

## Calendar No. 171

112TH CONGRESS }  
1st Session }

SENATE

{ REPORT  
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### FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS BILL, 2012

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SEPTEMBER 15, 2011.—Ordered to be printed

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

### REPORT

[To accompany S. 1573]

The Committee on Appropriations reports the bill (S. 1573) making appropriations for financial services and general government for the fiscal year ending September 30, 2012, and for other purposes, reports favorably thereon and recommends that the bill do pass.

*Amounts of new budget (obligational) authority for fiscal year 2012*

Total of bill as reported to the Senate .....	\$44,640,384,000
Amount of 2011 appropriations .....	44,688,058,000
Amount of 2012 budget estimate .....	48,726,741,000
Bill as recommended to Senate compared to—	
2011 appropriations .....	– 47,674,000
2012 budget estimate .....	– 4,086,357,000

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## OVERVIEW AND SUMMARY OF THE BILL

The Financial Services and General Government appropriations bill provides funding for the Department of the Treasury, including the Internal Revenue Service; the Executive Office of the President; the Judiciary; the District of Columbia; and more than two dozen independent Federal agencies.

The Committee recommends \$44,640,384,000 in discretionary and mandatory appropriations. This represents a decrease of \$47,674,000 below the fiscal year 2011 enacted level, and a decrease of \$4,086,357,000 below the budget request. Of the total, \$21,898,300,000 is provided in discretionary appropriations, including \$167,300,000 for the Small Business Administration Disaster Loans Program Account designated by Congress as disaster relief pursuant to Public Law 111–25. This discretionary amount is \$4,092,357,000 below the budget request of \$25,990,657,000. Mandatory appropriations total \$22,742,084,000. The Committee has made difficult but necessary decisions to craft a bill that is within strict fiscal limitations.

## PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2012, 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. 608) 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 differently than 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 the Senate, it is the responsibility of the Department or agency to reconcile the House and the 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.

The Committee has encountered growing difficulties in securing timely agency compliance with mandated reporting requirements and has experienced several situations in which deadlines for submission of reports were disregarded entirely. The Committee expects and directs all agencies from which reports are required to allow sufficient time to secure any necessary internal and external

clearances of reports in order to satisfy congressional deadlines. The Committee strongly urges agencies to alert the Committee as far as possible in advance of any expected slippage in meeting a report delivery due date.

#### CONGRESSIONAL BUDGET JUSTIFICATIONS

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.

The Committee directs that justifications submitted with the fiscal year 2013 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 2013 to the fiscal year 2012 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 2013 budget request.

#### AGENCY REPORTS

Hereafter, as a measure to reduce costs and conserve paper, agencies funded by this act that currently provide separate copies of periodic reports (such as Performance and Accountability Reports) and correspondence to the chairs of the House and Senate Appropriations Committees and Subcommittees on Financial Services and General Government, and also to the ranking members of the committees and subcommittees, should send only one copy jointly addressed to the chairs of the Committee and subcommittee and one copy jointly addressed to the ranking members of the Committee and subcommittee (separate copies should be sent to the House and the Senate). This will reduce by one-half (from eight to four) the copies of periodic reports agencies send to the committees.

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

Appropriations, 2011 .....	\$306,388,000
Budget estimate, 2012 .....	324,889,000
Committee recommendation .....	306,388,000

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, the 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 U.S. 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 the 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, policy components, and departmental administrative policies in financial and personnel management, procurement operations, and information systems and telecommunications.

COMMITTEE RECOMMENDATION

The Committee recommends \$306,388,000 for the Salaries and Expenses appropriation of the Departmental Offices account of the



Department of the Treasury for fiscal year 2012. This amount is \$18,501,000 below the budget request and the same as the fiscal year 2011 enacted level. The funding recommendations are made based on information included in the budget justification. The Committee recommends that the budget activity previously named “economic policies and programs” be renamed “international affairs and economic policy” and the budget activity previously named “financial policies and programs” be renamed “domestic finance and tax policy” as proposed in the budget request.

The Committee directs the Department to prioritize resources within the Departmental Offices account for the Office of Terrorism and Financial Intelligence in order to support safeguarding financial systems against illicit use and combating rogue nations, terrorist facilitators, money launderers, proliferators of weapons of mass destruction, and other national security threats. The Committee also notes the importance of the Office of Domestic Finance and the Office of Tax Policy in developing and implementing policies for stabilizing the economy and creating jobs. The Committee supports the Department in expanding the capacity of these offices.

The Committee makes the following findings:

*Office of Financial Education (Domestic Finance and Tax Policy).*—The Committee is concerned about the low level of literacy and numeracy skills among the adult population of the United States, as one in seven adults do not have basic literacy skills to succeed in all but the most rudimentary literacy tasks. The Department’s Office of Financial Education administers the National Financial Literacy Challenge and develops strategies to combat predatory lending. The Office of Financial Education also coordinates the efforts of the Financial Literacy and Education Commission, a group chaired by the Secretary of the Treasury and composed of representatives from 20 Federal departments, agencies, and commissions. The Commission works to improve financial literacy and education for people throughout the United States. The Committee encourages the Department to explore the degree to which current financial literacy programs benefit those individuals with less than basic literacy skills and to focus resources on financial education efforts, including to support the revision of the national strategy on financial literacy and the development of measurable goals and objectives for the Financial Literacy and Education Commission. Finally, the Committee urges the Department to explore opportunities to work with community-based adult and family literacy organizations to promote and implement future financial literacy initiatives.

*Foreclosure Crisis.*—The Committee continues to be concerned that the Department’s strategy to reduce mortgage foreclosures and keep American families in their homes has fallen far short of the goal of modifying 3 to 4 million mortgages. The Committee notes that the Home Affordable Modification Program [HAMP] June 2011 report shows that 657,044 homeowners are in active permanent modification and have been able to remain in their homes because of HAMP. The Committee also notes that approximately 200,000 additional homeowners are in the process of obtaining assistance through HAMP. The Committee directs the Department to focus on how to induce servicers to consider and implement prin-

cial reductions to allow homeowners to remain in the home with a reduced monthly mortgage payment in order to avoid foreclosure which often results in vacant real-estate owned property that may negatively affect an entire neighborhood. The Committee also directs the Department to ensure mortgage servicers are properly complying with HAMP agreements and to provide ample technical assistance and outreach to properly educate servicers about their responsibilities under the program.

The Committee supports the administration's goal of disposing of Real-Estate Owned [REO] properties held by Fannie Mae and Freddie Mac, including the objectives of returning often vacant REO properties to productive use to reduce taxpayer costs and stabilize neighborhoods and home prices. The Committee also supports disposition strategies that increase rental housing and affordable housing stock. The Committee notes that to truly reduce the number of REO properties held by Fannie Mae and Freddie Mac, it is necessary to prevent homes from foreclosure. The Committee urges the Department to better utilize programs like HAMP and the Hardest Hit Fund to reduce the foreclosure rate among homes financed through Fannie Mae and Freddie Mac.

*Economic Sanctions and Divestments.*—The Committee recommendation includes resources for Terrorism and Financial Intelligence programs. With these funds, the Department will continue to issue and enforce economic and trade sanctions consistent with national security and foreign policy goals. These sanctions are a key tool for asserting U.S. policy toward countries and entities under sanction. The Committee directs the Department to fully implement all sanctions and divestment measures, particularly those applicable to North Korea, Belarus, Burma, Iran, Sudan, and Zimbabwe. The Committee directs the Department to promptly notify the Committee of any resource constraints that adversely impact the implementation of any sanctions program.

*Proceeds of Corruption.*—Corrupt politicians, terrorists, and those involved in organized crime are often able to hide their identity behind a corporate veil, allowing them to enjoy the proceeds of corruption and bribery, including on U.S. soil. The Committee directs the Department to use its rulemaking authority to strengthen customer due diligence requirements for U.S. financial institutions, consistent with applicable statutory authorities and international standards, including by identifying the beneficial owner of corporate vehicles, where appropriate.

The Committee also directs the Department, in consultation with the other members of the United States delegation to the Financial Action Task Force [FATF], to take a leadership role in prioritizing prevention of the illicit flow of corrupt funds, including by strengthening FATF anti-corruption requirements and by conducting an extensive typology exercise on foreign corruption. The typology exercise will inform financial institutions on how to recognize the proceeds of corruption and therefore help prevent the flow of illicit funds into the United States. The Committee also urges the U.S. delegation to work with other member states to assess the implementation of the FATF's 40+9 Recommendations in practice, as well as in law, to ensure that the task force's recommendations are being effectively implemented and enforced by all countries.

The Committee directs the Department to provide a written report to the Committee on Appropriations and the Committee on Banking, Housing, and Urban Affairs within 180 days of enactment on activities related to preventing the flow of proceeds of corruption into the United States, specifically including activities related to identifying the beneficial ownership of corporate vehicles, where appropriate, and participation in FATF activities and initiatives.

*Stored Value Cards.*—The Committee notes that the Department recently issued final regulations establishing a regulatory framework for prepaid access payment methods, including stored value cards [SVCs], as mandated by the Credit Card Accountability Responsibility and Disclosure Act of 2009 (Public Law 111–24). The Committee is aware that a final rule has been promulgated that defines prepaid access in the context of funds transmission, rather than monetary instruments, allowing the Bank Secrecy Act to evolve with technology. This regulation addresses regulatory gaps that have resulted from the proliferation of prepaid access innovations over the last 12 years and their increasing use as an accepted payment method. The Committee is disappointed, however, that the final regulation was issued more than a year after the deadline.

The Committee is also aware that a separate notice of proposed rulemaking to redefine SVCs as monetary instruments for the purposes of international transport reporting is currently under review by the Office of Management and Budget but is concerned that it is unlikely to be finalized this year. The Committee is frustrated about the slow pace of this rulemaking. The Committee stresses the importance of finalizing this regulation in order to stop drug cartels and other criminal actors from smuggling ill-gotten gains across the border and encourages the administration to prioritize this critical regulation. The Committee directs the Department, in coordination with the Department of Homeland Security, to submit a written report to the Committee on the status of the regulation on the international transportation of stored value devices not later than 30 days after enactment of this act.

*Management of Capital Investments and Information Security.*—The Treasury Office of Inspector General continues to cite the Department’s management of capital investments and information security as a top management challenge. Treasury is currently planning and managing several capital investments, including the transition to a new telecommunications contract, the implementation of enhanced information security requirements, and a modernization of systems supporting the implementation of the Bank Secrecy Act. The Committee recognizes efforts the Department has made to emphasize capital investment management Department-wide.

The Committee directs the Department to continue improving the management of capital investments, specifically focusing on integrating all of the Department’s bureaus into improvement efforts and institutionalizing improvements so that taxpayers will benefit from better management of future capital projects. The Committee notes that section 117 of the bill requires the Secretary of the Treasury to develop an annual Capital Investment Plan, to be submitted to the Committees on Appropriations of the Senate and the House of Representatives within 30 days following submission of the President’s annual budget request. The Committee directs the

Office of the Chief Information Officer to ensure that adequate resources are devoted both to projects in the capital phase and to proper maintenance and modernization of existing systems and to ensure that all projects are tracked properly and described completely in the annual Capital Investment Plan.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$3,992,000
Budget estimate, 2012 .....	
Committee recommendation .....	

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 does not recommend any new funding for Department-wide systems and capital investments programs [DSCIP] for fiscal year 2012 in accordance with the budget request. The recommendation is \$3,992,000 below the fiscal year 2011 enacted level.

The Committee notes that the DSCIP account has been utilized to fund a wide variety of multi-year initiatives, many of which are ongoing despite the lack of need for new resources for fiscal year 2012. Given the complexity of these initiatives, the bill includes language in section 117 directing the Department of the Treasury to submit an annual Capital Investment Plan to the Committees on Appropriations within 30 days after the President's budget submission.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$29,641,000
Budget estimate, 2012 .....	29,855,000
Committee recommendation .....	29,641,000

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 administration 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. 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 \$29,641,000 for salaries and expenses of the Office of Inspector General. This amount is a decrease of \$214,000 to the budget request and equal to the fiscal year 2011 enacted level. The Committee directs that the office shall focus resources, when practical, on audits of the Bank Secrecy Act Information Technology Modernization project currently being planned and implemented by Treasury's Financial Crimes Enforcement Network. The Committee directs that the Inspector General shall submit a written report to the Committee regarding this project, including contractor oversight and progress regarding budget and schedule, on March 31, 2012 and semiannually thereafter. In addition, the Committee directs the Inspector General to perform audits, when resources allow, on Treasury's anti-money laundering and terrorist financing activities, capital investment spending and planning, the Community Development Financial Institutions Fund, and areas identified by the Inspector General as presenting a high risk to taxpayer-funded spending.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$151,696,000
Budget estimate, 2012 .....	157,831,000
Committee recommendation .....	151,696,000

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 the Internal Revenue Service [IRS].

TIGTA conducts audits, investigations, and evaluations to assess the operations and programs of the 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 the 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.

During fiscal year 2010, TIGTA's combined audit and investigative efforts recovered, protected, and identified monetary benefits totaling more than \$8,600,000,000 and identified cost savings of \$2,820,000,000. TIGTA's Office of Audit completed 129 reports and its Office of Investigations closed 3,743 investigations.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$151,696,000 for the Treasury Inspector General for Tax Administration. This amount is the same as the fiscal year 2011 enacted level and \$6,135,000 below the budget request. The Committee appreciates the challenges TIGTA faces in adapting its oversight activities to address increasingly complex and high-risk issues associated with IRS operations, including detection and investigation of fraud and electronic crime, review of procurement activities, and safeguarding of taxpayer privacy. The Committee recognizes that growth in the size and workload of the IRS generates concomitant increased work for TIGTA.

The Committee commends TIGTA for its ongoing review of the IRS's business systems modernization program and other information technology projects. The Committee shares TIGTA's ongoing concern that the IRS is developing and launching its modernized systems without adequately contemplating the security implications. The Committee also acknowledges the critical importance of the priorities TIGTA has identified in its strategic plan, including adapting to the IRS's continuously evolving operations and mitigating intensified risks associated with modernization, security, addressing the tax gap, and human capital challenges facing the IRS. In addition, TIGTA plays a pivotal role in responding to threats and attacks against IRS employees, property, and sensitive information.

The Committee appreciates and expects TIGTA's continued vigilance in monitoring IRS efforts to implement the 56 tax provisions of the Recovery Act. The Patient Protection and Affordable Care Act (Public Law 111-148) represents the largest set of tax law

changes in more than two decades with more than 40 provisions that amend the tax code. Despite resource constraints, the Committee strongly urges TIGTA’s vigilant oversight of the IRS’s effective implementation and administration of the myriad new requirements involving taxpayer education and outreach, deliverance of tax credits, and development of information technology infrastructure to support all of these areas.

The Committee would welcome future TIGTA work to evaluate the Return Preparer Program; examine “phishing” schemes and other external and electronic attempts that expose taxpayers to surrendering private information that could be used for identity theft and undermine tax administration; and identify best practices and safeguards to reduce and mitigate threats to the security of IRS employees and its data infrastructure and facilities.

SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$36,227,000
Budget estimate, 2012 .....	47,374,000
Committee recommendation .....	41,800,000

PROGRAM DESCRIPTION

The Emergency Economic Stabilization Act (Public Law 110–343) established the Office of the Special Inspector General for the Troubled Asset Relief Program [SIGTARP] to perform audits and investigations of the Troubled Asset Relief Program [TARP].

COMMITTEE RECOMMENDATION

The Committee recommends \$41,800,000 for the SIGTARP for fiscal year 2012. The recommendation is \$5,574,000 below the budget request because the SIGTARP will be able to utilize carry-over balances to fund a portion of fiscal year 2012. This recommendation is \$5,573,000 above the fiscal year 2011 enacted level because carryover balances are dwindling. The Committee is pleased with the quality of the audits and investigations conducted by the SIGTARP, particularly with regard to written materials provided to the Congress and the public.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$110,788,000
Budget estimate, 2012 .....	84,297,000
Committee recommendation .....	110,788,000

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. 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 \$110,788,000 for the Financial Crimes Enforcement Network [FinCEN]. This amount is equal to the fiscal year 2011 enacted level and \$26,491,000 above the budget request. The Committee rejects the proposal to fund a portion of FinCEN's needs in fiscal year 2012 using proceeds from the Treasury Forfeiture Fund. The amount recommended above the request reflects the Committee's recommendation to fund FinCEN exclusively through the account designated for FinCEN Salaries and Expenses.

*State and Local Access to Bank Secrecy Act [BSA] Data and Intelligence Support to External Agencies.*—The Committee rejects the administration's proposal to decrease FinCEN's funding by \$2,319,000 by reducing State and local and intelligence community access to BSA information. The data compiled and analyzed by FinCEN is a critical tool for investigating serious financial crimes, including money laundering, mortgage fraud, drug trafficking, and terrorist financing. Law enforcement agencies at all levels of government use the database not only in identifying, investigating, and ultimately prosecuting criminals, but also in preventing and deterring crime. FinCEN's support of State and local law enforcement and the intelligence community multiplies the strength of force of all levels of government in fighting such crimes. The Committee's recommended funding level is intended to ensure that BSA data is accessible to the appropriate State and local law enforcement personnel, field representatives, and the intelligence community.

*Information Technology Modernization.*—The Committee recommendation supports FinCEN's efforts to modernize the technical environment for implementation of the Bank Secrecy Act [BSA]. The modernization will re-engineer the BSA data architecture, update antiquated infrastructure required to support data capture and dissemination, implement innovative Web services and enhanced electronic filing, and provide enhanced analytical tools. This system is used by banks, Federal law enforcement, State and local



law enforcement, and other Federal intelligence agencies to report, gather, and analyze data to identify money laundering, terrorist financing, tax evasion, and vulnerabilities in the financial industry. The previous infrastructure is outdated and limits the capabilities of these users, which ultimately limits the capability of the Treasury and its partners to pursue money laundering, terrorist financing, and tax evasion.

The Committee is pleased with the steps FinCEN has taken to strengthen its acquisition and project management competencies and directs the agency to continue to pursue employee education and training efforts in this area, including training on proper budget execution practices. The Committee also directs FinCEN to place a top priority on contractor oversight and on involving its wide variety of stakeholders in the development of the modernized system. FinCEN is directed to continue to submit a semiannual report to the Committee on Appropriations summarizing the agency’s progress regarding the modernization effort, including milestones planned and achieved, progress on cost and schedule, management of contractor oversight, strategies to involve stakeholders, and acquisition management efforts.

The Committee also directs FinCEN to focus efforts on improving the completeness and reliability of BSA data in accordance with recommendations by the Treasury Inspector General and the Government Accountability Office. The Committee notes that while a new BSA infrastructure will improve the capabilities of processing and analyzing BSA data, the accuracy, reliability, and timeliness of the data itself will ultimately determine the effectiveness of the system and related processes.

TREASURY FORFEITURE FUND

(RESCISSION)

The Committee recommends a rescission of \$750,000,000 of unobligated balances in the Treasury Forfeiture Fund.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$232,786,000
Budget estimate, 2012 .....	218,805,000
Committee recommendation .....	217,805,000

PROGRAM DESCRIPTION

In 1940, the 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 Federal 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 provides debt collection operational services to client agencies, implements collections policy, regulations, standards, and procedures for the Federal Government, and assists agencies in converting collections from paper to electronic media.

FMS 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 \$217,805,000 for salaries and expenses for FMS. This amount is \$1,000,000 below the budget request and \$14,981,000 below the fiscal year 2011 enacted level. An additional amount of \$97,052,000 is also estimated to be available to FMS from reimbursable resources for debt collection activities.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$100,798,000
Budget estimate, 2012 .....	97,878,000
Committee recommendation .....	99,878,000

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 certain 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. TTB is also responsible for preventing consumer deception, ensuring that regulated products comply with Federal commodity, safety, and distribution requirements, and providing customer service.

COMMITTEE RECOMMENDATION

The Committee recommends \$99,878,000 for TTB for fiscal year 2012. This amount is \$2,000,000 above the budget request and \$920,000 below the fiscal year 2011 enacted level.

The Committee recommendation includes \$2,000,000 for the costs of special law enforcement agents to target tobacco smuggling and other criminal diversion activities. The Committee directs the Department and TTB to place a high priority on conducting robust criminal enforcement activities at TTB.

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 is a profit, which is deposited as seigniorage to the general fund. In fiscal year 2010, the Mint transferred \$388,000,000 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 \$20,000,000 for circulating coinage and protective service capital investments for the Mint. This amount is a decrease of \$6,700,000 below the fiscal year 2011 enacted level and is equal to the budget request.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

Appropriations, 2011 .....	\$174,635,000
Budget estimate, 2012 .....	165,635,000
Committee recommendation .....	165,635,000

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 \$165,635,000 for the Bureau of the Public Debt for fiscal year 2012. This amount is a decrease of \$9,000,000 below the fiscal year 2011 enacted level and is equal to the budget request.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

Appropriations, 2011 .....	\$226,546,000
Budget estimate, 2012 .....	227,259,000
Committee recommendation .....	200,000,000

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 financing activities.

COMMITTEE RECOMMENDATION

The Committee recommends \$200,000,000 for the CDFI Fund, which is \$26,546,000 below the fiscal year 2011 enacted level and \$27,259,000 below the budget request.

The Committee supports funding for the CDFI Fund because of the program's unique ability to leverage private sector investment in community development projects such as affordable housing, retail development, and community centers, as well as lending to small businesses. Funding for the CDFI Fund expands the power of CDFIs to improve urban and rural communities through sound, but patient investment. With just a small amount of seed financing from the CDFI Fund, CDFIs can transform communities. CDFIs often provide the "last mile" of financing to our Nation's most challenged areas. CDFIs also provide banking services to the unbanked and others targeted by predatory lenders. Nationwide in 2010, CDFIs leveraged an average of \$13 for every Federal dollar invested and Federal grants helped create or maintain over 80,000 jobs.

*Bank on USA.*—The Committee recommends \$36,000,000 for the Bank on USA program to promote access to affordable financial

services and basic consumer credit products for households without access to such products and services. These households face a number of problems, including high fees for alternative financial services such as check-cashing, barriers to saving and building credit, and increased exposure to risks such as fraud and theft. Many of these households also lack access to reasonably priced short-term consumer credit to meet emergency or regular needs, often turning to payday loans, refund anticipation loans, pawn shops and other high-priced alternatives for credit needs. The Committee directs the CDFI Fund to submit a detailed spending plan on the Bank on USA program to the Committee within 120 days of enactment.

*Healthy Food Financing Initiative.*—The Committee recommends \$22,000,000 for the Healthy Food Financing Initiative. The goal of the initiative is to increase the availability of affordable, healthy foods in underserved urban and rural communities. Many of these communities are only served by fast food restaurants and convenience stores that offer few healthy food options. Recommended funding will increase the availability of affordable financing for grocery store development, supplies and equipment to improve food production technology, and improvements and modernization of food distribution mechanisms and infrastructure.

*Native Programs.*—The Committee recommends a set-aside of \$12,000,000 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.

The Committee understands that many CDFIs are experiencing difficulty obtaining non-Federal funding due to the economic downturn. The Committee recommends continuing the temporary waiver of matching fund requirements for CDFI programs so that CDFIs can continue to invest in and assist underserved communities during the economic crisis. The Committee intends to reinstate matching fund requirements when capital markets return to normal function.

## 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.

#### INTERNAL REVENUE SERVICE

##### PROGRAM DESCRIPTION

The Internal Revenue Service [IRS] administers the Nation's tax laws and collects the revenue that funds more than 96 percent of the Federal Government'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.

During fiscal year 2010, the IRS processed more than 230 million returns, provided over 109 million refunds, and collected over \$2,345,000,000,000 for the Federal Government. Of the 141 million individual income tax returns processed, over 69 percent were filed electronically. This marks a significant increase in electronically filed returns compared to the 31 percent in fiscal year 2001. The IRS provided taxpayer assistance through more than 305 million visits to the IRS.gov Web site, over 35 million automated telephone calls, and 6.4 million walk-in Taxpayer Assistance Center contacts and through nearly 36.7 million telephone calls. The IRS employed a total work force of 95,425, including seasonal and part-time employees. In fiscal year 2010, the average cost of collecting \$100 in tax revenue was 53 cents. 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 a total of \$11,663,042,000 for the Internal Revenue Service for fiscal year 2012. This is a decrease of \$458,788,000 below the fiscal year 2011 enacted level and \$1,620,865,000 below the budget request.

*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.

To reduce the \$345,000,000,000 gross tax gap, experts recommend a number of approaches. These include 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.

*Tax Compliance.*—The Committee remains concerned that absent a better understanding of the current sources of noncompliance, efforts to improve compliance may be hampered, misdirected, and difficult to measure. To gain meaningful insights into taxpayer behavior, the Committee strongly supports the work of the National Research Program.

*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. The Committee also directs the IRS to obtain and include comments of the IRS Oversight Board as part of its operating plan submission to the Committee. Further, the IRS should promptly notify the Committee and the IRS Oversight Board of any substantial changes to these plans.

*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 Centers in these States are fully staffed and capable of resolving taxpayer problems of the most complex nature. The Committee directs the IRS 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. Staffing should be increased if, as the result of the IRS Restructuring and Reform Act of 1998, subsequent legislation, or other factors, the volume of cases or their complexity increases.

TAXPAYER SERVICES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$2,274,272,000
Budget estimate, 2012 .....	2,345,133,000
Committee recommendation .....	2,195,522,000

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 \$2,195,522,000 for Taxpayer Services, which is \$78,750,000 below the fiscal year 2011 enacted level, and \$149,611,000 below the budget request. Bill language is included providing not less than \$6,100,000 for the tax counseling for the elderly program, not less than \$10,000,000 for low-income taxpayer clinic [LITC] grants, not less than \$12,000,000, to be available for 2 years, for a community volunteer income tax assistance [VITA] matching grant program for tax return preparation assistance and \$207,738,000 for the Taxpayer Advocate Service.

The Committee recognizes the significant service challenges requiring rapid implementation that the IRS has faced as a result of recent tax law provisions designed to assist taxpayers in difficult economic times.

The Committee acknowledges that telephonic access to the IRS is critical to promoting voluntary compliance. In recent years, the IRS has experienced a decline in its level of service on its toll-free taxpayer service line due to increased volume. In the 2005 to 2007 span, about 57 million calls were received each year, and the level of service stood at 82 percent. When the call volume spiked in 2008 as a result of inquiries about the economic stimulus payments, the level of service slipped to 53 percent. As a result of IRS initiatives, the level of service rebounded to around 72 percent in the last 2 years. Call volume in these past 2 years has been around 77.5 million per year, representing an over 35 percent uptick from 5 years ago. The average waiting time for call response has been longer—11 minutes on hold in fiscal year 2010 compared to 4.5 minutes in fiscal year 2007.

The Committee encourages the IRS to continue to make steady progress in its telephonic response performance and work to sustain taxpayer service delivery in an atmosphere of fiscal austerity and budgetary rollbacks.

*E-Filing.*—The Committee is heartened by the IRS's improved performance in increasing the number of tax filers who submit their returns electronically and without additional cost. Electronic filing benefits taxpayers and promotes effective tax administration because it decreases processing errors, expedites processing and payment of refunds, and allows the IRS to efficiently maintain up-to-date records. It costs the IRS 17 cents to process an electronically filed return, compared to \$3.66 to process a paper filed return.

The Committee acknowledges that in the 2011 filing season, IRS achieved a major milestone as it passed the 1 billion mark for individual electronically filed tax returns processed safely and securely since the program was launched as a pilot test in 1986 and expanded nationwide in 1990. Prior to the April 18 deadline, IRS e-file surpassed another record with more than 100 million individual tax returns e-filed during the 2011 filing season. Currently, more than 79 percent of taxpayers have used e-file to submit their tax returns so far this year.

In 2009, Congress mandated use of e-filing by all tax preparers who file 10 or more tax returns. IRS is phasing in the requirement, with tax preparers who filed 100 or more returns in 2011 obligated



to e-file, and for 2012, tax preparers who file 11 or more returns required to e-file.

*Impact on IRS of Healthcare Implementation.*—As a prime example of the expanding tasks tied to legislative enactments, the Patient Protection and Affordable Care Act (Public Law 111–148) includes several provisions that will significantly impact the workload of the IRS over the course of the next several years. IRS’s new responsibilities include implementing a Medicare payroll tax on investment income, collecting an excise tax on high-cost insurance plans, and delivering hundreds of billions in subsidies for low-income Americans to buy insurance.

The Committee strongly urges the administration, the Secretary of the Treasury, and the IRS Commissioner to evaluate the impact of healthcare mandates on the IRS’s overall mission and take all appropriate actions to prevent decline in the quality and effectiveness of service or taxpayer perception. The Committee directs the IRS to specifically identify in its fiscal year 2013 budget submission and operating plan any proposed increases in spending to be designated to implement the healthcare mandates, as well as any proposed changes in spending or prioritization in other mission-critical IRS programs as a result of the healthcare responsibilities.

The Committee directs the IRS to submit to the Committee, within 30 days of enactment, a detailed table and explanatory information reflecting the amounts, dates of receipt, and use of funds made available to the IRS by transfer from the Department of Health and Human Services for purposes of carrying out the Patient Protection and Affordable Care Act (Public Law 111–148) and the Health Care and Education Reconciliation Act of 2010 (Public Law 111–152).

