**

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 instru-

ments 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.]

* * * * *

**UNIVERSAL SERVICE ANTIDEFICIENCY TEMPORARY
SUSPENSION ACT OF 2004, PUBLIC LAW 108–494**

* * * * *

TITLE III

* * * * *

SEC. 302. APPLICATION OF CERTAIN TITLE 31 PROVISIONS TO UNIVERSAL SERVICE FUND.

(a) IN GENERAL.—During the period beginning on the date of enactment of this Act and ending on [December 31, 2007] *Decem-*

ber 31, 2008, section 1341 and subchapter II of chapter 15 of title 31, United States Code, do not apply—

(1) to any amount collected or received as Federal universal service contributions required by section 254 of the Communications Act of 1934 (47 U.S.C. 254), including any interest earned on such contributions; nor

(2) to the expenditure or obligation of amounts attributable to such contributions for universal service support programs established pursuant to that section.

(b) POST-2005 FULFILLMENT OF PROTECTED OBLIGATIONS.—Section 1341 and subchapter II of chapter 15 of title 31, United States Code, do not apply after [December 31, 2007] *December 31, 2008*, to an expenditure or obligation described in subsection (a)(2) made or authorized during the period described in subsection (a).

* * * * *

DISTRICT OF COLUMBIA OFFICIAL CODE

* * * * *

TITLE 1—GOVERNMENT ORGANIZATION

* * * * *

CHAPTER 2—DISTRICT OF COLUMBIA HOME RULE

* * * * *

SUBCHAPTER IV—THE DISTRICT CHARTER

* * * * *

PART Bi. CHIEF FINANCIAL OFFICER

* * * * *

§ 1-204.24b. Appointment of the Chief Financial Officer.

(a) * * *

(b) * * *

(5) PAY.—The Chief Financial Officer shall be paid at an annual rate equal to the rate of basic pay payable for [level I] *level I times 1.50* of the Executive Schedule.

* * * * *

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 Co-

lumbia (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 4—PUBLIC CARE SYSTEM

* * * * *

CHAPTER 5—COMPENSATION OF VICTIMS OF VIOLENT CRIME

* * * * *

SUBCHAPTER I—GENERAL

* * * * *

§ 4–515. Crime Victims Compensation Fund.

【(d) Any unobligated balance existing in the Fund as of the end of each fiscal year (beginning with fiscal year 2000) shall be transferred from the Fund to the Crime Victims Assistance Fund established by section 16a (D.C. Official Code § 4–515.01) and shall be available for obligation and expenditures without fiscal year limitations. All such expenditures shall be in accordance with a plan developed by the District of Columbia which that is submitted to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Oversight and Government Reform of the House of Representatives, and the Committee on Homeland Security and Governmental Affairs of the Senate, except that under such plan: (1) 50 percent of such balance shall be used for direct compensation payments to crime victims through the Fund under this section and in accordance with this chapter; and (2) 50 percent of such balance shall be transferred from the Fund to the Crime Victims Assistance Fund established by § 4–515.01 and shall be used without fiscal year limitation for outreach activities designed to increase the number of crime victims who apply for such direct compensation payments. **】**

(d) Any unobligated balance existing in the Fund as of the end of each fiscal year (beginning with fiscal year 2007) shall be transferred from the Fund to the Crime Victims Assistance Fund estab-

lished by section 16a (D.C. Official Code §4-515.01) and shall be available for obligation and expenditures without fiscal year limitation. All such expenditures shall be in accordance with a plan developed by the District of Columbia that is submitted to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Oversight and Government Reform of the House of Representatives, and the Committee on Homeland Security and Governmental Affairs of the Senate.

* * * * *

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.]

* * * * *

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.
308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of budget totals for 2008: Subcommittee on Financial Services and General Government:				
Mandatory	21,394	21,394	21,388	¹ 21,388
Discretionary	21,394	21,800	21,625	¹ 21,508
Projections of outlays associated with the recommendation:				
2008				² 38,439
2009				3,047
2010				612
2011				383
2012 and future years				343
Financial assistance to State and local governments for 2008	NA	638	NA	435

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

NA: Not applicable.

