

TREASURY, POSTAL SERVICE, AND GENERAL
 GOVERNMENT APPROPRIATIONS BILL, 2003

JULY 15, 2002.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

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

R E P O R T

[To accompany H.R. 5120]

The Committee on Appropriations submits the following report in
 explanation of the accompanying bill making appropriations for the
 Treasury Department, the Postal Service, the Executive Office of
 the President, and certain Independent Agencies for the fiscal year
 ending September 30, 2003, and for other purposes.

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The accompanying bill contains recommendations for new budget (obligational) authority for fiscal year 2003 for the Department of the Treasury, the Postal Service, various offices in the Executive Office of the President, and certain Independent Agencies. The following table summarizes these recommendations and reflects comparisons with the budget request and with amounts appropriated to date for fiscal year 2002:

[In thousands of dollars]

Agency	New budget (obligation) authority fiscal year 2002 enacted to date	Budget estimates of new (obligational) authority, fiscal year 2003	Recommended in the bill	Bill compared with—	
				New budget authority fiscal year 2002	Budget estimate, fiscal year 2002
Treasury	15,646,178	15,865,446	16,186,789	+522,611	+303,343
Postal Service	596,093	76,619	76,619	— 519,474	.....

[In thousands of dollars]

Agency	New budget (obligation) authority fiscal year 2002 enacted to date	Budget estimates of new (obligational) authority, fiscal year 2003	Recommended in the bill	Bill compared with—	
				New budget authority fiscal year 2002	Budget estimate, fiscal year 2002
Executive Office of the President	797,571	786,002	1,034,536	+236,965	+248,534
Independent agencies	16,674,020	17,517,199	17,510,502	+836,512	— 6,697
Grand total	33,713,862	34,276,280	34,821,460	+1,107,598	+545,180

RECOMMENDATION

The Committee recommends a total of \$18,499,996,000 in discretionary resources for agencies under its jurisdiction. After scorekeeping adjustments including \$745,000,000 associated with the President's proposal on accrual funding of retirement costs, the Committee's recommendation is \$147,584,000 above amounts appropriated in fiscal year 2002 and \$207,820,000 below the amounts requested by the President.

REPROGRAMMING AND TRANSFER OF FUNDS GUIDELINES

Due to continuing issues associated with agency requests for reprogramming and transfer of funds and use of unobligated balances, the following guidelines shall be complied with by all agencies funded by the Treasury, Postal Service and General Government Appropriations Act, 2003:

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

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

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

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

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

6. For any action which would result in a major change to the program or item which is different than that presented to

and approved by either of the Committees, or the Congress, a reprogramming shall be submitted;

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

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

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

ACCUAL FUNDING OF RETIREMENT COSTS AND POST-RETIREMENT HEALTH BENEFITS

The President's Budget included a legislative proposal under the jurisdiction of the House Committee on Government Reform to charge to individual agencies, starting in fiscal year 2003, the fully accrued costs related to retirement benefits of Civil Service Retirement System employees and retiree health benefits for all civilian employees. The Budget also requested an additional dollar amount in each affected discretionary account to cover these accrued costs.

Without passing judgment on the merits of this legislative proposal, the Committee has reduced the dollar amounts of the President's request shown in the "Comparative Statement of New Budget Authority" and other tables in this report to exclude the accrual funding proposal. The disposition by Congress of the legislative proposal is unclear at this time. Should the proposal be passed by Congress and enacted, the Committee will make appropriate adjustments to the President's request to include accrual amounts.

The Committee further notes that administration proposals requiring legislative action by the authorizing committees of Congress are customarily submitted in the budget as separate schedules apart from the regular appropriations requests. Should such a proposal be enacted, a budget amendment formally modifying the President's appropriation request for discretionary funding is then transmitted to the Congress.

The Committee is concerned that this practice, which has always worked effectively for both Congress and past administrations, was not followed for the accrual funding proposal. In this case, the Office of Management and Budget (OMB) decided to include accrual amounts in the original discretionary appropriations language request. These amounts are based on legislation that has yet to be considered and approved by the appropriate committees of Congress. This led to numerous misunderstandings both inside and outside of Congress of what was the "true" President's budget request. The Committee believes that, in the future, OMB should follow long-established procedures with respect to discretionary spending proposals that require legislative action.

PUBLIC AND CONGRESSIONAL AFFAIRS

The Committee is concerned by the level of expenditures being devoted by departments and agencies for the various Offices of Congressional and Public Affairs. The Committee believes that, in

some cases, the expenditures being devoted to these functions are not commensurate with the services provided. Throughout the year, the Committee has sought assistance from these offices with simple matters such as scheduling hearings, obtaining copies of testimony, and receiving responses to the Committee's questions as it relates to the use of appropriated funds. The Committee has been very disappointed by the timeliness of the assistance offered by many of these offices, particularly as it relates to the Committee's efforts to achieve effective oversight of agency operations and programs. The Committee will continue to scrutinize the appropriations requests for all Offices of Congressional and Public Affairs and will look at the degree to which these appropriations are used to meet expected levels of performance. The Committee will not tolerate any efforts to prevent or interfere with effective and comprehensive oversight of the use of federal appropriations, including efforts to delay responses to the Committee's questions on agency operations and activities.

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$177,142,000
Budget estimate, fiscal year 2003	191,914,000
Recommended in the bill	187,241,000
Bill compared with:	
Appropriation, fiscal year 2002	+10,099,000
Budget Estimate, fiscal year 2003	-4,673,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$187,241,000 for Departmental Offices, an increase of \$10,099,000 above the fiscal year 2002 enacted level and a decrease of \$4,673,000 below the President's request. Decreases to the request include a reduction of \$27,000 associated with the President's pending proposal to inte-

grate the benefits and administrative costs of the Federal Employees' Compensation Act (FECA) which, to date, has not been enacted, \$747,000 for overseas inflation costs for the Office of International Affairs, \$2,854,000 to reflect savings from the full non-recurrence of a grant to Florida State University for transfer pricing research and support for local law enforcement support in Hawaii, a business strategy adjustment of \$599,000, and a transfer of \$446,000 and 5 FTE from the Office of Foreign Asset Control to the Financial Crimes Enforcement Network. The Committee approves a funding level for the Office of Foreign Asset Control of no less than \$32,359,000 and a funding level for the Office of Enforcement of no less than \$12,878,000. The Committee notes that the Office of International Affairs is the largest office in the account, directs that its funding level for fiscal year 2003 be no greater than its funding level for fiscal year 2002, and suggests that the Secretary should consider whether further savings in this office are possible.

BUSINESS STRATEGY ADJUSTMENTS

Most bureaus within the Department of the Treasury were required in preparing the President's budget request to assume certain levels of savings through business strategy adjustments. These adjustments, in effect, constituted a denial of a portion of anticipated non-pay inflation costs, which are to be achieved through unspecified improvements, process streamlining, and other efficiencies. The total level of Treasury business strategy adjustments contained in the President's request was \$85,028,000. It has been the recent experience of this Committee that ambitious and aggressive expectations of generic savings often result in personnel attrition, lower levels of performance, and cuts in programs. To safeguard the important work of Treasury Law Enforcement, the Committee has restored the proposed business strategy adjustments to those affected bureaus.

The Committee commends the effort to find savings in Treasury agencies and is generally supportive of actions to lower operational costs without diluting program performance. However, holding agencies to arbitrary spending reductions without any concrete plan for how such savings will be achieved may lead to poor decisions, programmatic reductions, and other unintended consequences. Therefore, the Department of the Treasury is directed to submit quarterly reports to the Committee on the actions being taken by each of its agencies, bureaus, and groups for whom a business strategy adjustment has been sustained on how the adjustment is being achieved and its impact on program performance. The Committee also directs that any future proposal to achieve savings through similar adjustments be accompanied by specific and complete descriptions of proposed changes to each affected agency, its systems, its programs, and its procedures.

CERTIFICATE-BASED INTERNET SECURITY

The Committee is aware of the need for security in permitting secure Internet communication for Customs, Secret Service, and other Treasury law enforcement agents to prevent cyber attacks and protect against identity theft in key information systems. The Committee therefore strongly supports developing capability for certificate-based Internet security projects to provide standards-

based e-mail encryption and digital signature capabilities; permit interoperability with the Federal Bridge and other government public key infrastructure systems and applications; demonstrate proven scalability; support multiple platforms; and include automated, secure key and certificate management. The Committee directs the Under Secretary for Enforcement, in consultation with its law enforcement bureaus, to report not later than September 30, 2002, on Departmental actions to ensure this security, the level and sources of funding involved, and estimates of additional resources that might be required.

ANTI-COUNTERFEITING TECHNOLOGY

One element of concern in promoting homeland security is the risk of counterfeiting important federal documents, such as identification credentials or documents. A possible defense against such risk would be to incorporate anti-counterfeiting measures, such as specially designed paper, that can help ensure authenticity of such documents or items. The Committee encourages the Treasury Department and its bureaus to review the possible need and applications for such technologies, such as those involving the use of optical fluorescent fibers or glass-coated microwires embedded in papers or otherwise applied to documents and then encoded with encrypted identifiers, where such security measures can improve security.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS

Appropriation, fiscal year 2002 to date	\$68,828,000
Budget estimate, fiscal year 2003	68,828,000
Recommended in the bill	68,828,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$68,828,000 for the Department-wide Systems and Capital Investments Programs, the same as the fiscal year 2002 enacted level and the President's request.

INTEGRATED TREASURY (WIRELESS) NETWORK

The Committee is concerned that Treasury has not yet identified sufficient funding to ensure that its bureaus will be in compliance with the National Telecommunications and Information Administration (NTIA) requirements for moving all radios from broadband to narrowband. The Committee also notes that no funds have been included in the President's request for fiscal year 2003 to support requirements for the Project SAFECOM initiative (the Wireless Public SAFETY Interoperable Communications Program), for which

the Office of Management and Budget has assigned Treasury the lead. This initiative involves an expanded, implementation focused Public Sector Wireless Network (PSWN) program, including direct assistance to state and local governments for land-mobile-radio interoperability. The Treasury Department has been involved with and supported PSWN through its Integrated Treasury (Wireless) Network program for several years, and the Committee does not object to Treasury taking the lead on this e-government project. However, inasmuch as the Congressional budget justification does not include any direct support for Project SAFECOM and given the pressing need for Treasury to bring its assets into compliance with the NTIA mandate, the Committee directs Treasury not to expend significant resources for Project SAFECOM during fiscal year 2003 absent an approved reprogramming.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$35,424,000
Budget estimate, fiscal year 2003	35,428,000
Recommended in the bill	35,424,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003	- 4,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$35,424,000 for the Office of Inspector General, the same as the fiscal year 2002 enacted level and a decrease of \$4,000 below the President's request. The reduction below the President's request is associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees' Compensation Act (FECA) which, to date, has not been enacted.

INSPECTOR GENERAL FOR TAX ADMINISTRATION
SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$125,778,000
Budget estimate, fiscal year 2003	123,962,000
Recommended in the bill	123,962,000
Bill compared with:	
Appropriation, fiscal year 2002	-1,816,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$123,962,000 for the Inspector General for Tax Administration, a decrease of \$1,816,000 below the fiscal year 2002 enacted level and the same as the President's request.

AIR TRANSPORTATION STABILIZATION PROGRAM

Appropriation, fiscal year 2002 to date .....	.....
Budget estimate, fiscal year 2003	\$6,041,000
Recommended in the bill	6,041,000
Bill compared with:	
Appropriation, fiscal year 2002	+6,041,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

The Air Transportation Stabilization Board was authorized in the Air Transportation Safety and Stabilization Act to issue \$10 billion of Federal credit instruments to air carriers. The purpose is "to compensate air carriers for losses incurred by the air carriers as a result of the terrorist attacks on the United States that occurred on September 11, 2001", providing among other criteria, that "such agreement is a necessary part of maintaining a safe, efficient, and viable commercial aviation system in the United States".

RECOMMENDATION

The Committee recommends an appropriation of \$6,041,000 for the Air Transportation Stabilization Program, an increase of \$6,041,000 above the fiscal year 2002 enacted level and the same as the President's request. The Committee notes that \$9,400,000

was provided for this program in fiscal year 2001 and funds were made available until expended. The Committee directs that the Department of the Treasury submit a report 90 days after the enactment of this Act on the status of this effort, a description of the credit instruments issued, and the ongoing management activities of the Air Transportation Stabilization Board to monitor and review the financial performance of each borrower.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

Appropriation, fiscal year 2002 to date	\$28,932,000
Budget estimate, fiscal year 2003	32,932,000
Recommended in the bill	32,932,000
Bill compared with:	
Appropriation, fiscal year 2002	+4,000,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$32,932,000 for Treasury Building and Annex Repair and Restoration, an increase of \$4,000,000 above the fiscal year 2002 enacted level and the same as the President's request.

EXPANDED ACCESS TO FINANCIAL SERVICES

Appropriation, fiscal year 2002 to date	\$2,000,000
Budget estimate, fiscal year 2003	2,000,000
Recommended in the bill	4,000,000
Bill compared with:	
Appropriation, fiscal year 2002	+2,000,000
Budget Estimate, fiscal year 2003	+2,000,000

MISSION

The Expanded Access to Financial Services account is intended to help low- and moderate-income Americans benefit from access to basic financial services.

RECOMMENDATION

The Committee recommends an appropriation of \$4,000,000 for the Expanded Access to Financial Services account, an increase of \$2,000,000 above the fiscal year 2002 enacted level and the President's request. Funds are available upon authorization of the program. The Committee includes bill language directing that none of the funds shall be used (1) to provide real property, automated teller machines, or any other equipment for use by any financial institution, (2) for any program or activity that incurs costs in excess of \$100 for each participant who is expected to establish an account, or (3) for any program or activity that does not provide at least \$0.50 in non-federal matching funds for each \$1.00 received from the Expanded Access to Financial Services account.

These restrictions are based on a preliminary review of the recent grants awarded under this program, which shows that costs will average almost \$250 for each individual expected to be induced

to use financial services (in some instances, costs will exceed \$1,000 per participant) and that program funds will be used to provide facilities for certain financial institutions. Without endorsing this exorbitance, the Committee has established these minimal safeguards and directs the Department of the Treasury to exert careful stewardship and to manage the funds in this account in a judicious and fiscally conservative fashion.

In the statement released on May 1, 2002, announcing awards for 15 proposals, the Treasury Department noted that it received a total of 231 applications from 38 states. The Committee directs the Department of the Treasury to submit a report within 90 days of the enactment of this Act outlining the procedures and criteria used to select the 15 proposals. The report should contain a review of the general process as well as an evaluation of the basic differences between those applications that were accepted and those that were not. The Department should also comment in the report on the merits and demerits of this program.

The Committee believes that many potential barriers to expanded access to financial services are not amenable to government involvement and stem directly from externally-driven cost structures within the banking industry. The Committee notes that a variety of “no-fee” accounts are available to qualifying individuals, and that the qualifying requirements for opening no-fee accounts are often quite different. Some banks have minimum balance requirements for opening and maintaining any type of account. Some banks offer accounts with limitations, exemptions, or restrictions on transactions that can result in account fees or penalties. Other account restrictions may affect the terms and conditions for the payment of any interest on deposited funds. Therefore, the Committee directs that the Department of Treasury provide, within 90 days of enactment of this Act, a report that quantitatively describes these externally derived barriers, fully justifies government involvement, and provides meaningful measures of performance. In particular, the report should address the feasibility of re-focusing this program toward assembling and disseminating information about where and how “un-banked” individuals can open no-fee accounts without significant minimum balance requirements.