*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, developed a “Taxpayer Assistance Blueprint” to institute a 5-year strategic plan for taxpayer services. The Committee expects the Taxpayer Assistance Blueprint to be an integral and guiding component of delivering services. The Committee supports ongoing 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 continue to submit to Congress annual updates to the Taxpayer Assistance Blueprint identifying any changes to its strategic plan for taxpayer service, including the results of any new research and relevant findings, and any open issues requiring additional research.

*Benefits of National Research Program.*—The Committee believes that the IRS will deliver 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 supports the work of the National Taxpayer Advocate and the IRS Office of Research to examine factors that influence taxpayer compliance behavior, including how and the extent to which various factors influence such behavior, and how the es-

establishment of a cognitive learning and applied research laboratory might facilitate continued evaluation.

*Community Volunteer Income Tax Assistance.*—The Volunteer Income Tax Assistance [VITA] program is an important aspect of IRS efforts to provide income tax preparation assistance programs for low-income taxpayers.

A grant program established in 2008 provides direct funds to enable VITA programs to extend services to underserved populations and hardest-to-reach areas, both urban and nonurban, as well as to increase the capacity to file returns electronically, heighten quality control, enhance training of volunteers, and significantly improve the accuracy rate of returns prepared by VITA sites.

The Committee notes that of 321 eligible applicants in 2011, 179 organizations were awarded VITA grants to serve 3,454 sites across the country at which 964,297 returns were prepared. The Committee recognizes that the applications for these grants far exceed the available resources.

The Committee provides that, within funds provided, \$12,000,000 shall be available for 2 years for exclusive use as part of continuing a matching grant program established and administered by the IRS, in consultation with the Taxpayer Advocate Service, for not for profit organizations which provide volunteer income tax return preparation services for lower income individual taxpayers.

The Committee strongly urges the IRS to make every effort to expand the quantity and funding level of VITA grants focused on serving persons with disabilities proportional to the growing disability population requiring tax assistance. The Committee understands that entities that are currently increasing their outreach efforts to better serve the needs of the disability population have experienced difficulty in applying for Federal grant assistance due to a lack of resources at the local level needed to complete the application. The Committee urges the IRS to allow national coalitions responsible for the coordination of local community partnerships focused specifically on the expanded provision of tax services for individuals with disabilities to compete in the VITA community matching grant processes.

*Fraudulent Abuse of Tax Credits.*—Congress has enacted a series of legislative provisions that have enabled first-time homebuyers to claim a refundable credit on their 2008, 2009, or 2010 individual Federal tax returns. In addition, the Residential Energy Tax Credit program rewards homeowners for making eligible energy-saving improvements to a principal residence.

TIGTA has released a series of disturbing investigative reports describing a significant amount of fraudulent and erroneous payments in both the First-Time Homebuyer and the Residential Energy tax credit programs, including claims from ineligible incarcerated persons. The Committee directs the IRS to intensify its scrutiny of questionable claims for these and other credits, continue to improve the documentation requirements to substantiate eligibility, institute effective filters to screen-out ineligible claimants, and employ verification methods for distributing tax credits to diminish the incidence of fraud and erroneous payments in these beneficial programs.

## ENFORCEMENT

Appropriations, 2011 .....	\$5,492,992,000
Budget estimate, 2012 .....	5,966,619,000
Committee recommendation .....	5,228,613,000

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

## COMMITTEE RECOMMENDATION

The Committee recommends \$5,228,613,000 for enforcement activities for fiscal year 2012. This amount is \$264,379,000 below the fiscal year 2011 enacted level and \$738,006,000 below the budget request. Bill language is included to transfer not less than \$60,257,000 to the Interagency Crime and Drug Enforcement [ICDE] program.

The Committee supports the use and prioritization of enforcement resources to address business and individual international tax compliance by building upon steady multi-year investments in initiatives and activities to reduce offshore tax evasion, including the new special voluntary disclosure program. The Committee further endorses proposals to reduce the reporting compliance tax gap through increased examinations of business and high-income individual returns, increased coverage of the Automated Underreporter [AUR] Program, and increased audits involving flow-through entities.

*National Research Program.*—As noted previously, the Committee strongly supports the work of the National Research Program [NRP] to increase understanding of the tax gap. The Committee acknowledges that the IRS and others have expressed concerns with the certainty of the overall tax gap estimate in part because some aspects of the estimate rely on data from the 1970s and 1980s and in other areas, no estimates are available. The Committee agrees with GAO, TIGTA, the National Taxpayer Advocate, and the IRS Oversight Board, which have all recommended greater and more frequent data collection and studies of the tax gap including the portion of the tax gap attributable to international transactions.

*Misclassification of Contractors.*—The Committee continues to be highly concerned with the misclassification of workers as independent contractors rather than as employees. 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. The Committee is encouraged by IRS actions to develop an agency-wide plan and a worker classification team to assist external stakeholders.

The Committee understands that the IRS has begun the random sampling selection to study worker classification and other employment tax issues, including the safe harbor provision. The Committee looks forward to reviewing the findings once the 3 years of examinations are complete.

The Committee is concerned that staffing within the IRS's SS-8 program, responsible for making determinations as to a worker's Federal employment tax status, has not kept pace with the record and sustained SS-8 filings during the past three filing seasons. The Committee believes that the IRS SS-8 program is critical to ensuring that workers are classified correctly, identifying leads for employment tax exams and criminal investigations, and combating the underreporting of employment taxes that contributes significantly to the tax gap. The Committee believes it is crucial, given the growing workload, that the IRS maintain sufficient staffing at SS-8 processing locations. Prior to making any staffing reductions at the SS-8 processing locations, the Committee directs the IRS to provide a report to the Committee that details the past 5 years of staffing levels and employee productivity, SS-8 receipt volumes, and rationale for the proposed workforce changes.

OPERATIONS SUPPORT

Appropriations, 2011 .....	\$4,075,716,000
Budget estimate, 2012 .....	4,620,526,000
Committee recommendation .....	3,893,216,000

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 \$3,893,216,000 for Operations Support for fiscal year 2012. This amount is \$182,500,000 below the fiscal year 2011 enacted level and \$727,310,000 below the budget request. Bill language is included allowing up to \$250,000,000 of these funds to remain available until September 30, 2013, for information technology support and not to exceed \$1,000,000 to remain available until September 30, 2014, for research; not less than \$2,000,000 for the Internal Revenue Oversight Board; and \$25,000 for official reception and representation expenses.

*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. The IRS needs to vigilantly address major systemic problems with its non-BSM portfolio of information technology projects.

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. The IRS funds 155 IT systems. Of these, 31 are major systems each having an overall life-cycle cost of greater than \$50,000,000 or an annual budget of greater than \$5,000,000.

The Committee shares the concerns, cited by TIGTA and GAO, that the IRS lacks a comprehensive integrated system to provide accurate, relevant, and timely financial and operating data that can be used to evaluate performance measures, productivity, and the associated costs of IRS programs. This deficiency hinders IRS management decisionmaking as well as Congressional oversight of progress in achieving program goals.

Although some progress has been made, the Committee is particularly concerned about chronic material weaknesses in IRS's internal controls over information security that expose systems to serious risk. The Committee expects the IRS to improve its efforts to fully address information security vulnerabilities, including promptly instituting corrective action in response to recommendations of TIGTA and GAO in this area.

The Committee expects the IRS to monitor its entire non-BSM IT portfolio (regardless of tier classification) and make any changes as necessary to ensure that each project has—

- been properly classified for investment decision and management purposes;
- the appropriate governance structure in place (such as an executive steering committee);
- a risk management plan;
- a contingency plan in case of breakdowns or failures in scheduled deliverables;
- adequate provisions in the contracts to ensure penalties and repayment to the agency if performance is not met;
- adequate contractor staffing and management in place to fulfill the contract terms and deliverables; and
- 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 directs the administration and the IRS to include within the fiscal year 2013 budget request a proposed long-term multiyear funding strategy and timetable within the Operations Support account to upgrade and modernize the aging legacy IRS information technology infrastructure. The Committee further directs the IRS to incorporate in its 2013 budget justification materials submitted to the Committee up-to-date cost and schedule performance measures for all major systems funded within the Operations Support account, as it has traditionally done for the Business Systems Modernization components.

BUSINESS SYSTEMS MODERNIZATION

Appropriations, 2011 .....	\$263,369,000
Budget estimate, 2012 .....	333,600,000
Committee recommendation .....	330,210,000

## PROGRAM DESCRIPTION

The Business Systems Modernization account provides resources 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 2012.

## COMMITTEE RECOMMENDATION

The Committee recommends \$330,210,000 for Business Systems Modernization [BSM] for fiscal year 2012. This amount is \$66,841,000 above the fiscal year 2011 enacted level and \$3,390,000 below the budget request. The Committee encourages the IRS to tap resources available through user fee revenues to augment the direct discretionary appropriation for 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 modernization efforts, managing the risks inherent in BSM require vigilant management attention. To the IRS's credit, the program has made steady progress over the past few years. The replacement of the aging, vintage 1969 individual master file will permit daily, rather than weekly, updating of individual tax accounts.

Completion of the core taxpayer account database, with anticipated deployment for the 2012 filing season is the cornerstone of modernization and a foundational prerequisite upon which the success of other major initiatives depends. The daily processing cycle is expected to generate more timely, accurate, and complete data resulting in more rapid direct deposit of refunds for electronic filers, faster account adjustments, and expedited resolution of taxpayer account issues and transactions. It will fundamentally transform the IRS's relationship with its accounts, and promote opportunities for both taxpayer service delivery and enforcement.

The Committee remains concerned that IRS systems modernization, by its nature, is a high-risk endeavor, and appreciates that the IRS has, in recent years, satisfied the majority of developmental milestones planned for completion early, under budget, or within 10 percent of cost and schedule estimates. Because of the tendency for certain projects or components to exceed schedule and cost estimates, the Committee urges IRS management to maintain close routine scrutiny of cost and schedule factors.

## HEALTH INSURANCE TAX CREDIT ADMINISTRATION

Appropriations, 2011 .....	\$15,481,000
Budget estimate, 2012 .....	18,029,000
Committee recommendation .....	15,481,000

## 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 \$15,481,000 for the Health Insurance Tax Credit Administration in fiscal year 2012. This amount is the same as the fiscal year 2011 enacted level and \$2,548,000 below the budget request.

## ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

The Committee has included five administrative provisions carried in prior appropriations acts 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 2012 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 a provision that prohibits the use of funds in this act to enter into, renew, extend, administer, implement, enforce, provide oversight of, or make any payment related to any qualified tax collection contract.

## ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY

The Committee includes 12 administrative provisions carried over from prior appropriations acts. The administrative provisions are as follows:

Section 106 authorizes certain basic services within the Treasury Department in fiscal year 2012, 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 107 authorizes transfers, up to 2 percent, between Departmental Offices, Office of Inspector General, Special Inspector

General for the Troubled Asset Relief Program, 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 108 authorizes transfers, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 109 requires that the purchase of law enforcement vehicles be consistent with departmental vehicle management principles.

Section 110 prohibits the Department of the Treasury and the Bureau of Engraving and Printing from redesigning the \$1 Federal Reserve Note.

Section 111 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 112 extends the authority to conduct a personnel management demonstration project.

Section 113 requires prior approval for the construction and operation of a museum by the United States Mint.

Section 114 prohibits the merger of the United States Mint and the Bureau of Engraving and Printing without prior approval of the committees of jurisdiction.

Section 115 authorizes the Department's intelligence activities.

Section 116 permits the Bureau of Engraving and Printing to use \$5,000 from the Industrial Revolving Fund for reception and representation expenses.

Section 117 requires the Secretary of the Treasury to develop an annual Capital Investment Plan.



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

COMPENSATION OF THE PRESIDENT

Appropriations, 2011 .....	\$450,000
Budget estimate, 2012 .....	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 2011 enacted level and the same as the budget request. 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.

THE WHITE HOUSE

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$58,435,000
Budget estimate, 2012 .....	58,374,000
Committee recommendation .....	57,851,000

PROGRAM DESCRIPTION

The “Salaries and Expenses” account of The White House 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 spouse of the President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$57,851,000 for The White House, Salaries and Expenses. The recommendation is \$584,000 less than the fiscal year 2011 enacted level and is \$523,000 less than the budget request.

The Committee directs the Executive Office of the President to allocate sufficient resources to continue the robust operation of the Office of National AIDS Policy. The Committee directs the adminis-

tration to continue to coordinate a Government-wide effort to develop and implement a domestic AIDS strategy, including the development of targets for improved prevention and treatment outcomes.

#### EXECUTIVE RESIDENCE AT THE WHITE HOUSE

##### OPERATING EXPENSES

Appropriations, 2011 .....	\$13,673,000
Budget estimate, 2012 .....	13,658,000
Committee recommendation .....	13,536,000

##### 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 \$13,536,000 for the Executive Residence at the White House. The Committee recommendation is \$137,000 less than the fiscal year 2011 enacted level and \$122,000 less than the budget request. The bill also continues certain restrictions on reimbursable expenses for use of the Executive Residence.

#### WHITE HOUSE REPAIR AND RESTORATION

Appropriations, 2011 .....	\$2,001,000
Budget estimate, 2012 .....	1,000,000
Committee recommendation .....	990,000

##### 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 \$990,000 for White House Repair and Restoration, \$10,000 less than the budget request and \$1,011,000 below the fiscal year 2011 enacted level.

#### COUNCIL OF ECONOMIC ADVISERS

##### SALARIES AND EXPENSES

Appropriations, 2011 .....	\$4,192,000
Budget estimate, 2012 .....	4,403,000
Committee recommendation .....	4,192,000

##### 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 \$4,192,000 for salaries and expenses of the Council of Economic Advisers. This amount is \$211,000 less than the budget request and is equal to the fiscal year 2011 enacted level.

NATIONAL SECURITY COUNCIL AND HOMELAND SECURITY COUNCIL  
SALARIES AND EXPENSES

Appropriations, 2011 .....	\$13,048,000
Budget estimate, 2012 .....	13,074,000
Committee recommendation .....	13,048,000

PROGRAM DESCRIPTION

The National Security Council advises the President in integrating domestic, foreign, and military policies related to national security and the Homeland Security Council advises the President in coordinating homeland security-related policies across the Government.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$13,048,000 for the salaries and expenses of the National Security Council and the Homeland Security Council. This amount is \$26,000 less than the budget request and equal to the fiscal year 2011 enacted level.

The budget requests that funding for the Homeland Security Council, previously funded within The White House Office account, be combined with funding for the National Security Council. The Committee does not oppose the proposed reorganization and recommends funding for the Homeland Security Council together with the National Security Council within a new account titled "National Security Council and Homeland Security Council."

OFFICE OF ADMINISTRATION  
SALARIES AND EXPENSES

Appropriations, 2011 .....	\$115,049,000
Budget estimate, 2012 .....	115,848,000
Committee recommendation .....	114,908,000

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 recommends an appropriation of \$114,908,000 for the Office of Administration for fiscal year 2012, a decrease of \$141,000 to the fiscal year 2011 enacted level and \$940,000 less than the budget request.

The Committee’s recommendation includes \$10,670,000 to stabilize and modernize the information technology infrastructure within the Executive Office of the President. This funding supports the continuation of a major initiative that will refresh the aging information technology infrastructure, strengthen disaster recovery and information security capabilities, and transition the Executive Office of the President’s communications architecture to integrate mobile devices while complying with security and records management requirements.

The Committee directs the Office of Administration to place a top priority on the implementation of comprehensive policies and procedures for the preservation of all records, including electronic records such as e-mails, videos, and social networking communication, consistent with the requirements of the Presidential Records Act, the Federal Records Act, and other pertinent laws. The Office of Administration shall work closely with the National Archives and Records Administration [NARA] to ensure the full and complete maintenance and formatting of electronic records that will eventually be turned over to NARA. The Committee expects the Office of Administration to keep the Committee fully apprised of funding needs related to record preservation and retention.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$91,750,000
Budget estimate, 2012 .....	91,660,000
Committee recommendation .....	90,833,000

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 \$90,833,000 for the Office of Management and Budget which is \$917,000 below the fiscal year 2011 enacted level and \$827,000 below the budget request.

The Committee relies on all entities receiving Federal funds, including OMB, to provide detailed information about budget requests and activities conducted using previously appropriated funds. The Committee expects OMB to provide timely and complete responses to the Committee to all requests for information, including requests related to the budget request for OMB and the Executive Office of the President.

The Committee directs OMB to submit a written report to the Committee within 120 days of enactment detailing the current ca-

pabilities of and deficiencies in the Federal Government's core budgeting system. This system is used Government-wide by all Federal agencies for documenting and estimating budget activities, ensuring data integrity with other financial and accounting systems, and transmitting a detailed budget request to the Congress. A robust system is an essential resource for providing data needed to support thorough budget analysis by both the administration and the Congress.

#### GOVERNMENT-WIDE MANAGEMENT COUNCILS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	(\$17,000,000)
Budget estimate, 2012 .....	(20,000,000)
Committee recommendation .....	(17,000,000)

#### PROGRAM DESCRIPTION

The Government-wide Management Councils provide forums for improving government performance by facilitating experience exchange and identification of best practices among leaders in Federal agencies. Interagency groups funded under this account include the President's Management Council for overall management improvement initiatives, the Chief Financial Officers Council for financial management initiatives, the Chief Information Officers Council for information technology initiatives, the Chief Human Capital Officers Council for human capital initiatives, the Chief Acquisition Officers Council for procurement initiatives, and the Performance Improvement Council for performance improvement initiatives. Funding is derived via transfer from the head of each executive department and agency.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$17,000,000 for Government-wide Management Councils, by transfer, which is equal to the fiscal year 2011 enacted level and \$3,000,000 below the budget request. The Committee supports the activities of the Government-wide Management Councils and recognizes that regular communication among agency leaders can lead to improved performance. The Committee directs the Executive Office of the President to continue to include a budgetary justification for each council in the annual budget request and to clearly note in the budget justification any items requested in the budget for Government-wide initiatives led or coordinated through the councils.

#### OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$27,084,000
Budget estimate, 2012 .....	23,413,000
Committee recommendation .....	26,125,000

#### 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 High Intensity Drug Trafficking Areas program, the Drug-Free Communities Support 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 \$26,125,000 for ONDCP's salaries and expenses. This amount is \$959,000 below the fiscal year 2011 enacted level and \$2,712,000 above the budget request. The funding level prevents a reduction-in-force of 20 FTE and maintains critical positions. Due to budget constraints, no funding is provided for policy research.

The Committee remains interested in ONDCP's implementation of the study conducted by the National Academy of Public Administration [NAPA], in particular, fostering openness and participation by staff at ONDCP and ensuring that qualified individuals hold leadership positions at ONDCP. The Committee applauds efforts by top leadership to listen to stakeholders and applauds efforts with interagency working groups and their task forces. The Committee directs ONDCP to provide an updated report on further actions and improvements taken since the last ONDCP report on this topic, which shall be due 30 days after enactment of this act.

The administration's new drug control strategy places an increased emphasis on demand reduction, therefore, staffing allocations within the Office of Supply Reduction and the Office of Demand Reduction should reflect that strategy. The Committee urges ONDCP to ensure that Office of Demand Reduction staff—both current and new—have expertise in prevention and making comprehensive community action a focal point.

The Committee notes that often a lengthy clearance process at the Executive Office of the President [EOP] delays submission of information required by Congress in a timely manner and urges EOP to improve ONDCP's responsiveness and ability to provide information critical to the Committee's ability to make informed budgetary decisions. Language has also been included in this topic under the White House Office account.

The Committee supports the goals of the Office of National Drug Control Policy's national action plan, "Epidemic: Responding to America's Prescription Drug Abuse Crisis", and encourages the Director to coordinate interagency efforts and partnerships with law enforcement to implement recommendations contained within the plan. The Committee requests quarterly reports on the Office's continued efforts to address prescription drug abuse and diversion based upon the plan's recommendations.

FUNDS APPROPRIATED TO THE PRESIDENT  
 FEDERAL DRUG CONTROL PROGRAMS  
 HIGH INTENSITY DRUG TRAFFICKING AREAS  
 (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$238,522,000
Budget estimate, 2012 .....	200,000,000
Committee recommendation .....	238,522,000

PROGRAM DESCRIPTION

The High Intensity Drug Trafficking Areas [HIDTA] program was established by the Anti-Drug Abuse Act of 1988 (Public Law 100–690) 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 \$238,522,000 for the HIDTA program, the same as the fiscal year 2011 level and \$38,522,000 above the budget request. The Committee directs that funding shall be provided for the existing HIDTAs at no less than the fiscal year 2011 level.

ONDCP is directed to consult with the HIDTAs in advance of deciding programmatic spending allocations for discretionary (supplemental) funding.

The Committee recommendation specifies that up to \$2,700,000 may be used for auditing services and associated activities, and up to \$500,000 shall be used to ensure the continued operation and maintenance of the Performance Management System.

The Committee directs that the HIDTA funds be transferred to the appropriate drug control agencies expeditiously and includes provisions in the bill to help prevent delay.

The Committee recognizes the National HIDTA Assistance Center for providing programmatic support to the HIDTA program to include training, financial management/audit review, and other essential services.

The Committee retains a provision allowing unexpended funds obligated prior to 2 years ago for programs addressing the treatment or prevention of drug use to be used for other approved HIDTA activities.

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 withhold all HIDTA funds from a State until such time as a State or locality has met its financial obligation.

OTHER FEDERAL DRUG CONTROL PROGRAMS  
 (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$140,618,000
Budget estimate, 2012 .....	143,600,000
Committee recommendation .....	105,950,000

## PROGRAM DESCRIPTION

The Anti-Drug Abuse Act of 1988 (Public Law 100–690), 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.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$105,950,000 for Other Federal Drug Control Programs, which is \$34,668,000 below the fiscal year 2011 enacted level and \$37,650,000 below the budget request. Within this amount, the Committee provides the following funding levels:

	Amount
National Youth Anti-Drug Media Campaign .....	92,600,000
Drug-Free Communities Support Program .....	2,000,000
National Community Anti-Drug Coalition training .....	1,400,000
Drug court training and technical assistance .....	8,900,000
Anti-doping activities .....	1,900,000
World Anti-Doping Agency [WADA] .....	1,150,000
Activities as authorized by Public Law 109–469, section 1105 .....	.....
Performance Measures Development .....	.....

*National Youth Anti-drug Media Campaign.*—The Committee has believed in the importance of maintaining anti-drug messaging to the Nation’s youth. However, during the course of the Media Campaign, it has received mixed reviews from independent sources. During times of fiscal austerity such as the Nation is currently experiencing, funding even the best-performing programs is difficult. Therefore, the Committee reluctantly provides no funding for the Media Campaign.

*Drug-free Communities Support Program.*—ONDCP directs the Drug-Free Communities Support Program [DFCSP] in partnership with the Substance Abuse and Mental Health Services Administration. 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 \$92,600,000 for the continuation of the DFCSP.

The Committee includes 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 man-



aging 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, as well as the ethics of doping and its harmful health effects. The Committee provides \$8,900,000 for USADA.

UNANTICIPATED NEEDS

Appropriations, 2011 .....	\$998,000
Budget estimate, 2012 .....	1,000,000
Committee recommendation .....	988,000

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 \$988,000, which is \$10,000 less than the amount appropriated in fiscal year 2011 and \$12,000 below the budget request.

PARTNERSHIP FUND FOR PROGRAM INTEGRITY INNOVATION

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	
Budget estimate, 2012 .....	\$20,000
Committee recommendation .....	

PROGRAM DESCRIPTION

The Partnership Fund for Program Integrity Innovation (Partnership Fund) was initiated in fiscal year 2010. The Partnership Fund supports pilot programs designed to reduce errors and improve efficiency and service of Federal programs administered by States. The pilot programs focus on coordinating State-administered Federal programs both within States and between State and Federal officials and on technology solutions that may serve as best practices in the future. The Director of the Office of Management and Budget [OMB] chairs an interagency council consisting of representatives of appropriate Federal agencies, States, and other stakeholders. The council analyzes and selects pilot programs for funding, develops strategies and goals for the overall program as well as for each pilot program, and develops methodologies for assessing the performance of the overall program and the pilot programs.

COMMITTEE RECOMMENDATION

The Committee does not recommend additional funding for the Partnership Fund in fiscal year 2012. The Committee directs the administration to continue to leverage funds provided in fiscal year 2010 to continue the initiative during fiscal year 2012.

The Committee is pleased with the proposed initiative to improve the operations of State-administered Federal programs. Efficiencies can be gained by better coordinating Federal programs, and technology may play a significant role in such improvements. The Committee reminds the interagency council of the semiannual progress reports that are required to be submitted to the Committees on Appropriations.

The Committee notes that OMB does not administer or execute Federal programs. While the Committee expects OMB to continue to play a coordinating role in designing pilot programs, developing performance measures, and allocating funds, the Committee directs that the interagency council be the exclusive decisionmaking body for such activities. As Chair of the Interagency Council, the Committee directs the Director of OMB to seek consensus and input to the maximum extent possible from council members and participating Federal and State agencies.

INTEGRATED, EFFICIENT, AND EFFECTIVE USES OF INFORMATION TECHNOLOGY

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	
Budget estimate, 2012 .....	\$60,000,000
Committee recommendation .....	

PROGRAM DESCRIPTION

The fiscal year 2012 budget request seeks \$60,000,000 in dedicated funding for the Integrated, Efficient, and Effective Uses of Information Technology [IEEUIT] program. The goal of the IEEUIT is to turn around poorly performing information technology projects and to centralize key information technology [IT] services for Government agencies, saving taxpayer dollars in the future that would otherwise be spent on inefficient and duplicative IT services. The Executive Office of the President began a major IT reform effort in fiscal year 2009 by leveraging existing resources provided for management improvements.

COMMITTEE RECOMMENDATION

The Committee lauds the administration’s comprehensive and innovative approach to improving IT development processes and maximizing efficiencies across the Federal IT portfolio. The Federal Government invests \$80,000,000,000 a year in IT development for a wide variety of capabilities, spanning, for example, from basic desktop computing to a searchable database for investigating terrorist financing activity.

Using resources provided for general management improvements, in 2009 the administration began a major IT reform effort focused on improving poorly performing IT projects, consolidating costly data centers, and consolidating common IT functions across Federal agencies. The administration estimates that taxpayer savings realized to date under the current IT reform initiative totals approximately \$3,000,000,000.

The Committee is unable to recommend additional dedicated funding for the IEEUIT at this time. The Committee directs the ad-

ministration to continue current IT reform efforts during fiscal year 2012 using resources provided for the Executive Office of the President and other funding sources where appropriate. The Committee directs the administration to keep the Committee apprised of the results of such efforts.

The Committee reminds the Executive Office of the President that the Committee expects to be regularly apprised of how Government-wide IT reform efforts affect agency-specific projects and missions on a case-by-case basis. The Committee directs that IT reform initiatives shall not be a substitute for the Committee's routine consideration of agency needs in accordance with the regular budget process. Finally, the Committee directs the Executive Office of the President to notify the Committee immediately upon any change in an agency spending plan pursuant to any efforts to modernize, streamline, or improve Federal IT projects.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$4,549,000
Budget estimate, 2012 .....	4,328,000
Committee recommendation .....	4,328,000

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. These funds also support the official activities of the spouse of the Vice President. The Vice President also has a staff funded by the Senate to assist him in the performance of his legislative duties.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,328,000 for special assistance to the President. This amount is the same as the budget request and \$221,000 below the fiscal year 2011 enacted level.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

Appropriations, 2011 .....	\$326,000
Budget estimate, 2012 .....	307,000
Committee recommendation .....	307,000

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.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$307,000 for the official residence of the Vice President. This amount is the same as

the budget request and \$19,000 below the fiscal year 2011 enacted level.

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

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

Section 202 requires a detailed financial plan by the Director of ONDCP prior to the obligation of funds in fiscal year 2012.

Section 203 allows for the transfer of up to 2 percent among programs within ONDCP.

Section 204 establishes reprogramming requirements for ONDCP.

Section 205 rescinds unobligated balances from the Counterdrug Technology Assessment Center program.

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 subject to the same funding constraints facing the executive and legislative branches. It is imperative that the Federal judiciary devote its resources primarily to the retention of staff. Further, it is also important that the judiciary contain controllable costs such as travel, construction, and other expenses.

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$73,921,000
Budget estimate, 2012 .....	75,551,000
Committee recommendation .....	74,819,000

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 \$74,819,000 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 \$898,000 above the fiscal year 2011 funding level and consistent with the budget re-estimate. As requested, funding is provided for 12 new police officers.

## CARE OF THE BUILDING AND GROUNDS

Appropriations, 2011 .....	\$8,159,000
Budget estimate, 2012 .....	8,504,000
Committee recommendation .....	8,159,000

## PROGRAM DESCRIPTION

Care of the Building and Grounds, for expenditure by the Architect of the Capitol, provides for the structural and mechanical care of the United States Supreme Court Building and Grounds, including maintenance and operation of mechanical, electrical, and electronic equipment.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$8,159,000 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 the same as the fiscal year 2011 funding level and \$345,000 below the budget request.