NOTE: Consistent with the funding recommended in the bill for tax enforcement and in accordance with section 207(c)(2)(B) of Senate Concurrent Resolution 21 (110th Congress), the Committee anticipates that the Budget Committee will file a revised section 302(a) allocation for the Committee on Appropriations reflecting an upward adjustment of \$406,000,000 in budget authority and associated outlays.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2008
 (In thousands of dollars)

Item	2007 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with		
					2007 appropriation	Budget estimate	House allowance
TITLE I—DEPARTMENT OF THE TREASURY							
Departmental Offices							
Salaries and expenses							
Executive direction	216,348	250,141	250,591	251,641	+ 35,293	+ 1,500	+ 1,050
General Counsel	(10,753)	(9,636)	(10,115)	(11,136)	(+ 383)	(+ 1,500)	(+ 1,021)
Economic policies and programs	(8,713)	(10,179)	(9,700)	(10,179)	(+ 1,466)		(+ 479)
Financial policies and programs	(36,154)	(45,450)	(45,450)	(45,450)	(+ 9,296)		
Terrorism and Financial Intelligence	(24,632)	(28,869)	(29,069)	(28,869)	(+ 4,237)		(- 200)
Treasury-wide management	(43,457)	(56,225)	(56,475)	(56,225)	(+ 12,768)		(- 250)
Administration	(17,837)	(20,810)	(19,010)	(20,810)	(+ 2,973)		(+ 1,800)
Department-wide systems and capital investments programs	(74,802)	(78,972)	(80,772)	(78,972)	(+ 4,170)		(- 1,800)
Office of Inspector General	30,268	18,710	18,710	18,710	- 11,558		
Treasury Inspector General for Tax Administration	16,957	18,450	18,450	18,450	+ 1,493		
Air transportation stabilization program account	132,861	140,533	140,533	140,533	+ 7,672		
Financial Crimes Enforcement Network	73,216	- 3,600	- 3,600	- 3,600	- 3,600		
Subtotal, Departmental Offices	(469,650)	(510,078)	(508,028)	(511,578)	(+ 41,928)	(+ 1,500)	(+ 3,550)
Financial Management Service	235,381	235,191	234,423	235,191	- 190		+ 768
Alcohol and Tobacco Tax and Trade Bureau. Salaries and expenses	90,618	93,515	93,515	97,015	+ 6,397	+ 3,500	+ 3,500
Bureau of the Public Debt	177,623	172,871	172,871	172,871	- 4,752		
Community development financial institutions fund program account	54,506	28,557	100,000	90,000	+ 35,494	+ 61,443	- 10,000
Payment of government losses in shipment	500	1,000	1,000	1,000	+ 500		
Total, Dept. of Treasury, non-IRS	1,028,278	1,041,212	1,109,837	1,107,655	+ 79,377	+ 66,443	- 2,182
Internal Revenue Service							
Taxpayer services	2,138,238	2,103,089	2,155,000	2,149,200	+ 10,962	+ 46,111	- 5,800
Enforcement	4,686,478	4,925,498	4,925,498	4,925,498	+ 239,020		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2008—Continued

[In thousands of dollars]

Item	2007 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with		
					2007 appropriation	Budget estimate	House allowance
Operations support	3,544,835	3,769,587	3,769,587	3,769,587	+224,752	.....	.....
Business systems modernization	212,659	282,090	282,090	282,090	+69,431	.....	.....
Health insurance tax Credit Administration	14,856	15,235	15,235	15,235	+379	.....	.....
Total, Internal Revenue Service	10,597,066	11,095,499	11,147,410	11,141,610	+544,544	+46,111	-5,800
Total, title I, Department of the Treasury	11,625,344	12,136,711	12,257,247	12,249,265	+623,921	+112,554	-7,982
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	.....	+450	.....
Salaries and expenses	53,616	.....	53,156	51,656	-1,960	+51,656	-1,500
Executive Residence at the White House:							
Operating expenses	12,398	.....	12,814	12,814	+416	+12,814	.....
White House repair and restoration	1,683	.....	1,600	1,600	-83	+1,600	.....
Council of Economic Advisers	4,032	.....	4,118	4,118	+86	+4,118	.....
Office of Policy Development	3,487	.....	3,482	3,482	-5	+3,482	.....
National Security Council	8,684	.....	8,640	8,640	-44	+8,640	.....
Privacy and Civil Liberties Oversight Board .....	.....	.....	2,000	2,000	+2,000	+2,000	+2,000
Office of Administration	88,643	.....	92,829	92,829	+4,186	+92,829	.....
Total, The White House	172,993	187,370	177,089	177,589	+4,596	-9,781	+500