COUNTERTERRORISM FUND

Appropriation, fiscal year 2002 to date	\$40,000,000
Budget estimate, fiscal year 2003	40,000,000
Recommended in the bill	33,000,000
Bill compared with:	
Appropriation, fiscal year 2002	- 7,000,000
Budget Estimate, fiscal year 2003	- 7,000,000

MISSION

This appropriation provides funding for unanticipated costs associated with support to counter, investigate, or prosecute domestic or international terrorism, including payment of rewards, and to re-establish the operational capability of an office, facility, or other property damaged or destroyed as a consequence of any unexpected domestic or international terrorist act. Funds may also be used to pay the costs for officially designated National Special Security Events (NSSEs). These funds are available to the extent that prior

notification is sent to the Committees on Appropriations in accordance with guidelines on reprogramming and transfer of funds.

RECOMMENDATION

The Committee recommends an appropriation of \$33,000,000 for the Treasury Counterterrorism Fund, a reduction of \$7,000,000 below both the fiscal year 2002 enacted level and the President's request. The Committee has continued language specifying that the fund is to be used for unexpected threats or acts of terrorism, and that funding shall be available after prior notification is made to the Committees on Appropriations in accordance with reprogramming and transfer guidelines. A new proviso is included, as requested by the Administration, to authorize the fund to be used to reimburse Federal agencies for their costs of responding to Secret Service requests for assistance for a National Special Security Event.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$47,537,000
Budget estimate, fiscal year 2003	50,517,000
Recommended in the bill	51,444,000
Bill compared with:	
Appropriation, fiscal year 2002	+3,907,000
Budget Estimate, fiscal year 2003	+927,000

MISSION

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

Pursuant to the USA PATRIOT Act of 2001, FinCEN was made a Treasury Bureau in recognition of its key role in supporting investigations and other government efforts to identify and stop the financing of terrorist organizations and activity. The PATRIOT Act

also gave FinCEN substantial new responsibilities for collecting, sharing, and managing financial and other information as part of its counter-terrorism mission. FinCEN recently began a significant new BSA initiative when it began collecting Suspicious Activity Reports (SARs) from money service businesses (MSBs), who were obliged to register by December 31, 2001.

RECOMMENDATION

The Committee recommends an appropriation of \$51,444,000 for the Financial Crimes Enforcement Network, an increase of \$3,907,000 above the fiscal year 2002 enacted level and \$927,000 above the President's request. The increase above the President's request includes \$481,000 for non-pay inflation and \$446,000 to realign funding from the Office of Foreign Asset Control to FinCEN in support of the Foreign Terrorist Asset Tracking (FTAT) Center.

USA PATRIOT ACT MANDATES

FinCEN is responsible for 23 of the 44 sections of Title III of the USA PATRIOT Act of 2001 that relate to money laundering and terrorist financing. FinCEN received some additional funding in the fiscal year 2002 supplemental appropriation, and the Committee supports the Administration's request for an additional \$1,000,000 and eight FTE in fiscal year 2003.

However, FinCEN testified that additional resources would be needed to hire both personnel and contractual support in order to implement all of the mandates of the PATRIOT Act, once regulations or programs were finalized. Certain critical programs have reached that point, but no additional funding was requested for fiscal year 2003, nor has any been provided. These include (1) establishing the Patriot Act Communications System (PACS), mandated by section 362 of the Act, which is essential for converting Suspicious Activity Report (SAR) reporting from paper- to electronic-based systems; (2) providing a government-wide data access service (Section 361), to meet the demand for expanded access by federal agencies to FinCEN's Gateway system since September 11th; and (3) implementing a system for information exchanges between government and financial institutions (Section 314), which is essential to permitting implementation of the rule that requires financial institutions to search internal records for name matches and report, via FinCEN, to law enforcement agencies making investigative inquiries.

The Committee received testimony about these mandated efforts; believes they should be funded; and therefore directs the Department to provide \$2,500,000 from the Super Surplus of the Treasury Forfeiture Fund to FinCEN for these activities to cover costs for both the remainder of fiscal year 2002 and for fiscal year 2003.

2002 MONEY LAUNDERING STRATEGY

In testimony before the subcommittee, the Treasury Department testified that the 2002 National Money Laundering Strategy would be released by April, and now has learned that the strategy may not be submitted until July 2002. The Committee must state its concern that a document necessary to outline the priorities and strategy for money laundering, including blocking terrorist financ-

ing, should be so long in coming, and urges the Administration to expedite the review process and forward the strategy as soon as possible.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$128,680,000
Budget estimate, fiscal year 2003	122,393,000
Recommended in the bill	152,951,000
Bill compared with:	
Appropriation, fiscal year 2002	+24,271,000
Budget Estimate, fiscal year 2003	+30,558,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$152,951,000 for the Federal Law Enforcement Training Center, an increase of \$24,271,000 above the fiscal year 2002 enacted level and \$30,558,000 above the President's request. The increase above the President's request includes \$595,000 to fully fund non-pay inflation, and \$30,046,000 to fully annualize training costs for new hires for the Transportation Security Administration, reduced by \$83,000 associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees' Compensation Act (FECA) which, to date, has not been enacted.

TRAINING WORKLOAD AND THE IMPACT OF HOMELAND SECURITY

The need to improve homeland security in the wake of the September 11th attacks, and resulting organizational changes such as the creation of the Transportation Security Administration (TSA), have generated a significant increase in the number of new federal law enforcement and security employees, with a concomitant surge in the training workload for FLETC, forcing the Center into six-day workweeks. Some of this may be mitigated by improved scheduling and more reliable planning coordination by participating agencies; the Committee is supportive of efforts by FLETC, working with the Treasury Department, Justice Department, and other key consumers of FLETC training, to improve communication and coordination in this regard. To address immediate shortfalls, the Committee has included \$30,046,000 to address unforeseen costs of new TSA training. However, there may be other unanticipated costs and workload following any reorganization that may occur with the pro-

posed new Department of Homeland Security, as well as to meet other homeland security requirements. The Committee therefore directs FLETC to report to the Committee not later than January 1, 2003 of any significant changes in its training workload that may result from such developments that would affect its facility needs or operating costs.

ACCOMMODATION OF FEDERAL AGENCY TRAINING NEEDS

The expanded training requirements of federal agencies since the September 11th attacks have imposed tremendous strains on FLETC facilities, requiring six-day workweeks and, in some cases, housing students some distance away. The Committee is fully committed to the principle of consolidated law enforcement training and supports FLETC as the provider of basic training for federal law enforcement officials. However, the Committee recognizes the demands upon FLETC for more specialized or advanced training, and that FLETC capacity is a major constraint in providing such training at its campuses. In such cases, particularly for new training related to homeland security, the Committee directs FLETC to work with other federal agencies to identify and make maximum use of existing training facilities, such as the FAA centers in New Jersey and Oklahoma, consistent with meeting agencies' training needs, and where it represents the most cost effective use of government resources.

DISTANCE AND REMOTE LEARNING

One way to achieve a higher level of productivity and to make the resources of FLETC training available to a wider geographic area, as well as to give the law enforcement community opportunities for continued professional training, is distance learning. FLETC utilizes two forms of such export training: for federal agencies on a reimbursable basis, and for State and local agencies through the National Center for State and Local Law Enforcement Training, which operates the Small Town and Rural (STAR) program. With new and growing demands on FLETC capacity to provide training or training support for airport, local and state security personnel, FLETC needs to expand its capacity to provide training at dispersed sites, including training at home. The Committee urges the Treasury Department to provide sufficient funding to the FLETC Distance Learning Program.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS AND RELATED EXPENSES

Appropriation, fiscal year 2002 to date	\$41,934,000
Budget estimate, fiscal year 2003	23,329,000
Recommended in the bill	31,800,000
Bill compared with:	
Appropriation, fiscal year 2002	- 10,134,000
Budget Estimate, fiscal year 2003	+8,471,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$31,800,000 for FLETC Acquisition, Construction, Improvements, and Related Expenses, a decrease of \$10,134,000 below the fiscal year 2002 appropriation and \$8,471,000 above the President's request.

MASTER PLAN UPDATE

The Committee is aware that no additional facilities were requested by the Administration for FLETC, in part because the master plan is undergoing a thorough review. Some items in the current master plan may be eliminated or modified in light of this update, which will incorporate changes resulting from post-September 11th training needs. However, the Committee has learned that several items in the current plan remain high priorities, and will remain so under any revised master plan, such as expanding the steam distribution system at Glynco, providing full support costs for new buildings, and various additions and infrastructure improvements at Cheltenham. The Committee therefore provides an additional \$8,471,000 to address such requirements. The Committee directs FLETC to report back not later than November 1, 2002, on its plans to obligate these funds.

INTERAGENCY LAW ENFORCEMENT

INTERAGENCY CRIME AND DRUG ENFORCEMENT

Appropriation, fiscal year 2002 to date	\$107,576,000
Budget estimate, fiscal year 2003	107,576,000
Recommended in the bill	110,594,000
Bill compared with:	
Appropriation, fiscal year 2002	+3,018,000
Budget Estimate, fiscal year 2003	+3,018,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$110,594,000 for Interagency Crime and Drug Enforcement, \$3,018,000 above the fiscal year 2002 enacted level and the President's request, for non-pay inflation costs.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$212,850,000
Budget estimate, fiscal year 2003	220,712,000
Recommended in the bill	220,664,000
Bill compared with:	
Appropriation, fiscal year 2002	+7,814,000
Budget Estimate, fiscal year 2003	-48,000

MISSION

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

Pursuant to the Debt Collection Improvement Act of 1996, FMS became the primary agency for the collecting of Federal non-tax debt that is due and owed to the government. Through FMS, there is a coordinated effort to collect debt from those who have defaulted on agreements with the Federal government.

RECOMMENDATION

The Committee recommends an appropriation of \$220,664,000 for the Financial Management Service, an increase of \$7,814,000 above the fiscal year 2002 enacted level and a decrease of \$48,000 below the President's request. The reduction below the President's request is associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees' Compensation Act (FECA) which, to date, has not been enacted.

The Committee is aware of issues raised by the General Accounting Office about FMS computer controls and has been briefed by FMS on its efforts to resolve these and other outstanding computer issues and to keep current with computer technologies that are critical to achieving its mission and improving its performance. The Committee recognizes the potential benefits from private sector involvement in information technology issues and the steps FMS is taking to facilitate the appropriate involvement of private sector firms. The Committee encourages FMS to remain fully engaged in enhancing its computer capabilities and in exploring all information technology solutions.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$854,747,000
Budget estimate, fiscal year 2003	883,775,000
Recommended in the bill	891,034,000
Bill compared with:	
Appropriation, fiscal year 2002	+36,287,000
Budget Estimate, fiscal year 2003	+7,259,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$891,034,000 for the Bureau of Alcohol, Tobacco and Firearms, an increase of \$36,287,000 above the fiscal year 2002 enacted level and an increase of \$7,259,000 above the President's request. The increase consists of \$7,604,000 for non-pay inflation, reduced by \$345,000 associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees' Compensation Act (FECA) which, to date, has not been enacted.

YOUTH CRIME GUN INTERDICTION INITIATIVE

The Committee recognizes that the Youth Crime Gun Interdiction Initiative, a key part of the Administration's violence reduction strategy, has grown considerably in the past six years, from \$2,100,000 in 17 cities to an \$85,000,000 program in 50 cities nationwide in fiscal year 2002. The Administration proposes to add \$11,000,000 and 82 positions to permit the addition of 10 additional cities. In testimony provided to the Committee, ATF indicated that among other things, a community must have a minimum population of 250,000 to qualify for YCGII designation. At the same time, there are numerous cities and communities with smaller populations that have indicated an interest in participating in YCGII. The Committee recognizes that this program should be driven particularly by a combination of population demographics, youth crime and firearms trafficking patterns, and experience in firearms tracing. The Committee also strongly encourages ATF to consider how it can accommodate the needs of smaller communities who can participate in YCGII or otherwise benefit from ATF firearms tracing programs.

GREAT PROGRAM

In November 2001 ATF released a longitudinal study of the Gang Resistance Education And Training (GREAT) program, which indicated what impact GREAT has had on reducing gang violence. The principal conclusion was that participating students expressed more pro-social attitudes, and more antipathy towards gangs, after participation than those not exposed to GREAT curriculum. Notably, although the program received many favorable ratings from local law enforcement agencies associated with it, there was no significant impact attributable to the program in terms of reducing, initiating, or sustaining gang membership. This leads to a serious question: is the GREAT program having its intended effect? The Committee recognizes the problems in trying to assess changes in

gang participation and activity, since there is no reliable database of gang membership, and that neither Uniform Crime Report data nor many local law enforcement information sources support mapping crimes and distinguishing juvenile from other crime. While to rectify this information deficit is beyond the mission of ATF, the Committee strongly urges ATF to take steps to increase the impact of this program on gang activity, including curriculum improvements aimed at shortening the time between attitude change and behavioral transformation. ATF is directed to include a status report on these efforts with the submission of its fiscal year 2004 budget request.

IMPROVEMENTS IN LICENSING AND REGULATORY OPERATIONS

In each of fiscal years 2001 and 2002 Congress provided \$500,000 in funding for improving operations, electronic filing systems, and database accuracy for the National Licensing Center, Imports Branch, and National Firearms Act (NFA) Branch. Results of this funding have been the creation of integrated databases for transactions and for analysis, improved management reporting, and increasing staff support of processing functions. The Committee recommendation continues this level of funding, and it supports continued improvements in management of these activities, including making significant progress in correcting remaining inaccuracies within the NFA database.

TOBACCO DIVERSION

The Committee is aware that tobacco diversion and smuggling have become associated with supporting terrorist organizations and activities. ATF has reported that it initiated five related investigations in fiscal years 2000–2002 showing such relationships. The Committee directs ATF, in consultation with the U.S. Customs Service, to report by January 1, 2003 on the scope and nature of this activity, and recommendations for actions and resources needed to deter and investigate such trafficking.

INSPECTION RATES AND STAFFING

Following the September 11th, 2001, terrorist attacks ATF initiated a policy of fully investigating all incidents of theft or loss of explosive materials, and conducting full compliance inspections on all explosives licenses and permittees, and as a result recorded 1,763 instances of licensing, record keeping, or storage violations. Yet despite a stated goal of inspecting all explosive licensees and permittees each year, ATF has sufficient numbers of inspectors to complete half that. The Committee is aware that ATF is updating its 1999 report on the resources needed to complete 100 percent inspections, per optimal cycle determined by commodity type. The Committee strongly urges ATF to complete and transmit this report to the House Committee on Appropriations before transmission of the fiscal year 2004 budget request.