The Court shall continue to provide to the Committee detailed single-spaced quarterly reports on the Supreme Court modernization project, including descriptions; timeliness; milestones; and funding committed, obligated, and expended, as well as any unobligated balances of each major capital project. In addition, the report should include the identification, descriptions, and status of any contract claims.

## UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

## SALARIES AND EXPENSES

Appropriations, 2011 .....	\$32,511,000
Budget estimate, 2012 .....	35,139,000
Committee recommendation .....	31,913,000

## PROGRAM DESCRIPTION

The United States Court of Appeals for the Federal Circuit was established on October 1, 1982 under Article III of the Constitution. 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 12 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 subjects, 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 \$31,913,000. The recommendation is \$598,000 below the fiscal year 2011 funding level, and \$3,226,000 below the budget request.

UNITED STATES COURT OF INTERNATIONAL TRADE

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$21,447,000
Budget estimate, 2012 .....	22,891,000
Committee recommendation .....	20,968,000

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 \$20,968,000. The recommendation is \$479,000 below the fiscal year 2011 funding level and \$1,923,000 below the budget request.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$5,004,221,000
Budget estimate, 2012 .....	5,236,166,000
Committee recommendation .....	4,970,646,000

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, the Court of Federal Claims, and probation and pretrial services offices.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,970,646,000 for salaries and expenses. The recommendation is \$33,575,000 below the fiscal year 2011 funding level and \$265,520,000 below the budget request.

The Committee is aware that the Judicial Conference has communicated to judges and court staff the need to identify ways to reduce operational and administrative costs, given the current fiscal climate. The Committee endorses these efforts and urges all courts to review all options in order to help contain costs. The Committee applauds the Court of International Trade, which historically has managed its budget well as evidenced by its minimal funding requests year after year. On the other hand, the budget for Defender Services, currently funded at more than \$1,000,000,000, has grown significantly in recent years. While the services provided by this program are essential, this trend is not sustainable, given fiscal realities.

*Perimeter Security Pilot Project.*—The Judiciary submitted its report evaluating the Judicial Perimeter Security Pilot Program on October 20, 2010, and a follow-up report on execution of the Judicial Perimeter Security Pilot Program on August 8, 2011. The evaluation report concluded that having unity of command, CSO guards at all posts, and national standards for security coverage resulted in significant security improvements at the pilot sites. The follow-up report described how a Judicial Perimeter Security Program could be implemented at additional primary courthouses. While a meritorious program, given budget constraints, further implementation would be feasible only if cost neutral. The Judiciary is encouraged to identify such opportunities. Section 306 authorizing the pilot is continued in order to allow the Judiciary to maintain the pilot at the seven existing locations and to allow for expansion of the pilot to new locations, if it can be done in a cost neutral manner.

*Capital Security Program.*—Recognizing the impact of the Judiciary’s rental expenses on its ability to maintain support of critical court requirements, the Committee supports the work of the Judiciary in revising its long-range planning process for facility needs. Budgetary realities, as well as new space design criteria for courtroom sharing, will result in fewer new courthouses recommended by the Judicial Conference for funding in the future.

Security deficiencies in existing courthouses still must be addressed and can be accomplished in most instances with considerably less funding than would be required for a new facility. Therefore, funding is included within the General Services Administration’s Federal Buildings Fund to establish a Judiciary Capital Security Program, which will address security deficiencies in existing buildings where physical, interior alterations are viable. The Judiciary and the GSA shall work collaboratively to assess the building conditions, viability of long-term use, and structural capacity for these stand-alone architectural solutions which may include: building additional corridors; adding or reconfiguring elevators; building visual barriers; moving air-intakes; and enlarging security screening areas.

VACCINE INJURY COMPENSATION TRUST FUND

Appropriations, 2011 .....	\$4,775,000
Budget estimate, 2012 .....	5,011,000
Committee recommendation .....	4,775,000



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 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 \$4,775,000. The recommendation is the same as the fiscal year 2011 funding level and \$236,000 below the budget request.

DEFENDER SERVICES

Appropriations, 2011 .....	\$1,025,693,000
Budget estimate, 2012 .....	1,098,745,000
Committee recommendation .....	1,034,182,000

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 \$1,034,182,000. The recommendation is \$8,489,000 above the fiscal year 2011 funding level and \$64,563,000 below the budget request. This program is urged to scrutinize its costs and reduce expenses in the future.

FEEES OF JURORS AND COMMISSIONERS

Appropriations, 2011 .....	\$52,305,000
Budget estimate, 2012 .....	59,727,000
Committee recommendation .....	59,000,000

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 \$59,000,000. The recommendation is \$6,695,000 above the fiscal year 2011 funding level and \$727,000 below the budget request.

COURT SECURITY

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2011 .....	\$466,672,000
Budget estimate, 2012 .....	513,058,000
Committee recommendation .....	500,000,000

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 \$500,000,000. The recommendation is \$33,328,000 above the fiscal year 2011 funding level and \$13,058,000 below the budget request.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$82,909,000
Budget estimate, 2012 .....	88,455,000
Committee recommendation .....	82,000,000

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 communica-

tion and coordination within the Federal judiciary and with Congress, the executive branch, and the public on behalf of the judiciary.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$82,000,000. This recommendation is \$909,000 below the fiscal year 2011 funding level and \$6,455,000 below the budget request.

FEDERAL JUDICIAL CENTER

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$27,273,000
Budget estimate, 2012 .....	29,029,000
Committee recommendation .....	27,000,000

PROGRAM DESCRIPTION

The Federal Judicial Center, located in Washington, DC, improves the management of Federal judicial dockets and court administration through education for judges and staff, and research, evaluation, and planning assistance for the courts and the Judicial Conference. 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 \$27,000,000. The recommendation is \$273,000 below the fiscal year 2011 funding level and \$2,029,000 below the budget request.

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIARY TRUST FUNDS

Appropriations, 2011 .....	\$90,361,000
Budget estimate, 2012 .....	103,768,000
Committee recommendation .....	103,768,000

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 \$103,768,000 for payments to the Judicial Officers' Retirement Fund and the Claims Court Judges Retirement Fund. The recommendation is \$13,407,000 above the fiscal year 2011 funding level and consistent with the budget request.

UNITED STATES SENTENCING COMMISSION  
SALARIES AND EXPENSES

Appropriations, 2011 .....	\$16,803,000
Budget estimate, 2012 .....	17,906,000
Committee recommendation .....	16,500,000

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 \$16,500,000. The recommendation is \$303,000 below the fiscal year 2011 funding level and \$1,406,000 below the budget request.

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 consultative services.

Section 302 allows the judiciary, subject to the Committee's re-programming procedures, to transfer up to 5 percent between appropriations, but limits to 10 percent the amount that may 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 within 90 days of enactment of this act.

Section 305 grants the judicial branch the same tenant alteration authorities as the executive branch.

Section 306 provides continued authority for a court security pilot program.

Section 307 extends for 1 year the authorization of a temporary judgeship in Hawaii and a temporary judgeship in Kansas.

TITLE IV  
DISTRICT OF COLUMBIA  
FEDERAL PAYMENTS  
FEDERAL FUNDS

A total of \$658,118,000 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 \$40,600,000 below the fiscal year 2011 enacted level and \$58,582,000 below the budget request. A total of \$1,015,449,000 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 RESIDENT TUITION SUPPORT

Appropriations, 2011 .....	\$35,030,000
Budget estimate, 2012 .....	35,100,000
Committee recommendation .....	30,000,000

PROGRAM DESCRIPTION

The Resident Tuition Support program was created by the District of Columbia College Access Act of 1999 (Public Law 106–98), expanded through the District of Columbia College Access Improvement Act of 2002 (Public Law 107–157), and amended and reauthorized through Public Law 110–97. 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 over a decade ago, the program has disbursed more than \$265,000,000 through December 31, 2010 for the benefit of more than 16,265 District of Columbia residents, with grants averaging \$6,449 per year. Sixty percent of the program grantees are the first in their families to attend college. Program participants have enrolled in more than 300 colleges and universities in

48 States. This has brought an infusion of the District's students as well as Federal dollars to State university systems nationwide.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$30,000,000 for the resident tuition support [DC TAG] program, \$5,030,000 below the fiscal year 2011 enacted level and \$5,100,000 below the budget request. The Committee understands that the program will have an estimated \$12,819,000 in carryforward funds available in fiscal year 2012.

The Committee urges the Office of the State Superintendent of Education to continue its efforts to improve the student retention, persistence, and college graduation rate of program participants. The Committee acknowledges the challenges facing the students who do enroll in college to reach graduation. Data reveal that among program grantees, many students interrupt their enrollment or drop out entirely on their path to a degree, and just 47 percent graduate from college in 6 years. The Committee directs that the State Superintendent shall include, as a component of the fiscal year 2013 budget justification submission, an annual update of its efforts, including research findings, to enhance the retention, persistence, and graduation rates, including early awareness and readiness initiatives to promote academic college preparation, guidance, and other support mechanisms and partnerships. The Committee expects the program to work to improve its ability to meet its core premise of a full return on investment wherein every program participant earns a college degree.

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

Appropriations, 2011 .....	\$14,970,000
Budget estimate, 2012 .....	14,900,000
Committee recommendation .....	14,900,000

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 increases, overtime costs for personnel escalate and divert local police from neighborhood patrols. The complexity and costs associated with these events, including unique needs for crowd control, surveillance, and protection against unusual threats, are high and growing, and demand effective and efficient coordinated operations. The President has supported reimbursing the District for these costs.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$14,900,000, for 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, for the costs of providing support requested by the United States Secret Service Division in carrying out their protective duties under the direction of the Secretary of Homeland Se-

curity, and for the costs of providing support to respond to immediate and specific terrorist threats or attacks in the District of Columbia or surrounding jurisdictions. This is \$70,000 below the fiscal year 2011 enacted level and the same as the budget request.

In addition, the District may use any funds remaining from prior year appropriations under this heading. The District may use the payment to cover the costs of Executive transportation support including motorcades and helicopter landings. The Committee directs the District of Columbia to submit a detailed budget justification with its funding request for fiscal year 2013, including specific information about the anticipated costs related to the January 2013 Presidential Inauguration. The Committee further directs the District of Columbia to submit, within 60 days of the end of fiscal year 2012, a report to the House and the Senate Committees on Appropriations detailing the purposes and amounts expended using the funds, particularly noting any deviation from the original proposed spending.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

Appropriations, 2011 .....	\$242,933,000
Budget estimate, 2012 .....	229,068,000
Committee recommendation .....	230,319,000

PROGRAM DESCRIPTION

Under the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105-33, title XI), 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 improvement projects include implementation of the updated Facilities Master Plan, with particular focus on expansion of the Moultrie Courthouse to address space shortfalls. By law, the annual budget includes estimates of the expenditures for the operations of the Courts prepared by the Joint Committee on Judicial Administration as well as the President's recommendation for funding the Courts' operations.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment to the District of Columbia Courts of \$230,319,000, which is \$12,614,000 below the fiscal year 2011 enacted level and \$1,251,000 above the President's budget request. This amount includes \$12,830,000 for the Court of Appeals, \$111,687,000 for the Superior Court, \$66,712,000 for the Court System, and \$39,090,000 for capital improvements to courthouse facilities.

The Committee recommendation for the District of Columbia Superior Court is \$74,000 above the President's recommended funding of \$111,613,000 in order to address a top priority of the Court. This increase will support the Fathering Court Initiative to help fathers, particularly those reentering the community following incarceration, to sustain employment in order to meet their financial obligations to and establish healthy parental relationships with their children.

The Committee recommendation for the District of Columbia Court System is \$192,000 above the President's recommended funding of \$66,520,000 and will permit the Court System to support the enforcement of court orders by enhancing the collection of fines and fees.

The Committee recommendation for capital improvements provides \$985,000 above the President's recommendation of \$38,105,000 to support continued implementation of the Facilities Master Plan, particularly the Moultrie Courthouse Addition (C Street Expansion), improved physical safety through perimeter security enhancements and lighting and signage upgrades, and infrastructure upgrades and maintenance. The Committee acknowledges that steady progress on the Facilities Master Plan should provide a cost-effective path to address deficiencies in the Courts' space needs. In addition to the recommended funding, the Committee includes new language as requested by the Courts under the Defender Services in the District of Columbia Courts account to permit transfer of funds for capital improvements to courthouse facilities.

The Committee supports the Courts' request to maintain the current level of funds available for its official reception and representation purposes. These resources enable the Courts to meet various community outreach responsibilities including supporting legal education in the District of Columbia as the home of six law schools; work with the D.C. Bar committees; and host the significant number of international guests who visit the D.C. Courts to learn about legal systems in democratic societies. The Committee acknowledges that the current amount of the Courts' reception and representation funds is commensurate with small Federal agencies and considerably less than the comparative representation funds available to other District officials.

FEDERAL PAYMENT FOR DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$54,890,000
Budget estimate, 2012 .....	55,000,000
Committee recommendation .....	55,000,000

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.

In addition to legal representation, these programs provide indigent persons with services such as transcripts of court proceedings, expert witness testimony, foreign and sign language interpretation, and investigations and genetic testing.



COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$55,000,000 for Defender Services in the District of Columbia Courts. This is \$110,000 above the fiscal year 2011 enacted level and the same as the budget request.

The Committee includes new language permitting the transfer of up to \$10,000,000 to the District of Columbia Courts for capital improvements of courthouse facilities.

To promote access to justice and ensure that high-quality legal representation is available to the indigent in the District of Columbia Courts, in fiscal year 2009, Congress financed an hourly rate increase for attorneys to \$90 per hour. Increased funding provided in fiscal year 2010 permitted the adjusted compensation rate to be fully instituted.

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

Appropriations, 2011 .....	\$211,983,000
Budget estimate, 2012 .....	216,846,000
Committee recommendation .....	212,983,000

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 (Public Law 105-33, title XI). 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 which monitors or supervises approximately 16,200 offenders on a daily basis and the Pretrial Services Agency [PSA] which supervised 17,077 defendants during fiscal year 2010 and monitors approximately 7,000 defendants at any given time. In fiscal year 2010, the PSA placed more than 1,607 defendants into sanctions-based substance abuse treatment.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$212,983,000, which is \$1,000,000 above the fiscal year 2011 enacted level and \$3,863,000 below the budget request. Of this amount, \$59,435,000 is designated for the Pretrial Services Agency and \$153,548,000 is designated for the Community Supervision Program. The Committee notes that \$1,000,000 of the resources recommended for the Pretrial Services Agency will support planning, design, and relocation of the Pretrial Services Agency Forensic Toxicology and Drug Testing Laboratory.

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, including faith-based organizations, that offer coun-

seling, 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.

The Committee is encouraged that the Community Supervision Program reduced caseloads in the general supervision unit from 44 per officer in fiscal year 2009 to 40 to per officer in fiscal year 2010, a significant improvement over the 100:1 average ratios prior to the Agency’s inception. The Committee acknowledges that funding for CSOSA for offender contract treatment, including substance abuse, halfway-back residential sanctions, mental health and sex offender assessments, and transitional housing is constrained.

The Committee appreciates the efforts of CSOSA management to identify savings and other efficiencies through targeted cutbacks and strategic reorganization as the agency fulfills its critical mission and addresses high priority public safety needs amid Government-wide fiscal constraints.

The Committee commends the collaborative efforts of the Community Supervision Program to continue to partner with the District of Columbia Government, the United States Parole Commission, and the Bureau of Prisons to implement the Secure Residential Treatment Program pilot. This program aims to provide a secure, residential substance abuse treatment intervention/sanction alternative to high-risk, chronic substance abusing and criminally involved male D.C. code offenders in lieu of revoking them to Bureau of Prisons custody. The Committee encourages CSOSA to keep the Committee regularly informed of how well this program is meeting its goals of increasing offenders’ chances of successful community reintegration and breaking the cycle of recidivism.

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

Appropriations, 2011 .....	\$37,241,000
Budget estimate, 2012 .....	41,486,000
Committee recommendation .....	37,241,000

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 and promote quality legal representation services within the District of Columbia justice system. PDS provides legal representation to indigent adults and children facing loss of liberty 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.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment to the Public Defender Service for the District of Columbia of \$37,241,000, which is the same as the fiscal year 2011 enacted level and \$4,245,000 below the budget request.

The Committee provides authority in section 818 of the bill for the PDS to obtain professional liability insurance for its attorneys,

staff, and board members. The Committee understands that the cost for such coverage can be met within the funding provided.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Appropriations, 2011 .....	\$11,476,000
Budget estimate, 2012 .....	25,000,000
Committee recommendation .....	15,000,000

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 entered on March 23, 2005, the Water and Sewer Authority is undertaking a 20-year, \$2,200,000,000 sewer construction program to reduce combined sewer overflows [CSO]. The Clean Rivers Project includes deep underground storage tunnels, side tunnels to reduce flooding, pump station rehabilitation, and the elimination of over a dozen CSO outfalls along the Potomac and Anacostia Rivers and Rock Creek. When completed in 2025, this project is expected to vastly improve water quality and significantly reduce debris in our Nation's capital waterways as well as improve the health of the Chesapeake Bay.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$15,000,000, to be matched by at least \$15,000,000 provided by the Water and Sewer Authority, to continue implementation of the Long-Term Combined Sewer Overflow Control Plan. This is an increase of \$3,524,000 above the fiscal year 2011 enacted level and \$10,000,000 below the budget request.

FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL

Appropriations, 2011 .....	\$1,796,000
Budget estimate, 2012 .....	1,800,000
Committee recommendation .....	1,800,000

PROGRAM DESCRIPTION

The Criminal Justice Coordinating Council for the District of Columbia [CJCC] is the primary forum 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 illegal drugs, juvenile justice, half-way 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.

The CJCC maintains the Justice Integrated Information System [JUSTIS] using technology that allows for the seamless sharing of information at critical decision points throughout the justice system. JUSTIS connects Federal agencies, the District government, and court information systems, so that criminal activity can be easily monitored across an array of participating agencies. Agencies currently using JUSTIS include the Metropolitan Police Department, the D.C. Department of Corrections, D.C. Superior Court, the U.S. Park Police, the U.S. Capitol Police, the U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives, the Pretrial Services Agency, CSOSA, the U.S. Attorney's Office for the District of Columbia, and the D.C. and Maryland Public Defenders Service. No other system provides this range of access to Federal and local information in the District.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$1,800,000 to the Criminal Justice Coordinating Council [CJCC]. This is \$4,000 above the fiscal year 2011 enacted level and the same as the budget request.

Among the array of activities that the recommended Federal payment will support during fiscal year 2012 are enhancing the JUSTIS information system's report development, review, and approval capabilities; supporting the GunStat initiative; improved sharing of information on mental health and substance abuse to redirect persons to necessary support services; supporting record management, court-based release, court processing and papering reforms; developing clear business processes to help reduce the number of outstanding warrants; and providing a comprehensive approach to truancy prevention.

The Committee directs the CJCC to submit annual performance measures in an annual report to accompany the fiscal year 2013 budget justification, which should also describe progress made on individual CJCC initiatives.

FEDERAL PAYMENT FOR JUDICIAL COMMISSIONS

Appropriations, 2011 .....	\$499,000
Budget estimate, 2012 .....	500,000
Committee recommendation .....	500,000

PROGRAM DESCRIPTION

The Commission on Judicial Disabilities and Tenure provides support to the District of Columbia Court of Appeals and Superior Court through reviewing and investigating allegations of judicial misconduct. The Judicial Nomination Commission recommends candidates to the President of the United States for nomination to judicial vacancies in these courts. In accordance with the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105-33), the Federal Government is responsible

for financing of the District of Columbia Courts, including the operations of the District of Columbia Court of Appeals, Superior Court, the Court System, and the Capital Improvement Program. Although independent of the Courts by design, these two Commissions provide important functions within the judicial branch of local government in the District of Columbia.

#### COMMITTEE RECOMMENDATION

The Committee provides \$500,000 as a Federal payment for the judicial commissions, of which \$295,000 is designated for the Judicial Nomination Commission and \$205,000 is designated for the Commission on Judicial Disabilities and Tenure. This amount is \$1,000 above the fiscal year 2011 enacted level and the same as the budget request. The Committee continues to support the rationale of recognizing these commissions as local judicial branch agencies for which Federal support for the operations is necessary.

#### FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT

Appropriations, 2011 .....	\$77,545,000
Budget estimate, 2012 .....	67,000,000
Committee recommendation .....	60,000,000

#### PROGRAM DESCRIPTION

The Committee continues its commitment to improving educational opportunities for the children of the District of Columbia. For the past 7 fiscal years, Congress has supported a three-sector funding arrangement to provide Federal resources for the District of Columbia Public Schools, public charter schools, and for a scholarship program for low-income students to attend private schools.

For the last 4 years the District has charted a new management course for the District's troubled public school system in response to Public Law 110-33, which vested authority over the school superintendent, operating budget, and capital program in the Mayor beginning in 2007. The Committee acknowledges the daunting challenges this undertaking presents, given that District of Columbia public school students have chronically performed well below national averages in reading and mathematics. The Committee commends the progress that has been made to streamline bureaucracy, recruit new principals, expand course offerings available to students, expand pre-K classrooms, complete major renovations, and raise math and reading test scores. Last year marked the first time in 41 years that enrollment increased in District of Columbia public schools. For the ensuing school year, 47,000 students are enrolled.

Public charter schools in the District of Columbia have grown considerably since the first two opened in 1996 and served 160 students. In school year 2010-2011, 52 tuition-free, autonomous public charter schools on 93 campuses operated in the District, enrolling 29,366 students in every ward of the city, and serving nearly 40 percent of all District of Columbia public school students. The District of Columbia School Reform Act of 1995 (Public Law 104-134), one of the strongest charter school laws in the Nation, guarantees charter school autonomy from the District of Columbia Public Schools and from the District government and mandates uniform

per student funding of all public school students, both traditional and charter.

Congress established the private school scholarship (voucher) program as a 5-year pilot in 2003. In April 2011, the Opportunity Scholarship Program was reauthorized for 5 years through enactment of Public Law 112–10, division C. The intent of this program is to help increase the District of Columbia’s capacity to provide parents, particularly low-income parents whose children attend low-performing schools, more options for quality education. In school year 2010–2011, 1,017 students participated in the program and were enrolled at 41 nonpublic schools.

#### COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$60,000,000, which is \$17,545,000 below the fiscal year 2011 enacted level and \$7,000,000 below the budget request. These funds are allocated as follows: \$20,000,000 for the District of Columbia Public Schools to improve public school education, \$20,000,000 to expand quality charter schools and \$20,000,000 for the Secretary of Education for private school scholarships under Public Law 112–10, division C.

The Committee directs the District of Columbia Public Schools to submit a detailed spending plan outlining specific activities no later than 60 days after enactment of this act and that this spending plan should contain a particular emphasis on initiatives to improve the recruitment and retention of a high-quality teacher and principal workforce in District public schools.

The District has 11,000 special needs students for whom the District must provide or secure educational services. As part of the increased Federal funds provided for the District of Columbia Public Schools for fiscal year 2012, the Committee expects the District to make substantial progress in achieving compliance with the 2006 Federal court-ordered consent decree, eliminating inadequacies in treatment and support for special needs students, and establishing more inclusive learning environments for these students within the District of Columbia Public Schools system.

With respect to the recommended Federal payment for fiscal year 2012 for public charter schools, the Committee directs the District of Columbia Public Charter School Board to submit to Congress, through the Office of the State Superintendent of Education [OSSE], a detailed spending plan outlining specific activities no later than 60 days after enactment of this act. This spending plan should particularly emphasize enhancing the academic quality of existing charter schools, expanding the capacity of high-performing charter schools, and executing a robust performance management system to help identify low-performing schools and close them. The Committee expects that funding provided for charter schools will be used in accordance with the plan submitted.

Over the years, public charter schools have moved into and revitalized former DCPS school buildings that otherwise would have been developed into condominiums or used for other commercial purposes. These buildings, including several historic structures, often long-abandoned and severely blighting neighborhoods, have been converted to public charter schools.

The Committee directs the Mayor of the District of Columbia to submit to the Committees on Appropriations, as part of the fiscal year 2013 Federal payment budget justification materials, a detailed fiscal year 2013–2017 public education facilities plan that will ensure public charter school access to surplus or underutilized DCPS space.

Finally, the Committee reminds the government of the District of Columbia that students in public charter schools are to have access to the same publicly funded services that are offered to students in traditional public schools. These include school nurses, School Resource Officers, crossing guards, and mental health and other wrap-around services.

The Committee believes that any school enrolling a scholarship participant under the Opportunity Scholarship Program should satisfy certain minimum reasonable expectations as an educational setting. The Committee directs the Secretary of Education to independently assess on an annual basis that participating schools are in full compliance with the statutory requirements of section 3007(a)(4) of Public Law 112–10, division C relating to valid certificates of occupancy, school accreditation, site inspections, financial stability, fiscal management controls, and teacher qualifications. The Committee directs the Secretary to take prompt action to remedy any determination of noncompliance, and to submit to the Committee an annual report summarizing the results of the assessment.

FEDERAL PAYMENT FOR THE D.C. NATIONAL GUARD

Appropriations, 2011 .....	\$375,000
Budget estimate, 2012 .....	2,000,000
Committee recommendation .....	375,000

PROGRAM DESCRIPTION

The fiscal 2012 budget request seeks a Federal payment of \$2,000,000 for the D.C. National Guard’s D.C. Government Operations. The D.C. National Guard is a Federal, rather than a local, entity and responds to orders of the President of the United States who is the Commander-in-Chief of the D.C. National Guard pursuant to law [District of Columbia Official Code § 49–409 and Executive Order No. 11485 (October 1, 1969)]. Unlike a Governor of a State, the Mayor is not authorized to deploy the National Guard under any circumstances. The District of Columbia National Guard is specifically trained to support law enforcement during critical missions, such as demonstrations, Presidential inaugurations and funerals, and emergency services for weather-related 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 a Federal payment of \$375,000 for the D.C. National Guard designated for the Major General David F. Wherley, Jr. District of Columbia National Guard Retention and

College Access Program, a tuition assistance program for non-resident District of Columbia National Guard members. This amount is the same as the fiscal year 2011 enacted level and \$1,625,000 below the budget request.

FEDERAL PAYMENT FOR HOUSING FOR THE HOMELESS

Appropriations, 2011 .....	\$9,980,000
Budget estimate, 2012 .....	
Committee recommendation .....	

PROGRAM DESCRIPTION

Under the Housing First Initiative, the District of Columbia has begun to transform the delivery of homeless services from an approach that simply meets the survival needs of individuals with blankets and shelter to a system designed to move chronically homeless individuals to permanent supportive housing with tightly linked support services. In the two most recent fiscal years, Congress provided special Federal payments totaling \$26,980,000 to help boost the local intensive case management and scattered-site housing program through support for the costs of rent, utilities, and case management and respond to the particularly acute incidence of homelessness among veterans.

COMMITTEE RECOMMENDATION

The fiscal year 2012 budget did not request and the Committee does not recommend a Federal payment for this program.

FEDERAL PAYMENT FOR REDEVELOPMENT OF THE ST. ELIZABETHS HOSPITAL CAMPUS

Appropriations, 2011 .....	
Budget estimate, 2012 .....	\$18,000,000
Committee recommendation .....	

PROGRAM DESCRIPTION

St. Elizabeths, established by Congress in 1855 as the Government Hospital for the Insane and officially renamed as St. Elizabeths Hospital in 1916, is presently divided into two campuses. The West Campus, owned by the Federal Government and under the custody and control of the General Services Administration, will be the new headquarters for the Department of Homeland Security. The East Campus, owned by the District of Columbia, is still in use as a mental health facility. The fiscal year 2012 budget request seeks a new Federal payment of \$18,000,000 to support various redevelopment planning activities on the East Campus to stimulate economic and community revitalization in tandem with the transformation of the West Campus property.

COMMITTEE RECOMMENDATION

The Committee acknowledges the importance of this development effort, but is unable to support the request for a new special Federal payment at this time.



FEDERAL PAYMENT FOR HIV/AIDS PREVENTION

Appropriations, 2011 .....	
Budget estimate, 2012 .....	\$5,000,000
Committee recommendation .....	

PROGRAM DESCRIPTION

The District of Columbia is facing a daunting HIV epidemic. Based on the national HIV/AIDS case based reporting system, the District currently has the highest AIDS rate in the country, nearly twice as high as New York City and five times as high as Detroit. Estimates based on surveillance numbers suggest that between 3 and 5 percent of the adult residents in the District are currently living with HIV or AIDS, and HIV/AIDS is the leading cause of premature mortality in the city. The fiscal year 2012 budget request seeks a new Federal payment to bolster existing prevention, care, and support services on a city-wide basis to reduce the incidence of HIV and AIDS in the District of Columbia.

COMMITTEE RECOMMENDATION

The Committee acknowledges the serious situation but is unable to support a new special Federal payment at this time, and urges the District of Columbia to explore and exhaust other Federal grant options and private sources to augment local investments to support this program in fiscal year 2012.