Office of Management and Budget	76,714	70,866	78,394	78,394	+ 1,680	+ 7,528	.....
Office of National Drug Control Policy							
Office of National Drug Control Policy, S&E	26,766	23,883	26,636	25,152	- 1,614	+ 1,269	- 1,484
Counterdrug Technology Assessment Center	20,000	5,000	10,000	.....	- 20,000	- 5,000	- 10,000
High intensity drug trafficking areas program	224,730	220,000	226,000	235,000	+ 10,270	+ 15,000	+ 9,000
Other Federal drug control programs	192,951	224,485	197,800	204,735	+ 11,784	- 19,750	+ 6,935
Total, Office of Drug Control Policy	464,447	473,368	460,436	464,887	+ 440	- 8,481	+ 4,451
Unanticipated needs	990	1,000	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	4,432	.....	.....	.....
Operating expenses	322	320	320	320	- 2	.....	.....
Total, title II, Executive Office of the President and Funds Appropriated to the President	719,898	737,356	721,671	726,622	+ 6,724	- 10,734	+ 4,951
TITLE III—THE JUDICIARY							
Supreme Court of the United States							
Salaries and expenses:							
Salaries of justices	2,000	2,149	2,149	2,149	+ 149	.....	.....
Other salaries and expenses	60,576	64,377	64,377	64,373	+ 3,797	- 4	- 4
Subtotal	(62,576)	(66,526)	(66,526)	(66,522)	(+ 3,946)	(- 4)	(- 4)
Care of the building and grounds	11,427	12,201	12,201	12,201	+ 774	.....	.....
Total, Supreme Court of the United States	74,003	78,727	78,727	78,723	+ 4,720	- 4	- 4
United States Court of Appeals for the Federal Circuit							
Salaries and expenses:							
Salaries of judges	2,000	2,431	2,431	2,431	+ 431	.....	.....
Other salaries and expenses	23,311	26,107	25,545	25,007	+ 1,696	- 1,100	- 538
Total, U.S. Court of Appeals for the Federal Circuit	25,311	28,538	27,976	27,438	+ 2,127	- 1,100	- 538

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2008—Continued

[In thousands of dollars]

Item	2007 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with		
					2007 appropriation	Budget estimate	House allowance
United States Court of International Trade							
Salaries and expenses:							
Salaries of judges	2,000	1,765	1,765	1,765	-235		
Other salaries and expenses	13,825	14,962	14,779	14,867	+1,042	-95	+88
Total, U.S. Court of International Trade	15,825	16,727	16,544	16,632	+807	-95	+88
Courts of Appeals, District Courts, and Other Judicial Services							
Salaries and expenses:							
Salaries of judges and bankruptcy judges	316,000	332,434	332,434	332,434	+16,434		
Judges COLA		5,000		5,000	+5,000		+5,000
Other salaries and expenses	4,160,569	4,517,021	4,328,156	4,372,557	+211,988	-144,464	+44,401
Subtotal, Salaries and expenses	(4,476,569)	(4,854,455)	(4,660,590)	(4,709,991)	(+233,422)	(-144,464)	(+49,401)
Vaccine Injury Compensation Trust Fund	3,952	4,099	4,099	4,099	+147		
Defender services	776,283	859,834	830,499	840,601	+64,318	-19,233	+10,102
Fees of jurors and commissioners	60,945	62,350	62,350	63,081	+2,136	+731	+731
Court security	378,663	421,789	396,476	412,720	+34,057	-9,069	+16,244
Total, Courts of Appeals, District Courts, and Other Judicial Services	5,696,412	6,202,527	5,954,014	6,030,492	+334,080	-172,035	+76,478
Administrative Office of the United States Courts							
Salaries and expenses	72,377	78,536	75,667	78,536	+6,159		+2,869
Federal Judicial Center							
Salaries and expenses	22,874	24,835	23,994	24,475	+1,601	-360	+481
Judicial Retirement Funds							
Payment to judiciary trust funds	58,300	65,400	65,400	65,400	+7,100		