INTEGRATED VIOLENCE REDUCTION STRATEGY

The Committee is aware that ATF plans to expand its access to U.S. attorneys' offices in outlying areas over the next two years. This would lead to the creation of 40 new satellite offices in se-

lected cities where U.S. attorneys are nearby but there is currently no ATF office. The Committee directs ATF, as they implement this plan, to give strong consideration to establishing a satellite office in Jersey City, New Jersey.

LAW ENFORCEMENT DATABASES

The Committee is concerned that certain law enforcement databases may be subject to public release under the Freedom of Information Act (FOIA). As a result, information collected and maintained by ATF related to ongoing criminal investigations of fire-arms, arson or explosive offenses could be released, potentially compromising those cases. What is a greater concern is that such release could be accomplished on a comprehensive basis, making all such data available to the public. The need to maintain these databases on a limited confidential basis that has been in place at ATF for several years for tracing records derives from the long-term nature of criminal investigations. In addition to jeopardizing criminal investigations and officer safety, such information, once released, might easily be disseminated through the Internet. This would not only pose a risk to law enforcement and homeland security, but also to the privacy of innocent citizens. The Committee therefore includes language (Section 642) ensuring that no appropriated funds may be available to ATF to take any action under the FOIA with respect to such law enforcement records, except that disclosure of information collected or maintained under 18 U.S.C. 846(b), 923(3) or 923(g)(7) or from Federal, State, local or foreign law enforcement in connection with arson or explosives incidents or the tracing of a firearm may continue in accordance with long standing agency practice.

ATF EXPLOSIVES ENFORCEMENT

The Committee is concerned that ATF's budget request for fiscal year 2003 does not provide for an increase in explosives enforcement resources. The ATF Director has testified that it is difficult for the bureau, on a sustained basis, to inspect more than 50 percent of explosives licensees nationwide. Because of the threat presented to the country by the potential theft and terrorist use of explosives, the Committee urges the Department of the Treasury to reevaluate ATF's original request and to submit a request for sufficient explosives enforcement resources in future budget submissions.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$2,471,960,000
Budget estimate, fiscal year 2003	2,391,952,000
Recommended in the bill	2,496,165,000
Bill compared with:	
Appropriation, fiscal year 2002	+24,205,000
Budget Estimate, fiscal year 2003	+104,213,000

MISSION

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

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

RECOMMENDATION

The Committee recommends an appropriation of \$2,496,165,000 for the U.S. Customs Service, an increase of \$24,205,000 above the fiscal year 2002 enacted level and an increase of \$104,213,000 above the President's request. The increase fully funds base operations that the President had proposed be met through an increase in passenger processing user fees; \$18,377,000 for non-pay inflation; and a reduction of \$1,914,000 associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees' Compensation Act (FECA) which, to date, has not been enacted. The Committee also includes an additional \$2,500,000 for steel tariff enforcement, \$2,000,000 for technology acquisition, research and development, and \$500,000 to support agricultural trade research. The Committee notes that the total funding level reflects a scorekeeping adjustment of \$167,000,000 associated with the President's user fee proposal, resulting in a net increase of \$82,750,000 above the President's request for base operations.

PROPOSED USER FEE

The Administration has proposed an increase in the COBRA passenger processing user fee, and assumed that \$249,750,000 in user fees would be collected to offset an equivalent level of basic Customs operations. However, the only authority for this change is included in language submitted as proposed appropriations language—which the Committee has not included—and no separate authorization legislation has been enacted. For this proposal to have been effective, it was necessary for enactment and implementation to be effective before July 2002. As no fees would be available to offset Customs' base operations, the Committee directly appropriates the full \$249,750,000, offset by \$167,000,000 in scorekeeping adjustments when compared to the President's request.

NORTHERN BORDER STAFFING AND INVESTMENTS

The fiscal year 2002 appropriations Acts included over \$130,000,000 in additional funding towards meeting critical needs along the Northern Border, providing hundreds of new inspector and agent positions and inspection technology. These investments are being used to support heightened security at the Northern Bor-

der, enhance maritime port security, and bolster anti-money laundering efforts designed to disrupt terrorist financing.

After the September 11th terrorist attacks, security needs have raised the threshold for appropriate levels of staffing at the Northern Border, while the Customs Service continues to experience normal attrition rates. To meet the security needs at the Northern Border, the Committee expects the Customs Service to place a priority on providing adequate staffing. As traffic levels have a critical effect on security and efficiency at ports of entry, the Committee directs the Customs Service to consider traffic volume in assigning new inspectors and agents, giving highest priority to high traffic, high risk ports of entry.

The Committee has had long-standing concerns about the condition and infrastructure needs of the ports of entry along the Northern Border. A Committee-requested report completed in June 2000 by the U.S. Customs Service, in consultation with the General Services Administration (GSA), identified almost \$800 million in unmet infrastructure needs at these land-based ports of entry. For fiscal year 2003, the President's request includes \$27,366,000 in GSA's budget for new construction at border stations. Increased security concerns, technology changes, and personnel needs identified since the September 11th attacks have raised questions about the adequacy of proposed border station construction projects. The Committee directs the Customs Service to work closely with GSA in the development of its construction plans and budgets, and to ensure that all current and prospective requirements, particularly those recently identified, will be met.

The Committee is also aware that the Customs Service is evaluating the costs and benefits associated with applying a "reverse inspection" pilot project along the Northern Border. The Committee strongly encourages Customs, in its collaboration with GSA, to support implementation of the "Smart Border Accord" with Canada, including a review of the feasibility of programs of "reverse inspections" along the Northern Border. The Committee encourages the Customs Service to evaluate similar pilot programs that inspect potentially dangerous vehicles prior to crossing into the United States along the Northern Border.

RESOURCE ALLOCATION MODEL

In fiscal year 2000, the U.S. Customs Service submitted a Resource Allocation Model (RAM) report to Congress that described Customs optimal staffing levels and displayed projected staffing increases for fiscal years 2000–2002. The RAM is a first-order management tool designed for and used by Customs to project Customs' entire staffing requirements, based on broad, national workload factors, for core operational occupations and positions required to support core occupations. The RAM takes into account workload, enforcement threat, desired results, and uncontrollable circumstances as part of its projection methodology. While useful as a planning tool for estimating overall staffing needs, Customs has testified that the RAM is inadequate as a sole means of comparing allocation priorities between different Customs sites or activities. Nevertheless, with the increases in staffing following the September 11th attacks, the basis for allocating staffing may have changed, both in terms of priorities and numbers. The Committee

therefore requests that the U.S. Customs Service evaluate how the RAM will be utilized in the current fiscal year to undertake decisions pertaining to the allocation of Customs staff and resources, and to the extent the RAM is not used, what other criteria and factors are applied to such decisions, and report its findings to the Committee by November 1, 2002.

PERSONAL SEARCH PRACTICES

The primary mission of the Customs Service is to ensure that all goods and persons entering and exiting the United States do so in compliance with all United States laws and regulations, but in past years it was criticized for using procedures that appeared vulnerable to bias and ethnic stereotyping in the selection of passengers for personal searches at ports of entry. In response to those complaints, the Customs Service undertook numerous measures, including the appointment of an external review group, the Personal Search Review Commission, to reform some of its personal search practices. Customs properly seeks to balance these concerns with the bona fide law enforcement and homeland security needs that require it to winnow through the vast volume of people and goods it must oversee, and to identify those that may require special scrutiny. The Committee commends the Customs Service for its constant progress in reforming personal search practices, and encourages Customs to continue its efforts to improve. In order to keep the Committee informed of the progress of this effort, the Committee directs Customs to submit by November 1, 2002, an updated report giving statistical information concerning the frequency of complaints about personal search abuses, including claims of racial profiling; Customs' assessment of such claims; and any new policies or procedure that have been or are being implemented by Customs.

STRENGTHENED ENFORCEMENT OF U.S. TRADE LAWS PERTAINING TO STEEL

The Committee supports Customs in its enforcement of U.S. trade laws, to include the President's steel 201 proclamation of March 5, 2002, and all antidumping and countervailing duty orders related to steel. The Committee also understands that Customs is responsible for enforcing and monitoring imports of wire rods and certain line pipe products that were previously covered by a 201 remedy decision. The Committee is aware that Customs personnel assigned to enforce antidumping and countervailing duty orders, including import specialists, inspectors and agents, have been increasingly burdened, and many have been reassigned to meet homeland security priorities. The steel industry has informed the Committee that Customs would have to dedicate as many as 30 additional positions to fully enforce this set of trade laws, and the Committee understands that there are serious deficiencies in the level of training and specialized knowledge of Customs inspectors and import specialists who deal with steel tariff matters. The Committee therefore provides \$2,500,000 to permit Customs, working with the steel manufacturing and trading community, to identify and apply the resources and training required to carry out these responsibilities. Such efforts may include utilizing steel industry experts through a series of national training seminars, which could

be made available to members of the trade and brokerage community who play a key role in classifying imported goods for Customs processing. The funding may also be used to assign more import specialists, inspectors, or agents to steel trade enforcement. The Committee recommends that new steel import specialists be assigned to ports with the greatest volume of steel imports. The Committee therefore directs Customs to report not later than March 31, 2003, describing the steps it has taken to improve overall training for steel tariff implementation, enforcement efforts and manpower, including data on the types and value of illegal imports seized and the penalties awarded.

OKLAHOMA CITY FOREIGN TRADE ZONE

The Committee is aware that the U.S. Customs Service, beginning during Summer 2002, will inspect shipments of exotic flowers imported from Ecuador into the foreign trade zone in Oklahoma City. The Committee encourages Customs as it seeks to meet demands for processing expanding trade, particularly such trade that will provide benefits to both U.S. business and consumers, as well as open new opportunities for struggling economies in the Andean region. Now that it has been established, the Committee expects that Customs will adequately plan for the administrative and resource requirements needed to support this trade route, and will establish necessary formal agreements with the City of Oklahoma City and the Oklahoma City foreign trade zone.

CONTAINER SECURITY INITIATIVE

The Customs Service has initiated its Container Security Initiative (CSI) in three Canadian ports (Vancouver, Montreal, and Halifax) to permit cargo destined for the United States to be pre-screened. Customs has informed the Committee of its plan to expand this program to 20 foreign "mega-ports", beginning with one European and one Asian port. This will entail staffing at each site, as well as investments in non-intrusive inspection technology or networking technology.

This initiative will also require a data system that permits the transfer of container images, other sensor data, and relevant manifest data from foreign seaports of origin to Customs offices at the U.S. port of destination and to the Customs container management center. The Committee would expect this network to be linked with the Treasury Secure Data Network, and to be capable of processing and sharing similar domestic data as well. The Committee directs Customs to report not later than September 30, 2002 on its plans for developing and implementing such a network in conjunction with the CSI.

NON-INTRUSIVE INSPECTION TECHNOLOGY

The Administration's request includes \$45,700,000 in new investments in non-intrusive inspection and other security technology, in addition to annualizing costs for investments made in fiscal year 2002 for land and sea ports in partial response to major gaps in capability identified after September 11th. The Committee includes an additional \$2,000,000 for these efforts, which may be used for technology acquisition and support of related research and develop-

ment. The Committee strongly encourages the Customs Service to maintain its policy of seeking to apply the most advanced and cost-effective technology possible, and build into its planning a life-cycle approach to replacing and upgrading such capability to meet ever-increasing needs for greater performance. In general, the Committee requests that Customs regularly review technologies that might have applications to Customs' inspection needs, and evaluate the value for Customs' mission that might be offered by technology such as computed tomography (CT) technology, which is being employed for airport security by the Transportation Security Administration (TSA).

PULSED FAST NEUTRON ANALYSIS TEST

The Committee is aware that the field test funded in fiscal year 2002 of the pulsed fast neutron analysis (PFNA) is underway, and expects to receive the full results of the field test at the Ysleta border crossing by May 31, 2003. The test results should include a comparison of PFNA to current x-ray based technologies in terms of probability of detection and probability of false alarm of various cargoes including explosives, narcotics, and chemical agents. The Committee looks forward to seeing the results of that test and its possible impact on future technology investment.

INTELLECTUAL PROPERTY RIGHTS ENFORCEMENT

As requested by the Administration, the Committee includes funding for the continued operation of the Intellectual Property Rights (IPR) Center, which received \$5,000,000 in fiscal year 2002, as well as to annualize the costs of 13 additional full-time equivalent positions. It also continues \$4,370,000 for the Cyber Smuggling Center (CSC). The Committee expects to see the Customs Service enhance the operations of the CSC and the IPR Center to combat intellectual property rights violations, and to support law enforcement training of host country officials by foreign Customs attachés. The Committee encourages the IPR Center to use a portion of its funds to establish a clearinghouse for intellectual property rights information gathered from other federal as well as State and local agencies.

WEST COAST SECURED CORRIDOR INITIATIVE

The Committee is aware of efforts by the International Mobility and Trade Corridor (IMTC) Project, funded through the Department of Transportation, to develop a border-to-border security system that is harmonized, in terms of cargo clearance and transportation planning, and that will ensure interoperability of Customs and other regulatory protocols for transport between Mexico, the United States, and Canada. The Committee strongly supports collaborative efforts between federal and State governments that can facilitate both security and the smooth flow of commerce along our borders. The Customs Service should evaluate the benefits of ensuring that development and deployment of the Automated Commercial Environment (ACE) and International Trade Data Systems (ITDS) takes into account the efforts of the IMTC to ensure homeland security and secured mobility of goods and people along the West Coast.

SENSOR TECHNOLOGIES FOR HOMELAND BORDER SECURITY

The Committee believes that multilevel, value-added detection and reaction technologies can leverage our border security agencies' finite resources for countering terrorist's attempts to transit America's borders while still facilitating the effective flow of trade and passengers into the United States. In this regard, the Committee views the Customs Service's planned field-testing of the Pulsed Fast Neutron Analysis as a positive step. The Committee is aware of initiatives, such as at Oklahoma State University's Bio-Terrorism Defense and Advanced Sensor Research initiative, to produce sensor related devices to meet the immediate needs of homeland border security, while at the same time engaging in longer term research activities to provide the next generation of improved and more cost effective approaches to the detection, prevention and response to terrorism. The Committee strongly encourages border security agencies, such as the Customs Service and other agencies identified by the Office of Homeland Security, in conjunction with existing federal entities that specialize in technology development and adaptation such as the Technical Support Working Group, to consider testing, and, if appropriate, acquiring sensing and reaction technologies such as those available from the Bio-Terrorism Defense and Advanced Sensor Research initiative and other research and development centers.

INTERNATIONAL AIRPORT STAFFING

The Committee directs the U.S. Customs Service to work closely with international airport authorities and the trade community to ensure that Customs will meet the optimal staffing requirements at international airports in the United States. The Committee recommends that the U.S. Customs Service evaluate the feasibility of providing additional resources and staffing to include increased inspection services at Miami International Airport, Opa-Locka Airport, Louisville International Airport, Detroit Metropolitan Wayne County Airport, Toledo Express Airport, Sacramento International Airport, and Tri-Cities Regional Airport, Tennessee.