FEDERAL PAYMENT FOR D.C. COMMISSION ON THE ARTS AND HUMANITIES GRANTS

Appropriations, 2011 .....	
Budget estimate, 2012 .....	\$5,000,000
Committee recommendation .....	

The budget requests a special Federal payment of \$5,000,000 to fund competitively-awarded grants for non-profit fine and performing arts organizations based in and primarily serving the District of Columbia. This request relates to a proposal to significantly reduce funding for the National Capital Arts and Cultural Affairs [NCACA] grants program and transfer administration of that program from the Commission on Fine Arts, a Federal entity funded under the Interior appropriation, to the District of Columbia Commission on Arts and the Humanities.

COMMITTEE RECOMMENDATION

The Committee is unable to support the request for a new special Federal payment to the District of Columbia for grants for non-profit fine and performing arts organizations in fiscal year 2012.

DISTRICT OF COLUMBIA FUNDS

The Committee recommends a total of \$10,911,966,000 for the operating expenses of the District of Columbia as contained in the fiscal year 2011 budget submitted to the Congress by the government of the District of Columbia. Of the total, \$6,208,646,000 is from local funds, \$1,015,449,000 is from Federal grant funds, \$2,040,504,000 is from other funds, and \$25,677,000 is from private funds. The Committee further recommends an additional

\$122,575,000 in appropriated Federal payments as set forth under this title. The Committee directs that any changes to the financial plan as submitted by the District must follow the reprogramming guidelines.

TITLE V

INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$2,744,000
Budget estimate, 2012 .....	3,200,000
Committee recommendation .....	2,900,000

PROGRAM DESCRIPTION

The Administrative Conference of the United States [ACUS] is an independent agency and advisory committee created to study administrative processes in order to recommend improvements to Congress and agencies.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,900,000 for ACUS, \$300,000 below the budget request and \$156,000 above the fiscal year 2011 enacted level.

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$499,000
Budget estimate, 2012 .....	
Committee recommendation .....	450,000

PROGRAM DESCRIPTION

The Christopher Columbus Fellowship Foundation is an independent agency established by Congress in 1992 (Public Law 102–281) to encourage and support research, study, and labor designed to produce new discoveries in all fields of endeavor for the benefit of mankind. Its mission is accomplished through the sponsorship of national competitions designed to promote innovation in the fields of homeland security, life sciences, and education. Through its Frontiers of Discovery—Work in Progress and Discover the Future programs, the agency recognizes cutting edge innovations of worthy American scientists, student inventors, and exemplary teachers who inspire despite especially challenging educational environments or personal physical disabilities.

Initial funding for the Christopher Columbus Fellowship Foundation was derived from the sale of three denominations of specially minted coins sold by the United States Mint from August 1992 through June 1993. Revenues from the coin sales surcharges were deposited in the Christopher Columbus Fellowship Fund at the Department of the Treasury, and made available to the Foundation.

To address the fact that the coin sales revenues had been depleted, Congress authorized funding for the Christopher Columbus Fellowship Foundation in the Omnibus Appropriations Act, 2009 (Public Law 111–8).

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$450,000 for the Christopher Columbus Fellowship Foundation. This is \$49,000 below the fiscal year 2011 enacted level and \$450,000 above the budget request.

CIVILIAN PROPERTY REALIGNMENT BOARD

Appropriations, 2011 .....	
Budget estimate, 2012 .....	\$88,000,000
Committee recommendation .....	

The Civilian Property Realignment Board, as proposed by section 735 of Government-wide General Provisions of the fiscal year 2012 Budget Appendix, would be an independent agency that assists the President and Congress in identifying ways the Government can eliminate unneeded assets and downsize its real property inventory. The purpose of the Board would be to create a fair process that will result in the timely disposal and realignment of Federal real property. The goals of the Board would be to sell unneeded property, reduce the operating costs of the Government, support and incentivize agency co-location, and improve the sustainability of the Government’s operations.

COMMITTEE RECOMMENDATION

Neither the Civilian Property Realignment Board nor the Civilian Property Realignment Act have been authorized by Congress. While certain elements of the Federal real property proposal may be appealing, other parts may have drawbacks, which Congress is in the process of reviewing. The Committee is unable to fund this proposed new Board at this time, noting the significant funding required, particularly at a time when the Committee’s ability to adequately fund existing agencies and long-standing programs—which have been vetted and which receive overwhelming support—is severely constrained.

COMMODITY FUTURES TRADING COMMISSION

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$202,270,000
Budget estimate, 2012 .....	308,000,000
Committee recommendation .....	240,000,000

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.

The enacted 2008 farm bill (Public Law 110–246) reauthorized the CFTC and made several amendments to the Commodity Exchange Act to:

- clarify the CFTC’s jurisdiction over retail financial contracts based on foreign currencies;
- make the CFTC’s anti-fraud authority applicable to certain off-exchange or over-the-counter derivatives contracts;
- increase civil monetary and criminal penalties for violations;
- permit cross-margining of accounts in security futures and options; and
- establish CFTC regulation over certain exchange-like trading facilities that are currently exempt from most regulation.

Under the Dodd-Frank Wall Street and Consumer Protection Act (Public Law 111–203), the CFTC faces the daunting added responsibility of comprehensive oversight of the once-unregulated \$300,000,000,000 over-the-counter U.S. derivatives market to protect and benefit end-users and the broader American public. This complex swaps market has a notional value of nearly eight times the size of that of the futures markets.

New mandates for the CFTC include reviewing all swaps to determine whether the swap is exempt from the mandatory clearance requirement; requiring real-time reporting for all swaps; adopting rules for imposing capital and margin requirements on all non-cleared swaps; exercising dual regulatory authority, in conjunction with the SEC, over mixed swaps; promulgating rules defining the universe of swaps that can be executed on a swap execution facility; and exercising backstop enforcement authority if prudential regulators do not act after notification of a perceived violation.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$240,000,000 for the Commodity Futures Trading Commission. This is \$37,730,000 above the fiscal year 2011 enacted level and \$68,000,000 below the budget request. The Committee supports the need for increased resources for the CFTC above the fiscal year 2011 enacted level to satisfy its substantially broadened regulatory workload and to en-

sure appropriate oversight of the futures markets, which are growing steadily in volume and new users, and rapidly evolving in their complexity and diversity. In addition to this recommended funding, the Committee directs the CFTC to use funds available within the Customer Protection Fund to establish an office and hire personnel for the necessary and incidental expenses of carrying out whistleblower incentive claims management and administering a customer education program.

The Committee directs the CFTC to submit, within 30 days of enactment, a detailed spending plan for the allocation of the funds made available, displayed by discrete program, project, and activity, including staffing projections, specifying both FTEs and contractors, and planned investments in information technology.

The Committee underscores the crucial need for the CFTC to make mission-critical investments in technology to sort through the millions of pieces of information generated daily by markets. The CFTC’s responsibilities to integrate both swap and futures markets and perform required analysis and oversight requires a complete overhaul of the current systems and a greater attention to automating surveillance and market risk analysis. The amount and detail of trade data collected and analyzed at the CFTC is expanding with its new authority over swaps markets and can only be managed by completely automating the collection and analysis of market data.

The Committee is pleased that the CFTC is taking steps to improve the transparency of market data to better inform market participants and the public.

The Committee acknowledges the significant progress that the CFTC has achieved in the past year in publishing and eliciting important public comment on proposed rules. The Committee is concerned that until the CFTC completes its rulemaking process to bring the over-the-counter derivatives markets onto transparent exchanges or swap execution facilities and under agency oversight, the public remains unprotected from a risk of another financial crisis.

The Committee stresses that with the enactment of Public Law 111–203, it is all the more critical for the CFTC, in collaboration with the SEC, to ensure optimum harmonization in executing the respective oversight responsibilities of each agency with respect to over-the-counter derivative products. The Committee expects the CFTC and the SEC to limit, to the greatest extent possible, inconsistent regulation of similar products and entities that could lead to opportunities for regulatory arbitrage. The Committee continues to support the use of funds to support the Joint SEC–CFTC Advisory Committee.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$114,788,000
Budget estimate, 2012 .....	122,000,000
Committee recommendation .....	114,500,000

## PROGRAM DESCRIPTION

The Consumer Product Safety Commission [CPSC] 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 CPSC 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.

On August 14, 2008, Congress reauthorized the Commission by enacting the Consumer Product Safety Improvement Act of 2008 [CPSIA] (Public Law 110-314). CPSIA represents the most substantial change in the Consumer Product Safety Commission's authorities since the creation of the Commission. Among other things, it enhances the Commission's recall authority, streamlines the rulemaking process, provides for the creation of a new searchable database of consumer product complaints, and requires product certification.

## COMMITTEE RECOMMENDATION

The Committee recommends \$114,500,000 for the Consumer Product Safety Commission, which is \$288,000 below the fiscal year 2011 funding level and \$7,500,000 below the budget request.

The Committee is encouraged by the implementation of the Consumer Product Safety Information Database as authorized by the Consumer Product Safety Improvement Act [CPSIA] which will aid in more quickly detecting hazardous or potentially hazardous or unsafe products. Since its launch in March of this year, the database has provided consumers with the type of transparency envisioned in CPSIA. SaferProducts.gov has posted more than 2,700 searchable reports, many of which include incidents of injury and even death. The concerns that industry has been predicting, such as the idea that the database would result in widespread misinformation that would needlessly malign innocent companies, have not materialized. Moreover, the recent enactment of a new law (Public Law 112-28) revising provisions in CPSIA has provided industry with additional safeguards that maximize the database's accuracy. Every effort will be made by CPSC to include in all incident reports either a model number, serial number, or photograph of the consumer product in question, and the Commission will have additional time to verify the accuracy of those reports that are contested. With a bipartisan majority's approval of this legislation, industry's concerns have been addressed and opposition to the data-

base should be negligible. Moreover, the Government Accountability Office [GAO] is currently reviewing the database as required in Public Law 112–10 and a longer GAO study as required by CPSIA is underway, and those reports should be completed prior to further legislative action regarding the database. In sum, SaferProducts.gov has been shown to be quite successful in its first 6 months, even resulting so far in a recall of a children’s product in July that was demonstrated to have caused serious laceration injuries to children.

The Committee is appreciative of the monthly drywall reports provided by the Commission during the past year and for fiscal year 2012 requires that these reports be provided on a quarterly basis instead, although the Commission should update the Committee of notable developments immediately, should they occur outside the quarterly reporting schedule.

From 2001–2008, 2,691 incidents associated with playground equipment were reported to the CPSC, 40 of which were deaths investigated by CPSC. The most recent report is from October 2009. CPSC is encouraged to collect and report statistics pertaining to playground injuries and deaths annually, if possible.

CPSC estimates that table saws used by hobbyists, shop class students, and other consumers amputate an average of 10 fingers per day. The Committee is supportive of CPSC’s actions and progress with regard to table saws, including the possibility of issuing a standard relating to table saw safety.

Currently, CPSC has no means to compel the production of information relating to a product defect from a foreign manufacturer. The Commission must rely on the manufacturer to provide this information voluntarily—or on the Commission’s ability to compel it from an importer or retailer located in, or with sufficient contacts to, the United States. This has been a major problem in some cases, such as the investigation of problem drywall imported from China, where manufacturers have openly refused to comply with Commission information requests. Therefore, a provision is included allowing CPSC to require foreign manufacturers, or a subset thereof, after notice and hearing, to register a U.S. agent for service of process involving Commission (but not private) information or document requests. This authority mirrors that of other consumer agencies.

The Committee is aware that small, round, coin-shaped batteries, known as “button cell batteries” are increasingly present in consumer products, and pose a hazard—potentially fatal—to small children who ingest them. Between 2007 and 2009, more than 3,400 button battery ingestion cases were reported to U.S. poison centers annually. The number of ingestions that result in serious injury or death have increased sevenfold since 1985 due to the higher voltage of newer batteries. Hundreds of children have been severely injured and six have died from these ingestions in the last 2 years alone. If these batteries were securely enclosed in products (like the existing Federal safety rules that require toys that use batteries to have such compartments), with accompanying warning labels, this hazard could be greatly diminished. Accordingly, a provision has been included requiring CPSC to promulgate such a safety standard.



CPSC has identified window coverings with cords as one of the top five hidden hazards in the home. CPSC is aware of 120 fatalities and 113 serious injuries related to corded window blinds since 1999. About once a month, a child between 7 months and 10 years old dies from window cord strangulation and another child suffers a near strangulation. In recent years, CPSC has recalled tens of millions of window coverings, including Roman shades, roller and roll-up blinds, vertical and horizontal blinds. A voluntary standard exists for window blinds but it has proven to be inadequate to eliminate the strangulation risk posed by corded window coverings. After a year of working on a voluntary standard, even with consumer participation, the draft standard is unacceptably weak and fails to eliminate the strangulation hazards posed by corded window coverings. Accordingly, a provision has been included requiring CPSC to promulgate a rule that eliminates the strangulation hazard caused by cords on window coverings.

ADMINISTRATIVE PROVISIONS—CONSUMER PRODUCT SAFETY COMMISSION

Section 501 is a provision permitting Consumer Product Safety Commission staff serving abroad to be eligible for travel, leave, and other benefits similar to those authorized for foreign service officers.

Section 502 provides authority for the Consumer Product Safety Commission [CPSC] to compel the production of information relating to a product defect from a foreign manufacturer.

Section 503 requires CPSC to promulgate a safety standard for button cell batteries.

Section 504 requires a GAO study of the potential risks associated with new and emerging consumer products.

Section 505 requires a GAO study on compliance of voluntary industry standards for consumer products.

Section 506 is a provision requires CPSC to promulgate a rule eliminating the strangulation hazard caused by cords on window coverings.

ELECTION ASSISTANCE COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$16,267,000
Budget estimate, 2012 .....	13,716,000
Committee recommendation .....	14,750,000

PROGRAM DESCRIPTION

The Election Assistance Commission [EAC] was created by the Help America Vote Act of 2002 [HAVA] (Public Law 107-252). 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 to enhance election equipment.

## COMMITTEE RECOMMENDATION

The Committee provides \$14,750,000 for EAC's administrative expenses, which is \$1,517,000 less than the fiscal year 2011 enacted level and \$1,034,000 above the budget request. The Committee bill requires that \$3,250,000 of these funds be transferred to the National Institute for Standards and Technology for technical assistance related to the development of voluntary State voting systems guidelines.

## FEDERAL COMMUNICATIONS COMMISSION

## SALARIES AND EXPENSES

## (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$335,794,000
Budget estimate, 2012 .....	<sup>1</sup> 354,181,000
Committee recommendation .....	354,181,000

<sup>1</sup>The formal budget request specified an estimate of \$358,801,000. The Federal Communications Commission subsequently notified the Committee that this estimate was erroneous and that the correct estimate is \$354,181,000.

## PROGRAM DESCRIPTION

The Federal Communications Commission [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: (1) spectrum allocation; (2) creating rules to promote fair competition and protect consumers where required by market conditions; (3) authorization of service; (4) enhancing public safety and homeland security; and (5) enforcement.

## COMMITTEE RECOMMENDATION

The Committee recommendation provides \$354,181,000 for the salaries and expenses of the Federal Communications Commission [FCC], of which \$354,181,000 is to be derived from the collection of fees. The recommendation is \$18,387,000 above the fiscal year 2011 enacted level and equal to the budget request.

The Committee understands the FCC is promulgating a rule to address compensation rates from the Universal Service Fund [USF]. The Committee recognizes the important service that local exchange carriers provide to rural America and encourages the Commission to maintain a reasonable intercarrier compensation system for rural local exchange carriers.

The Committee has included language (sec. 510) to extend FCC's exemption from the Anti-deficiency Act [ADA] until December 31, 2013.

The Committee has included language (sec. 511) 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, 2011 .....	\$42,942,000
Budget estimate, 2012 .....	45,261,000
Committee recommendation .....	45,261,000

##### PROGRAM DESCRIPTION

The Federal Deposit Insurance Corporation [FDIC] Office of Inspector General [OIG] 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 and other legislation.

##### COMMITTEE RECOMMENDATION

The Committee recommends \$45,261,000 for the FDIC inspector general, the same as the budget request and \$2,319,000 more than the fiscal year 2011 enacted level. Funds are to be derived by transfer from the Deposit Insurance Fund and the Federal Savings and Loan Insurance Corporation [FSLIC] resolution fund.

#### FEDERAL ELECTION COMMISSION

##### SALARIES AND EXPENSES

Appropriations, 2011 .....	\$66,367,000
Budget estimate, 2012 .....	67,014,000
Committee recommendation .....	66,367,000

##### PROGRAM DESCRIPTION

The Federal Election Commission [FEC] was created through the 1974 Amendments to the Federal Election Campaign Act of 1971 (Public Law 93-443). 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 \$66,367,000 for the Federal Election Commission, \$647,000 less than the budget request and equal to the fiscal year 2011 enacted level.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$24,723,000
Budget estimate, 2012 .....	26,440,000
Committee recommendation .....	24,723,000

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 (Public Law 95-454) with a mission to carry out five statutory responsibilities in relation to the Federal workforce: (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 the 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, training and facilitation of labor-management partnerships, and 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 \$24,723,000 for the Federal Labor Relations Authority. This amount is \$1,717,000 below the budget request and equal to the fiscal year 2011 enacted level.

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$291,363,000
Budget estimate, 2012 .....	326,000,000
Committee recommendation .....	311,563,000

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 injurious vertical agreements. The FTC enforces consumer protection laws involving advertising, marketing, and financial practices; fights consumer fraud; and addresses privacy and identity protection concerns.

## COMMITTEE RECOMMENDATION

The Committee recommendation provides \$311,563,000. The recommendation is \$20,200,000 above the fiscal year 2011 enacted level and \$14,437,000 below the budget request.

Of the amounts provided, \$21,000,000 is derived from Do-Not-Call fees and \$149,000,000 is derived from Hart-Scott-Rodino pre-merger filing fees. Section 623 of the bill adjusts, for inflation, pre-merger filing fees. These fees have not been adjusted for inflation since 2001. Section 623 also establishes a new tier for merger transactions valued at over \$1,000,000,000. The total amount of direct appropriations for this account is therefore \$141,563,000.

In addition to its headquarters building, the FTC is located in two satellite office buildings in Washington, DC. The recommendation includes \$20,200,000 for the replacement of those satellite offices because the majority of the current space will no longer be available for occupancy after August 2012.

The Committee continues to place a high priority on the FTC's mission to protect consumers and preserve competition in the marketplace. The Committee is pleased that the FTC has effectively utilized resources provided in previous fiscal years to investigate fraud and misleading practices related to mortgage lending and other financial services, identity theft, data security, and healthcare and to preserve competition in the marketplace through education and enforcement of Federal laws related to anticompetitive practices. Over the past 3 years, the FTC saved consumers more than \$1,700,000,000 in economic injury by stopping illegal practices in the marketplace, and, in 2010 alone, the FTC took action against mergers likely to harm competition in markets with a total of \$22,500,000,000 in sales. The Committee directs the FTC to robustly continue such activities and has approved the following significant program increases in accordance with the budget request:

The Committee makes the following findings:

*Do-Not-Call Initiative.*—The recommendation includes funding 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.

*Gas and Diesel Prices.*—The Committee continues to be concerned with the potential for market manipulation and anti-competitive behavior in the oil and natural gas industries. The FTC is encouraged to continue its investigations and other activities related to these concerns. The Committee directs the FTC to keep the Committee apprised of findings made regarding fuel prices, as well as other planned activities and investigations regarding the oil and gas industries.

*Payment Card Networks.*—The Committee notes the important role that FTC has been assigned in enforcing the provisions of sec-

tion 1075 of the Dodd-Frank Wall Street Reform and Consumer Protection Act as they relate to payment card network companies. The FTC's enforcement role is critical to ensuring that payment card network companies do not take steps to undermine the small issuer exemption or the pro-consumer benefits contained in section 1075. The Committee directs FTC to provide a report 1 year after enactment of this act on steps that FTC has taken over the previous year to ensure compliance by payment card network companies with section 1075 of Dodd-Frank and regulations promulgated thereunder. This report should explain whether FTC has identified any evidence that payment card network companies have taken steps to diminish the ability of small banks and credit unions to successfully compete with large financial institutions in the debit card issuance market, and if any such steps have been taken by the card network companies in coordination or collusion with large financial institutions.

*Childhood Obesity.*—The Committee remains concerned about childhood obesity and emphasizes that while a number of factors contribute to children's poor diets and obesity, studies show that food marketing affects children's food choices, food preferences, diets, and health. While food and marketing companies have begun to reformulate some foods and amend some marketing practices, the majority of child-targeted marketing continues to be for products of poor nutritional value. In 2009, consistent with the explanatory statement accompanying the Omnibus Appropriations Act, 2009 (Public Law 111-8), an Interagency Working Group [IWG] was established to develop voluntary nutrition standards and marketing definitions for foods marketed to children.

The Committee recognizes the IWG's careful review of existing science, nutrition, and marketing standards as it developed the proposed voluntary marketing principles. The Committee encourages the IWG to thoroughly consider the comments submitted by stakeholders. The Committee further directs the IWG to submit the voluntary marketing principles in a final report to the Committee by December 15, 2011.

*FTC Headquarters Building.*—The Committee is concerned about the cost to implement proposed legislation to transfer the FTC's headquarters building to the National Gallery of Art [NGA]. The proposal would provide the NGA with additional space to expand its exhibitions, education, and administrative offices. The Committee is concerned that this transaction will result in taxpayers surrendering a valuable asset without any compensation. The building would have significant value if sold on the market due to its prime location and good working condition. The Committee is concerned that this transaction would be unprecedented; other NGA buildings were constructed with private funds, not paid for by the taxpayer. Furthermore, while the NGA has indicated it would raise private funds to renovate the building, Federal spending would continue to be required for maintenance and repair of the building. The Congressional Budget Office [CBO] reports, "Since the original buildings were donated to the NGA, all renovations and repairs to those facilities have been completed with appropriated funds."

The Committee is concerned that such a proposal also would require the Federal Government to buy or lease replacement space for a new FTC headquarters, which would require additional Federal spending. The CBO reports that the most cost-effective approach to acquiring additional real estate for permanent Federal use is purchasing or constructing new buildings rather than entering into long-term leases. The CBO estimates that constructing a large enough facility to accommodate the entirety of the FTC would cost roughly \$300,000,000. The Committee expects that a smaller space to accommodate only the current headquarters staff could cost the taxpayers a smaller but still significant amount of money. The Committee finds these costs difficult to contemplate, especially at a time when existing top priority projects have been deferred due to severely limited funds. The Committee is also concerned about the significant costs associated with this proposal. Among these costs are: (1) the significantly greater cost of commercially leased space for the FTC should a new space not be built for its use; (2) the cost of moving the FTC (which would recur every 10 to 15 years if the FTC is moved into commercially-leased space); and (3) the ongoing Federal costs associated with the NGA's occupancy of the FTC headquarters building. Further, moving the FTC into existing Federal space (leased or owned) would require the Federal Government to find space for another Federal agency which could also impose significant additional costs on the Federal Government.

Given the Committee's concerns, section 623 of the bill precludes the conveyance of the FTC headquarters building unless the Federal Government receives fair market value for the property. The Committee also directs the FTC and the General Services Administration to keep the Committee fully and regularly apprised of the cost of proposals related to the headquarters building.

#### GENERAL SERVICES ADMINISTRATION

##### PROGRAM DESCRIPTION

The General Services Administration [GSA] was established by the Federal Property and Administrative Services Act of 1949 (Public Law 81-152) 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 Acquisition Service, the Office of Government-wide Policy, and the Office of Citizen Services.

##### COMMITTEE RECOMMENDATION

*National Antenna Program.*—In light of the need to promote small business access to broadband technologies, particularly in rural and other underserved areas, the Committee expects that the General Services Administration, not later than 90 days after enactment of this act, in consultation with the Federal Communications Commission, shall submit to the House and Senate Committees on Appropriations, a report detailing agency participation in the National Antenna Program, including the location and number of wireless towers deployed on Federal facilities. The Committee also expects the report to outline progress made in implementing

recommendations from the Federal Communications Commission March 2010 National Broadband Plan on fee structures for access to Federal rights-of-way, as well as developing one or more master contracts for all Federal property and buildings covering the placement of wireless towers. The report should contain recommendations on opportunities for the Federal Government to improve broadband or wireless technology on Federal buildings in rural or underserved areas.

*Automated External Defibrillators [AEDs] in Federal Facilities.*—GSA shall submit a report on the GSA's compliance with the most recent Guidelines for Public Access Defibrillation Programs in Federal Facilities as published in FMR Bulletin 2009–B2 regarding the deployment of AEDs in Federal facilities within 90 days of the enactment of this act.

*Use of Stairs.*—Obesity levels have been increasing at alarming rates, with one-third of the population obese, and another one-third overweight and at risk of obesity. Lifestyle activities, such as choosing stairs over elevators, are increasingly being urged by public health experts to address this problem. These experts point to mounting evidence that small amounts of exercise accumulated throughout the day can provide significant health benefits. Research has found that men who climbed at least 20 floors per week had about a 20 percent lower risk of stroke and of death from all causes during the study period. Benefits for women are also likely to be significant. Even two flights of stairs climbed per day can lead to 6 pounds of weight loss over 1 year. Studies in shopping centers and train stations have shown that poster-prompts, placed between adjacent escalators and stairs, can significantly increase stair use. Such interventions have typically resulted in a 15 percent increase in the use of stairs. Encouraging employees to take the stairs is becoming a popular strategy at worksite wellness programs around the country. The Committee believes that the Federal Government should be a leader in encouraging workplace wellness. In addition, lessening the use of elevators by all will speed their movement for those who depend on them.

The Committee believes that GSA has made some progress since the first effort to promote the use of stairs was initiated in the fiscal year 2006 appropriation bill; however, further effort is needed. The Committee directs that, to the greatest extent possible, GSA include in future GSA-owned and -leased buildings signage displayed: (1) next to all banks of elevators or on elevator doors in GSA buildings; (2) at the entrance to all nonemergency use public stairwells; and (3) at the base of escalators, indicating the location of and encouraging use of the stairs. In addition, the Committee directs the GSA to ensure that design of new buildings promote the use of stairs. In order to ascertain precisely how much progress has been made and how much remains, GSA is directed to provide quarterly reports on the percentage of Federal buildings with such signage as well as on actions undertaken with regard to the design of new facilities, with a view to increasing the likely use of stairs.

*Cloud Computing.*—The Committee supports GSA's cloud computing and data center consolidation activities and encourages the GSA to continue to assess and address the escalating costs, inefficiencies, and stove-piping related to the management of Federal



data. The Committee urges GSA to administer funding for the Office of Citizen Services and Innovative Technologies in joint consultation with OMB, in a manner that enables agencies to consolidate at least 800 data centers by 2015. The Committee expects GSA to use any funds for related data center consolidation to enhance ongoing Government best-practices in infrastructure migration activities, including the consolidation, standardization, and optimization of data centers. For instance, the Department of Homeland Security has testified to the Committee that it expects to save approximately \$5,000,000,000 in taxpayer funds over the next 20 years due to recent data center consolidation efforts. Building on current successes across the Government will allow GSA to better demonstrate and measure the cost-savings potential of such activities and thus encourage other agencies to adopt such best practices.

FEDERAL BUILDINGS FUND—LIMITATIONS ON AVAILABILITY OF REVENUE

Limitation on availability of revenue:	
Limitation on availability, 2011 .....	\$7,597,540,000
Limitation on availability, budget estimate, 2012 .....	9,508,511,000
Committee recommendation .....	8,144,967,000

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 nonprospectus 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. GSA provided 191 million square feet of rental space in fiscal year 2010. GSA expects to provide 198 million square feet of rental space in fiscal year 2011 and 201 million in fiscal year 2012.

*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 pro-

grams 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.

In fiscal year 2011, the Committee was forced to reduce Federal Building Fund program funding dramatically in order to help meet reduced spending targets. The Committee recognizes that this level cannot be sustained over time since Federal agencies and the Courts require adequate, safe, and appropriate space to conduct their important missions. Moreover, projects in the midst of construction and repair are especially adversely impacted when those efforts are disrupted, rendering these projects more expensive over time than necessary.

The Committee is aware that the design-build project delivery method, which is conducted under one guaranteed contract, offers fast track aspects, cost savings, and decreased litigation claims. A study done by the Construction Industry Institute and Penn State University found that design-build is 6 percent lower in cost, 12 percent faster in construction time, 33 percent faster in project completion, and higher quality in all measured categories. Therefore, the Committee encourages use of this method, when appropriate, in order to provide greater efficiency, lower life cycle costs, and expedite construction, repairs and alterations of Federal buildings.

CONSTRUCTION AND ACQUISITION

Limitation on availability, 2011 .....	\$82,000,000
Limitation on availability, budget estimate, 2012 .....	839,642,000
Committee recommendation .....	65,000,000

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 \$65,000,000 for construction and acquisition of facilities in fiscal year 2012.

REPAIRS AND ALTERATIONS

Limitation on availability, 2011 .....	\$280,000,000
Limitation on availability, budget estimate, 2012 .....	868,902,000
Committee recommendation .....	280,000,000

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 equiva-

lent 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 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 a limitation of \$280,000,000 for repairs and alterations in fiscal year 2012.