	14,601	16,191	15,477	15,477	+ 876	- 714	
United States Sentencing Commission							
Salaries and expenses	5,979,703	6,511,481	6,257,799	6,337,173	+ 357,470	- 174,308	+ 79,374
Total, title III, the Judiciary	(380,300)	(404,179)	(404,179)	(404,179)	(+ 23,879)		
Mandatory appropriations	(5,599,403)	(6,107,302)	(5,853,620)	(5,932,994)	(+ 333,591)	(- 174,308)	(+ 79,374)
Discretionary appropriations							
TITLE IV—DISTRICT OF COLUMBIA							
FEDERAL FUNDS							
Federal payment for Resident Tuition Support	32,868	35,100	35,100	33,000	+ 132	- 2,100	- 2,100
Federal payment for Emergency Planning and Security Costs in the District of Columbia	8,533	3,000	3,352	3,352	- 5,181	+ 352	
Federal payment to the District of Columbia Courts	216,723	213,861	256,395	217,318	+ 595	+ 3,457	- 39,077
Defender Services in District of Columbia Courts	43,475	43,475	52,475	43,475			- 9,000
Federal payment to the Court Services and Offender Supervision Agency for the District of Columbia	179,603	190,343	190,343	190,791	+ 11,188	+ 448	+ 448
Federal payment to the District of Columbia Public Defender Service	31,103	32,710	32,710	32,710	+ 1,607		
Federal payment to the District of Columbia Water and Sewer Authority	6,930	12,000	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	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							
Federal payment for School Improvement	20,000		6,148		- 20,000		- 6,148
Federal payment for Consolidated Laboratory Facility	39,600	40,800	40,800	40,800	+ 1,200		
Federal payment for Central Library/branch locations	4,950	10,000	10,000	10,000	+ 5,050		
Federal payment to reimburse the FBI		10,000	10,000	10,000	+ 10,000		
Federal payment to the Executive Office of the Mayor		5,000	4,000	5,000	+ 5,000		+ 1,000
				14,000	+ 14,000		+ 14,000
Total, Title IV, District of Columbia	591,012	597,589	654,623	613,746	+ 22,734	+ 16,157	- 40,877
TITLE V—OTHER INDEPENDENT AGENCIES							
Commodity Futures Trading Commission	97,981	116,000		116,000	+ 18,019		+ 116,000
Consumer Product Safety Commission	62,728	63,250	66,838	70,000	+ 7,272	+ 6,750	+ 3,162

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2008—Continued

[In thousands of dollars]

Item	2007 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with		
					2007 appropriation	Budget estimate	House allowance
Election Assistance Commission							
Salaries and expenses	16,263	15,467	15,467	16,517	+254	+1,050	+1,050
Election Reform Programs			300,950				-300,950
Total, Election Assistance Commission	16,263	15,467	316,417	16,517	+254	+1,050	-299,900
Federal Communications Commission							
Salaries and expenses	291,282	313,000	313,000	313,000	+21,718		
Transfer from USF for OIG audits (by transfer)		(20,480)	(20,980)	(20,480)	(+20,480)		(-500)
Offsetting fee collections—current year	-290,295	-312,000	-312,000	-312,000	-21,705		
Direct appropriation	987	1,000	1,000	1,000	+13		
Federal Deposit Insurance Corporation: Office of Inspector General (by transfer)							
.....	(30,690)	(26,848)	(26,848)	(26,848)	(-3,842)		
Federal Election Commission	54,528	59,224	59,224	59,224	+4,696		
Federal Labor Relations Authority	25,372	23,718	23,641	23,718	-1,654		+77
Federal Trade Commission							
Salaries and expenses	211,289	240,239	247,489	240,239	+28,950		-7,250
Offsetting fee collections—current year	-129,000	-144,600	-139,000	-144,600	-15,600		-5,600
Offsetting fee collections, telephone database	-23,000	-19,000	-20,000	-19,000	+4,000		+1,000
Direct appropriation	59,289	76,639	88,489	76,639	+17,350		-11,850
General Services Administration							
Federal Buildings Fund	(93,586)	(344,450)	(88,144)	(624,901)	(+531,315)	(+280,451)	(+536,757)
Appropriations							