AUTOMATED MANIFEST SYSTEM/AUTOMATED EXPORT SYSTEM

The Automated Manifest System (AMS) is a multi-modular cargo inventory control and release notification system for sea, air, and rail carriers. AMS speeds the flow of cargo and entry processing and provides participants with electronic authorization to move cargo prior to arrival. AMS reduces reliance on paper documents and speeds the processing of manifest and waybill data. The Automated Export System (AES) is the electronic way to file the Shipper's Export Declaration (SED) and the ocean manifest information directly with U.S. Customs. Non-vessel-operating common carriers (NVOCCs) are transportation intermediaries that provide services for importers and exporters by acting as common carriers to shippers.

The Committee understands that both the AMS and the AES will be subsumed within later phases of Customs Automation Modernization project, which is beginning with the Automated Commercial Environment (ACE). To the extent compatible with that plan, the Committee requests that the U.S. Customs Service ex-

plore the feasibility of allowing NVOCCs to transmit cargo data directly to Customs via the Automated Manifest System. The Committee also encourages the facilitated design and implementation of the Customs AES transport module.

CRAWFISH TARIFF COLLECTION

The Committee is very concerned with the status of tariffs and duties assessed on crawfish imported into the United States, which are currently scheduled to expire in September, 2003. The U.S. Customs Service is therefore directed to begin, using funds currently available, vigorous and active enforcement of the tariff. Additionally, the U.S. Customs Service shall, not later than April 30, 2003, issue to the Committee and make publicly available a comprehensive report detailing their efforts to enforce and collect this duty.

AGRICULTURAL TRADE RESEARCH

The volume of trade along the Southwest Border has increased dramatically in the last decade as a result of a number of free trade agreements. The Committee recognizes the importance of this growth in trade, and provides the sum of \$500,000 to conduct research on the bilateral trade of agricultural commodities and products. The research shall be conducted at New Mexico State University.

HARBOR MAINTENANCE FEE COLLECTION

Appropriation, fiscal year 2002 to date	\$3,000,000
Budget estimate, fiscal year 2003	3,000,000
Recommended in the bill	3,000,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$3,000,000, the same as the fiscal year 2002 appropriation and the amount requested by the President.

OPERATION, MAINTENANCE AND PROCUREMENT, AIR AND MARINE INTERDICTION PROGRAMS

Appropriation, fiscal year 2002 to date	\$184,560,000
Budget estimate, fiscal year 2003	170,829,000
Recommended in the bill	190,000,000
Bill compared with:	
Appropriation, fiscal year 2002	+5,440,000
Budget Estimate, fiscal year 2003	+19,171,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$190,000,000 for Operations, Maintenance and Procurement, Air and Marine Interdiction Programs, an increase of \$5,440,000 above the fiscal year 2002 enacted level and \$19,171,000 above the President's request. The increase above the President's request includes \$10,000,000 to support investments in the Customs training and standardization branch, as well as \$9,171,000 for systems acquisition and support.

AIR AND MARINE PROGRAM MODERNIZATION AND ORGANIZATION
REVIEW

The Committee is aware that Customs is conducting a thorough review of the missions, operations, structure, and resources for the Air and Marine Interdiction Division (AMID). As Customs conducts this review, the Committee strongly urges it to take full account of the impact of its various missions in order to assess the totality of its needs and thereby achieve an optimal level of readiness and operational effectiveness. Particular attention should be paid to organization, infrastructure, aircraft, vessels, equipment, staffing and funding. In addition, the Committee expects Customs to make the most effective use of existing resources to carry out its missions. The Committee directs Customs to submit the findings of its review upon its completion, but in any event not later than January 1, 2003.

The fiscal year 2002 appropriation included \$35,000,000 for modernization in support of Western Hemisphere Drug Elimination Act (WHDEA). This level is continued in the request and the Committee recommendation. The Committee provides an additional \$9,171,000 that may be used for system acquisition and support. The Committee expects plans for use of this funding to be detailed as part of the modernization plan, and included in the above mentioned report.

TRAINING AND STANDARDIZATION

The Committee regards the training performed by the Training and Standardization branch as essential to Customs' effectiveness in the homeland security mission, as well as in meeting the rigorous challenges and risks of its interdiction and investigative support missions. Customs has testified that all Customs pilots are trained at the branch, and that it is in the process of filling staffing vacancies there. To ensure that the branch has the resources needed for training systems, aircraft, equipment and software, an additional \$10,000,000 is provided.

INTERDICTION RADAR COMPLETION

The Air and Marine Interdiction Coordination Center (AMICC) is responsible for interdiction of all domestic aviation smuggling, and is also charged to sort all incoming aircraft to determine their legal status. Following the September 11th attacks this mission has become more critical. In addition to receiving Federal Aviation Administration (FAA) data and data from the Tethered Aerostat Radar System (TARS), the Committee understands that AMICC is preparing to acquire over 70 additional radars from the Defense Department, and seeks software modifications to allow all FAA air traffic control radars to provide AMICC with border-to-border coverage for United States airspace security. The Committee understands that AMICC requires \$6,600,000 to accomplish design, software engineering and procurement of four new servers and 50 workstations to implement this system, and urges Customs to give this requirement priority.

AIR PROGRAM MODERNIZATION

The Committee recognizes that replacement or other modernization of Customs air assets is expensive, and needs to be done in the context of an orderly program to assess necessary platforms, based on mission and operational requirements, and include in such planning the expected operating and maintenance costs. As part of its comprehensive review of the air and marine program, the Committee expects Customs to carefully evaluate the impact of maintenance contracts on meeting mission needs, and how the form such contracts take affects such goals: maximizing availability of aircraft and marine vessels for operations; rationalizing time and logistics required for system maintenance and support; and achieving cost effectiveness. The Committee expects this issue to be addressed in the findings of the review that are to be submitted to the Committee by January 1, 2003.

In the course of preparing the report described above, the Committee also requests that the Customs Service describe how its modernization plan will address (1) implementing airborne law enforcement surveillance and support capabilities along the Northern Border, including development of an enhanced tactical data link and display capability to permit necessary security gap analysis as well as command and control; (2) acquiring platforms for Northern Border Surveillance Aircraft (NBSA) for which Customs has identified a need; (3) replacing or modifying the existing Citation II aircraft fleet, as part of its planned interceptor fleet modernization program; (4) meeting its requirement for light enforcement helicopters to be stationed at air branches across the country; and (5) meeting its long-term need for medium-lift helicopters.

SURVEILLANCE BRANCH OPERATIONS AND MAINTENANCE SUPPORT

The Committee is aware of the potential for cost savings from modifying existing maintenance and logistics processes for Customs' P-3 fleet, and that new procedures and systems have been developed and implemented by the original equipment manufacturer (OEM) for Customs' P-3 aircraft that would increase aircraft availability and readiness while reducing operating costs. Based on this, the Committee urges Customs to conduct a six-month study,

estimated to cost \$1,800,000, to document the maintenance and logistic changes needed to reduce P-3 operating costs and increase aircraft readiness, availability and safety.

MARITIME SUPPORT VESSELS

As with the air program, upgrading and modernizing the maritime capability of the Customs Service will call for significant resources, but is also a critical component of Customs' border enforcement mission. The Committee encourages the Customs Service to consider the possible need and applications of mobile support vessels, which might be used to provide the Customs Service with long-term offshore interdiction capability.

ELECTRO-OPTICAL/INFRARED SENSORS

The Committee included \$4,200,000 in the fiscal year 2002 appropriation to permit upgrades to electro-optical/infrared (EO/IR) sensors for airborne and maritime platforms. The Committee is also aware that release of funding for Mobile Support Vessels was delayed until the last quarter of the fiscal year. In the meantime, the impact of the September 11th attacks has raised the urgency of modernizing Customs' aircraft and maritime platforms. At this time, fewer than half of Customs' 125 aircraft and 100 maritime vessels (including interceptor vessels) can be equipped, and currently the maritime platforms lack modern EO/IR systems. This technology is critical to providing standoff surveillance and intelligence information and would allow Customs to both detect smugglers and potential threats, as well as maintain its ability to conduct covert surveillance. It would also have significant benefits in terms of operator safety under conditions of reduced visibility. The Committee strongly supports Customs acquiring this capability, and urges Customs to look to funding this from the additional funds provided by the Committee.

AUTOMATION MODERNIZATION

Appropriation, fiscal year 2002 to date	\$427,832,000
Budget estimate, fiscal year 2003	435,332,000
Recommended in the bill	439,332,000
Bill compared with:	
Appropriation, fiscal year 2002	+11,500,000
Budget Estimate, fiscal year 2003	+4,000,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$439,332,000 for Automation Modernization, an increase of \$11,500,000 above the fiscal year 2002 enacted level and \$4,000,000 above the President's request. This funding includes \$316,900,000 for the Automated

Commercial Environment, reflecting the integration of the International Trade Data System (ITDS), and \$5,400,000 associated with its development, within the ACE program.

AUTOMATED COMMERCIAL ENVIRONMENT (ACE)

The Committee supports completion of the Customs Automation program as quickly as feasible, consistent with the need to ensure the highest quality and most cost effective system that can be designed and acquired, and utilizing an incremental investment approach that requires fully identifying costs and benefits for each release of funding for the project. The Automated Commercial Environment (ACE) is the first and largest component of this process, and will be followed by modernization of other central Customs business areas, including enforcement, outbound and passenger processing, financial and personnel systems. In the case of ACE, the importance of developing this system first and as quickly as possible has been underscored by the need to cope with the huge and rapidly growing flow of trade, and the need to help Customs move from antiquated, legacy systems to a new information system that exploits modern communications and IT capabilities. The Customs Service has stated its intent to develop ACE within a four-year period, and the Committee supports that goal.

The importance of this system has been intensified by the urgency of improving our homeland security. The central role played by the US Customs Service in its border enforcement mission requires that ACE be the linchpin of border information systems. The Committee recognizes that Customs has established relationships with key partners in the federal government in developing the characteristics of ACE, and these agencies include the Immigration and Naturalization Service (Justice), the Animal and Plant Health Inspection Service (Agriculture), the Federal Motor Carrier Safety Administration (Transportation) and the Center for Food Safety and Applied Nutrition (FDA). Furthermore, agencies participating in the ITDS program come from eleven cabinet departments and numerous independent agencies. The Committee strongly supports the ACE program, and therefore provides an additional \$4,000,000 to support its development as a key homeland security effort, and the core of federal border-related information systems.

BUREAU OF ENGRAVING AND PRINTING

	2001 (actual)	2002 (estimate)	2003 (estimate)
Total revenue	\$391,000,000	\$424,000,000	\$517,000,000
Revenue from currency	327,000,000	370,000,000	465,000,000
Revenue from stamps	51,000,000	45,000,000	34,000,000
Other revenue	13,000,000	9,000,000	6,000,000
Cost of operations	436,000,000	453,000,000	525,000,000
Net revenue * (to Treasury)	- 45,000,000	- 29,000,000	- 8,000,000

* Capital investments will be less than depreciation, a non-cash expense, in each of these years. In order to avoid accumulating working capital in excess of Bureau needs, the Bureau will set currency prices at a level that will result in an annual loss (on paper). This loss will not exceed the depreciation expense, ensuring the solvency of the Bureau's revolving fund.

MISSION

The Bureau of Engraving and Printing (BEP) designs, manufactures, and supplies Federal Reserve notes, various public debt instruments, as well as most evidences of a financial character issued

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

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

TERRORISM AND CURRENCY COUNTERFEITING

The Committee is concerned about possible links between terrorism and currency counterfeiting, particularly since a substantial degree of counterfeiting of U.S. currency takes place overseas. The Committee encourages the Treasury Department to consider, for future currency changes, the best available anti-counterfeiting technology and security devices for currency, including such features as optically variable devices, alternative substrates, distinctive fibers, high-technology inks, and new offset printing techniques.

UNITED STATES MINT

	Circulating coins	Numismatic coins	Protection
2001 (actual):			
Number of coins	17.7 billion	5.6 billion.	
Cost of operations	\$259 million	\$658 million	\$30 million.
Revenue	\$639 million	\$1,785 million.	
Net revenue (to Treasury) ..	\$380 million	\$1,127 million	(\$30 million).
2002 (estimate):			
Number of coins	12.2 billion	3.7 billion.	
Cost of operations	\$198 million	\$596 million	\$28 million.
Revenue	\$435 million	\$1,321 million.	
Net revenue (to Treasury) ..	\$237 million	\$725 million	(\$28 million).
2003 (estimate):			
Number of coins	14.5 billion	4.4 billion.	
Cost of operations	\$215 million	\$628 million	\$29 million.
Revenue	\$514 million	\$1,511 million.	
Net revenue (to Treasury) ..	\$299 million	\$882 million	(\$29 million).

MISSION

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

RECOMMENDATION

The Committee recommends a spending level for capital investments by the U.S. Mint for circulating coinage and protective services of \$34,900,000, a decrease of \$8,100,000 below the fiscal year 2002 spending level and the same as the level included in the President's request.

MANAGEMENT FLEXIBILITIES

In fiscal year 1997, this Committee helped establish the United States Mint Public Enterprise Fund. The legislation included in Public Law 104-52 provided the Mint with an unprecedented degree of flexibility in managing its mission and functions. The Committee believed at the time, and still believes, that the manufacturing operations of the Mint are dramatically improved by allowing the Mint the managerial flexibility it needs to respond quickly and efficiently to changes in coinage demand. However, it was not and is not the intent or desire of the Committee that the Mint should use these management flexibilities for the sole purpose of avoiding Federal law and regulations regarding non-manufacturing and non-mission activities involved with the procurement of administrative support services, information technology contracts, real estate transactions, and marketing and advertising.

Specific items of serious concern to the Committee include the extensive use of the Mint's procurement exemption to circumvent requirements of the Federal Acquisition Streamlining Act of 1994, the Clinger-Cohen Act of 1996, and other procurement rules contained in the Federal Acquisition Regulation. The Treasury's Inspector General recently determined that poor planning and careless management resulted in significant unused and expensive office space in the Mint's headquarters in Washington, D.C. The marketing plans of the Mint for the new one-dollar coin and the 50-State quarter program have raised significant questions with the Committee and are premature given the studies underway by the General Accounting Office.

Perhaps most troubling has been the Mint's apparent willingness in past years to inappropriately compete with free enterprise activities in the private sector. The Mint has a legislated monopoly on the production of all official government coinage. The Committee realizes that the Mint feels it is in direct competition with the private sector collectible industry with respect to numismatic commemorative coins. The Committee appreciates the vigilance with which the Mint asserts the Federal government's clear prerogatives with respect to coinage and potential commercial misrepresentations. However, since only the Mint is allowed by law to coin money, the Committee firmly believes that the Mint should refrain from any actions that are counter-productive to free enterprise and competition, including sole-source contracts. In this regard, the Committee has serious questions regarding Mint offerings of and exclusive marketing agreements for jewelry, other country's coinage, and commercially-available products.

The Committee is aware that many of its concerns extend back over a number of years and that the Mint now has new leadership. The Committee is encouraged by some of the actions that recently have been taken to improve the management of the Mint and es-

establish the proper tone. The Committee looks to the current Mint leadership, with the strong assistance of the Department of the Treasury and the Office of Management and Budget, to greatly improve the management of the Mint.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

Appropriation, fiscal year 2002 to date	\$186,953,000
Budget estimate, fiscal year 2003	191,119,000
Recommended in the bill	168,673,000
Bill compared with:	
Appropriation, fiscal year 2002	- 18,280,000
Budget Estimate, fiscal year 2003	- 22,446,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$168,673,000 for administering the public debt, a decrease of \$18,280,000 below the fiscal year 2002 enacted level and a decrease of \$22,446,000 below the President's request. The decrease below the President's request is a \$22,400,000 savings realized from a cessation in marketing savings securities and an additional reduction of \$46,000 associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees' Compensation Act (FECA) which, to date, has not been enacted.