The Committee has included \$20,000,000 for a new judiciary capital security special emphasis program. This program is dedicated to improving physical security in buildings occupied by the judiciary in lieu of construction of brand new facilities, thereby providing cost savings and expedited delivery. Project priorities would be established collaboratively by the judiciary and the GSA. Funding provided through the judiciary capital security program will address the security deficiencies in existing buildings where physical, interior alterations are viable. The Committee expects the judiciary and the GSA to work collaboratively to assess the building conditions, viability of long-term use, and structural capacity for these stand-alone architectural solutions. Such solutions could include: constructing additional corridors, adding or reconfiguring elevators, building visual barriers, moving air-intakes, and enlarging security screening areas. A spending plan from GSA and the Judiciary is due to the Committee 90 days after enactment of this act. The plan shall also convey GSA's intentions for funding of any other special emphasis programs.

INSTALLMENT ACQUISITION PAYMENTS

Limitation on availability, 2011 .....	\$135,540,000
Limitation on availability, budget estimate, 2012 .....	126,801,000
Committee recommendation .....	126,801,000

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 \$126,801,000 for installment acquisition payments consistent with the budget request.

## RENTAL OF SPACE

Limitation on availability, 2011 .....	\$4,830,000,000
Limitation on availability, budget estimate, 2012 .....	5,285,198,000
Committee recommendation .....	5,285,198,000

## PROGRAM DESCRIPTION

GSA is responsible for leasing general purpose space and land incident thereto for Federal agencies, except in 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 \$5,285,198,000 for rental of space. The Committee recommendation is \$455,198,000 above the fiscal year 2011 enacted level and the same as the budget request.

## BUILDING OPERATIONS

Limitation on availability, 2011 .....	\$2,270,000,000
Limitation on availability, budget estimate, 2012 .....	2,387,968,000
Committee recommendation .....	2,387,968,000

## 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 \$2,387,968,000 for building operations. This amount is \$117,968,000 above the fiscal year 2011 enacted level and the same as the budget request.

GOVERNMENT-WIDE POLICY

Appropriations, 2011 .....	\$66,488,000
Budget estimate, 2012 .....	105,140,000
Committee recommendation .....	61,750,000

PROGRAM DESCRIPTION

The Office of Government-wide Policy [OGP], working cooperatively with other agencies, provides the leadership needed to develop and evaluate policies associated with high performance green buildings and real property, acquisition policy, personal property, travel and transportation management, vehicles and aircraft, committee and regulations management, and management of Federal spending data. OGP collaborates with partner agencies and other stakeholders to improve public access to policy information and support data, and improve transparency in Government.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$61,750,000 for Government-wide Policy. This amount is \$4,738,000 below the fiscal year 2011 enacted level and \$43,390,000 below the budget request.

OPERATING EXPENSES

Appropriations, 2011 .....	\$69,882,000
Budget estimate, 2012 .....	70,022,000
Committee recommendation .....	70,000,000

PROGRAM DESCRIPTION

Operating Expenses supports a variety of operational activities which are not feasible or appropriate for a user fee arrangement. Major programs include the personal property utilization and donation activities of the Federal Acquisition Service; the real property utilization and disposal activities of the Public Buildings Service; the activities of the Civilian Board of Contract Appeals; and the Management and Administration activities, including support of Government-wide emergency response and recovery activities, and top-level agency-wide management, administration, and communications activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$70,000,000 for Operating Expenses. This amount is \$118,000 above the fiscal year 2011 enacted level and \$22,000 below the budget request.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2011 .....	\$58,882,000
Budget estimate, 2012 .....	62,358,000
Committee recommendation .....	58,000,000

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$58,000,000 for the Office of Inspector General. This amount is \$882,000 below the fiscal year 2011 enacted level and \$4,358,000 below the budget request.

Of the requested increases, funding is provided for the IT workflow management tool and the IT server system replacement.

INFORMATION AND ENGAGEMENT FOR CITIZENS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 <sup>1</sup> .....	.....
Budget estimate, 2012 <sup>2</sup> .....	.....
Committee recommendation .....	\$39,084,000

<sup>1</sup>In fiscal year 2011, \$7,984,000 was provided for the Electronic Government Fund and \$34,116,000 for the Federal Citizen Services Fund.

<sup>2</sup>The budget proposed funding separately with a request of \$34,000,000 for the Electronic Government Fund and \$39,933,000 for the Federal Citizen Services Fund.

The bill creates a new “Information and Engagement for Citizens” account by combining the “Electronic Government Fund” and “Federal Citizen Services Fund”. While these funds were created at different periods of time and developed different programs, they share a common objective—making it easier for citizens to understand and interact with their Government. The purpose of this new office is to provide electronic or other methods of providing access and understanding of Federal information, benefits, and services to citizens, businesses, other governments, and the media.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$39,084,000, which is \$39,084,000 more than fiscal year 2011 and \$39,084,000 more than the budget request. In fiscal year 2011, the “Electronic Government Fund” was appropriated \$7,984,000 and the “Federal Citizen Services Fund” was appropriated \$34,116,000. While all program funding is provided to the Federal Citizen Services Fund, funding is intended for those purposes as well as for electronic government activities. The Committee expects the funds provided for these activities, combined with efficiency gains and resource

prioritization, will result in increased delivery of information to the public and in the ease of transaction with the Government.

All the income collected by the Office of Citizen Services and Innovative Technologies [OCSIT] in the form of reimbursements from Federal agencies, user fees for publications ordered by the public, payments from private entities for services rendered, and gifts from the public is available to the OCSIT without regard to fiscal year limitations, but is subject to an annual limitation of \$90,000,000. Any revenues accruing in excess of this amount shall remain in the fund and are not available for expenditure except as authorized in appropriation acts.

The Committee expects the Office of Management and Budget to submit a detailed expenditure plan prior to obligation of funds under this account. The plan should describe the projects selected, budget, timeline, objectives, and expected benefits and savings realized for each project.

ELECTRONIC GOVERNMENT [E-GOV] FUND  
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$7,984,000
Budget estimate, 2012 .....	34,000,000
Committee recommendation <sup>1</sup> .....	

<sup>1</sup> Funding is included under the Information and Engagement for Citizens account.

PROGRAM DESCRIPTION

This program supports interagency “electronic government” or “e-gov” initiatives and projects that use the Internet or other electronic methods to provide individuals, businesses, and government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities. The program would also further the administration’s implementation of the Government Paperwork Elimination Act [GPEA] of 1998, which calls upon agencies to provide the public with optional use and acceptance of electronic information, services, and signatures, when practicable.

COMMITTEE RECOMMENDATION

Funding for this program has been subsumed into the new Information and Engagement for Citizens program.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriations, 2011 .....	\$3,792,000
Budget estimate, 2012 .....	3,671,000
Committee recommendation .....	3,671,000

PROGRAM DESCRIPTION

This appropriation provides pensions for office staffs, and related expenses for former Presidents Jimmy Carter, George H.W. Bush, William Clinton, and George W. Bush, and for the postal franking privileges for the widows of former Presidents Ronald Reagan and Gerald Ford.

## COMMITTEE RECOMMENDATION

The Committee recommends \$3,671,000 for allowances and office staff for former Presidents, \$121,000 below the fiscal year 2011 funding level and the same as the budget request.

Below is listed a detailed analysis of the Committee's recommendation for fiscal year 2012 funding:

## FISCAL YEAR 2012 BUDGET ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

[In thousands of dollars]

	Carter	G.H. Bush	Clinton	G.W. Bush	Widows	Total
Personnel Compensation .....	96	96	96	112	.....	400
Personnel Benefits .....	2	64	109	102	.....	277
Benefits for Former Presidents (pensions) .....	205	205	217	217	.....	844
Travel .....	2	56	5	60	.....	123
Rental Payments to GSA .....	106	171	440	392	.....	1,109
Communications:						
Telephone .....	10	17	7	85	.....	119
Postage .....	15	13	14	20	14	76
Printing .....	5	14	18	26	.....	63
Other Services .....	65	130	34	177	.....	406
Supplies .....	5	15	2	40	.....	62
Equipment .....	7	63	36	86	.....	192
<b>Total Obligations .....</b>	<b>518</b>	<b>844</b>	<b>978</b>	<b>1,317</b>	<b>14</b>	<b>3,671</b>

## FEDERAL ACQUISITION WORKFORCE INITIATIVES FUND

Appropriations, 2011 .....	
Budget estimate, 2012 .....	\$16,900,000
Committee recommendation .....	

## PROGRAM DESCRIPTION

This appropriation provides support for inter-agency initiatives and projects that will improve: (1) the ability of civilian agencies to assess the capacity and capability of the acquisition workforce necessary to develop and appropriately manage acquisitions; (2) the capacity, capability, and effectiveness of the civilian agency acquisition workforce to improve acquisition management; and (3) agencies' abilities to achieve the optimal mix of public and private sector resources to support agency operations. The activities supported through this fund are intended to foster and promote the development of the acquisition workforce and support the responsibilities provided for in the Office of Federal Procurement Policy Act.

## COMMITTEE RECOMMENDATION

While the Committee recognizes the important goals of the initiative, due to funding constraints, the Committee is unable to fund this initiative.

## FEDERAL CITIZEN SERVICES FUND

Appropriations, 2011 .....	\$34,116,000
Budget estimate, 2012 .....	39,933,000
Committee recommendation <sup>1</sup> .....	

<sup>1</sup> Funding is included under the Information and Engagement for Citizens account.



## PROGRAM DESCRIPTION

The Federal Citizen Services Fund provides for the salaries and expenses of the Office of Citizen Services and Innovative Technologies [OCSIT]. OCSIT develops new ways for citizens, businesses, other governments, and the media to easily obtain information and services from the Government on the Web, via email, in print, and over the telephone. OCSIT leads several interagency groups to share best practices and develop strategies for improving the way Government provides services to the American public.

OCSIT provides information and services to the public primarily through USA.gov and GobiernoUSA.gov, the official Web portal of the U.S. Government. OCSIT also operates pueblo.gsa.gov, consumeraction.gov and consumidor.gov, webcontent.gov, and kids.gov Web sites. OCSIT provides direct telephone (1-800-FED-INFO), e-mail and online assistance to citizens through the National Contact Center, and offers comprehensive and cost-effective contact center solutions to customer Federal agencies through the USA Services program. OCSIT also coordinates the publication and distribution of information through the Government Printing Office's Public Documents Distribution Center in Pueblo, Colorado.

The Federal Citizen Services [FCS] Fund is financed from annual appropriations to pay for the salaries and expenses of OCSIT staff. Reimbursements from Federal agencies pay for the direct costs of information services OCSIT provides on their behalf. The FCS Fund also receives funding from user fees for publications ordered by the public, payments from private entities for services rendered, and gifts from the public. All income is available without regard to fiscal year limitations, but is subject to an annual aggregate expenditure limit as set forth in appropriation acts.

## COMMITTEE RECOMMENDATION

(INCLUDING TRANSFER OF FUNDS)

(RESCISSION)

Funding for this program has been subsumed into new Information and Engagement for Citizens office.

## ADMINISTRATIVE PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 520 authorizes GSA to use funds for the hire of passenger motor vehicles.

Section 521 authorizes GSA to transfer funds within the Federal buildings fund to meet program requirements.

Section 522 requires that the fiscal year 2012 budget request meet certain standards.

Section 523 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 524 continues the provision that permits GSA to pay small claims less than \$250,000 made against the Government.

Section 525 provides that certain lease agreements must conform to an approved prospectus.

Section 526 clarifies the authorized purposes of the Acquisition Workforce Training Fund.

Section 527 provides for a land conveyance in San Joaquin County, California.

Section 528 rescinds \$4,600,000 in unobligated balances from Policy and Operations.

Section 529 requires a report from the Administrator about programs, projects, or activities that are funded by appropriations to GSA but are not under the control or direction of the Administrator. Examples include, but are not limited to: the GSA Regulatory Information Service Center, the Federal Real Property Profile database, and various current and former Electronic Government projects. The report shall provide a description of each program, identify the organization approving management decisions and allocating funds, and the amount of GSA funds obligated by each program in fiscal years 2005 through 2011 by GSA appropriation account.

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$748,000
Budget estimate, 2012 .....	
Committee recommendation .....	700,000

PROGRAM DESCRIPTION

The Harry S Truman Scholarship Foundation is an independent agency established by Congress in 1975 (Public Law 93-642) to encourage exceptional college students to pursue careers in public service through the Truman Scholarship program. The Truman Scholarship is a merit-based award available to college juniors who plan to pursue careers in Government or elsewhere in public service. Truman Scholars receive up to \$30,000 for graduate or professional school, participate in leadership development activities, and have special opportunities for internships and employment with the Federal Government.

The Foundation Trust Fund was established with a one-time \$30,000,000 appropriation in 1976. The authorizing legislation directed that this endowment be invested solely in U.S. Treasury Securities, the interest from which has funded the Foundation's operating budget. With the decline in interest rates, the Foundation has experienced a significant decline in Federal financial support. From fiscal year 2002 to fiscal year 2010, despite having cut expenditures by 27 percent, annual trust fund revenue has declined 68 percent. The Foundation anticipates a budget deficit of \$1,400,000 without the requested appropriations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$700,000 for the Harry S Truman Scholarship Foundation. This amount is \$48,000 below the fiscal year 2011 enacted level and \$700,000 above the budget request. The appropriation is provided to offset the decline in trust fund revenues, to increase direct financial support to scholars, to ensure compliance with Government audit reporting re-

quirements, and to invest in technology and financial development activities.

#### MERIT SYSTEMS PROTECTION BOARD

##### SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$40,258,000
Budget estimate, 2012 .....	42,116,000
Committee recommendation .....	40,258,000

##### 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 \$40,258,000 for the Merit Systems Protection Board. This is equal to the fiscal year 2011 enacted level and a decrease of \$1,858,000 to the budget request. The Committee makes available not more than \$2,345,000 for adjudicating retirement appeals through an appropriation from the trust fund consistent with past practice.

#### MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION

##### MORRIS K. UDALL AND STEWART L. UDALL TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$2,495,000
Budget estimate, 2012 .....	2,200,000
Committee recommendation .....	2,200,000

##### PROGRAM DESCRIPTION

The General Fund payment to the Morris K. Udall and Stewart L. Udall Trust 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 and Stewart L. Udall Foundation. The Foundation awards scholarships, fellowships, and grants, and funds activities of the Udall Center.

The Morris K. Udall and Stewart L. Udall Foundation also supports 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, provides Native Americans with leadership and management training, and analyzes policies relevant to tribes.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,200,000 for the Morris K. Udall and Stewart L. Udall Trust Fund. This amount is \$295,000 below the fiscal year 2011 enacted level and equal to the budget request. 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, 2011 .....	\$3,792,000
Budget estimate, 2012 .....	3,800,000
Committee recommendation .....	3,792,000

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 and Stewart L. Udall Foundation and serves as an impartial, nonpartisan 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 \$3,792,000 for the Environmental Dispute Resolution Fund. This amount is equal to the fiscal year 2011 enacted level and is a decrease of \$8,000 to the budget request.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

The National Archives and Records Administration [NARA] is the national recordkeeper, managing the Government’s archives and records, and operating the Presidential libraries. NARA is an independent agency created by statute in 1934 and tasked with the unique mission to identify, access, protect, preserve, and make available for use the important documents and records of all three branches of the Federal Government. NARA administers the Information Security Oversight Office, is the publisher of the Federal Register, and makes grants for historical documentation through

the National Historical Publications and Records Commission [NHPRC]. In addition, NARA is charged with additional responsibilities including mediating Freedom of Information Act disputes and coordinating controlled unclassified information.

#### OPERATING EXPENSES

Appropriations, 2011 .....	\$339,090,000
Budget estimate, 2012 .....	403,742,000
Committee recommendation .....	378,845,000

#### PROGRAM DESCRIPTION

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

#### COMMITTEE RECOMMENDATION

The Committee recommends \$378,845,000 for operating expenses of the National Archives and Records Administration for fiscal year 2012. This amount is \$39,755,000 above the fiscal year 2011 enacted level and \$24,897,000 below the budget request.

The Committee's recommendation supports initiatives to strengthen NARA's record management leadership role; address archival storage needs; continue to develop, build, and expand the IT infrastructure to conduct the business of the National Declassification Center established in Executive Order 13526; and improve research room holdings protection.

As requested, beginning in fiscal year 2012, the Operating Expenses account will also include resources for the operations and maintenance of the Electronic Records Archive, previously funded as a segregated account for purposes of the system development phase designated to cease as of the end of fiscal year 2011.

The Committee notes that security of NARA's collections and holdings has been identified as a material weakness by the Archivist and cited as a management challenge by the Inspector General. The Committee directs and expects NARA to institute and enforce effective inventory controls and adequate levels of security within its facilities to reduce the risk of loss, damage, or destruction of irreplaceable historic documents and artifacts.

#### OFFICE OF INSPECTOR GENERAL

Appropriations, 2011 .....	\$4,241,000
Budget estimate, 2012 .....	4,100,000
Committee recommendation .....	4,100,000

#### PROGRAM DESCRIPTION

The mission of the Office of Inspector General [OIG] is to ensure that NARA safeguards and preserves the records of our Government while providing the American people with access to the essential documentation of their rights and the actions of their Government. The OIG accomplishes this by combating fraud, waste, and abuse through high-quality objective audits and investigations covering all aspects of agency operations at 45 facilities nationwide.

The OIG also serves as an independent, internal advocate for the economy, efficiency, and effectiveness of NARA and its operations.

COMMITTEE RECOMMENDATION

The Committee recommends \$4,100,000 for the Office of Inspector General [OIG]. This amount is \$141,000 below the fiscal year 2011 enacted level and the same as the budget request. The Committee supports a distinct account for the OIG in order to clearly identify the resources necessary to staff and operate the expanding mission-critical oversight and accountability functions performed by the OIG to ensure responsible NARA stewardship over public records. The Committee acknowledges that as the missions of NARA expand, including the establishment of the George W. Bush Presidential Library, the implementation of the Office of Government Information Services, and the start-up of the Controlled Unclassified Information Office, the OIG's audit and investigative responsibilities respectively grow.

ELECTRONIC RECORDS ARCHIVES

Appropriations, 2011 .....	\$71,856,000
Budget estimate, 2012 .....	
Committee recommendation .....	

PROGRAM DESCRIPTION

Since 2001, NARA has been developing an Electronic Records Archives [ERA] that will permit management of records electronically and 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.

In August 2010, OMB placed the ERA program on its list of 26 high-risk Federal IT projects citing lack of detailed plans for the final two increments, low usage of the system, and a need for improved strategic planning, among other concerns. This ultimately led to a decision to halt further systems development at the end of fiscal year 2011. As a result, NARA will transition the ERA to ongoing operations and maintenance activities, incorporated within the Operating Expenses account.

COMMITTEE RECOMMENDATION

The Committee supports the budget request that incorporates ERA into the NARA Operating Expenses account and authorizes the transfer to the Operating Expenses account of all remaining unobligated balances of funds made available for ERA development in prior fiscal years under the Electronic Records Archive heading.

The Committee appreciates the complexity of building a system to accommodate the extensive and rapidly expanding volume of electronic records of the Government in past, present, and future formats and maintaining that system to preserve and provide reliable access to records of historic and intrinsic value.

Over the past several years, the Committee has articulated its serious concerns, consistent with independent findings of the NARA Inspector General and the Government Accountability Office, about the sufficiency of ERA expenditure plans which hampered the Committee’s ability to assess how particular investments would achieve specific system functionality and advance attainment of developmental milestones toward an operational system.

The ERA project was scrutinized in an intensive TechStat session led by the Federal Chief Information Officer last year to evaluate at-risk IT projects to identify ways to fix performance, accelerate deliverables, and maximize efficiency and accountability. As a result, NARA and OMB mutually decided to discontinue the contractual developmental component at the close of fiscal year 2011. This will allow NARA to focus its attention on promoting Federal agency use of the current system’s functionalities rather than making further investments in building a system that encountered cost increases, schedule slippage, and strategic management challenges.

The Committee believes that providing reliable access to electronic records far into the future, regardless of advancements in technology, is of utmost importance. The Committee strongly urges NARA, as it operates and maintains the ERA, to ensure effective and efficient preservation, appraisal, scheduling, and routine transfer of electronic records by Federal agencies and to make efforts to accelerate user adoption of the ERA system a top priority.

REPAIRS AND RESTORATION

Appropriations, 2011 .....	\$11,824,000
Budget estimate, 2012 .....	9,659,000
Committee recommendation .....	9,659,000

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 \$9,659,000 for the repairs and restoration account. This amount is \$2,165,000 below the fiscal year 2011 enacted level and the same as the budget request. The Committee is pleased to fully support the request, which restores funds for base requirements.

The Committee supports removal of the restrictions on \$6,000,000 provided under Public Law 111–8 and \$341,000 provided under Public Law 108–199 to fully fund base Repairs and Restoration requirements. This will permit NARA to devote unobligated balances remaining from the now-completed construction of John F. Kennedy Presidential Library and Museum improvements to other capital endeavors, particularly the top priority National Archives Experience Phase II project. It will also allow NARA to apply cost savings remaining from the Military Personnel Records Center requirements study funded in fiscal year 2004 to advancing

critical facility repair, alteration, and improvement projects as outlined in the NARA Capital Improvements Plan.

The Committee appreciates NARA's submission of an update of its comprehensive capital needs assessment for its entire infrastructure of Presidential libraries and records facilities, as part of the fiscal year 2012 budget submission and urges NARA to include an appropriate level of funding for repair of valuable historic Presidential libraries in the fiscal year 2013 budget request.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

Appropriations, 2011 .....	\$6,986,000
Budget estimate, 2012 .....	5,000,000
Committee recommendation .....	5,000,000

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. Since 1964, the NHPRC has awarded \$207,000,000 to fund over 4,900 projects in all 50 States to connect Americans with the primary source materials of our history, culture, and democracy.

COMMITTEE RECOMMENDATION

The Committee recommends \$5,000,000 for the National Historical Publications and Records Commission [NHPRC]. This amount is \$1,986,000 below the fiscal year 2011 enacted level and the same as the budget request.

The Committee supports the central role the NHPRC program plays in the preservation and dissemination of the Nation's documentary heritage and its success in leveraging private sector contributions.

The Committee notes that the funding provided will enable NARA, through the NHPRC, to undertake a variety of initiatives, including advancing archives preservation, access, and digitization projects within the interlocking repositories of historic records and hidden collections; ensuring public access to some of the most important historical resources that are maintained outside of Federal repositories; and digitizing nationally significant historic records collections to facilitate round-the-clock Internet availability.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

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 that lending through the CLF be limited to the maximum level provided for by section 307(a)(4)(A) of the Federal Credit Union Act. This limitation provides the NCUA maximum flexibility to assist with credit unions' financial liquidity during the economic downturn. The Committee also recommends the budget request of limiting administrative expenses for the CLF to \$1,250,000 in fiscal year 2012.

#### COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

Appropriations, 2011 .....	\$1,247,000
Budget estimate, 2012 .....	2,000,000
Committee recommendation .....	1,247,000

#### 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 for improving operations as well as addressing safety and soundness issues. Credit unions use TAG funds for specific initiatives, including taxpayer assistance, financial education, home ownership initiatives, and training assistance.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,247,000 for technical assistance grants to community development credit unions. This funding level is \$753,000 below the budget request and equal to the fiscal year 2011 enacted level. The Committee expects the CDRLF to continue making loans from 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 its efforts to provide financial education, particularly regarding consumer credit and home mortgages, and to provide alternatives to predatory lending services through targeted technical assistance grants and support.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$13,972,000
Budget estimate, 2012 .....	13,664,000
Committee recommendation .....	13,664,000

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 (Public Law 95–521). The OGE is charged by law to provide overall direction of executive branch policies designed to prevent conflicts of interest and ensure high ethical standards for executive branch employers. The OGE carries out these responsibilities by promulgating and maintaining enforceable standards of ethical conduct for nearly 4 million civilian employees and uniformed service members in more than 130 executive branch agencies and the White House; overseeing a financial disclosure system that reaches 28,000 public and over 325,000 confidential filers; providing direct education and training products to 5,700 ethics officials; conducting outreach to the general public, the private sector, and civil society; and sharing good practices with and providing technical assistance to State, local, and foreign governments and international organizations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$13,664,000 for salaries and expenses of the OGE in fiscal year 2012. This amount is \$308,000 below the fiscal year 2011 enacted level and the same as the budget request.

Funds provided will enable the OGE to fulfill its core mission programs and its lead role in strengthening ethical culture within the executive branch, preventing conflicts of interest, and promoting good governance. The OGE has designed three budget priorities to support these goals.

First, the OGE is advancing initiatives to modernize Government ethics laws, regulations, and programs, including fully imple-

menting Executive Order 13490 and enhancing oversight of contractor ethics.

Second, the OGE is harnessing technology to promote transparency, training, and oversight, of agency ethics programs, including initiating an electronic financial disclosure system for the more than 1,400 public and confidential financial disclosure filers whose reports OGE reviews and certifies, planning for and procuring a new agency Web site, replacing its deteriorating financial disclosure tracking system, and developing an information management system to manage requests for advice from executive branch ethics officials.

Third, the OGE is working to promote continuity and succession planning in ethics programs, through four specific leadership initiatives, including preparing the executive branch ethics community for an anticipated increase in volume of financial disclosure filings by presidential nominees incident to the 2012 election; acquainting senior Government employees with the importance and scope of the executive branch ethics program; emphasizing continuity and succession planning as a major national training theme; and developing curriculum leading to an ethics official certification program. Experience has shown that public financial disclosure by nominees to Senate-confirmed Presidential appointments is a steady and uninterrupted process throughout an administration and that the OGE's transition workload responsibilities are ongoing.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$97,774,000
Budget estimate, 2012 .....	100,027,000
Committee recommendation .....	97,774,000

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. OPM is responsible for management of Federal human resources policy and oversight of the merit civil service system. Although individual agencies are largely responsible for personnel operations, OPM provides a Government-wide framework for human resources policy, advises and assists agencies (often on a reimbursable basis) with workforce planning and personnel matters, and ensures that agency operations are consistent with requirements of law on issues such as veterans preference and merit system compliance. OPM oversees examination of applicants for employment in the competitive service; issues regulations and policies on recruitment, hiring, classification and pay, training, and other aspects of personnel management; and manages the process for personnel security and background checks for suitability and national security clearances. OPM is also responsible for administering the retirement, health benefits, and life insurance programs affecting most Federal employees, retired Federal employees, and their families and survivors.

## COMMITTEE RECOMMENDATION

The Committee recommends a general fund appropriation of \$97,774,000 for the salaries and expenses of the Office of Personnel Management. This amount is the same as the fiscal year 2011 level and \$2,253,000 below the budget request.

The recommendation includes the requested funding for the Enterprise Human Resources Integration project, the Human Resources Line of Business project, and the workforce acquisition initiative.

The Committee understands the importance of timely and effective implementation of the Office of Personnel Management's responsibilities under the Affordable Care Act, including the development of the multi-state health plans, support of the Federal Pre-existing Condition Insurance Plan, and the implementation of the requirement to allow tribal governments to participate in the Federal Employee Health Benefits and the Federal Employee Group Life Insurance programs.

*Retirement Processing.*—The Committee is aware of efforts to address the backlog of retirement claims at OPM, including the hiring of 40 FTE during fiscal year 2011. As of May 2011, an employee filing for retirement receives an interim payment of 95 percent of the estimated annuity. The average case is processed fully in 117 days, with the maximum length of processing at 141 days for those cases involving a disability, court order, service credit, or survivor benefit. The Committee is supportive of efforts to expedite the backlog of claims and requests that OPM inform the Committee of developments as they occur.

*Retirement Modernization.*—Modernization of the retirement records of Federal employees remains a high priority for the Committee. The Committee understands that work planned for fiscal year 2011 includes: modernizing critical calculator and retirement systems; automating manual paper-based retirement system through electronic data collection and applications; implementing automated tools to improve retirement case processing; and imaging incoming paper retirement records. The Committee appreciates receiving the quarterly reports and notes the importance of receiving status update briefings from OPM as developments and milestones occur and future plans are determined.

*Intergovernmental Personnel Act Mobility Program and Nursing Shortage.*—In April 2010, OPM provided a report to Congress on nursing faculty and the Intergovernmental Personnel Act [IPA] Mobility Program, along with findings and recommendations. The Committee is pleased with OPM's initial efforts regarding the nurse and nurse faculty shortage, including the research conducted, the forum held, the recommendations provided, and the recognition that these efforts are a first step of a larger effort which OPM is leading. The Committee endorses the recommendations in the report and anticipates regular, 6-month updates on next steps, such as conducting additional forums, increasing program awareness, implementing efforts to use IPA to address the shortage, developing partnerships with accredited schools of nursing, and conducting outreach to academic institutions and key

stakeholders on possible solutions, collecting and tracking data, as well as other specific recommendations outlined in the report.