Limitations on availability of revenue:									
Construction and acquisition of facilities									+ 370,452
Repairs and alterations									+ 71,216
Installment acquisition payments .....									.....
Rental of space									+ 67,466
Building operations									+ 26,960
Subtotal									(+ 536,094)
Repayment of debt	615,204	524,540	894,992	+ 193,855					
Rental income to fund	43,338	733,267	804,483	+ 186,242					
	- 7,845,000	155,781	155,781	- 82,218					
		4,315,534	4,383,000	+ 315,119					
		2,105,490	2,132,450	+ 128,620					
	(8,090,918)	(7,834,612)	(8,370,706)	(+ 815,618)					
Total, Federal Buildings Fund	225,450	- 30,856	505,238	+ 751,812					+ 536,094
Policy and operations	144,338	134,945	.....	.....					- 134,945
Government-wide policy	52,346	.....	64,791	+ 12,445					+ 64,791
Operating expenses	83,176	.....	89,547	+ 6,371					+ 89,547
Office of Inspector General	52,621	53,382	52,682	+ 61					- 700
Electronic Government Fund	2,970	2,970	5,000	+ 2,030					+ 2,030
Allowances and Office Staff for Former Presidents	2,922	2,500	2,500	- 422					.....
Federal Citizen Information Center Fund	14,874	15,798	17,790	+ 2,916					+ 1,992
Total, General Services Administration	442,460	178,739	737,548	+ 775,213					+ 558,809
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	3,750	+ 1,766					+ 1,750
Environmental Dispute Resolution Fund	1,896	2,000	2,000	+ 104					+ 1,250
Total, Morris K. Udall Foundation	3,880	4,000	5,750	+ 1,870					+ 1,750
National Archives and Records Administration									
Operating expenses	279,338	315,000	313,911	+ 34,573					- 1,089
Reduction of debt	- 10,026	- 10,896	- 10,896	- 870					.....
Electronic records archive	45,254	58,028	58,028	+ 12,774					.....
Repairs and restoration	9,120	16,095	25,173	+ 16,053					+ 9,078

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2008—Continued

[In thousands of dollars]

Item	2007 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with		
					2007 appropriation	Budget estimate	House allowance
National Historical Publications and Records Commission: Grants program	7,425	.....	10,000	10,000	+ 2,575	+ 10,000	.....
Total, National Archives and Records Administration	331,111	368,669	388,227	396,216	+ 65,105	+ 27,547	+ 7,989
National Credit Union Administration							
Central liquidity facility:							
(Limitation on direct loans)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	.....	.....	.....
(Limitation on admin expenses, corporate funds)	(323)	(329)	(329)	(329)	(+ 6)	.....	.....
Community development credit union revolving loan fund	941	950	1,000	950	+ 9	.....	- 50
Office of Government Ethics	11,115	11,750	11,750	11,750	+ 635	.....	.....
Office of Personnel Management							
Salaries and expenses	111,605	101,765	101,765	101,765	- 9,840	.....	.....
Limitation on administrative expenses	112,546	111,936	123,401	124,401	+ 11,855	+ 12,465	+ 1,000
Office of Inspector General	2,061	1,519	1,519	1,519	- 542	.....	.....
Limitation on administrative expenses	16,278	16,481	16,981	17,081	+ 803	+ 600	+ 100
Govt Payment for Annuitants, Employees Health Benefits	8,780,260	8,884,000	8,884,000	8,884,000	+ 103,740	.....	.....
Govt Payment for Annuitants, Employee Life Insurance	39,000	41,000	41,000	41,000	+ 2,000	.....	.....
Payment to Civil Svc Retirement and Disability Fund	10,532,000	11,941,000	11,941,000	11,941,000	+ 1,409,000	.....	.....
Total, Office of Personnel Management	19,593,750	21,097,701	21,109,666	21,110,766	+ 1,517,016	+ 13,065	+ 1,100
Office of Special Counsel	15,524	16,368	16,368	16,368	+ 844	.....	.....
Securities and Exchange Commission							
Salaries and expenses	892,560	905,330	908,442	905,330	+ 12,770	.....	- 3,112
Prior year unobligated balances	- 25,000	- 30,330	- 41,397	- 41,397	- 16,397	- 11,067	.....
Direct appropriation	867,560	875,000	867,045	863,933	- 3,627	- 11,067	- 3,112
Selective Service System	24,850	22,000	22,000	22,000	- 2,850	.....	.....