SAVINGS BONDS

The Committee continues to have strong concerns regarding the utility, necessity, and relatively high administrative costs associated with the savings bond program. The information provided over the past year, including the exchange during and after a March 2002 hearing on the debt management activities of the Department of the Treasury, indicate that savings bonds are an incidental and inefficient way for the government to raise money. The savings bond program finances only 3 percent of the total public debt but consumes more than 70 percent of the workforce and funding of the Bureau of the Public Debt. The government can easily raise the capital it needs to finance its operations through the marketable securities program. In addition, other forms of safe investment opportunities exist for the public. Individual savings deposits are insured and protected. Banking and financial institutions are federally regulated. Other types of private investments are safeguarded against improper procedures and criminal actions.

As testimony established, the administrative costs of raising capital through savings bonds is 53 times higher than the costs of doing so through marketable securities. It is inherently more expensive to process a large number of very small transactions (savings bonds) than a comparatively small number of large transactions. The enormous cost difference is increased by the need to process and service paper-based bonds rather than electronic transactions as is done with marketable securities. In this regard, the

per-transaction costs for the debt managed by the Bureau of the Public Debt remain prohibitively and unjustifiably expensive. Some may argue that savings bonds may satisfy an existing public need. However, other secure and federally insured savings options exist. In any event, savings bonds do not require promotion. The added costs of promoting these bonds merely increases the higher administrative costs of processing these bonds rather than wider use of the more marketable securities. However, the Committee recognizes that there are continuing expenses in processing and servicing already-issued bonds.

The Committee, therefore, has reduced the amount provided for the Bureau of the Public Debt to remove the level of funds requested for marketing savings bonds, \$22,400,000. This reduction should have no effect on current arrangements, such as payroll purchases, other issuing activities, or the servicing and redeeming of existing savings bonds. The reduction is aimed at stopping the growth of unjustifiable expenses.

The Committee directs the Bureau and the Department to develop plans for further reducing the funding requirements of the savings bond program and eventually discontinue the costly practice of issuing paper copies of small-denomination certificates.

INTERNAL REVENUE SERVICE

The Committee recognizes the role of the Internal Revenue Service (IRS) Oversight Board in reviewing the annual budget request of the IRS. The Committee appreciates its analysis of the IRS budget and looks forward to strengthening its working relationship with the Board. The Committee urges the Secretary of the Treasury to consider the recommendations of the Board during future deliberations on the IRS budget. One of the most critical responsibilities of the Board is assisting the Administration in locating and selecting a new Commissioner of the IRS; the Committee appreciates the importance and difficulty of this task, particularly given the exemplary management style and substance of the current Commissioner.

COMPLIANCE

The Committee remains very concerned about the decline in IRS compliance actions and the degree to which IRS compliance resources are appropriately allocated to meet the most pressing needs. Taxpayer error rates have been estimated to run at approximately 15 percent of all returns filed with the IRS. The IRS recently testified that the amount of revenue lost due to tax errors and fraud is about \$250 billion a year.

These losses occur at both ends of the financial spectrum. In May of this year, the General Accounting Office (GAO) cited estimates by the IRS which indicated that between \$20 and \$40 billion of revenues was lost annually due to offshore "tax schemes" by individuals. In 1997 the GAO stated that unreported business sources alone resulted in annual losses of \$40 billion. Several recent events demonstrate significant cause for concern about the accounting practices of some major corporations, and the potential understatement and underpayment of their tax liabilities.

The IRS itself recently reported that at least \$8.5 billion in Earned Income Tax Credit (EITC) claims were erroneous or fraudulent, with that amount comprising 27 percent to 31.7 percent of the amounts listed, compared to 23.8 percent to 25.6 percent of the amounts issued according to the IRS report of two years earlier, although the IRS could not determine with any certainty (due to sampling error and changes in methodology) that an actual increase in the overpayment rate occurred and cautioned that methodological and procedural differences between the two studies may explain some or all of the difference in the percentages. The IRS also reported that while overall filing of EITC returns declined from 1997 to 1999 by 1.1 million returns, the amount of erroneous or fraudulent claims increased by between \$378 and \$2.382 billion. The amount unclaimed by eligible filers also increased, by between \$66 million and \$139 million. It is clear that errors and fraud are occurring at high rates, cutting across all types of returns and socioeconomic levels, without adequate responsiveness to current IRS approaches to increasing compliance.

This appropriations measure funds two IRS compliance accounts, the Tax Law Enforcement and the Earned Income Tax Credit Compliance programs. The Committee provides funding for these accounts at the levels requested by the President, \$3,729,072,000 and \$146,000,000, respectively. The Committee directs the IRS to apply these resources in the most efficient and effective way possible to strengthen voluntary compliance while reducing tax cheating, tax fraud, tax scams, and other non-compliance problems among all population segments.

The compliance concerns of the Committee are not new. In the report that accompanied the House appropriations bill for fiscal year 2002 (H.R. 107-152), the Committee directed the IRS to provide two detailed studies. The first was on audit rates and audit fairness; the second was on the effectiveness of the Earned Income Tax Credit Compliance program. The report on audit rates and audit fairness was extremely late reaching Congress; it was due in the middle of March and was not received until the end of June. Such delays are not acceptable; the Committee must receive the information it needs to make difficult, critical, and timely funding decisions about federal programs. The Nation's taxpayers are ill served by these delays, the Committee directs the Administration to improve its delivery of information to the Congress.

The tardy report on tax compliance activities provided data on a range of IRS examination functions but raises more questions than it provides answers. Technological and process changes over the past five years make data comparisons difficult. Furthermore, the IRS states that it is difficult to determine the "optimum" examination rate for any population segment and feels that all examination rates are probably below optimal levels, causing all law-abiding taxpayers to bear more than their fair share of the tax burden. The data can be interpreted to suggest that more complicated tax returns receive IRS scrutiny than do simple returns and to question the fairness of IRS examination practices. The Committee is concerned by this conclusion and is interested in the IRS achieving balance in its compliance efforts across all socioeconomic levels. Specifically, the Committee considers it important to reduce errors and fraud in all tax returns involving all parts of the tax code but

particularly those types of returns that have historically had high noncompliance rates. It has been argued by the IRS, GAO and others that corporate and partnership income are areas in which the highest noncompliance rates occur each year. Part of the IRS response to the issue of compliance fairness is to initiate a national research program (NRP) to assess and measure taxpayer compliance through random, statistically valid examinations of tax returns. The Committee, while understanding the premise and utility of these examinations, cautions the IRS to ensure that all of its related actions are as unobtrusive as possible to safeguard against undue and unnecessary burdens placed on law-abiding taxpayers. The Committee encourages the IRS to continue its efforts, such as the NRP, to ensure tax system fairness. However, the Committee understands that the NRP will take several years to complete and, for example, will not consider corporate and partnership returns as part of its review until 2005. This is far too long to wait for filing, payment and compliance data from categories that historically have among the highest rates of noncompliance. The Committee directs the IRS within 90 days of the enactment of this Act to provide a new report on IRS tax compliance activities that updates the data of the current report, expands the analysis of the fairness with which IRS compliance efforts are being implemented, provides a detailed status (including a budget) of the NRP, and identifies the resources necessary to accelerate the NRP in order to more quickly obtain critical information on all categories of tax filers. This should include a multi-year analysis of the extent to which categories of problem filers generate recurring or repetitive problematic tax returns.

The second report focused exclusively on EITC compliance activities. The Committee notes that the IRS has been working diligently to make the credit more efficient and is examining ways to improve the accuracy of the credit while reducing its complexity. The Committee also understands that other EITC reforms that would further reduce error rates are being prepared or have been proposed. Nevertheless, the IRS still reports that a large percentage of EITC filings contain errors or are fraudulent, costing the American taxpayers at least \$8.5 billion yearly. This compares with almost \$2 billion that the IRS estimates are due to taxpayers eligible for the credit who do not claim it. The Committee notes that only those eligible for the credit received it, the bottom-line revenues of the Treasury would increase by \$6 billion. The Committee directs the IRS to be diligent in its efforts to improve its administration of the credit and regards as a positive action the recently convened Treasury and IRS Task Force that brings together high level personnel to address EITC problems and determine potential legislation and process and procedural changes that would improve the administration of the credit. The Committee also directs the IRS within 90 days of the enactment of this Act to provide a new report on its EITC compliance activities that updates the data of the current report, expands the analysis of the effectiveness of EITC compliance efforts, and provides a detailed summary of the activities and findings of the Treasury and IRS Task Force.

PROCESSING, ASSISTANCE AND MANAGEMENT

Appropriation, fiscal year 2002 enacted to date	\$3,810,880,000
Budget estimate, fiscal year 2003	3,958,337,000
Recommended in the bill	3,955,777,000
Bill compared with:	
Appropriation, fiscal year 2002	+144,897,000
Budget Estimate, fiscal year 2003	-2,560,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$3,955,777,000 for Processing, Assistance, and Management, an increase of \$144,897,000 above the fiscal year 2002 enacted level and a decrease of \$2,560,000 below the President's request. The reduction below the President's request is associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees' Compensation Act which, to date, has not been enacted. The appropriation includes \$9,000,000 in support of low-income tax clinics.

NO-COST EZ TAX FILING

On October 3, 2000, the Committee held a hearing on electronic tax administration that focused on IRS plans with respect to no- or low-cost digital filing of tax returns over the Internet. At that hearing, the IRS stated that it did not intend to enter into the tax preparation software business; instead, it intended to work in partnership with industry to expand the electronic filing of tax returns. The necessity of a partnership between the industry and the IRS was again emphasized in a statement released by the Department of the Treasury on January 30, 2002. In answers provided this Spring to questions for the record, the IRS echoed this commitment to work with industry and noted that IRS plans did not include tax preparation services. In addition, the IRS stated that it did not have the resources to build, implement, and maintain a free Internet tax preparation and filing option by itself. The Committee further notes that the IRS in its budget is seeking no such resources, nor has this Committee provided any. The Committee strongly believes in the industry-IRS partnership concept and directs the IRS to continue strengthening its ties with the private sector and computer software community as it moves forward in this endeavor.

EMPOWERMENT ZONES

The Committee is aware that the Department of Housing and Urban Development (HUD) has designated certain urban and rural areas as HUD Empowerment Zones, which provide tax incentives to businesses located in the empowerment zones that employ local residents. The Committee understands that there is a lack of detailed guidance for the administration of the tax incentives, which

has caused some confusion and delay for gaining investment in those areas. The Committee directs that the Department of Treasury and the IRS work with HUD and the Department of Commerce in determining how the tax incentives will be implemented and report the status of its efforts to this Committee by October 31, 2002. Additionally, the Committee directs that the IRS work more closely with Empowerment Zone local officials for ensuring that information about the tax incentives is readily available and understood by the local officials, the private sector investors that the Empowerment Zones are designed to attract, and other stakeholders.

TAX LAW ENFORCEMENT

Appropriation, fiscal year 2002 enacted to date	\$3,542,891,000
Budget estimate, fiscal year 2003	3,729,072,000
Recommended in the bill	3,729,072,000
Bill compared with:	
Appropriation, fiscal year 2002	+186,181,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$3,729,072,000 for Tax Law Enforcement, an increase of \$186,181,000 above the fiscal year 2002 enacted level and the same as the President's request. Within available funds, IRS is directed to spend \$4,000,000 to contract for actuarial expertise and/or related computer software in a compliance effort to assist in audits involving tax reserves and other situations requiring actuarial expertise.

The Committee is aware of a pressing issue involving the submittal of erroneous social security numbers to the IRS; the issue is of concern to many members and committees in Congress; the Committee encourages the IRS to continue working with industry, the Congress, and other pertinent groups of the Administration to resolve the issue and assist in the rapid identification of appropriate and valid social security numbers for tax purposes.

EARNED INCOME TAX CREDIT COMPLIANCE INITIATIVE

Appropriation, fiscal year 2002 to date	\$146,000,000
Budget estimate, fiscal year 2003	146,000,000
Recommended in the bill	146,000,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$146,000,000 for the Earned Income Tax Credit Compliance Initiative, the same as the fiscal year 2002 enacted level and the same as the President's request.

INFORMATION SYSTEMS

Appropriation, fiscal year 2002 to date	\$1,579,240,000
Budget estimate, fiscal year 2003	1,632,444,000
Recommended in the bill	1,632,444,000
Bill compared with:	
Appropriation, fiscal year 2002	+53,204,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$1,632,444,000 for Information Systems, an increase of \$53,204,000 above the fiscal year 2002 enacted level and the same as the President's request. The Committee has been following the progress of the IRS to improve program management for its business systems modernization and directs the IRS to apply those same program management and capital planning principles to the systems development processes and projects funded in this account. The Committee is particularly concerned about the coordination of program management and modernization projects between the two accounts to ensure that the newly modernized projects successfully transition into the IRS operating environment.

BUSINESS SYSTEMS MODERNIZATION

Appropriation, fiscal year 2002 to date	\$391,593,000
Budget estimate, fiscal year 2003	450,000,000
Recommended in the bill	436,000,000
Bill compared with:	
Appropriation, fiscal year 2002	+44,407,000
Budget Estimate, fiscal year 2003	- 14,000,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$436,000,000 for Business Systems Modernization, an increase of \$44,407,000 above the fiscal year 2002 enacted level and a decrease of \$14,000,000 below the President's request. The release of funding from this account is governed by the same statutory conditions that governed the funds appropriated into the Information Technology Investment account for fiscal year 2002.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

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

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

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

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

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$1,025,384,000
Budget estimate, fiscal year 2003	1,010,435,000
Recommended in the bill	1,017,892,000
Bill compared with:	
Appropriation, fiscal year 2002	- 7,492,000
Budget Estimate, fiscal year 2003	+7,457,000

MISSION

The Secret Service is responsible for the security of the President, the Vice President and other dignitaries and designated individuals; for enforcement of laws relating to obligations and securities of the United States and financial crimes such as financial institution fraud and other fraud; and for protection of the White House and other buildings within Washington, DC. It also has responsibility to provide security for national security special events, as designated by the President.

RECOMMENDATION

The Committee recommends an appropriation of \$1,017,892,000 for the U.S. Secret Service, a decrease of \$7,492,000 below the fiscal year 2002 enacted level and an increase of \$7,457,000 above the President's request. The change from the President's request includes an increase of \$6,824,000 for non-pay inflation; \$991,000 in additional support to the National Center for Missing and Exploited Children (including \$300,000 for Web-Wise Kids); and a reduction of \$358,000 associated with the President's pending proposal to integrate the benefits and administrative costs of the Fed-

eral Employees' Compensation Act (FECA) which, to date, has not been enacted.