*Inappropriate Use of Temporary Hiring Authority.*—The Committee is aware that continuous and sustained inappropriate use of temporary hiring authority by Federal agencies occurs and that this remains unresolved. These problems date back to the early 1990s and were reported on by the Office of Personnel Management and the Merit Systems Protection Board (“Temporary Federal Employment: In Search of Flexibility and Fairness,” Sept. 1994) and again in 2002 by the Government Accountability Office (GAO–02–296). The Committee directs OPM to report on options and recommendations to remedy the inequity no later than 90 days after enactment of this act. The report should include identification of agencies and types of positions where continuous and sustained inappropriate use of temporary hiring authority is occurring. Options to provide competitive status to employees performing regular and recurring work of a permanent nature under a series of temporary appointments should be explored and actions that can be taken to ensure that Federal agencies use appropriate hiring authorities in the future should be outlined in the report.

*Wellness.*—In fiscal year 2010, the Committee provided \$5,000,000 as requested in the budget, to conduct pilot programs which would serve as evaluation mechanisms for effective strategies to improve Federal employee health through targeted interventions in areas such as smoking cessation, disease management, prevention, and risk assessment. The purpose was to design a comprehensive policy to improve the health and wellness of Federal employees, leading to cost savings for all healthcare. OPM has been participating in the first pilot program, along with its neighbors, the General Services Administration and the Department of the Interior. The Committee directs OPM to report on the progress of this demonstration project, including measurements and outcomes within 90 days of enactment of this act.

*Consolidated Business Information System [CBIS].*—The Committee is aware that the effort to replace the legacy financial system and manage OPM’s trust funds has encountered defects in the hardware and software. This multi-year initiative began with an initial estimate of \$141,000,000, now revised downward to \$97,000,000. The Committee directs that OPM provide quarterly updates, reporting on milestone developments as well as any further problems, until the CBIS project is fully operational and problem-free.

LIMITATION

(TRANSFER OF TRUST FUNDS)

Limitation, 2011 .....	\$112,516,000
Budget estimate, 2012 .....	132,523,000
Committee recommendation .....	112,516,000

PROGRAM DESCRIPTION

These funds will be transferred from the appropriate trust funds of the Office of Personnel Management to cover administrative ex-

penses for the retirement and insurance programs, including the cost of automating the retirement recordkeeping systems.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$112,516,000, which is the same as the fiscal year 2011 level and \$20,007,000 less than the budget request.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$3,142,000
Budget estimate, 2012 .....	3,804,000
Committee recommendation .....	3,142,000

PROGRAM DESCRIPTION

The Office of Inspector General is charged with establishing policies for conducting and coordinating efforts which promote economy, 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, healthcare 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 healthcare 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 \$3,142,000 for salaries and expenses of the Office of Inspector General in fiscal year 2012. This amount is the same as the fiscal year 2011 enacted level and \$662,000 less than the budget request.

(LIMITATION ON TRANSFER FROM TRUST FUNDS)

Limitation, 2011 .....	\$21,174,000
Budget estimate, 2012 .....	21,559,000
Committee recommendation .....	21,174,000

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on transfers from the trust funds in support of the Office of Inspector General activities totaling \$21,174,000 for fiscal year 2012. This amount is the same as the fiscal year 2011 enacted level, and \$385,000 below the budget request.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH  
BENEFITS

Appropriations, 2011 .....	\$10,467,000,000
Budget estimate, 2012 .....	10,862,000,000
Committee recommendation .....	10,862,000,000

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 \$10,862,000,000 for Government payments for annuitants, employees health benefits.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE  
INSURANCE

Appropriations, 2011 .....	\$50,000,000
Budget estimate, 2012 .....	52,000,000
Committee recommendation .....	52,000,000

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 \$52,000,000 for the Government payment for annuitants, employee life insurance.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriations, 2011 .....	\$10,076,000,000
Budget estimate, 2012 .....	9,979,000,000
Committee recommendation .....	9,979,000,000

## 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 \$9,979,000,000 for payment to the civil service retirement and disability fund.

## OFFICE OF SPECIAL COUNSEL

## SALARIES AND EXPENSES

Appropriations, 2011 .....	\$18,458,000
Budget estimate, 2012 .....	19,486,000
Committee recommendation .....	18,972,000

## PROGRAM DESCRIPTION

The U.S. Office of Special Counsel [OSC] provides a safe channel for Federal employees to report waste, fraud, abuse, and threats to public health and safety.

The 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 [MSPB]. In 1989, Congress enacted the Whistleblower Protection Act (Public Law 101-12), which made OSC an independent agency within the executive branch. In 1994, the Uniformed Services Employment and Reemployment Rights Act [USERRA] (Public Law 103-353) 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.

The OSC continues to experience significant increases in its caseload. Overall, in fiscal year 2010, the OSC saw more than 8,270 instances of requests for assistance or action sought by Federal employees or other persons, marking an increase of 11 percent over the prior year. In fiscal year 2010, the OSC's intake of cases totaled 3,950 new matters. This was an increase of 6 percent over the number of cases received in fiscal year 2009. Of the new matters received by OSC in 2010, 66 percent of the cases were prohibited personnel practice complaints.

The OSC also received 526 new Hatch Act complaints in 2010, representing a 6 percent increase from 2009. The OSC issued 4,320 Hatch Act advisory opinions (including verbal and written advisory opinions) to persons who sought advice in 2010, an uptick of 15 percent over the number issued in 2009. In addition, the OSC's



Disclosure Unit’s whistleblower caseload increased to 961 cases in 2010, up over 32 percent from the 724 cases in 2009 which itself was a 37 percent boost over 2008. During fiscal year 2010, the Disclosure Unit referred matters to agency heads for their review a total of 24 times.

The OSC is also tasked with new USERRA case responsibilities pursuant to the Veterans’ Benefits Act of 2010 (Public Law 111–275) that directed a 3-year demonstration project involving the OSC and the Department of Labor designed to assess and compare agencies’ performance in investigating and resolving claims against Federal executive agencies.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$18,972,000 for the OSC. This amount is \$514,000 above the fiscal year 2011 enacted level and \$514,000 below the budget request.

The Committee acknowledges that the OSC continues to experience dramatic growth in its caseload, as a result of heightened awareness of the Hatch Act, a more vigorous focus on complaints under the Uniformed Services Employment and Reemployment Rights Act, and actions under the Whistleblower Protection Act.

Moreover, the Committee is concerned that the OSC needs an increase of two additional staff in the USERRA Unit in order to ensure that the new pilot demonstration program authorized in 2010 can be minimally viable. The Committee notes that the OSC budget request seeks only one new FTE for the USERRA Enforcement and Prosecution Program in addition to the three FTE currently on board. During the first Demonstration Project from 2005–2007, the OSC had 8–10 attorneys and investigators in the USERRA Unit, and staffing is now at 4. The Committee believes it is vital that the OSC have sufficient resources, and provides an additional amount above the fiscal year 2011 enacted level to help the OSC succeed in its work to ensure high-corrective action rates for impacted veterans, prevent serious delays and backlogs in case processing, and expeditiously remedy USERRA violations.

POSTAL REGULATORY COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$14,304,000
Budget estimate, 2012 .....	14,450,000
Committee recommendation .....	14,304,000

PROGRAM DESCRIPTION

The Postal Regulatory Commission is an independent agency that has exercised regulatory oversight over the United States Postal Service since its creation by the Postal Reorganization Act of 1970. For over three decades, that oversight consisted primarily of conducting public, on-the-record hearings concerning proposed rates, mail classification, and major service changes, and recommended decisions for action to the Postal Service Board of Governors.

The Postal Accountability and Enhancement Act (Public Law 109–435) assigned significant new responsibilities to the Commission. These enhanced authorities include providing regulatory oversight of the pricing of Postal Service products and services, ensuring Postal Service transparency and accountability, consulting on delivery service standards and performance measures, consulting on international postal policies, preventing cross-subsidization or other anticompetitive postal practices, and serving as a forum to act on complaints with postal products and services. The Commission provides leadership and recommends policies that foster a robust and viable postal system.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation, out of the Postal Fund, of \$14,304,000 for the Postal Regulatory Commission. This amount is the same as the fiscal year 2011 enacted level and \$146,000 below the budget request. The funds will support 74 FTEs and enable the Commission to meet its mission of ensuring transparency and accountability in postal operations, services, and finances.

The Committee notes that in fiscal year 2012, the Commission will be engaged in assessing the value of the universal service obligation to the Nation and the Postal Service’s ability to continue to provide this service given its declining revenue; issuing an Annual Compliance Determination report assessing the Postal Service’s compliance with the ratemaking regulations and applicable laws; conducting a 5-year review of the contribution share of Competitive Products, conducting a 5-year review and making recommendations on the Postal Accountability and Enhancement Act; continuing its active involvement in the Universal Postal Union [UPU], particularly in developing a modernized terminal dues system and promoting greater transparency and accountability; and pursuing special studies requested by the Postal Service, Congress, and as a result of Commission-initiated inquiries.

PRIVACY AND CIVIL LIBERTIES OVERSIGHT BOARD

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$998,000
Budget estimate, 2012 .....	1,683,000
Committee recommendation .....	1,000,000

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 [PCLOB] was originally established through the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108–458). The PCLOB was made a component of the White House Office within the Executive Office of the President.

Under the Implementing Recommendations of the 9/11 Commission Act of 2007 (Public Law 110–53), the PCLOB was reconstituted as an independent agency within the executive branch. The dual mission of the PCLOB is to:

- analyze and review actions the executive branch takes to protect the Nation from terrorism, ensuring that the need for such actions is balanced with the need to protect privacy and civil liberties; and
- ensure that liberty concerns are appropriately considered in the development and implementation of laws, regulations, and policies related to efforts to protect the Nation against terrorism.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,000,000 for the PCLOB. This amount is \$2,000 above the fiscal year 2011 enacted level and \$683,000 below the budget request.

The Committee strongly supports the mission of the PCLOB. The Committee notes that the former Board ceased operations on January 30, 2008 with the intention that a new, more independent Board would be instituted in its place. The Committee is seriously concerned that now, nearly 4 years later, the new PCLOB has not yet been reconstituted and staffed as required by Public Law 110–53. The Committee urges the administration to nominate qualified persons to the PCLOB as expeditiously as possible. The Committee urges the PCLOB, once it is reconstituted, to promptly provide a detailed budget justification to the Committee.

RECOVERY ACCOUNTABILITY AND TRANSPARENCY BOARD

SALARIES AND EXPENSES

Appropriations, 2011 .....	
Budget estimate, 2012 .....	\$31,543,000
Committee recommendation .....	28,400,000

PROGRAM DESCRIPTION

The Recovery Accountability and Transparency Board (Recovery Board) was established by the American Recovery and Reinvestment Act of 2009 (Recovery Act) to ensure accountability and transparency in the expenditure of Recovery Act funds and to minimize fraud, waste, and mismanagement. The Recovery Board analyzes Recovery Act projects for further in-depth investigation or referral to Federal Inspectors General and operates a fraud hotline to allow individuals to report possible fraud, waste, and abuse. The Recovery Board also collects information from recipients of Recovery Act funds, compiles the information in a user-friendly format, and posts the information on its public Web site, Recovery.gov.

Through fiscal year 2011, the expenses of the Recovery Board were funded by a Recovery Act appropriation. These funds are exhausted and new funding is required to continue the Recovery Board’s responsibilities.

COMMITTEE RECOMMENDATION

The Committee recommends \$28,400,000. The recommendation is \$28,400,000 above the fiscal year 2011 enacted level because the Recovery Board was operating using prior year balances during that year. The recommendation is \$3,143,000 below the budget request due to the availability of unspent balances.

## SECURITIES AND EXCHANGE COMMISSION

## SALARIES AND EXPENSES

Appropriations, 2011 .....	\$1,185,000,000
Budget estimate, 2012 .....	1,407,483,130
Committee recommendation .....	1,407,483,130

## 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, maintain fair, honest, and efficient markets, and promote capital formation. 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 SEC, as the investor's advocate, is responsible for overseeing approximately 35,000 entities, including 11,800 investment advisers, 9,500 public companies, 4,200 mutual funds, and 5,400 broker-dealers with 175,000 branch offices. The SEC also oversees 600 transfer agents, 12 national securities exchanges, 10 clearing agencies, 10 nationally recognized statistical ratings organizations, as well as the Public Company Accounting Oversight Board, the Financial Industry Regulatory Authority, the Municipal Securities Rulemaking Board, and other self-regulatory organizations.

The enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (Public Law 111-203) added significantly to SEC's responsibilities, including bringing transparency and accountability to over-the-counter derivatives market; registering and overseeing hedge fund and private equity advisers; enhanced supervision of nationally recognized statistical rating organizations and clearing agencies; heightened regulation of asset-backed securities; and creation of a new whistleblower program.

## COMMITTEE RECOMMENDATION

The Committee recommends a total budget (obligational) authority of \$1,407,483,130 for the salaries and expenses of the SEC, to be fully derived from \$1,407,483,130 in new fee collections. This total funding level is \$222,483,130 above the fiscal year 2011 enacted level and the same as the budget request.

Enactment of the Dodd-Frank Act altered the budgetary treatment of SEC fee receipts. For fiscal year 2012 and beyond, transaction fees receipts are to be treated as offsetting collections equal to the amount of the appropriation. This represents a wholesale transformation of how fee receipts have been historically available. In addition, the law established a "SEC Reserve Fund" designated for necessary functions as determined by the SEC and drawn from registration fee receipts permitting the SEC to draw up to \$50,000,000 per year, not to exceed a cumulative balance of

\$100,000,000 in a single year or annual spending in excess of \$100,000,000. The Committee reminds the SEC of its obligation to notify Congress of the date, amount, and purpose of any obligation from the Fund within 10 days of such obligation.

The Committee directs the SEC to submit, within 30 days of enactment, a detailed spending plan for the allocation of appropriated funds displayed by discrete program, project and activity, including staffing projections, specifying both FTEs and contractors, and planned investments in information technology.

The Committee's recommended funding increase is expected to allow the SEC to more aggressively police the securities markets through examinations and enforcement actions, strengthen SEC's examination responsibilities, enhance risk-based oversight of the investment management industry, expand inspections of credit rating agencies and permit SEC to conduct more comprehensive examinations, reach a broader universe of the entities it regulates, and improve its ability to uncover and prosecute fraud.

In addition, the recommended increase supports urgent, critical investments in information technology upgrades so that SEC staff are equipped with cutting edge automation support tools to enhance their ability to promptly handle tips, complaints, and referrals as well as to better identify emerging risks using improved surveillance tools. 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 strongly believes that fair and orderly markets are essential to restore public confidence in and bolster the integrity of our capital markets. The Committee emphasizes that with this significant recommended funding increase comes a concomitant responsibility on the part of the SEC to aggressively safeguard the investing public. The SEC must be vigilant in its enforcement of securities laws, and failures to properly investigate and take appropriate action will not be condoned.

The Committee is highly concerned about a spate of audit and investigative reports issued by the SEC Inspector General in recent years revealing significant disturbing findings of waste or misuse of Government funds, inadequate management oversight of contracts and procurement, excessive costs and inefficiencies in real estate leasing and configuration of staff offices, and incidents of employee misconduct. Furthermore, the Committee notes with concern emerging reports concerning a serious lapse in preservation and retention of archival materials. It is imperative that the SEC use scarce Government resources wisely. These situations distract the SEC management from devoting full attention to its mission of protecting investors and maintaining fair, orderly, and efficient markets, particularly in tumultuous economic times. The Committee expects SEC management to continue to place a high priority on and invest sufficient resources in implementing and promptly completing corrective actions identified by the inspector general to ameliorate the problems identified to prevent recurrence.

As required by the Dodd-Frank Act, the findings and recommendations of a comprehensive independent study of the SEC's organizational structure, personnel and resources, technology and

resources, and the agency's relationship with self-regulatory organizations were released in March 2011. The Committee understands that in response to the issuance of the Boston Consulting Group's report, the SEC has instituted several internal working groups to address the recommendations. The Committee directs the SEC to submit to the Committee, within 90 days of enactment, a report summarizing the status of the internal assessments, describing actions taken and planned to institute administrative reforms, and identifying particular changes necessitating legislative action.

The Committee stresses that with the enactment of the Dodd-Frank Act, it is all the more critical for the SEC, in collaboration with the CFTC, to ensure optimum harmonization in executing the respective oversight responsibilities of each agency with respect to over-the-counter derivative products. The Committee expects the SEC and the CFTC to limit, to the greatest extent possible, inconsistent regulation of similar products and entities that could lead to opportunities for regulatory arbitrage. The Committee continues to support the use of funds to support the Joint SEC-CFTC Advisory Committee.

The Committee remains concerned that American investors may be unwittingly investing in companies or organizations 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. Investors and consumers also have a reasonable right to know what activities their investments or purchases may be directly or indirectly supporting.

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 notes that under the Dodd-Frank Act, public companies are required to provide disclosure to the SEC in matters involving conflict minerals, extractive industries, and mining safety matters. The Committee understands that the SEC will be implementing the requirements, as directed, in the coming months. The Committee expects the work of the Office to remain a high priority during fiscal year 2012 and directs the SEC to continue to submit quarterly reports on its activities.

The Committee is concerned that current SEC regulations leave broad discretion to companies to decide if disclosure of their activities is required with respect to business interests in or with a state sponsor of terrorism. Companies are only required to make disclosures in cases where the companies judges the information is "material" to investors or is necessary to ensure a required statement is not misleading. In November 2007, the SEC issued a concept release seeking comment about whether to develop a new mechanism to facilitate greater access to companies' disclosures concerning their business activities in or with state sponsors of terrorism. The comment period ended on January 22, 2008 and the SEC has taken no action since that time.

The Committee believes that business conducted by a publicly traded company that could subject such company to sanctions should be considered material and disclosed. Therefore, the Committee directs the Commission to issue final rules that require each issuer to disclose activities that may subject it to sanctions under section 5 of the Iran Sanctions Act of 1996.

Similarly, the human rights and sexual violence problems plaguing mineral rich Democratic Republic of Congo are long standing and well known. Industries using key minerals from this region have been aware of the problem and a number have already taken laudable steps to ensure their sourcing of minerals avoids fueling further violence. The Committee expects the clear congressional intent of section 1502 of the Dodd-Frank Act to be implemented in a timely manner.

The Committee directs the SEC to submit a report to the Committee, within 90 days of enactment, documenting the quality of public company reporting, under the February 8, 2010 interpretive guidance on climate change disclosure obligations under Federal securities laws and regulations, on material physical and infrastructural risks, compliance with State, regional, Federal and international laws and policies addressing emissions, and business opportunities. The SEC is directed to include in the report a full description of its own initiatives to carry out the guidance, their efficacy, and the efforts it will implement in fiscal year 2012.

Access to financial education, resources, services, and protections promotes better informed decisionmaking about investing and saving for long-term financial security. The Committee applauds the Office of Investor Education and Advocacy [OEIA] for its attention to and consideration of the views and interests of retail investors. The Committee encourages the OEIA to continue efforts, including financial literacy and education initiatives, to protect and advance the interests of retail investors.

#### SELECTIVE SERVICE SYSTEM

##### SALARIES AND EXPENSES

Appropriations, 2011 .....	\$24,226,000
Budget estimate, 2012 .....	24,500,000
Committee recommendation .....	23,984,000

##### PROGRAM DESCRIPTION

The Selective Service System 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, 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) to develop plans for a post-mobilization healthcare

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 healthcare personnel, continues using very limited existing resources.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$23,984,000 for the Selective Service System. This amount is \$242,000 below the fiscal year 2011 enacted level and \$516,000 below the budget request.

SMALL BUSINESS ADMINISTRATION

Appropriations, 2011 .....	\$729,738,000
Budget estimate, 2012 .....	985,439,000
Committee recommendation .....	955,387,000

The Committee recommendation provides \$955,387,000 for the Small Business Administration [SBA]. The recommendation is \$225,649,000 above the fiscal year 2011 enacted level and \$30,052,000 below the budget request. The recommendation includes \$167,300,000 for the Disaster Loans Program Account designated by Congress as disaster relief pursuant to Public Law 111-25. Funding is distributed among the SBA appropriation accounts as described below.

The Committee has been frustrated that recent SBA congressional justifications have been unnecessarily complicated. The Committee directs SBA to revise the format of the congressional justification for fiscal year 2013 so that the budget detail provided ties directly to enacted and requested appropriated amounts and information on SBA programs is accessible via an index.

SALARIES AND EXPENSES

Appropriations, 2011 .....	\$432,571,000
Budget estimate, 2012 .....	427,296,000
Committee recommendation .....	404,202,000

The Committee recommendation provides \$404,202,000 for salaries and expenses of the SBA. The recommendation is \$28,369,000 below the fiscal year 2011 enacted level and is \$23,094,000 below the budget request.

*Noncredit Business Assistance Programs.*—Within the amounts made available under this heading, the Committee recommendation provides \$165,730,000 for the SBA non-credit business assistance programs. The recommendation is \$5,480,000 above the budget request and \$19,249,000 below the 2011 enacted level.

The Committee recommendations for non-credit business assistance, by program, are displayed in the following table:



## NON-CREDIT BUSINESS ASSISTANCE PROGRAMS

[In thousands of dollars]

	Fiscal year 2011 enacted	Fiscal year 2012 budget estimate	Committee recommendation
Small Business Development Centers .....	112,774	103,000	112,774
Drug-free Workplace Grants .....	998	.....	.....
SCORE .....	6,986	7,000	6,986
Women's Business Centers .....	13,972	14,000	13,972
Women's Business Council .....	998	1,900	998
Microloan Technical Assistance .....	21,956	10,000	21,956
Veterans Programs .....	2,495	2,500	2,500
PRIME .....	7,984	.....	.....
Native American Outreach .....	1,248	1,250	1,248
7(j) Technical Assistance .....	3,393	3,100	3,100
HUBZone .....	2,196	2,500	2,196
Entrepreneurial Development Initiative .....	9,980	12,000	.....
Emerging Leaders .....	.....	3,000	.....
Total, Non-credit Business Assistance Programs .....	184,979	160,250	165,730

The Committee directs that the amounts provided for SBA's Non-Credit Business Assistance Programs, as specified in the table above, shall be administered in the same manner as previous years and shall not be reduced, reallocated, or reprogrammed to provide additional funds for other programs, initiatives, or activities.

The Committee continues to support the Small Business Development Center [SBDC] Program and recommends \$112,774,000 for fiscal year 2012, equal to the fiscal year 2011 enacted level and \$9,774,000 above the budget request. The SBDC network—which encompasses over 900 service centers across the Nation—provides management and technical assistance to an estimated 1.2 million small business owners and aspiring entrepreneurs each year. As the economy struggles, SBDCs have reported a significant increase in demand for their expertise as businesses seek guidance on how to weather the economic downturn and as newly unemployed Americans look for advice on starting a small business as a new career path. Providing support for SBDCs is more critical than ever as our economy works to recover and grow.

The Committee recommends \$21,956,000 for grants to Microloan intermediaries under the Microloan program for marketing, management, and technical assistance provided to borrowers. An additional \$3,678,000 is recommended under the heading "Business Loans Program Account" to support lending under the Microloan program. The Committee includes a provision that, for funding provided for fiscal year 2012, temporarily increases the maximum amount of grant funding eligibility for qualified Microloan intermediaries. This temporary condition will provide relief to Microloan intermediaries that are providing increased assistance to Microloan borrowers during the economic downturn.

The Committee supports funding for veterans programs and veterans business outreach centers and provides \$2,500,000 for veterans programs. When determining the allocation of the funding, the Committee strongly encourages SBA to consider centers with significant experience in conducting outreach to veterans.

*Operating Expenses.*—Within the amounts made available under this heading, the Committee recommendation provides \$238,472,000 for SBA's operating expenses. The recommendation is

\$9,120,000 below the 2011 enacted level to reflect the creation of a separate account for the Office of Advocacy; excluding that office, funding for operating expenses is equal to the 2011 enacted level. The recommendation is \$28,574,000 below the budget request.

Within the amounts recommended for SBA’s operating expenses, the Committee recommends \$7,100,000 to continue the agency-wide effort to modernize SBA’s loan management and accounting systems. The Committee commends SBA’s decision to reformulate the planned modernization to reduce costs, shorten the time to completion, and reduce the risks associated with a long-term acquisition. SBA estimates that the costs under the new approach will total \$43,000,000, a savings of \$113,000,000 from the original budget of \$156,000,000. The Committee is concerned, however, about continued risks related to the acquisition and directs SBA to identify an executive-level staffer who shall be dedicated to agency-wide management, coordination, and implementation of the new system. The Committee directs SBA to continue to report quarterly to the Committees on Appropriations summarizing the agency’s progress regarding the modernization effort and emphasizes the need for such reports to include plain language descriptions of the project in place of technical jargon.

The Committee notes that section 1322 of the Small Business Jobs Act of 2010 (Public Law 111–240) requires prime contractors to utilize small business subcontractors included on Federal procurement bids unless such subcontractors are no longer in business or can no longer reasonably meet the requirements of the contract. The Committee directs SBA to submit a report within 180 days of enactment detailing the implementation of section 1322 and identifying further steps that can be taken to ensure that subcontractors listed on Federal procurement bids are included in work performed when appropriate.

The Committee is concerned about instances where certain businesses are awarded small business prime contracts or subcontracts but a small business does not ultimately perform the work. The Committee urges SBA to ensure that only legitimate small business interests receive small business awards. The Committee directs SBA to submit a report within 180 days of enactment identifying administrative, legislative, and regulatory steps that could be taken to address the practice of pass-throughs as it relates to Federal small business contracting.

The Committee notes that the small business timber sale set-aside program is designed to serve many small rural communities and small timber mills. The Committee directs the Administrator to coordinate with the Forest Service and the Bureau of Land Management and provide a written report to the Committee within 60 days of enactment detailing SBA’s current and planned activities related to communication with timber businesses in small rural communities.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2011 .....	\$16,267,400
Budget estimate, 2012 .....	18,400,000
Committee recommendation .....	16,267,400

The Committee recommendation provides \$16,267,400 for the Office of Inspector General. The recommendation is equal to the fiscal year 2011 enacted level and is \$2,132,600 below the budget request.

The Committee directs the Inspector General to continue routine analysis and reporting on SBA's modernization of its loan management and accounting systems, including acquisition, contractor oversight, implementation, and progress regarding budget and schedule.

OFFICE OF ADVOCACY  
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 <sup>1</sup> .....	
Budget estimate, 2012 .....	\$9,120,000
Committee recommendation .....	9,120,000

<sup>1</sup>Funding for the Office of Advocacy was included within funds provided under the heading "Small Business Administration, Salaries and Expenses" for fiscal year 2011.

The Committee recommendation provides \$9,120,000 for the Office of Advocacy. In fiscal year 2011 and prior years, funding for the Office of Advocacy was provided within SBA's Salaries and Expenses account. The Small Business Jobs Act of 2010 (Public Law 111-240) required that the Office of Advocacy be funded through a separate appropriation. The Office of Advocacy, an independent office within SBA, solicits and represents the views, concerns, and interests of small businesses before Congress the White House, Federal agencies, Federal courts, and State policymakers.

BUSINESS LOANS PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$235,528,000
Budget estimate, 2012 .....	363,323,000
Committee recommendation .....	358,498,000

The Committee recommendation provides \$358,498,000. The recommendation is \$122,970,000 above the fiscal year 2011 enacted level and is \$4,825,000 below the budget request due to carryover balances.

The recommendation provides \$147,958,000 for administrative expenses, which 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 \$3,678,000 for the Microloan direct loan program. An additional amount of \$21,956,000 is recommended under the heading "Salaries and Expenses" for technical assistance grants to Microlending intermediaries. The Committee directs SBA to continue to conduct outreach to existing financial entities that may be well-suited to participate in the Microloan program so that the program can grow and expand access to microcapital across the country. SBA shall submit a written report to the Committee on Appropriations within 90 days of enactment summarizing the agency's plans for expanding the reach of the Microloan program.

The recommendation provides \$206,862,000 to subsidize the 7(a) and 504 guaranteed loan programs. For a typical year, estimated fees collected from lenders and borrowers fully offset estimated Government payments on losses under the 7(a) and 504 loan programs. However, the budget requests additional funding for fiscal year 2012 because fee collections are not expected to offset the cost to the Government for that year due to changes in assumptions related to the economic downturn. The recommended funding will allow SBA to continue operating the 7(a) and 504 loan programs in fiscal year 2012. The Committee expects both programs to return to typical operation when the economy recovers.

*Data Collection on Small Business Lending.*—The Committee is concerned that limited collection of timely, relevant data on small business lending has made it difficult to quantify the impact of the economic crisis, and the impact of various responses to the crisis, on small business access to credit. Sources of information are often limited to anecdotal evidence and survey data, particularly with regard to the demand for credit. Additionally, with regard to the supply of credit, the majority of current business lending data reflects bank inventory but not new loan originations.

The need for timely, robust data to reflect both credit supply and demand has been widely noted, including in the May 2010 Congressional Oversight Panel report titled “The Small Business Credit Crunch and the Impact of the TARP.” The Committee directs SBA, in coordination with the Federal Reserve, to submit a written report to the Committee within 90 days of enactment on the feasibility and benefits of enhanced data collection on small business lending, including but not limited to data on loan origination and loan size.