Small Business Administration									
Salaries and expenses	327,592	310,103	346,553	412,103	+ 84,511	+ 102,000	+ 65,550		
Rescission (unobligated balances)	- 6,100				+ 6,100				
Office of Inspector General	13,835	15,000	15,000	15,000	+ 1,165				
By transfer from Disaster Loans Program account	(1,485)	(500)	(500)		(- 1,485)	(- 500)	(- 500)		
Surety bond guarantees revolving fund	2,824	3,000	3,000	3,000	+ 176				
Business Loans Program Account:									
Direct loans subsidy	1,283		2,530	2,000	+ 717	+ 2,000	- 530		
Guaranteed loans subsidy			80,000				- 80,000		
Administrative expenses	124,862	135,414	135,414	135,414	+ 10,552				
Rescission (unobligated balances)	- 5,000				+ 5,000				
Total, Business loans program account	121,145	135,414	217,944	137,414	+ 16,269	+ 2,000	- 80,530		
Disaster Loans Program Account:									
Direct loans subsidy									
Administrative expenses (by transfer)		(156,000)				(- 156,000)			
Administrative expenses	114,931				- 114,931				
Rescission (unobligated balances)	- 2,300				+ 2,300				
Disaster Relief, FEMA (transfer out)		(- 200,000)	(- 500)			(+ 200,000)	(+ 500)		
Total, Disaster loans program account	112,631	(156,000)			- 112,631				
(by transfer)		(- 200,000)	(- 500)			(- 156,000)			
(transfer out)						(+ 200,000)	(+ 500)		
Total, Small Business Administration	571,927	463,517	582,497	567,517	- 4,410	+ 104,000	- 14,980		
United States Postal Service									
Payment to the Postal Service Fund	29,000			29,000		+ 29,000	+ 29,000		
Advance appropriations	79,915	88,864	88,864	88,864	+ 8,949				
Total, United States Postal Service	108,915	88,864	88,864	117,864	+ 8,949	+ 29,000	+ 29,000		
United States Tax Court	47,625	45,326	45,069	45,326	- 2,299		+ 257		
Total, title V, Independent Agencies	21,895,347	23,910,920	23,910,920	24,299,172	+ 2,403,825	+ 470,433	+ 388,252		
Appropriations	(21,828,832)	(23,739,875)	(23,827,056)	(24,210,308)	(+ 2,381,476)	(+ 470,433)	(+ 388,252)		
Rescissions	(- 13,400)				(+ 13,400)				
Advances	(79,915)	(88,864)	(88,864)	(88,864)	(+ 8,949)				
(by transfer)	(32,175)	(203,828)	(48,328)	(47,328)	(+ 15,153)	(- 156,500)	(- 1,000)		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2007 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
 FOR FISCAL YEAR 2008—Continued
 [In thousands of dollars]

Item	2007 appropria- tion	Budget estimate	House allowance	Committee rec- ommendation	Senate Committee recommendation compared with (+ or -)		
					2007 appropria- tion	Budget estimate	House allowance
(transfer out)		(- 200,000)	(- 500)			(+ 200,000)	(+ 500)
Grand total	40,811,304	43,811,876	43,802,260	44,225,978	+ 3,414,674	+ 414,102	+ 423,718
Appropriations	(40,744,789)	(43,723,012)	(43,713,396)	(44,137,114)	(+ 3,392,325)	(+ 414,102)	(+ 423,718)
Rescissions	(- 13,400)				(+ 13,400)		
Advances	(79,915)	(88,864)	(88,864)	(88,864)	(- 8,949)		
(by transfer)	(32,175)	(203,828)	(48,328)	(47,328)	(+ 15,153)	(- 156,500)	(- 1,000)
(transfer out)		(- 200,000)	(- 500)			(+ 200,000)	(+ 500)

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