UNIFORMED DIVISION

The Committee is aware that the Uniformed Division (UD) of the Secret Service is experiencing dramatic rates of attrition, with as many as twenty percent of the entire force leaving since January. While some of this is due to more attractive compensation with other law enforcement agencies, such as the newly formed Transportation Security Administration, this attrition is exacerbating the pressure on UD officers who have been experiencing significant and continuously high rates of overtime since September 11th. The Committee directs the Secret Service to report not later than September 30, 2002, on its proposals to address these problems, to include proposals for increased hiring or realignment of the force.

UNDER VEHICLE INSPECTION SYSTEM

The Under Vehicle Inspection System (UVIS) was created through a joint cooperation program of the Secret Service and the Department of Transportation. It is a computer-controlled linear array of sensors placed at the security entrance of a facility or border designed to eliminate the necessity of having guards use mirrors to manually inspect the bottom of vehicles by creating digital imagery of the undercarriage of vehicles. The Committee recognizes that the Secret Service and the Customs Service have explored and reviewed the possible utilization of this technology, and requests that the Secret Service work with the Customs Service and other agencies with possible security or related needs to determine if there is a value in application of the UVIS to their various law enforcement and security missions, and directs the Secret Service to report by March 1, 2003, on its recommendations for the UVIS.

OVERSEAS COUNTERFEITING

The Committee has been pleased to learn of the beneficial impact of Secret Service engagement in anti-counterfeiting efforts in Colombia under the auspices of Plan Colombia. Given the increasing risk of counterfeiting in the region, particularly with the adoption of the U.S. dollar as the principal form of monetary exchange in countries such as Ecuador, the Committee is concerned that there may need to be an increased presence of Secret Service agents stationed in the region. The Committee therefore directs the Secret Service to report by September 30, 2002 on its recommendations for staffing its foreign offices in the region to investigate and shut down such counterfeiting operations.

RETENTION AND REBALANCING OF WORKLOAD

The Committee has been aware for several years that the Secret Service has been experiencing extremely high overtime for both its agents and uniformed officers, as high as 90 hours a month. As a result, the Secret Service is seeing unusually high rates of attrition, especially among its younger agents and officers, at a time when Secret Service responsibilities and workload are growing rapidly. In testimony for the record, the Committee was told that no additional funding was requested to fully fund the fiscal year 2003

estimated costs of the retention and rebalancing initiative begun in fiscal year 2000. However, the Committee has learned that \$28,000,000 requested in fiscal year 2003 for overtime and travel costs, associated with increased protective detail coverage to be provided by existing staffing, may be available for reprogramming. The Committee directs the Secret Service and the Department of Treasury to give priority to fully funding the costs of the retention and rebalancing initiative, and will look favorably on any necessary reprogramming requests for that purpose.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

Appropriation, fiscal year 2002 to date	\$3,457,000
Budget estimate, fiscal year 2003	3,519,000
Recommended in the bill	3,519,000
Bill compared with:	
Appropriation, fiscal year 2002	+62,000
Budget Estimate, fiscal year 2003	

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$3,519,000 for Acquisition, Construction, Improvement and Related Expenses, an increase of \$62,000 above the fiscal year 2002 enacted level and the same as the President's request.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

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

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

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

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

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

Section 115. The Committee continues the provision that authorizes transfer, up to 2 percent, between the Internal Revenue Serv-

ice and the Treasury Inspector General for Tax Administration under certain circumstances.

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

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

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

Section 119. The Committee continues and modifies a provision that extends the pilot project for designated critical occupations for one additional year.

Section 120. The Committee continues the provision that requires Congressional approval for the construction and operation of a museum by the United States Mint.

Section 121. The Committee continues the provision that prohibits funds made available through this Act from being used for the production of Customs Declarations that do not inquire whether the passenger had been in the proximity of livestock.

Section 122. The Committee includes a new provision that directs the Federal Law Enforcement Training Center to establish an accrediting body to set standards for measuring and assessing the quality and effectiveness of Federal law enforcement training.

TITLE II—POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

Appropriation, fiscal year 2002 to date	\$596,093,000
Budget estimate, fiscal year 2003	76,619,000
Recommended in the bill	76,619,000
Bill compared with:	
Appropriation, fiscal year 2002	- 519,474,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$76,619,000 in fiscal year 2003 for Payment to the Postal Service Fund, a decrease of \$519,474,000 from amounts appropriated in fiscal year 2002 and

the same as the amounts requested by the President. Of the funds provided for fiscal year 2003, the Committee includes \$29,000,000 as reimbursement for prior year shortfalls due to insufficient appropriations and the rate phasing provisions of the Revenue Forgone Act of 1993. The balance of \$47,619,000 of fiscal year 2003 funds reflects the advance appropriation for 2003 provided in the appropriations act for fiscal year 2002 for free mail for the blind and overseas voters. The Committee also recommends an advance appropriation of \$48,999,000 for fiscal year 2004 for free mail for the blind and overseas voters; a reduction of \$17,985,000 is assumed as a reconciliation adjustment for differences between estimated free mail volumes and final audited volumes for fiscal year 2000. The final net appropriation of \$31,014,000 is made available on October 1, 2003.

TRANSFORMATION OF THE US POSTAL SERVICE

The Committee remains extremely concerned by the current financial status of the US Postal Service (USPS), with current estimates projecting a deficit of \$1.5 billion for fiscal year 2002. The Committee continues to believe that deficits of this magnitude are unacceptable. USPS continues to suffer cash flow problems that have, in turn, prevented the funding of needed capital commitments. USPS is also approaching its statutory debt limit of \$15 billion and faces growing pension liabilities. The Committee is aware of the financial impact of the decline in mail volume caused by the recent economic downturn, the terrorist attacks of September 11 and the anthrax attacks of last fall. The Committee believes, however, that USPS financial difficulties cannot be attributed solely to recent events, nor can the problem be resolved solely by increasing postal rates or by Federal appropriations. Instead, the Committee believes that USPS organization and practices must undergo fundamental changes to adapt to the current business climate.

The Committee is aware that USPS released a needed Transformation Plan in April 2002 and commends the comprehensive nature of this plan. The Committee is also aware that the USPS Board of Governors has recognized the need for significant statutory reform of USPS and has expressed its support for legislation under consideration by the Committee on Government Reform. The Committee supports these ongoing efforts by the Committee on Government Reform and encourages USPS to work with Congress in the passage of legislation that will return USPS to financial sustainability.

PAY-FOR-PERFORMANCE

The Committee is concerned that the USPS pay-for-performance program based on the concept of economic value added (EVA) does not provide the necessary incentives to improve postal performance. The Committee notes that although USPS recorded a deficit of \$1.7 billion for fiscal year 2001, \$164.1 million in bonuses were awarded to nearly 84,000 postal executive employees. The Committee also notes that the USPS Office of Inspector General (USPS OIG) found the EVA concept to be inappropriate for USPS and recommended that USPS develop an alternative method for calculating pay-for-performance. The Committee especially notes USPS OIG's finding that without a unique inflation adjustment incorporated into the

system, EVA in fiscal year 2000 would have been negative and no award payments would have been made in that year. The Committee is therefore concerned that the pay-for-performance program has become disjoined from actual performance and instead has become based on fulfilling employees' expectation of payments. The Committee understands that USPS has agreed to evaluate an alternative method for the pay-for-performance program by the end of fiscal year 2002. The Committee directs USPS to report to the Committee on the findings of this evaluation no later than December 31, 2002.

EMERGENCY PREPAREDNESS FOR TERRORIST ATTACKS

At the direction of Congress, USPS submitted to the Committee on March 6, 2002 an Emergency Preparedness Plan for Protecting Postal Employees and Customers From Exposure to Biohazardous Material and for Ensuring Mail Security Against Bioterror Attacks. The Committee directs USPS to report on a quarterly basis to the Committee on the implementation of the Emergency Preparedness Plan, including the obligation of funds appropriated to date and the identification and evaluation of technologies relating to the prevention, protection and health-risk reduction, detection and identification, intervention, and decontamination for possible future biological and/or chemical terrorist attacks via US mail. The Committee further directs USPS to report by December 31, 2002 on the evaluation of the cost-effectiveness and security benefits that may be provided by a system of cooperative security or "trusted mail" efforts (including incentive options) between USPS and commercial mailers, whereby mail received from a commercial mailer that has complied with security standards, such as unique traceable identifiers, would not be scheduled to receive any special handling for the detection and neutralization of biohazardous contaminants.

MAIL MOVED BY COMMERCIAL AIR TRANSPORT

The Committee is aware that since the terrorist attacks of September 11, 2001, there has been a significant reduction in the amount of US Mail being moved by commercial air transport due to new security requirements. The Committee is concerned with the rapid and efficient transport of the US Mail and encourages the US Postal Service to work in close coordination with the Transportation Security Administration and airlines industry for developing effective and secure procedures for moving the US Mail by commercial air transport.

PERIODICAL POSTAL RATES

It is the Committee's understanding that the USPS and publishers have been negotiating for more than two years to find a suitable audit procedure to verify periodical postal rates for phone and Internet orders and that, to date, an agreement has not been reached. The Committee encourages USPS to consider the acceptance of personal identifiers, Internet/E-mail digital footprints, voice recordings and/or equivalent methods of verification to determine whether a publication meets the 50 percent test for periodical postal rates. The Committee directs USPS to report to the Committee on the status of this issue within 120 days.

COMMUNITY IDENTIFICATION

The Committee is aware that ZIP codes are often used to identify communities, and in some cases the ZIP code coverage may overlap, divide or exclude some particular communities' governmental boundaries in a way that sometimes causes jurisdictional confusion for conducting local governmental business. The Committee encourages the Postal Service to work more closely with local communities in assigning ZIP codes that correspond more closely with their governmental boundaries.

POSTAL SERVICE WEATHER EMERGENCY POLICIES AND PRACTICES

In its report last year (H. Rpt. 107-152) and the year before (H. Rpt. 106-756), the Committee expressed its concern that during Hurricanes Irene and Floyd, the US Postal Service may have put the health and safety of South Florida postal employees at risk by continuing business as usual for an unreasonable period and failing to curtail postal operations in a timely manner.

Despite strong and repeated requests from the Committee, the Postal Service has refused to adopt a policy and practice of following the recommendations and directives of federal, state and local emergency management and weather authorities in all locations served by the Postal Service whenever weather emergencies arise. While the Postal Service says that it will observe any evacuation order that it receives from an emergency management authority, it appears that it reserves the right to ignore the recommendations and directives of federal, state and local emergency management and weather authorities in all other circumstances.

The Committee continues to believe that the health and safety of postal employees must never be put at risk in order to deliver the mail. The Committee remains concerned that the Postal Service's refusal to adopt a policy and practice of following the recommendations and directives of federal, state and local emergency management and weather authorities in all locations served by the Postal Service whenever weather emergencies arise is placing Postal employees, especially South Florida postal employees, at risk in future weather emergencies. It is important for the Committee to know the reasons for the differences in policy and practice whenever South Florida postal workers are required to work during a weather emergency while other workers are not. Thus, the Committee directs the Postal Service to report to the Committee by October 1, 2002 on its South Florida weather emergency policies and practices.

In its report, the US Postal Service shall describe any variation between U.S. Postal Service weather emergency policies and practices and those used by federal, state, and local emergency management and weather authorities for South Florida, (namely, the Federal Emergency Management Agency, the Florida Division of Emergency Management, and the Miami Dade County Office of Emergency Management). This report shall identify each instance when Miami-Dade County employees were released from duty in a weather emergency when Postal employees were not, and provide the Postal Service's explanation for its refusal to release postal employees working in or living in Miami Dade County during a

weather emergency even though other Miami-Dade County employees were released.

The Committee further directs the Postal Service to report to the Committee within thirty days of any South Florida weather emergency in any case where the Postal Service remained operational and required its employees to report for, and/or remain at work despite a directive from the Miami-Dade County government releasing their employees from service. This report shall explain how the Postal Service arrived at its decisions concerning how to respond to the South Florida weather emergency, and shall provide the rationale for any variations between the Postal Service's decision and that of Federal, State or local emergency management and weather authorities.

MORRIS PLAINS, NEW JERSEY

The Committee believes that the US Postal Service Inspector General and the US Postal Service should consider conducting a thorough investigation of the ongoing management and service complaints at the Morris Plains Post Office in Morris Plains, New Jersey. The Committee notes that formal complaints have been brought to local and Federal USPS officials, as well as the Postmaster General's attention since April 1998. Under such circumstances, the Committee strongly encourages the US Postal Service and Inspector General to conduct a thorough investigation to address these management complaints at the Morris Plains Post Office.

LITTLEVILLE, ALABAMA

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

WEST POINT, ALABAMA

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

SOUTHSIDE, ALABAMA

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

DOUGLAS, ALABAMA

The Committee is concerned about the postal needs of Douglas, Alabama, located in Marshall County. The Committee recommends

that the US Postal Service evaluate the need for the Douglas post office to serve the entire city of Douglas, Alabama, working with local officials and community leaders. The Committee further recommends that the US Postal Service report its findings to the Committee.

CHAPEL HILL, NORTH CAROLINA

The Committee is concerned about the postal needs of the citizens of Chapel Hill, North Carolina. The Committee supports the US Postal Service's plans to construct a new carrier/retail facility that would relieve overcrowding at existing post offices and regrets that budget constraints have delayed this project. The Committee encourages the Postal Service to report to the Committee on the status of this effort. The Committee also recommends that the Postal Service re-evaluate the need for a contract facility in the Southern Village development and report its findings to the Committee.

SUFFOLK, VIRGINIA

The Committee is aware that the City of Suffolk, Virginia, has been in consultation with the Postal Service for more than seven years regarding the construction of a new retail facility in downtown Suffolk. The Committee is encouraged by the progress that has been made in this dialogue and recommends that the Postal Service continue to seek alternatives for providing improved postal service for the residents of this community, including rental of retail space from the City.

COLONIAL HEIGHTS, VIRGINIA

The Committee is concerned that the postal needs of Colonial Heights, Virginia are not being adequately met. The Committee recommends that the Postal Service work with City officials to determine how these services can be improved and evaluate alternatives to new construction until such time as the spending moratorium is lifted. The Committee further recommends that the Postal Service report its findings to the Committee.

BRONX, NEW YORK

The Committee is greatly concerned with the numerous reports of missing mail, misdelivered mail, late delivery and poor service at the Morris Park, Bronx, New York Post Office, with particular focus to the neighborhoods encompassing the 10461 ZIP code, and recommends action be taken by the United States Post Office, New York headquarters to investigate this situation and report recommendations to correct this problem. Recommendations and a plan of implementation should be issued to the Committee no later than 90 days after the enactment of this legislation.

BARTONVILLE, ILLINOIS

The Committee is concerned about the postal needs of the Village of Bartonville, Illinois. The Committee believes that the current Postal Service facility in Bartonville is inadequately sized for the services it provides, and that the lack of adequate adjacent parking for customers as well as the inadequate parking for mail trucks

and employees pose serious safety hazards. The Committee recommends that the Postal Service work with local officials and community leaders to expeditiously address the needs of this facility and its customers and employees. The Committee further recommends that the Postal Service evaluate this situation and report its findings to the Committee.