DISASTER LOANS PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$45,372,000
Budget estimate, 2012 .....	167,300,000
Committee recommendation .....	167,300,000

The Committee recommends \$167,300,000 for the administrative costs of the Disaster Loans program, \$121,928,000 above the fiscal year 2011 enacted level. The recommendation is equal to the budget request. As always, SBA is urged to promptly notify the Committee of the status of disasters requiring loan assistance.

ADMINISTRATIVE PROVISIONS—SMALL BUSINESS ADMINISTRATION

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

UNITED STATES POSTAL SERVICE  
PAYMENT TO THE POSTAL SERVICE FUND

Appropriations, 2011 .....	\$86,681,000
Budget estimate, 2012 .....	78,153,000
Committee recommendation .....	78,153,000

## 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. The Postal Service does not depend upon taxpayer subsidies through discretionary appropriations for its operations but generates nearly all of its more than \$67,000,000,000 in annual gross revenue by charging users of the mail for the costs of postage, products, and services.

## COMMITTEE RECOMMENDATION

The Committee recommends appropriations totaling \$78,153,000 for payment to the Postal Service Fund, a decrease of \$8,528,000 below the fiscal year 2011 enacted level and the same as the budget request.

This amount constitutes an advance appropriation for fiscal year 2013 to compensate for revenue forgone on free mail for the blind and for overseas voters. The Postal Service will have \$74,905,000 available for fiscal year 2012 pursuant to section 1569 of Public Law 112–10, division B.

The Committee includes provisions in the bill that would ensure 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 2012.

*Fiscal Health.*—The Committee remains concerned about the poor fiscal health of the Postal Service. Decline in mail volume as a result of the economic recession and the diversion of letters and bill remittances to electronic modes of transmission continue to have a staggering impact on the Postal Service, which released its most recent financial data on August 8, 2011. The Postal Service experienced net losses for the 9 months ending June 30, 2011, of \$5,700,000,000 in 2011 compared to \$5,400,000,000 in the same three quarter span of 2010. The Committee recognizes the need for aggressive actions to reduce costs and better align the Postal Service infrastructure in the face of reduced customer demand.

*Mail Delivery.*—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.

Since fiscal year 1981, annual appropriations bills have each included language requiring 6-day per week postal delivery. The Postal Service has sought removal of this mandate to afford maximum delivery flexibility as an internal fiscal management tool.

In response to the proposal, the Postal Regulatory Commission [PRC] conducted a fact-gathering evaluation, including hosting at least seven public field hearings, to solicit public input on the pros-

pect of ending carrier street address delivery, collection at blue collection boxes, and most originating mail processing on Saturdays. In its advisory opinion issued in March 2011, the PRC opined that the Postal Service overestimated the annual net savings that might be realized from eliminating a delivery day. The PRC determined that eliminating one day's delivery would cause approximately 25 percent of First-Class and Priority mail to be delayed by 2 days and that the Postal Service did not evaluate the impact on customers who reside or conduct business in rural, remote, and non-contiguous areas.

*Postal Retail Network.*—The Committee acknowledges that the Postal Service is undertaking significant reductions to its overhead, including the closure of postal retail facilities. Congress has given the Postal Service considerable discretion to decide how many post offices to erect and where to place them. The Committee notes that in fiscal year 2010, the Postal Service operated 31,871 retail facilities, nearly 26 percent fewer than the 43,112 operated in fiscal year 1970.

Beginning in March 2011, the Postal Service began the process of closing as many as 2,000 post offices, in addition to nearly 500 others slated to be closed starting at the end of last year. In addition, the Postal Service is reviewing another 16,000, effectively half of the Nation's existing post offices, which are operating at a deficit. In July 2011, the Postal Service announced a proposal to review whether to continue to service at over 3,650 under-utilized post offices across the country. Because of the implications for nationwide mail service, the PRC is evaluating the overall process of the Postal Service on the July proposal and will issue an advisory opinion when it concludes its work. The Committee appreciates the Postal Service's critical need to adjust its infrastructure, but emphasizes that it is imperative that the Postal Service strictly follow its discontinuance procedures and ensure open public participation for each facility under review.

The Committee understands that the Postal Service has partnered with more than 63,000 locations such as supermarkets, drug stores, ATMs, and other retailers to sell postage and selected postal services. The online alternative at usps.com allows customers to conveniently access and obtain a diverse array of postal services, including tracking and confirmation, address changes, reservation and renewal of Post Office boxes, holding of mail, locating zip codes, obtaining shipping information, and purchasing and printing postage around the clock. In 2009, nearly 30 percent of postal retail transactions were conducted in locations other than a Post Office. The Committee strongly urges the Postal Service to continue to expand the co-location of postal services and other innovative approaches to serving communities, significantly grow its inventory of Automated Postal Centers for self-service access particularly in currently underserved areas, and widely disseminate information through national advertising promoting the benefits to postal customers of on-line and self-service options.

*Consolidating Area Mail Processing Facilities.*—The Committee understands that as a way to reduce overhead expenses and achieve efficiency savings, the Postal Service is studying the economic feasibility of consolidating several area mail processing

[AMP] facilities where mail is canceled and sorted across the country. While the Committee acknowledges that it may be costly for the Postal Service to continue to operate all of these large plants in its network given declining mail volume, the Committee has serious concerns about the potential impact on mail delivery service, jobs, and the local economy of the affected communities of the proposed shuttering of these facilities. The Committee directs the Postal Service to suspend any consolidations, closings, or job reductions at area mail processing facilities that have not had the benefit of a full AMP study and those where previous Postal Service analyses have found that no significant cost savings or efficiencies would be gained by such action. The Committee directs the Postal Service to include an economic impact assessment in its analyses.

OFFICE OF INSPECTOR GENERAL

(SALARIES AND EXPENSES)

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2011 .....	\$243,908,000
Budget estimate, 2012 .....	244,397,000
Committee recommendation .....	241,468,000

PROGRAM DESCRIPTION

The United States Postal Service Office of Inspector General [OIG] is an independent organization established in 1996 and charged with reporting to Congress on the overall efficiency, effectiveness, and economy of Postal Service programs and operations. The OIG plays a key role in maintaining the integrity and accountability of America’s postal service, its revenue and assets, and its employees. The OIG meets this responsibility by conducting and supervising objective and independent audits, investigations, and other reviews. In fiscal year 2010, the OIG efforts resulted in 378 audits and evaluations being completed identifying potential monetary benefits of nearly \$71,200,000,000, 3,983 completed investigative cases, 1,196 arrests and indictments, and 2,477 administrative actions referred. These actions resulted in about \$2,000,000,000 in monetary recoveries and cost avoidance in workers’ compensation and contract fraud cost programs. As a result, the return-on-investment was \$312.48, up from \$46.41 in fiscal year 2009.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation, out of the Postal Fund, of \$241,468,000 for the United States Postal Service Office of Inspector General. This amount is \$2,440,000 below the fiscal year 2011 funding level and \$2,929,000 below the budget request. The Committee appreciates the efforts of the Inspector General to perform its exemplary audit and investigative work under severe spending constraints.

## UNITED STATES TAX COURT

## SALARIES AND EXPENSES

Appropriations, 2011 .....	\$51,989,000
Budget estimate, 2012 .....	59,996,000
Committee recommendation .....	51,469,000

## 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. Tax Court judges are appointed to 15-year terms by the President with the advice and consent of the Senate. 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 \$51,469,000 for the U.S. Tax Court. This amount is \$520,000 below the fiscal year 2011 enacted level and \$8,527,000 below the budget request. The Committee notes that the additional funding of \$2,852,000 provided in section 1570 of Public Law 112–10, division B, was intended to help the Tax Court continue to comply with the Court Security Act of 2007 (Public Law 110–177) notably to address the costs for perimeter security improvements to the U.S. Tax Court headquarters.

## 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 specifically covered by the bill.

The bill contains a number of general provisions that have been carried in this bill for many 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 as administrative provisions 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 Government-wide 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 prohibiting pay and other expenses of non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this act.

Section 602 continues the provision prohibiting obligations beyond the current fiscal year and prohibits transfers of funds unless expressly provided.

Section 603 continues the provision limiting expenditures for any consulting service through procurement contracts where such expenditures are a matter of public record and available for public inspection.

Section 604 continues the provision prohibiting funds in this act from being transferred without express authority.

Section 605 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 606 continues the provision prohibiting the use of funds unless the recipient agrees to comply with the Buy American Act.

Section 607 continues the provision prohibiting funding for any person or entity convicted of violating the Buy American Act.

Section 608 continues the provision authorizing the reprogramming of funds and specifies the reprogramming procedures for agencies funded by this act.

Section 609 continues the provision ensuring that 50 percent of unobligated balances may remain available for certain purposes.

Section 610 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 611 continues the provision ensuring that the cost accounting standards shall not apply with respect to a contract under the Federal Employees Health Benefits Program.

Section 612 continues the provision referencing nonforeign area cost of living allowances.

Section 613 continues the provision waiving restrictions on the purchase of nondomestic articles, materials, and supplies in the case of acquisition by the Federal Government of information technology.

Section 614 continues a provision on the acceptance by agencies or commissions funded by this act, or by their officers or employees, of payment or reimbursement for travel, subsistence, or related expenses from any person or entity (or their representative) that engages in activities regulated by such agencies or commissions.

Section 615 continues a provision allowing the Public Company Accounting Oversight Board to obligate amounts collected from monetary penalties for the purpose of funding scholarships for accounting students, as authorized by the Sarbanes-Oxley Act of 2002 (Public Law 107-204).

Section 616 is a provision rescinding \$998,000 from unobligated balances of prior year appropriations made available for the Privacy and Civil Liberties Oversight Board.

Section 617 continues a provision permitting the Securities and Exchange Commission and the Commodity Futures Trading Commission to fund a joint advisory committee to advise on emerging regulatory issues, notwithstanding section 708 of this act.

Section 618 is a provision requiring the President to transmit proposed deficiency and supplemental appropriations requests to Congress on behalf of the judicial and legislative branches as is presently done for the executive branch.

Section 619 is a provision permitting the Abraham Lincoln Bicentennial Foundation to be a recipient of matching funds distributed by the Treasury from revenue from the sale of the Lincoln bicentennial coin.

Section 620 continues a provision related to agricultural trade with Cuba.

Section 621 is a provision relating to publication in the Federal Register of Help America Vote Act State plans. The provision allows publication of a reference to the State plans, rather than publication of the complete State plans, thereby, creating a significant cost savings.

Section 622 is a provision that adjusts, for inflation, fees related to mergers.

Section 623 is a new provision that would prohibit the conveyance of the headquarters building of the Federal Trade Commission (located at 600 Pennsylvania Avenue, Northwest, in the District of Columbia) to any entity unless it is in the best interest of the taxpayer.

Section 624 is a new provision related to sales of agricultural and medical goods to Cuba.

## TITLE VII

### GENERAL PROVISIONS—GOVERNMENT-WIDE

#### DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 701 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 702 modifies the provision setting specific limits on the cost of passenger vehicles purchased by the Federal Government with exceptions for police, heavy duty, electric hybrid, and clean fuels vehicles adding a new exception for commercial vehicles that operate on emerging motor vehicle technology.

Section 703 continues the provision allowing funds made available to agencies for travel to also be used for quarters allowances and cost-of-living allowances.

Section 704 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 705 continues the provision ensuring that agencies will have authority to pay the General Services Administration for space renovation and other services.

Section 706 continues the provision allowing agencies to use receipts from the sale of materials for acquisition, waste reduction and prevention, environmental management programs, and other Federal employee programs.

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

Section 708 continues the provision precluding interagency financing of groups absent prior statutory approval.

Section 709 continues the provision prohibiting the use of appropriated funds for enforcing regulations disapproved in accordance with the applicable law of the United States.

Section 710 continues the provision limiting the pay increases of certain prevailing rate employees.

Section 711 continues the provision limiting the amount that can be used for redecoration of offices under certain circumstances.

Section 712 continues the provision that permits interagency funding of national security and emergency preparedness telecommunications initiatives, which benefit multiple Federal departments, agencies, and entities.

Section 713 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 714 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 715 continues the provision prohibiting Federal training not directly related to the performance of official duties.

Section 716 continues and updates 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 717 continues the provision prohibiting the use of appropriated funds for publicity or propaganda designed to support or defeat legislation pending before Congress.

Section 718 continues the provision prohibiting the use of appropriated funds by an agency to provide home addresses of Federal employees to labor organizations, absent employee authorization or court order.

Section 719 continues the provision prohibiting the use of appropriated funds to provide nonpublic information such as mailing or telephone lists to any person or organization outside of the Government without approval of the Committees on Appropriations.

Section 720 continues the provision prohibiting the use of appropriated funds for publicity or propaganda purposes within the United States not authorized by Congress.

Section 721 continues the provision directing agencies' employees to use official time in an honest effort to perform official duties.

Section 722 continues the provision authorizing the use of current fiscal year funds to finance an appropriate share of the Federal Accounting Standards Advisory Board administrative costs.

Section 723 continues the provision authorizing breastfeeding at any location in a Federal building or on Federal property.

Section 724 continues the provision permitting interagency funding of the National Science and Technology Council, and requiring an OMB report on the budget and resources of the Council.

Section 725 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 726 continues the provision prohibiting the use of funds to monitor personal information relating to the use of Federal Internet sites.

Section 727 continues the provision regarding contraceptive coverage under the Federal Employees Health Benefits Plan.

Section 728 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 729 continues the provision allowing departments and agencies to use official travel funds to participate in the fractional aircraft ownership pilot programs.

Section 730 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 731 continues the provision prohibiting the expenditure of funds for the acquisition of certain additional Federal law enforcement training facilities.

Section 732 continues a provision prohibiting funds for E-Government initiatives sponsored by OMB prior to 15 days following submission of a report to the House and Senate Committees on Appropriations and receipt of the Committees' approval to transfer funds. The section also prohibits funds for new e-government initiatives without the explicit approval of the Committees.

Section 733 continues with modification the provision providing funding for the Midway Atoll Airfield.

Section 734 continues a provision that prohibits the use of funds to begin or announce a study or a public-private competition regarding the conversion to contractor performance of any function performed by civilian Federal employees pursuant to Office of Management and Budget Circular A-76 or any other administrative regulation, directive, or policy.

Section 735 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 736 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 737 continues the provision requiring agencies to evaluate the creditworthiness of an individual before issuing a Government travel charge card and prohibits agencies from issuing a Government travel charge card to individuals with an unsatisfactory credit history.

Section 738 continues a provision requiring OMB to submit a crosscut budget report on Great Lakes restoration activities not later than 45 days after the submission of the budget of the President to Congress.

Section 739 continues a provision prohibiting funds in this or any other act from being used for a Federal contract with inverted corporations, unless the contract preceded this act or the Secretary grants a waiver in the interest of national security.

Section 740 prohibits the Office of Personnel Management or any other agency from using funds to implement regulations changing the competitive areas under reductions-in-force for Federal employees.

Section 741 makes technical modifications to a provision enacted in fiscal year 2010 requiring agency compilation of inventories of service contracts.

Section 742 directs OMB to issue guidance relating to the ban on direct conversion to contract performance of work performed by Federal employees, absent public-private competition.

Section 743 requires agencies to remit to the Civil Service Retirement and Disability Fund an amount equal to the Office of Personnel Management's average unit cost of processing a retirement claim for the preceding fiscal year (\$101.23 per retirement in fiscal year 2011) to be available to the Office of Personnel Management for the cost of processing retirements of employees who separate

under Voluntary Early Retirement Authority or who receive Voluntary Separation Incentive Payments.

Section 744 prohibits certain personnel management constraints.

Section 745 declares the inapplicability of these general provisions to title IV and title VIII.

## 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 continues the provision that prohibits the use of the appropriation for publicity or propaganda purposes, and permits the use of local funds for carrying out lobbying activity.

Section 805 continues the provision that establishes notification requirements for certain reprogramming and transfer requirements with respect to funds and specifies a timeframe for approval and execution of requests to reprogram and transfer local funds.

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

Section 807 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 808 continues the provision that restricts the use of official vehicles to official duties and not between a residence and workplace, except under certain circumstances.

Section 809 continues the provision that prohibits the use of appropriated funds by the District of Columbia Attorney General 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 810 continues the provision that prohibits the use of Federal funds in this act to distribute, for the purpose of preventing the spread of blood borne pathogens, sterile needles or syringes in any location that has been determined by local public health officials or local law enforcement authorities to be inappropriate for such distribution.

Section 811 continues the provision that includes a “conscience clause” on legislation that pertains to contraceptive coverage by health insurance plans.

Section 812 modifies and makes permanent a provision that requires the Mayor of the District of Columbia to submit annual reports on various indicators pertaining to the District of Columbia.



Section 813 continues the provision prohibiting use of Federal funds to change the legality of marijuana use.

Section 814 restricts the use of Federal funds for abortion, with certain exceptions.

Section 815 continues a provision requiring the submittal of a revised appropriated funds budget that reflects the total amount of the approved appropriation and realigns all budget data for personal services and other-than-personal-services with anticipated actual expenditures.

Section 816 continues a provision requiring the submittal of a revised appropriated funds budget for the District of Columbia Schools that aligns the schools' budgets to actual enrollment.

Section 817 continues a provision authorizing the transfer of local funds to capital and enterprise funds.

Section 818 is a new provision that permits the Public Defender Service for the District of Columbia to purchase professional liability insurance for its attorneys, staff, and board members.

Section 819 is a new provision that modifies the frequency of management evaluations by the Government Accountability Office of the District of Columbia's chartering authority for public charter schools.

Section 820 continues the provision which limits references to "this Act" as referring to only this title.

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 2012 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  
ONDCP: Training for drug court professionals

*District of Columbia*

Federal Payment for the District of Columbia Water and Sewer Authority  
Federal Payment for Judicial Commissions  
Federal Payment for the D.C. National Guard

*Independent Agencies*

Administrative Conference of the United States  
Election Assistance Commission  
Federal Communications Commission  
Federal Election Commission  
Federal Trade Commission  
General Services Administration:

Federal Buildings Fund<sup>1</sup>  
 Merit Systems Protection Board  
 National Archives and Records Administration, National Historical Publications and Records Commission  
 National Credit Union Administration: Community Development Revolving Loan Fund  
 Office of Government Ethics  
 Office of Special Counsel

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

Pursuant to paragraph 7(c) of rule XXVI, on September 15, 2011, the Committee ordered favorably reported an original bill (S. 1573) making appropriations for financial services and general government for the fiscal year ending September 30, 2012, and for other purposes, provided that the bill be subject to amendment and that the bill be consistent with its spending allocations, by a recorded vote of 16–14, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Inouye	Mr. Cochran
Mr. Leahy	Mr. McConnell
Mr. Harkin	Mr. Shelby
Ms. Mikulski	Mrs. Hutchison
Mr. Kohl	Mr. Alexander
Mrs. Murray	Ms. Collins
Mrs. Feinstein	Ms. Murkowski
Mr. Durbin	Mr. Graham
Mr. Johnson (SD)	Mr. Kirk
Ms. Landrieu	Mr. Coats
Mr. Reed	Mr. Blunt
Mr. Lautenberg	Mr. Moran
Mr. Nelson	Mr. Hoeven
Mr. Pryor	Mr. Johnson (WI)
Mr. Tester	
Mr. Brown	

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.”

<sup>1</sup>Deposits into the Federal Buildings Fund are available for real property management and related activities in the amounts specified in annual appropriations laws, as provided by 40 U.S.C. 592.

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 15—COMMERCE AND TRADE

### CHAPTER 1—MONOPOLIES AND COMBINATIONS IN RESTRAINT OF TRADE

#### § 18a. Premerger notification and waiting period

##### (a) Filing

\* \* \* \* \*

##### ASSESSMENT AND COLLECTION OF FILING FEES

Pub. L. 101–162, title VI, § 605, Nov. 21, 1989, 103 Stat. 1031, as amended by Pub. L. 101–302, title II, May 25, 1990, 104 Stat. 217; Pub. L. 102–395, title I, Oct. 6, 1992, 106 Stat. 1847; Pub. L. 103–317, title I, Aug. 26, 1994, 108 Stat. 1739; Pub. L. 106–553, § (a)(2) [title VI, § 630(b)], Dec. 21, 2000, 114 Stat. 2762, 2762A–109, provided that:

“(a) Five working days after enactment of this Act [Nov. 21, 1989] and thereafter, the Federal Trade Commission shall assess and collect filing fees established in subsection (b) which shall be paid by persons acquiring voting securities or assets who are required to file premerger notifications by the [sic] section 7A of the Clayton Act (15 U.S.C. 18a) and the regulations promulgated thereunder. For purposes of said Act, no notification shall be considered filed until payment of the fee required by this section. Fees collected pursuant to this section shall be divided evenly between and credited to the appropriations, Federal Trade Commission, “Salaries and Expenses” and Department of Justice, “Salaries and Expenses, Antitrust Division”: *Provided*, That fees in excess of \$40,000,000 in fiscal year 1990 shall be deposited to the credit of the Treasury of the United States: *Provided further*, That fees made available to the Federal Trade Commission and the Antitrust Division herein shall remain available until expended.

“(b) **【The filing fees】** *Subject to subsection (c), the filing fees referred to in subsection (a) are—*

“(1) **【\$45,000】** *\$60,000* if the aggregate total amount determined under section 7A(a)(2) of the Clayton Act (15 U.S.C. 18a(a)(2)) is less than \$100,000,000 (as adjusted and published for each fiscal year beginning after September 30, 2004, in the same manner as provided in section 8(a)(5) of the Clayton Act (15 U.S.C. 19(a)(5)) to reflect the percentage change in the gross national product for such fiscal year compared to the gross national product for the year ending September 30, 2003);

“(2) **【\$125,000】** *\$160,000* if the aggregate total amount determined under section 7A(a)(2) of the Clayton Act (15 U.S.C. 18a(a)(2)) is not less than \$100,000,000 (as so adjusted and

published) but less than \$500,000,000 (as so adjusted and published); [and]

“(3) ~~[\$280,000]~~ \$360,000 if the aggregate total amount determined under section 7A(a)(2) of the Clayton Act (15 U.S.C. 18a(a)(2)) is not less than \$500,000,000 (as so adjusted and published)[.] but less than \$1,000,000,000 (as so adjusted and published); and”

“(4) \$500,000 if the aggregate total amount determined under section 7A(a)(2) of the Clayton Act (15 U.S.C. 18a(a)(2)) is not less than \$1,000,000,000 (as so adjusted and published).

“(c) For fiscal year 2013, and each fiscal year thereafter, the Federal Trade Commission shall publish in the Federal Register and increase the amount of each filing fee under subsection (b) in the same manner and on the same dates as provided under section 8(a)(5) of the Clayton Act (15 U.S.C. 19(a)(5)) to reflect the percentage change in the gross national product for the fiscal year as compared to the gross national product for fiscal year 2011, except that the Federal Trade Commission—

“(1) shall round any increase in a filing fee under this subsection to the nearest \$5,000;

“(2) shall not increase filing fees under this subsection if the increase in the gross national product is less than 1 percent; and

“(3) shall not decrease filing fees under this subsection.”

**§ 2053. Consumer Product Safety Commission**

**(a) Establishment; Chairman**

\* \* \* \* \*

**(g) Executive Director; officers and employees**

(1)(A) \* \* \*

\* \* \* \* \*

(4) The appointment of any officer (other than a Commissioner) or employee of the Commission shall not be subject, directly or indirectly, to review or approval by any officer or entity within the Executive Office of the President.

(5) *The Chairman may provide to officers and employees of the Commission who are appointed or assigned by the Commission to serve abroad (as defined in section 102 of the Foreign Service Act of 1980 (22 U.S.C. 3902)) travel, leave, and other benefits similar to those authorized for members of the Foreign Service of the United Service under chapter 9 of such Act (22 U.S.C. 4081 et seq.).*

**TITLE 31—MONEY AND FINANCE****SUBTITLE II—THE BUDGET PROCESS****CHAPTER 11—THE BUDGET AND FISCAL, BUDGET, AND PROGRAM INFORMATION****§ 1107. Deficiency and supplemental appropriations**

The President may submit to Congress proposed deficiency and supplemental appropriations the President decides are necessary because of laws enacted after the submission of the budget or that are in the public interest. The President shall include the reasons for the submission of the proposed appropriations and the reasons the proposed appropriations were not included in the budget. When the total proposed appropriations would have required the President to make a recommendation under section 1105(c) of this title if they had been included in the budget, the President shall make a recommendation under that section. *The President shall transmit promptly to Congress without change, proposed deficiency and supplemental appropriations submitted to the President by the legislative branch and the judicial branch.*

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**TO ENACT CERTAIN LAWS RELATING TO PUBLIC CONTRACTS AS TITLE 41, UNITED STATES CODE, “PUBLIC CONTRACTS”, 2011, PUBLIC LAW 111-350**
**SEC. 3. ENACTMENT OF TITLE 41, UNITED STATES CODE.**

Certain general and permanent laws of the United States, related to public contracts, are revised, codified, and enacted as title 41, United States Code, “Public Contracts”, as follows:

**TITLE 41—PUBLIC CONTRACTS****Subtitle I—Federal Procurement Policy****DIVISION B—OFFICE OF FEDERAL PROCUREMENT POLICY****Chapter 17—Agency Responsibilities and Procedures****§ 1703. Acquisition workforce****(a) DESCRIPTION.—**

\* \* \* \* \*

**(i) TRAINING FUND.—****(1) PURPOSES.—**

\* \* \* \* \*

**(6) AMOUNTS NOT TO BE USED FOR OTHER PURPOSES.—**The Administrator of General Services, through the Office of Federal Procurement Policy, shall ensure that amounts collected **[for training]** under this subsection are not used for a purpose other than the purpose specified in **[paragraph (2)]** *subparagraphs (A) and (C) to (J) of section 1122(a)(5) of this title.*

**CONSUMER PRODUCT SAFETY ACT**

(CODIFIED AT 15 U.S.C. §§ 2051–2089) (PUBLIC LAW 92–573; 86 STAT. 1207, OCT. 27, 1972)

**SEC. 1. SHORT TITLE; TABLE OF CONTENTS**

This Act may be cited as the “Consumer Product Safety Act.”

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.  
 Sec. 17. Imported products.  
*Sec. 17A. Service of process.*

**SEC. 17. IMPORTED PRODUCTS**

(a) \* \* \*

\* \* \* \* \*

(h)(1) The Commission shall establish and maintain a permanent product surveillance program, in cooperation with other appropriate Federal agencies, for the purpose of carrying out the Commission’s responsibilities under this Act and the other Acts administered by the Commission and preventing the entry of unsafe consumer products into the commerce of the United States.

(2) The Commission may provide to the agencies with which it is cooperating under paragraph (1) such information, data, violator lists, test results, and other support, guidance, and documents as may be necessary or helpful for such agencies to cooperate with the Commission to carry out the product surveillance program under paragraph (1).

(3) The Commission shall periodically report to the appropriate Congressional committees the results of the surveillance program under paragraph (1).

**SEC. 17A. SERVICE OF PROCESS.**

(a) *DESIGNATING AGENTS.*—

(1) *IN GENERAL.*—*The Commission may require a manufacturer, or class of manufacturers, offering a consumer product for import to designate an agent in the United States on whom service of notices and process in administrative and judicial proceedings may be made.*

(2) *FILING.*—*The designation shall be in writing and filed with the Commission.*

(3) *MODIFICATION.*—*The designation may be changed in the same way originally made.*

(b) *SERVICE.*—

(1) *PLACE OF SERVICE.*—*An agent may be served at the agent’s office or usual place of residence.*

(2) *SERVICE ON AGENT IS SERVICE ON MANUFACTURER.*—*Service on the agent is deemed to be service on the manufacturer.*

(3) *NO DESIGNATED AGENT.*—*If a manufacturer does not designate an agent, service may be made by posting the notice or process in the office of the Commission.*

**JUDICIAL IMPROVEMENTS ACT, 1990, PUBLIC LAW 101-650**

**TITLE II—FEDERAL JUDGESHIPS**

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

(a) \* \* \*

\* \* \* \* \*

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

\* \* \* \* \*

Except with respect to the district of Kansas, the western district of Michigan, the eastern district of Pennsylvania, the district of Hawaii, and the northern district of Ohio, the first vacancy in the office of district judge in each of the judicial districts named in this subsection, occurring 10 years or more after the confirmation date of the judge named to fill the temporary judgeship created by this subsection, shall not be filled. The first vacancy in the office of district judge in the district of Kansas occurring **[20 years]** *21 years* or more after the confirmation date of the judge named to fill the temporary judgeship created for such district under this subsection, shall not be filled. The first vacancy in the office of district judge in the western district of Michigan, occurring after December 1, 1995, shall not be filled. The first vacancy in the office of district judge in the eastern district of Pennsylvania, occurring 5 years or more after the confirmation date of the judge named to fill the temporary judgeship created for such district under this subsection, shall not be filled. The first vacancy in the office of district judge in the northern district of Ohio occurring 19 years or more after the confirmation date of the judge named to fill the temporary judgeship created under this subsection shall not be filled. The first vacancy in the office of the district judge in the district of Hawaii occurring **[17 years]** *18 years* or more after the confirmation date of the judge named to fill the temporary judgeship created under this subsection shall not be filled. For districts named in this subsection for which multiple judgeships are created by this Act, the last of those judgeships filled shall be the judgeships created under this section.

**DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998, PUBLIC LAW 105-119**

**TITLE I—DEPARTMENT OF JUSTICE**

**GENERAL PROVISIONS—DEPARTMENT OF JUSTICE**

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 **[12 years]** *14 years* from date of enactment of



this provision, a personnel management demonstration project providing for the compensation and performance management of not more than a combined total of 950 employees who fill critical scientific, technical, engineering, intelligence analyst, language translator, and medical positions in the Bureau of Alcohol, Tobacco and Firearms.

**HELP AMERICA VOTE ACT, 2002, PUBLIC LAW 107-252**

**TITLE II—COMMISSION**

**Subtitle D—Election Assistance**

**PART 1—REQUIREMENTS PAYMENTS**

**SEC. 253. CONDITION FOR RECEIPT OF FUNDS.**

(a) IN GENERAL.— \* \* \*

\* \* \* \* \*

(d) TIMING FOR FILING OF CERTIFICATION.—A State may not file a statement of certification under subsection (a) until the expiration of the 45-day period (or, in the case of a fiscal year other than the first fiscal year for which a requirements payment is made to the State under this subtitle, the 30-day period) which begins on the date *notice of* the State plan under this subtitle is published in the Federal Register pursuant to section 255(b).

\* \* \* \* \*

**SEC. 254. STATE PLAN.**

(a) IN GENERAL.— \* \* \*

(1) \* \* \*

\* \* \* \* \*

(11) How the State will conduct ongoing management of the plan, except that the State may not make any material change in the administration of the plan unless *notice of* the change—

(A) \* \* \*

\* \* \* \* \*

(C) takes effect only after the expiration of the 30-day period which begins on the date *notice of* the change is published in the Federal Register in accordance with subparagraph (A).

\* \* \* \* \*

**SEC. 255. PROCESS FOR DEVELOPMENT AND FILING OF PLAN; PUBLICATION BY COMMISSION.**

(a) IN GENERAL.— \* \* \*

(b) PUBLICATION OF PLAN BY COMMISSION.—After receiving the State plan of a State under this subtitle, the Commission shall cause to have the plan *posted on the Commission’s website with a notice* published in the Federal Register.

**DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2005,  
PUBLIC LAW 108-335**

**TITLE III—GENERAL PROVISIONS**

SEC. 346. **[BIENNIAL] EVALUATION OF CHARTER SCHOOL AUTHORIZING BOARDS.** (a) **[Biennial management]** *Management* evaluation of the District of Columbia Chartering Authorities for the District of Columbia Public Charter Schools shall be conducted by the Comptroller General of the United **[States.]** *States every five years.*

(b) \* \* \*

(1) \* \* \*

\* \* \* \* \*

(6) Actual budget expenditures for the preceding **[2]** 5 fiscal years;

---

**ENSURING NEEDED HELP ARRIVES NEAR CALLERS  
EMPLOYING 911 ACT, 2004, PUBLIC LAW 108-494**

**TITLE III—UNIVERSAL SERVICE**

**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, 2011]** *December 31, 2013*, section 1341 and subchapter II of chapter 15 of title 31, United States Code, do not apply—

\* \* \* \* \*

(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, 2011]** *December 31, 2013*, to an expenditure or obligation described in subsection (a)(2) made or authorized during the period described in subsection (a).

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**ABRAHAM LINCOLN COMMEMORATIVE COIN ACT,  
PUBLIC LAW 109-285**

**SEC. 7. SURCHARGES.**

(a) **IN GENERAL.**—All sales of coins issued under this Act shall include a surcharge of \$10 per coin.

(b) **DISTRIBUTION.**—Subject to section 5134(f)(1), title 31, United States Code, all surcharges received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the **[Abraham Lincoln Bicentennial Commission]** *Abraham Lincoln Bicentennial Foundation for the purposes of commemorating the bicentennial of the birth of Abraham Lincoln, and fostering and promoting the awareness and study of the life of Abraham Lincoln.*

(c) **AUDITS.**—The **[Abraham Lincoln Bicentennial Commission]** *Abraham Lincoln Bicentennial Foundation* shall be subject to the

audit requirements of section 5134(f)(2) of title 31, United States Code.

**CONSOLIDATED APPROPRIATIONS ACT, 2010, PUBLIC LAW 111-117**

SEC. 743. (a) SERVICE CONTRACT INVENTORY REQUIREMENT.—(1) GUIDANCE.— \* \* \*

\* \* \* \* \*

(3) INVENTORY CONTENTS.—Not later than December 31, 2010, and annually thereafter, the head of each executive agency required to submit an inventory in accordance with the Federal Activities Inventory Reform Act of 1998 (Public Law 105-270; 31 U.S.C. 501 note), other than the Department of Defense, shall submit to the Office of Management and Budget an annual inventory of service contracts awarded or extended through the exercise of an option, *and task orders issued under any such contract*, on or after April 1, 2010, for or on behalf of such agency. For each service contract, the entry for an inventory under this section shall include, for the preceding fiscal year, the following:

(A) \* \* \*

\* \* \* \* \*

(G) The number and work location of contractor and subcontractor employees, expressed as full-time equivalents for direct labor, compensated under the contract, *using direct labor hours and associated cost data collected from contractors.*

\* \* \* \* \*

(e) REVIEW AND PLANNING REQUIREMENTS.— \* \* \*

(1) \* \* \*

(2) ensure that—

(A) \* \* \*

(B) **【the agency is giving special management attention to functions that are closely associated with inherently governmental functions】** *the contracts exclude to the maximum extent practicable functions that are closely associated with inherently governmental functions;*

\* \* \* \* \*

(g) SUBMISSION OF SERVICE CONTRACT INVENTORY BEFORE PUBLIC-PRIVATE COMPETITION.—Notwithstanding any other provision of law, beginning in fiscal year 2011, if an executive agency has not submitted to the Office of Management and Budget the inventory required under subsection (a)(3) for the prior fiscal year, the agency may not begin, plan for, or announce a study or public private competition regarding the conversion to contractor performance of any function performed by Federal employees pursuant to Office of Management and Budget Circular A-76 or any other administrative regulation or directive until such time as the inventory is submitted for the prior fiscal year.

(h) SUBMISSION OF REPORT ON ACTIONS TAKEN BEFORE PUBLIC-PRIVATE COMPETITION MAY OCCUR.—*An executive agency may not begin, plan for, or announce a study or public-private competition regarding the conversion to contractor performance of any func-*

*tion performed by Federal employees pursuant to Office of Management and Budget Circular A-76 or any other administrative regulation or directive until after that agency has submitted to the Office of Management and Budget a report, pursuant to subsection (f), that includes actions taken to convert from contractor to Federal employee performance functions that are not inherently governmental, closely associated with governmental functions, critical, or should not otherwise be reserved for performance by Federal employees. This subsection shall take effect beginning with the report required under subsection (f) that is included as an attachment to the annual inventory due by December 31, 2011.*

**[(h)] (i) GAO REPORTS ON IMPLEMENTATION.—**

(1) REPORT ON GUIDANCE.—Not later than 120 days after submission of the report by the Director of the Office of Management and Budget required under subsection (a)(2), the Comptroller General of the United States shall report on the guidance issued and actions taken by the Director. The report shall be submitted to the Committee on Homeland Security and Governmental Affairs and the Committee on Appropriations of the Senate and the Committee on Oversight and Government Reform and the Committee on Appropriations of the House of Representatives.

**(2) REPORTS ON INVENTORIES.—**

(A) INITIAL INVENTORY.—Not later than September 30, 2011, the Comptroller General of the United States shall submit a report to the Committees named in the preceding paragraph on the initial implementation by executive agencies of the inventory requirement in subsection (a)(3) with respect to inventories required to be submitted by December 31, 2010.

(B) SECOND INVENTORY.—Not later than September 30, 2012, the Comptroller General shall submit a report to the same Committees on annual inventories required to be submitted by December 31, 2011.

(3) PERIODIC BRIEFINGS.—The Comptroller General shall provide periodic briefings, as may be requested by the Committees, on matters related to implementation of this section.

**[(i)] (j) EXECUTIVE AGENCY DEFINED.—**In this section, the term “executive agency” has the meaning given the term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

**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 in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the budget resolution for 2012: Subcommittee on Financial Services and General Government:				
Mandatory .....	21,455	21,455	21,450	<sup>1</sup> 21,450
Discretionary .....	21,731	21,898	25,920	<sup>1</sup> 25,890
Security .....			NA	NA
Nonsecurity .....	21,731	21,898	NA	NA
Projections of outlays associated with the recommendation:				
2012 .....				<sup>2</sup> 39,695
2013 .....				3,373
2014 .....				459
2015 .....				68
2016 and future years .....				26
Financial assistance to State and local governments for 2012 .....	NA	659	NA	451

<sup>1</sup> Includes outlays from prior-year budget authority.

<sup>2</sup> Excludes outlays from prior-year budget authority.

NA: Not applicable.

Consistent with the funding recommended in the bill for disaster funding and in accordance with section 251(b)(2)(D) of the BBEDCA and section 106 of the Deficit Control Act of 2011, 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 \$167,000,000 in budget authority plus associated outlays.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2012  
 (In thousands of dollars)

Item	2011 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
<b>TITLE I—DEPARTMENT OF THE TREASURY</b>					
Departmental Offices					
Salaries and expenses .....	306,388	324,889	306,388		-18,501
Terrorism and financial intelligence .....	3,992			-3,992	
Department-wide systems and capital investments programs .....	29,641	29,855	29,641		-214
Office of Inspector General .....	151,696	157,831	151,696		-6,135
Treasury Inspector General for Tax Administration .....	36,227	47,374	41,800	+5,573	-5,574
Special Inspector General for TARP .....	110,788	84,297	110,788		+26,491
Financial Crimes Enforcement Network .....	-400,000	-600,000	-750,000	-350,000	-150,000
Treasury forfeiture fund (rescission) .....					
Total, Departmental Offices .....	238,732	44,246	-109,687	-348,419	-153,933
Financial Management Service .....	232,786	218,805	217,805	-14,981	-1,000
Alcohol and Tobacco Tax and Trade Bureau .....	100,798	97,878	99,878	-920	+2,000
Bureau of the Public Debt .....	174,635	165,635	165,635	-9,000	
Community development financial institutions fund program account .....	226,546	227,259	200,000	-26,546	-27,259
Subtotal .....	226,546	227,259	200,000	-26,546	-27,259
Payment of government losses in shipment .....	2,000	2,000	2,000		
Total, Department of the Treasury, non-IRS .....	975,497	755,823	575,631	-399,866	-180,192
Internal Revenue Service					
Taxpayer services .....	2,274,272	2,345,133	2,195,522	-78,750	-149,611
Enforcement .....	5,492,992	5,030,619	5,228,613	-264,379	+197,994
Enhanced tax enforcement activities .....		936,000			-936,000

Subtotal .....	5,492,992	5,966,619	5,228,613	- 264,379	- 738,006
Operations support .....	4,075,716	4,299,526	3,893,216	- 182,500	- 406,310
Enhanced tax enforcement activities .....	.....	321,000	.....	.....	- 321,000
Subtotal .....	4,075,716	4,620,526	3,893,216	- 182,500	- 727,310
Business systems modernization .....	263,369	333,600	330,210	+ 66,841	- 3,390
Health Insurance Tax Credit Administration .....	15,481	18,029	15,481	.....	- 2,548
Total, Internal Revenue Service .....	12,121,830	13,283,907	11,663,042	- 458,788	- 1,620,865
Total, title I, Department of the Treasury .....	13,097,327	14,039,730	12,238,673	- 858,654	- 1,801,057
Appropriations .....	(13,497,327)	(14,639,730)	(12,988,673)	(- 508,654)	(- 1,651,057)
Rescissions .....	(- 400,000)	(- 600,000)	(- 750,000)	(- 350,000)	(- 150,000)
(Mandatory) .....	(2,000)	(2,000)	(2,000)	.....	.....
(Discretionary) .....	(13,095,327)	(14,037,730)	(12,236,673)	(- 858,654)	(- 1,801,057)
TITLE II—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT					
The White House					
Salaries and expenses (including Office of Policy Development) .....	58,435	58,374	57,851	- 584	- 523
Compensation of the President .....	450	450	450	.....	.....
Sec. 628 .....	.....	.....	.....	.....	.....
Subtotal .....	58,885	58,824	58,301	- 584	- 523
Executive Residence at the White House:					
Operating expenses .....	13,673	13,658	13,536	- 137	- 122
White House repair and restoration .....	2,001	1,000	990	- 1,011	- 10
Subtotal .....	15,674	14,658	14,526	- 1,148	- 132
Council of Economic Advisers .....	4,192	4,403	4,192	.....	- 211
National Security Council and Homeland Security Council .....	13,048	13,074	13,048	.....	- 26
Office of Administration .....	115,049	115,848	114,908	- 141	- 940
Total, The White House .....	206,848	206,807	204,975	- 1,873	- 1,832
Office of Management and Budget .....	91,750	91,660	90,833	- 917	- 827
Government-wide management Councils .....	(17,000)	(20,000)	(17,000)	.....	(- 3,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2012—Continued

[In thousands of dollars]

Item	2011 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
Office of National Drug Control Policy					
Salaries and expenses .....	27,084	23,413	26,125	- 959	+ 2,712
Rescission .....	.....	- 11,328	- 11,328	- 11,328	.....
High intensity drug trafficking areas program .....	238,522	200,000	238,522	.....	+ 38,522
Other Federal drug control programs .....	140,618	143,600	105,950	- 34,668	- 37,650
Total, Office of National Drug Control Policy .....	406,224	355,685	359,269	- 46,955	+ 3,584
Unanticipated needs .....	998	1,000	988	- 10	- 12
Partnership fund for program integrity innovation .....	.....	20,000	.....	.....	- 20,000
Rescission .....	- 5,000	.....	.....	+ 5,000	.....
Integrated, efficient and effective uses of information technology .....	.....	60,000	.....	.....	- 60,000
Special Assistance to the President and Official Residence of the Vice President:					
Salaries and expenses .....	4,549	4,328	4,328	- 221	.....
Operating expenses .....	326	307	307	- 19	.....
Subtotal .....	4,875	4,635	4,635	- 240	.....
Total, title II, Executive Office of the President and Funds Appropriated to the President (Mandatory) .....	705,695	739,787	660,700	- 44,995	- 79,087
(Discretionary) .....	(450)	(450)	(450)	.....	.....
.....	(705,245)	(739,337)	(660,250)	(- 44,995)	(- 79,087)
TITLE III—THE JUDICIARY					
Supreme Court of the United States					
Salaries and expenses:					
Salaries of justices .....	2,197	2,197	2,197	.....	.....



Other salaries and expenses .....	71,724	73,354	72,622	+ 898	- 732
Subtotal .....	73,921	75,551	74,819	+ 898	- 732
Care of the building and grounds .....	8,159	8,504	8,159	.....	- 345
Total, Supreme Court of the United States .....	82,080	84,055	82,978	+ 898	- 1,077
United States Court of Appeals for the Federal Circuit					
Salaries and expenses:					
Salaries of judges .....	2,502	2,513	2,513	+ 11	.....
Other salaries and expenses .....	30,009	32,626	29,400	- 609	- 3,226
Total, United States Court of Appeals for the Federal Circuit .....	32,511	35,139	31,913	- 598	- 3,226
United States Court of International Trade					
Salaries and expenses:					
Salaries of judges .....	1,851	1,718	1,718	- 133	.....
Other salaries and expenses .....	19,596	21,173	19,250	- 346	- 1,923
Total, U.S. Court of International Trade .....	21,447	22,891	20,968	- 479	- 1,923
Courts of Appeals, District Courts, and Other Judicial Services					
Salaries and expenses:					
Salaries of judges and bankruptcy judges .....	332,565	327,707	327,707	- 4,858	.....
Other salaries and expenses .....	4,671,656	4,908,459	4,642,939	- 28,717	- 265,520
Subtotal .....	5,004,221	5,236,166	4,970,646	- 33,575	- 265,520
Vaccine Injury Compensation Trust Fund .....	4,775	5,011	4,775	.....	- 236
Defender services .....	1,025,693	1,098,745	1,034,182	+ 8,489	- 64,563
Fees of jurors and commissioners .....	52,305	59,727	59,000	+ 6,695	- 727
Court security .....	466,672	513,058	500,000	+ 33,328	- 13,058
Total, Courts of Appeals, District Courts, and Other Judicial Services .....	6,553,666	6,912,707	6,568,603	+ 14,937	- 344,104
Administrative Office of the United States Courts					
Salaries and expenses .....	82,909	88,455	82,000	- 909	- 6,455
Federal Judicial Center					
Salaries and expenses .....	27,273	29,029	27,000	- 273	- 2,029

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2012—Continued

(In thousands of dollars)

Item	2011 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
<b>Judicial Retirement Funds</b>					
Payment to judiciary trust funds	90,361	103,768	103,768	+ 13,407	
Sec. 628					
<b>United States Sentencing Commission</b>					
Salaries and expenses	16,803	17,906	16,500	- 303	- 1,406
Rescission					
Total, title III, the Judiciary	6,907,050	7,293,950	6,933,730	+ 26,680	- 360,220
(Mandatory)	(429,476)	(437,903)	(437,903)	(+ 8,427)	
(Discretionary)	(6,477,574)	(6,856,047)	(6,495,827)	(+ 18,253)	(- 360,220)
<b>TITLE IV—DISTRICT OF COLUMBIA</b>					
<b>FEDERAL FUNDS</b>					
Federal payment for resident tuition support	35,030	35,100	30,000	- 5,030	- 5,100
Federal payment for emergency planning and security costs in the District of Columbia	14,970	14,900	14,900	- 70	
Federal payment to the District of Columbia Courts	242,933	229,068	230,319	- 12,614	+ 1,251
Federal payment for defender services in the in District of Columbia Courts	54,890	55,000	55,000	+ 110	
Federal payment to the Court Services and Offender Supervision Agency for the District of Columbia	211,983	216,846	212,983	+ 1,000	- 3,863
Federal payment to the District of Columbia Public Defender Service	37,241	41,486	37,241		- 4,245
Federal payment to the District of Columbia Water and Sewer Authority	11,476	25,000	15,000	+ 3,524	- 10,000
Federal payment to the Criminal Justice Coordinating Council	1,796	1,800	1,800	+ 4	
Federal payment for judicial commissions	499	500	500	+ 1	
Federal payment for school improvement	77,545	67,000	60,000	- 17,545	- 7,000
Federal payment for the D.C. National Guard	375	2,000	375		- 1,625
Federal payment for housing for the homeless	9,980			- 9,980	
Federal payment for redevelopment of the St. Elizabeth's Hospital campus		18,000			- 18,000
Federal payment for HIV/AIDS prevention		5,000			- 5,000

Federal payment for D.C. Commission on the Arts and Humanities grants .....				5,000					- 5,000
Total, Title IV, District of Columbia .....	698,718		716,700		658,118		- 40,600		- 58,582
<b>TITLE V—OTHER INDEPENDENT AGENCIES</b>									
Administrative Conference of the United States .....	2,744		3,200		2,900		+ 156		- 300
Christopher Columbus Fellowship Foundation .....	499				450		- 49		+ 450
Civilian Property Realignment Board									
Salaries and expenses .....			23,000						- 23,000
Asset Proceeds and Space Management Fund .....			65,000						- 65,000
Total, Civilian Property Realignment Board .....			88,000						- 88,000
Commodity Futures Trading Commission .....	202,270		308,000		240,000		+ 37,730		- 68,000
Financial regulatory reform contingent appropriations .....									
Total, Commodity Futures Trading Commission .....	202,270		308,000		240,000		+ 37,730		- 68,000
Consumer Product Safety Commission .....	114,788		122,000		114,500		- 288		- 7,500
Election Assistance Commission									
Salaries and expenses .....	16,267		13,716		14,750		- 1,517		+ 1,034
Total, Election Assistance Commission .....	16,267		13,716		14,750		- 1,517		+ 1,034
Federal Communications Commission									
Salaries and expenses .....	335,794		358,801		354,181		+ 18,387		- 4,620
Offsetting fee collections—current year .....	- 335,794		- 358,801		- 354,181		- 18,387		+ 4,620
Direct appropriation .....									
Federal Deposit Insurance Corporation: Office of Inspector General (by transfer) .....	(42,942)		(45,261)		(45,261)		(+ 2,319)		
Federal Election Commission .....	66,367		67,014		66,367				- 647
Federal Labor Relations Authority .....	24,723		26,440		24,723				- 1,717
Federal Trade Commission									
Salaries and expenses .....	291,363		326,000		311,563		+ 20,200		- 14,437
Offsetting fee collections—current year .....	- 96,000		- 108,000		- 149,000		- 53,000		- 41,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2012—Continued

[In thousands of dollars]

Item	2011 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
Offsetting fee collections, telephone database .....	-21,000	-19,000	-21,000	.....	-2,000
Direct appropriation .....	174,363	199,000	141,563	-32,800	-57,437
General Services Administration					
Federal Buildings Fund					
Limitations on availability of revenue:					
Construction and acquisition of facilities .....	82,000	839,642	65,000	-17,000	-774,642
Repairs and alterations .....	280,000	868,902	280,000	.....	-588,902
Installment acquisition payments .....	135,540	126,801	126,801	-8,739	.....
Rental of space .....	4,830,000	5,285,198	5,285,198	+455,198	.....
Building operations .....	2,270,000	2,387,968	2,387,968	+117,968	.....
Subtotal, Limitations on availability of revenue .....	7,597,540	9,508,511	8,144,967	+547,427	-1,363,544
Repayment of debt .....	71,270	80,000	80,000	+8,730	.....
Rental income to fund .....	-8,871,000	-9,303,000	-9,303,000	-432,000	.....
Rescission .....	-25,000	.....	.....	+25,000	.....
Total, Federal Buildings Fund .....	-1,227,190	285,511	-1,078,033	+149,157	-1,363,544
Government-wide policy .....	66,488	105,140	61,750	-4,738	-43,390
Operating expenses .....	69,882	70,022	70,000	+118	-22
Office of Inspector General .....	58,882	62,358	58,000	-882	-4,358
Electronic Government Fund .....	7,984	34,000	.....	-7,984	-34,000
Sources of information and engagement for citizens .....	.....	.....	39,084	+39,084	+39,084
Allowances and Office Staff for Former Presidents .....	3,792	3,671	3,671	-121	.....
Federal acquisition workforce initiatives fund .....	.....	16,900	.....	.....	-16,900
Federal Citizen Information Center Fund .....	34,116	39,933	.....	-34,116	-39,933

Policy and operations (rescission) .....				- 4,600	- 4,600	- 4,600
Total, General Services Administration .....	-986,046	617,535	-850,128	+ 135,918	-1,467,663	
Harry S Truman Scholarship Foundation .....	748		700	- 48	+ 700	
Merit Systems Protection Board .....						
Salaries and expenses .....	40,258	42,116	40,258		- 1,858	
Limitation on administrative expenses .....	2,574	2,345	2,345	- 229		
Total, Merit Systems Protection Board .....	42,832	44,461	42,603	- 229	- 1,858	
Morris K. Udall and Stewart L. Udall Foundation .....						
Morris K. Udall and Stewart L. Udall Trust Fund .....	2,495	2,200	2,200	- 295		
Environmental Dispute Resolution Fund .....	3,792	3,800	3,792		- 8	
Morris K Udall and Stewart L. Udall Foundation .....						
Total, Morris K. Udall and Stewart L. Udall Foundation .....	6,287	6,000	5,992	- 295	- 8	
National Archives and Records Administration .....						
Operating expenses .....	339,090	403,742	378,845	+ 39,755	- 24,897	
Reduction of debt .....	- 14,000	- 15,000	- 15,000	- 1,000		
Subtotal .....	325,090	388,742	363,845	+ 38,755	- 24,897	
Office of the Inspector General .....	4,241	4,100	4,100	- 141		
Electronic records archive .....	71,856			- 71,856		
Repairs and restoration .....	11,824	9,659	9,659	- 2,165		
Rescission .....	- 3,198			+ 3,198		
National Historical Publications and Records Commission- Grants program .....	6,986	5,000	5,000	- 1,986		
Total, National Archives and Records Admin .....	416,799	407,501	382,604	- 34,195	- 24,897	
National Credit Union Administration .....						
Central liquidity facility: .....	(1,250)	(1,250)	(1,250)			
(Limitation on admin expenses, corporate funds) .....	1,247	2,000	1,247		- 753	
Community development credit union revolving loan fund .....						
Office of Government Ethics .....	13,972	13,664	13,664	- 308		
Office of Personnel Management .....						
Salaries and expenses .....	97,774	100,027	97,774		- 2,253	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2012—Continued  
(In thousands of dollars)

Item	2011 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
Limitation on administrative expenses .....					
Office of Inspector General .....	112,516	132,523	112,516		-20,007
.....	3,142	3,804	3,142		-662
Limitation on administrative expenses .....	21,174	21,559	21,174		-385
Govt Payment for Annuitants, Employee Health Benefits .....	10,467,000	10,862,000	10,862,000	+395,000	
Govt Payment for Annuitants, Employee Life Insurance .....	50,000	52,000	52,000	+2,000	
Payment to Civil Svc Retirement and Disability Fund .....	10,076,000	9,979,000	9,979,000	-97,000	
Sec. 628 .....					
Total, Office of Personnel Management .....	20,827,606	21,150,913	21,127,606	+300,000	-23,307
Mandatory .....	(20,593,000)	(20,893,000)	(20,893,000)	(+300,000)	
Discretionary .....	(234,606)	(257,913)	(234,606)		(-23,307)
Office of Special Counsel .....	18,458	19,486	18,972	+514	-514
Postal Regulatory Commission .....	14,304	14,450	14,304		-146
Privacy and Civil Liberties Oversight Board .....	998	1,683	1,000	+2	-683
Rescission .....	-1,500		-998	+502	-998
Recovery and Accountability Transparency Board .....		31,543	28,400	+28,400	-3,143
Securities and Exchange Commission .....	1,185,000	1,407,483	1,407,483	+222,483	
Selective Service System .....	24,226	24,500	23,984	-242	-516
Small Business Administration					
Salaries and expenses .....	432,571	427,296	404,202	-28,369	-23,094
Office of Inspector General .....	16,267	18,400	16,267		-2,133
Office of Advocacy .....		9,120	9,120	+9,120	
Business Loans Program Account:					
Direct loans subsidy .....	2,994	3,765	3,678	+684	-87
Guaranteed loans subsidy .....	79,840	211,600	206,862	+127,022	-4,738
Administrative expenses .....	152,694	147,958	147,958	-4,736	

Total, Business loans program account .....	235,528	363,323	358,498	+ 122,970	- 4,825
Disaster Loans Program Account:					
Administrative expenses .....	45,372	167,300		- 45,372	- 167,300
Disaster relief category .....			167,300	+ 167,300	+ 167,300
Total, Small Business Administration .....	729,738	985,439	955,387	+ 225,649	- 30,052
United States Postal Service					
Payment to the Postal Service Fund .....	11,776			- 11,776	
Advance appropriations .....	74,905	78,153	78,153	+ 3,248	
Total, Payment to the Postal Service Fund .....	86,681	78,153	78,153	- 8,528	
Office of Inspector General .....	243,908	244,397	241,468	- 2,440	- 2,929
Total, United States Postal Service .....	330,589	322,550	319,621	- 10,968	- 2,929
United States Tax Court .....	51,989	59,996	51,469	- 520	- 8,527
Total, title V, Independent Agencies .....	23,279,268	25,936,574	24,149,163	+ 869,895	- 1,787,411
Appropriations .....	(23,234,061)	(25,858,421)	(23,909,308)	(+ 675,247)	(- 1,949,113)
Rescissions .....	(- 29,698)		(- 5,598)	(+ 24,100)	(- 5,598)
Disaster relief category .....			(167,300)	(+ 167,300)	(+ 167,300)
Advances .....	(74,905)	(78,153)	(78,153)	(+ 3,248)	
(by transfer) .....	(42,942)	(45,261)	(45,261)	(+ 2,319)	
(Mandatory) .....	(20,593,000)	(20,893,000)	(20,893,000)	(+ 300,000)	
(Discretionary) .....	(2,686,268)	(5,043,574)	(3,256,163)	(+ 569,895)	(- 1,787,411)
TITLE VI—GENERAL PROVISIONS					
Mandatory appropriations (Sec. 628) .....					
Grand total .....	44,688,058	48,726,741	44,640,384	- 47,674	- 4,086,357
Appropriations .....	(45,047,851)	(49,259,916)	(45,161,857)	(+ 114,006)	(- 4,098,059)
Rescissions .....	(- 434,698)	(- 611,328)	(- 766,926)	(- 332,228)	(- 155,598)
Disaster relief category .....			(167,300)	(+ 167,300)	(+ 167,300)
Advances .....	(74,905)	(78,153)	(78,153)	(+ 3,248)	
(by transfer) .....	(42,942)	(45,261)	(45,261)	(+ 2,319)	