JOPLIN, MISSOURI

The Committee is concerned about the postal needs of Joplin, Missouri. The Committee believes that the current Postal Service facility in Joplin has inadequate parking that has created a traffic problem, and is not suitably accessible to the disabled. It is the Committee's understanding that the city will contribute over 20 percent of the overall cost of constructing a new facility in Joplin and will receive the current Postal facility. The Committee recommends that the Postal Service work with the community of Joplin to address the city's need for a new facility, and directs the Postal Service to report to the Committee on this matter no later than 90 days after the enactment of this Act.

MARKHAM, ILLINOIS

The Committee is aware that Markham, Illinois has shared a zip code with Harvey, Phoenix, and Dixmoor, Illinois. Markham's 60428 zip code designation was removed in 1974 and remains unused. The committee understands that the Village of Markham has requested reinstatement of their former zip code. The Committee recommends that the Postal Service evaluate this situation and report its findings to the Committee.

SAUK VILLAGE, ILLINOIS

The Committee is concerned about the postal needs of Sauk Village, Ford Heights and Lynwood, Illinois. The Committee recommends that the U.S. Postal Service evaluate the need for a post office in Sauk Village working with local officials and community leaders. The Committee further recommends that the U.S. Postal Service report its findings to the Committee.

TUSCUMBIA, ALABAMA

The Committee is concerned about the decision by the USPS to close the downtown Tuscumbia, Alabama post office located in Colbert County. The Committee is concerned that this proposed closing could have a negative impact on the elderly citizens of the Tuscumbia community and on downtown business owners. The Committee recommends that the Postal Service evaluate this situation, including the concerns described above, and report its findings to the Committee.

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

COMPENSATION OF THE PRESIDENT AND THE WHITE HOUSE OFFICE

COMPENSATION OF THE PRESIDENT

Appropriation, fiscal year 2002 to date	\$450,000
Budget estimate, fiscal year 2003	450,000
Recommended in the bill	450,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$450,000 for Compensation of the President, the same as the amounts appropriated in fiscal year 2002 and the same as the amount requested by the President.

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$54,651,000
Budget estimate, fiscal year 2003	84,595,000
Recommended in the bill	50,715,000
Bill compared with:	
Appropriation, fiscal year 2002	– 3,936,000
Budget Estimate, fiscal year 2003	– 33,880,000

MISSION

The Salaries and Expenses account of the White House Office supports staff and administrative services necessary for the direct support of the President. This account also includes reimbursements to the White House Communications Agency.

RECOMMENDATION

The Committee recommends an appropriation of \$50,715,000 for the White House Office, \$3,936,000 below the amounts appropriated in fiscal year 2002 and \$33,880,000 below the amounts requested by the President. The Committee’s recommendation transfers \$9,020,000 to the Office of Administration in support of a one-year pilot project to centralize the procurement of certain common goods and services. The Committee also establishes a separate appropriation account for the Office of Homeland Security (\$24,844,000) instead of including these funds within the White House Office, Salaries and Expenses appropriation. The Committee’s recommendation also assumes a reduction of \$16,000 associated with the President’s pending proposal to integrate the benefits and administrative costs of the Federal Employees’ Compensation Act (FECA) which, to date, has not been enacted.

WHITE HOUSE OPERATIONS

The Committee is disappointed that information and communication from the White House is not offered in an expeditious and

complete manner. This takes several forms, which goes beyond simple unreturned phone calls. The Committee has been extremely disappointed by the lack of detailed information provided by the White House regarding the staffing, funding and operations of the White House Office. As in the past, and as part of the Committee's questions on the use of appropriated funds, the Committee requested a brief description of the duties and responsibilities of each office within the White House, including the obligations incurred by each office for fiscal years 2001–2003. On two separate occasions, the White House responded that this information was not available; on the third occasion, after the White House was referred to the fiscal year 1999 hearing volumes which accurately displays fiscal year 1999 obligations by White House office, as provided by the previous Administration, the White House provided information regarding current operations for the record. The Committee has been steadfast in its resolve to conduct oversight of the use of appropriated funds for all agencies under its jurisdiction, including the White House Office.

WHITE HOUSE TOURS

The Committee is aware that, because of the tragic events of September 11, 2001, public visitation of the White House has been severely restricted. The Committee would like to see a resumption of public White House tours as soon as safely possible. We urge the executive branch to work toward this goal.

OFFICE OF HOMELAND SECURITY

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$27,000,000
Budget estimate, fiscal year 2003	24,844,000
Recommended in the bill	24,061,000
Bill compared with:	
Appropriation, fiscal year 2002	–2,939,000
Budget Estimate, fiscal year 2003	– 783,000

(Note: Fiscal Year 2002 funds for the Office of Homeland Security were provided under the Heading, "Office of Administration, Salaries and Expenses".)

MISSION

On October 8, 2001, the President signed Executive Order 13288, establishing the Office of Homeland Security (OHS). As identified by Executive Order 13288, the primary responsibilities of OHS are to coordinate the executive branch's efforts to detect, prepare for, prevent, protect against, respond to, and recover from terrorist attacks within the United States.

RECOMMENDATION

The Committee proposes a new appropriation account for the Office of Homeland Security rather than including funds within the account, White House Office, Salaries and Expenses. The Committee believes that the Office of Homeland Security is a high priority effort and should be funded as a separate appropriations structure.

The Committee recommends an appropriation of \$24,061,000 for the Office of Homeland Security, a decrease of \$2,939,999 from the

amounts appropriated in fiscal year 2002 and \$783,000 below the amounts requested by the President. The Committee's recommendation assumes savings from non-recurring costs associated with the fiscal year 2002 emergency supplemental appropriation and the transfer of \$783,000 to the Office of Administration in support of a pilot program to centralize the procurement of certain common goods and services.

COMMITTEE OVERSIGHT

In creating a new Office of Homeland Security within the Executive Office of the President, the Committee seeks to better highlight and isolate those costs directly associated with the operations of this office. In fiscal year 2002, the Office of Homeland Security was established by Executive Order 13228 "to develop and coordinate the implementation of a comprehensive national strategy to secure the United States from terrorist threats or attacks." During fiscal year 2002, \$27,000,000 in funding for this new office was provided within the account, Office of Administration. An additional \$24,844,000 was requested as part of the White House Office account for fiscal year 2003. The Committee establishes a new Office of Homeland Security account and provides the \$24,844,000 in funding previously requested within the White House Office.

During the Committee's fiscal year 2003 hearings on agency budget requests, the Committee asked many questions about funding for the Office of Homeland Security; the Committee was disappointed that the witnesses were not able to answer these questions. When the Committee then sought testimony from the Director of Homeland Security to address these and other questions, the requests were denied. The Committee's ability to exercise its oversight responsibilities of the Office of Homeland Security were significantly hindered by the Administration's inability to answer questions in a timely and complete answer.

Despite its strong belief that the Committee should have received testimony from the Director of the Office of Homeland Security within the regular Committee hearing process, the Committee accommodated the executive branch by conducting a more informal briefing. The committee's decision to focus on cooperation rather than confrontation does not diminish its belief that a regular hearing with testimony should have been agreed to by the executive branch.

It is the expectation of the Committee that, by establishing a new account for this function, information related to the operations of and funding for this office will be more readily available. Witnesses who testify before the Committee on behalf of this account are expected to be fully prepared to answer questions about the functions and operations of the Office of Homeland Security.

FUNCTIONAL RESPONSIBILITIES

Executive Order 13288 establishes several broad areas of functional responsibility for the OHS, including the development of a national strategy; prioritizing and coordinating detection efforts; coordinating national preparedness efforts; coordinating prevention efforts; coordinating efforts to protect critical infrastructure; coordinating efforts to respond to and promote response and recovery; coordinating incident management response efforts; reviewing plans

and preparations for the continuity of government; coordinating the executive branch strategy for communications and public affairs; encouraging the cooperation of state and local governments and private entities; reviewing legal authorities; and reviewing agency and department budgets for homeland security efforts. The Committee believes that these are laudable efforts and has included bill language directing the Office of Homeland Security to submit a report identifying estimated obligations for each function to the Committee on Appropriations no later than November 1, 2002. The Committee further directs the Office of Homeland Security to submit any future appropriations requests according to these functional responsibilities; this submission shall be in addition to standard appropriations justification materials that display an object class analysis for the activities of the Office of Homeland Security.

LESSONS LEARNED

The Committee is aware of a lessons learned initiative at the Oklahoma City National Memorial Institute for the Prevention of Terrorism. The lessons learned initiative is intended as a repository where First Responders can input their observations and lessons learned from their experiences, to be shared with all First Responders nationally. The Committee considers the lessons learned initiative to be significant work by a non-governmental organization towards contributing to homeland security. The Office of Homeland Security is urged to coordinate and work with the Memorial Institute for the Prevention of Terrorism in order to leverage ongoing lessons learned for First Responders. The Committee believes that such efforts provide the best return on investment because they identify and share information on best practices for combating terrorism on United States soil. A lesson learned system also allows a trend analysis that can be used to strengthen a first responder-training program and determine research agendas.

PROFESSIONAL CONTRACTS

The Office of Homeland Security has requested \$8,000,000 for "professional contracts" under the object class "Other Services". The Committee is aware that these funds will be used to meet research and analysis requirements of the Office of Homeland Security including the review and assessment of federal emergency response plans; the development of criteria for reviewing security measures for critical infrastructure; the identification of methods for coordinating public health preparedness; the design and review of programs to facilitate incident response; the analysis of cyber security and vulnerability; the development of information technology security awareness; and the review of government vulnerability and homeland security programs. The Committee directs the Office of Homeland Security to notify the Committee on a quarterly basis of all projects funded through these contracts. Additionally, the Committee directs the Office of Homeland Security to submit a copy of each project, study or review funded when such studies, projects and reviews are completed, subject to normal security procedures, as may be necessary.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

Appropriation, fiscal year 2002 to date	\$11,695,000
Budget estimate, fiscal year 2003	12,228,000
Recommended in the bill	12,228,000
Bill compared with:	
Appropriation, fiscal year 2002	+533,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$12,228,000 for the operating expenses of the Executive Residence, an increase of \$533,000 from the amounts appropriated in fiscal year 2003 and the same as the amounts requested by the President.

WHITE HOUSE REPAIR AND RESTORATION

Appropriation, fiscal year 2002 to date	\$8,625,000
Budget estimate, fiscal year 2003	1,200,000
Recommended in the bill	1,200,000
Bill compared with:	
Appropriation, fiscal year 2002	-7,425,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$1,200,000 for White House Repair and Restoration, a decrease of \$7,425,000 from amounts appropriated in fiscal year 2002 and the same as the amounts requested by the President.

FISCAL YEAR 2002 CONSTRUCTION ACTIVITIES

In fiscal year 2002, the Committee provided \$8,625,000 for eight separate construction activities for the Executive Residence at the White House. The Committee directed the National Park Service to submit a prospectus for each of these projects in excess of \$100,000; the Committee was extremely disappointed with the quality of the original submission and remains concerned about both the planning and the execution of these projects. The Committee directs the National Park Service to submit a detailed status report for each of the projects supported in the fiscal year 2002 appropriations bill no later than 60 days after enactment of this Act. This report shall include a summary of obligations to date, by project. The National Park Service is directed to include all projects that are law enforcement sensitive and/or classified in this report under separate and appropriate cover.

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

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$3,925,000
Budget estimate, fiscal year 2003	4,066,000
Recommended in the bill	3,160,000
Bill compared with:	
Appropriation, fiscal year 2002	- 765,000
Budget Estimate, fiscal year 2003	- 906,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$3,160,000 for the Office of the Vice President, a decrease of \$765,000 from amounts appropriated in fiscal year 2002 and a decrease of \$906,000 from amounts requested by the President. The Committee's recommendation transfers \$906,000 to the Office of Administration in support of a one-year pilot project to centralize the procurement of certain common goods and services.

OPERATING EXPENSES

Appropriation, fiscal year 2002 to date	\$318,000
Budget estimate, fiscal year 2003	324,000
Recommended in the bill	324,000
Bill compared with:	
Appropriation, fiscal year 2002	+6,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$324,000 for the Operating Expenses of the Vice President's residence, an increase of \$6,000 from amounts appropriated in fiscal year 2002 and the same as the amounts requested by the President.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$4,211,000
Budget estimate, fiscal year 2003	4,405,000
Recommended in the bill	3,763,000
Bill compared with:	
Appropriation, fiscal year 2002	- 448,000
Budget Estimate, fiscal year 2003	- 642,000

MISSION

The Council of Economic Advisers analyzes the national economy and its various segments, advises the President on economic devel-

opments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal Government, and assists in preparation of the annual Economic Report of the President to Congress.

RECOMMENDATION

The Committee recommends an appropriation of \$3,763,000 for the Council of Economic Advisers, a decrease of \$448,000 from amounts appropriated in fiscal year 2002 and a decrease of \$642,000 from amounts requested by the President. The Committee's recommendation transfers \$642,000 to the Office of Administration in support of a one-year pilot project to centralize the procurement of certain common goods and services.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$4,142,000
Budget estimate, fiscal year 2003	4,221,000
Recommended in the bill	3,251,000
Bill compared with:	
Appropriation, fiscal year 2002	- 891,000
Budget Estimate, fiscal year 2003	- 970,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$3,251,000 for the Office of Policy Development, a decrease of \$891,000 from amounts appropriated in fiscal year 2002 and a decrease of \$970,000 from amounts requested by the President. The Committee's recommendation transfers \$970,000 to the Office of Administration in support of a one-year pilot project to centralize the procurement of certain common goods and services.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$7,494,000
Budget estimate, fiscal year 2003	9,525,000
Recommended in the bill	7,803,000
Bill compared with:	
Appropriation, fiscal year 2002	+309,000
Budget Estimate, fiscal year 2003	-1,722,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$7,803,000 for the National Security Council, an increase of \$309,000 from amounts appropriated in fiscal year 2002 and a decrease of \$1,722,000 from amounts requested by the President. The Committee's recommendation transfers \$1,722,000 to the Office of Administration in support of a one-year pilot project to centralize the procurement of certain common goods and services.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$96,995,000
Budget estimate, fiscal year 2003	70,128,000
Recommended in the bill	92,681,000
Bill compared with:	
Appropriation, fiscal year 2002	-4,314,000
Budget Estimate, fiscal year 2003	+22,553,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$92,681,000 for the Office of Administration, a decrease of \$4,314,000 from amounts appropriated in fiscal year 2002 and an increase of \$22,553,000 from amounts requested by the President. The Committee's recommendation reflects savings from non-recurring costs associated with the fiscal year 2002 emergency supplemental appropriation. The recommended increase is associated with the pilot project to centralize the procurement of common goods and services and is offset from other Executive Office of the President (EOP) appropriations, resulting in a total appropriation for the EOP that is the same as the amount requested by the President. As part of this appropriation, the Committee includes \$17,495,000 for the Capital Investment Plan, including \$720,000 for amounts associated with the pilot project on centralized procurement efforts.

PILOT PROJECT ON CENTRALIZED PROCUREMENT OF COMMON GOODS
AND SERVICES

The President proposed to consolidate 17 separate appropriations accounts into one account for agencies under the umbrella of the Executive Office of the President (EOP). The Committee has not included the proposed account consolidation in its fiscal year 2003 recommendation. However, the Committee believes that there are merits to some of the underlying justifications to such a consolidation, including enabling the EOP to achieve economies of scale through centralized procurement of certain common goods and services.

The Committee transfers funds from seven of the EOP agencies to establish a one-year pilot project for centralized procurement

and management of information technology, rent, printing and reproduction, supplies and materials and equipment. Specifically, the Committee transfers \$22,553,000 from the White House Office, the Office of Homeland Security, the Office of the Vice President, the Office of Management and Budget, the Office of Policy Development, the National Security Council, and the Council of Economic Advisers to the Office of Administration to establish a pilot project for these agencies. The Committee has transferred the following amounts for each agency:

TRANSFER BY OBJECT CLASS

[Dollars in thousands]

Account	Rent	Communi- cations	Printing & rep	Other services	Supplies and ma- terials	Equip- ment	Total
WHO	5,392	1,551	316	619	570	572	9,020
OHS		54	40	54	535	100	783
OVP, S&E	637	112	5	26	54	72	906
OPD	605	180	20	23	90	52	970
NSC	1,310	88	10	44	164	106	1,722
CEA	487	31		9	64	51	642
OMB	6,431	439	51	111	690	788	8,510
TOTAL	14,862	2,455	442	886	2,167	1,741	22,553

Note.—Communications includes telecommunications and monthly cell phone service; Equipment includes cell phones, IT desktops, copiers and faxes; Other Services includes Lexus, Quorum and Copier Maintenance.

The Committee has established this one-year pilot in order to allow the Administration an opportunity to evaluate both the costs and the benefits of centralized procurement authority. While the Committee has not included all of the EOP agencies in this pilot project, the Committee encourages the Office of Administration to solicit the participation of these agencies. The Committee also notes its strong belief that central management will be successful only to the extent that there are specific procurement standards established for each commodity to be centralized.

The Committee expects that the Office of Administration will achieve economies of scale using centralized procurement practices. The Committee directs the Office of Administration to identify these savings with the submission of the President's fiscal year 2004 appropriations request. The Committee will review these savings in conjunction with any future requests to continue and/or modify this appropriations transfer. The Committee further directs the Office of Administration to submit a description of this pilot project, including a description of the standards established for the procurement of each commodity included in this project, no later than December 1, 2002. Finally, the Committee directs the Office of Administration, as part of the fiscal year 2004 appropriations request, to submit a summary of estimated versus actual obligations by object class for each agency and each commodity included under this pilot project, including those obligations incurred by the Office of Administration.

CAPITAL INVESTMENT PLAN

For the past six years, the Committee has followed closely the efforts of the Office of Administration to establish and implement an information technology modernization effort within the Executive

Office of the President (EOP) and has withheld funds from obligation pending certain critical steps that the Committee believed were necessary to achieve a successful information technology infrastructure within the EOP. As part of the fiscal year 2002 appropriations cycle, the Committee withheld funds pending the submission of a comprehensive report on the status of the enterprise architecture, the capital planning and investment control process, the capital investment plan, and the IT human capital plan. The Committee has recently received General Accounting Office's (GAO) review of this report and is pleased with the GAO findings. The Committee commends the Office of Administration and, in particular, the Chief Information Officer, for the progress that has been made on information technology within the EOP during fiscal year 2002.

The Committee has provided a total of \$17,495,000 for the Capital Investment Plan in fiscal year 2003. The Committee believes that sufficient progress has been made to eliminate the need to withhold funds for this project. However, the Committee will continue to carefully monitor the EOP's information technology efforts and has continued bill language requiring the submission of annual updates of the enterprise architecture, the IT capital planning and investment control process and the IT Human Capital Plan. The Committee directs that this report be submitted with the President's fiscal year 2004 budget. The Committee also continues the requirement that the General Accounting Office review this report. The Committee believes that GAO's Office of Information Technology Architecture and Systems Issues has provided critical and invaluable guidance in EOP's efforts and will continue to seek its expertise as this project proceeds.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$70,752,000
Budget estimate, fiscal year 2003	70,752,000
Recommended in the bill	61,492,000
Bill compared with:	
Appropriation, fiscal year 2002	-9,260,000
Budget Estimate, fiscal year 2003	-9,260,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$61,492,000 for the Office of Management and Budget (OMB), a reduction of \$9,260,000 from amounts appropriated in fiscal year 2002 and the amounts requested by the President. The Committee's recommendation is consistent with the reductions taken to OMB in the H.R. 4775, the House-passed supplemental appropriations bill that reduced OMB's personnel expenses by \$750,000 to reflect duplication of effort with the Office of Homeland Security. The Committee's recommendation also transfers \$8,510,000 to the Office of Administration in support of a one-year pilot project to centralize the procurement of certain common goods and services.

ANTI-DEFICIENCY VIOLATION

On June 22, 2002, the Speaker of the House of Representatives and the Committee on Appropriations were notified that funds provided for federal loan guarantees in the Air Transportation Safety and System Stabilization Act were apportioned by the Office of Management and Budget and obligated by the Air Transportation Stabilization Board (ATSB) in violation of the Anti-Deficiency Act. These funds were not available for apportionment because, at the time of OMB's execution of the apportionment, the emergency designation had not been transmitted by the President to the Speaker of the House of Representatives. The facts of this matter are troubling and seem to indicate that the Office of Management and Budget refuses to take responsibility for its own failure in its fiduciary responsibilities in federal funds management and has sought to shift the blame to the ATSB:

1. On December 28, 2001, the ATSB conditionally approved a \$429 million loan for America West airlines.

2. On January 18, 2002, OMB signed an apportionment releasing \$429 million in loan authority.

3. On January 18th, the Board obligated \$172 million.

4. Nearly four months later, on May 16th, the Presidential designation (through the Office of Management and Budget) of the amounts as an emergency requirement pursuant to the Balanced Budget and Deficit Control Act was referred to the Committee on Appropriations. At that time, no indication was given that such designation was untimely.

5. On May 20, 2002 the Committee on Appropriations formally requested the Comptroller General of the General Accounting Office to determine whether OMB had apportioned the funds in violation of the Anti-Deficiency Act. At the same time, the Committee informally asked OMB if a violation of the Act had been committed.

6. On June 25, 2002, the ATSB reported a "technical violation" of the Anti-Deficiency Act to the Speaker implicating itself, the Department of the Treasury, and OMB.

The Committee believes that the Office of Management and Budget (not a disinterested party) concluded that the ATSB violated the Anti-Deficiency Act and insisted that the ATSB report the violation. However, the Committee observes that the ATSB obligated the funds only after OMB had previously apportioned the funds to the ATSB, though the OMB had failed first to submit to the President and the Congress a request to make available contingent emergency funds for the program. The ATSB simply obligated the funds for the program based upon the apportionment that OMB had executed in violation of the law. Therefore, the Committee believes that OMB is principally at fault for the violation, not the ATSB. OMB was surely aware of the anti-deficiency violation on May 15, 2002, when it submitted the late emergency designation to the Congress. The Committee is concerned that OMB did not acknowledge the violation at that time. The Committee can only conclude that OMB would not have acknowledged the anti-deficiency violation if the Committee had not questioned the untimeliness of the President's emergency designation. This inaction is inappropriate for an Office that is charged with overseeing the financial operations of the Federal Government. For these reasons, the Com-

mittee directs the Office of Management and Budget to transmit a letter to the Speaker of the House of Representatives taking responsibility for the violation of the Anti-Deficiency Act, as is required by section 1351 of title 31, not later than August 1, 2002.

STANDARDS AND BEST PRACTICES FOR FEDERAL IT PROCUREMENT

The Committee is aware that the Administration is working with industry leaders to develop a new set of “standards and best practices” for Federal information technology procurement, which would include the building in of cyber-security protections to software and hardware products. The Committee encourages this type of initiative, especially for providing uniform cyber-security across the government’s departments and agencies.

LIMITED ENGLISH PROFICIENCY

The report provided by the Administration to the Committee regarding the total costs of implementing Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, failed to identify the costs of this program. The Committee remains concerned about this program’s costs and directs that the Committee be provided a report, no later than September 30, 2002, that identifies the cost, the number of publications that have been translated, and the number of languages that those publications have been translated into under this program. This report shall also include the status of OMB’s progress in establishing a government-wide central registry of all LEP compliance actions undertaken by federal agencies.

OVERLAPPING CYBER-SECURITY INITIATIVES

The Committee is concerned about redundancies in developing and implementing governmental cyber-security initiatives for the protection of government information technology. The Committee directs OMB to submit a report, within 90 days of enactment of this Act, that details the cyber-security initiatives undertaken by the various government departments and agencies. This report shall include: total costs, as of the date of the report, by department or agency for cyber-security, an identification of those initiatives that are being shared between departments or agencies, an identification of those initiatives that respond to unique requirements, and an identification of initiatives that satisfy requirements of more than one department or agency yet are not being shared.

GOVERNMENT WEB SITES UNIFORMITY AND USER FRIENDLINESS

The Committee is concerned about the lack of uniformity of standards and user friendliness that affect usability of the various department and agency web sites. The Committee encourages the adoption by the Administration of uniform standards that can lead to more user friendly and usable government web sites.

EISENHOWER EXECUTIVE OFFICE BUILDING (EEOB)

The EEOB, built in 1888, was declared a National Historic Landmark in 1969. In fiscal year 1996, the Committee provided \$2,900,000 to initiate a concept design for the modernization of this building; the concept documents were completed but full design

was not authorized. Additional funds were provided in fiscal year 1999 to address life safety issues for fire and smoke detection systems. Fiscal year 2002 emergency supplemental funds of \$27,209,000 were released by the Administration to the General Services Administration (GSA) for continued but poorly defined work associated with this project; the Administration has requested \$7,500,000 for the design of necessary electrical upgrades in its fiscal year 2003 request for GSA. The Committee has denied these funds, as discussed under the GSA section of this report.

The Committee is aware of the current condition of the Eisenhower Executive Office Building and the critical need to design and complete a major multi-year repair and alteration project with a total cost ranging from \$350,000,000 to \$625,000,000. In addition to a significant deterioration of basic infrastructure such as water infiltration, electrical systems and heating and ventilating systems, the Committee is aware of the additional security concerns that have arisen since the events of September 11th and which have resulted in the relocation of nearly 300 employees from the 17th Street side of this building. The combination of critical infrastructure deterioration and enhanced security requirements make this project even more urgent than ever.

The Committee has made every attempt to obtain comprehensive and accurate information on the status of design work for this project; the Committee has been extremely disappointed in general by the quality and quantity of information provided by the Administration. The Committee has found OMB's responses to its inquiries incomplete and problematic.

The Committee supports all efforts to ensure the historical and operational integrity of the EEOB but finds that, because the Administration has been unable to answer simple questions on the status of design work related to this project, any funding to proceed is premature. The Committee has also concluded that, to the detriment of the EEOB employees, internal deliberations within the Administration have prevented the development of a cohesive design strategy. The Committee directs OMB to submit, no later than September 30, 2002, a comprehensive design for this project, including all security requirements necessary to return all relocated employees to the 17th Street side of the building. This design shall be prepared in direct cooperation with the GSA and the EOP's Office of Administration and shall include all design work necessary to complete the multi-year repair and alteration project, including all necessary cost estimates for each phase of the project.

OMB/FAIR ACT

The Committee is encouraged by OMB's efforts towards performance goals, expanded A-76 competitions and more accurate FAIR Act inventories, but recognizes that even greater effort is required. One aspect of this effort is to eliminate unfair competition with the private sector by agencies that are greatly benefited by use of public resources. OMB is encouraged to identify and correct specific instances of unfair competition, and to encourage agency heads to develop Directives implementing the spirit of the FAIR Act and work towards eliminating unfair government competition.

GOVERNMENT PRINTING

The Office of Management and Budget has recently proposed dis-regarding the statutory requirement of Title 44, U.S. Code, Section 501, that Executive-branch agencies produce or procure their printing through the Government Printing Office. Previous examinations of such proposals have questioned whether such a policy could result in significant increases in the cost of printing government-wide and could substantially impair public access to government information through the Federal Depository Library Program. OMB is directed to report to the Committees on Appropriations within 30 days on how its proposal: (1) improves economy and efficiency in federal printing; (2) improves public access to government information; and (3) comports with the concern that unless and until Title 44 is changed by a constitutional process, Executive-branch officials responsible for printing are legally bound to uphold it.

PAPERWORK REDUCTION

The Office of Management and Budget has reported that paperwork burdens on Americans have increased in each of the last six years. Since the Internal Revenue Service imposes over 80 percent of these paperwork burdens, the Committee believes that OMB should work to identify and review proposed and existing IRS paperwork.

ELECTRONIC GOVERNMENT FUND

Appropriation, fiscal year 2002 to date	\$5,000,000
Budget estimate, fiscal year 2003	45,000,000
Recommended in the bill	5,000,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003	-40,000,000

MISSION

The Electronic Government (E-Gov) Fund supports interagency initiatives that utilize the Internet or other electronic methods as a means to increase Federal government accessibility, efficiency, and productivity.

RECOMMENDATION

The Committee recommends an appropriation of \$5,000,000 for the Electronic Government Fund, the same as the amounts provided in fiscal year 2002 and \$40,000,000 below the amounts requested by the President. The account was previously funded in the budget of the General Services Administration; the account has been moved to more closely associate the funding with the decision-making mechanism for these funds. The Committee notes that the activities associated with the account, including the expanded role of the Office of Management and Budget in directly managing a program, remain unauthorized and the need for the funding is poorly justified.

E-GOVERNMENT INITIATIVES

The Committee is concerned about the establishment of government's proper role in providing digital services. The Committee notes that, according to the President's budget, the federal government's investment in information technology is estimated to be \$50 billion for fiscal year 2003 and rife with inefficiencies and redundancies. While the Administration is to be strongly encouraged to leverage related government business processes to improve productivity, eliminate redundant systems, and significantly improve the quality of government services, its E-government plans must be carefully evaluated and monitored to ensure that they do not support government competition with market-based private providers of digital services. The Committee is concerned that the rules steering the government's relationships with the traditional bricks-and-mortar economy are outdated and should not guide the provision of digital services. Blind adherence to past practices can lead to an ambiguous environment in which some federal agencies may develop highly beneficial Internet initiatives, while others create ventures that dangerously encroach on businesses already served by private enterprise. The Committee is concerned that the government needs a new blueprint for guiding e-government initiatives.

The President's budget request for fiscal year 2003 and the E-Government Task Force's strategy report briefly describe 24 E-Government initiatives that are expected to provide agencies with significant productivity improvements. The Committee directs that OMB provide within 90 days of enactment of this Act a report that details the blueprint used by the Task Force in its review and adoption of those initiatives; the process used by the Task Force to consider, and adopt or reject E-Government initiatives; the evaluations of those and other E-Government initiatives that were already provided for, or were requested by an agency or from the private sector; the reviews undertaken by the Task Force for establishing and deciding which digital activities and services are inherently governmental and should be pursued as an E-Government initiative and which are non-governmental and therefore fall under private provider's domain; and the support and guidance from the private sector used by the Task Force in its work.

ELECTION ADMINISTRATION REFORM AND RELATED EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2002 to date .....	.....
Budget estimate, fiscal year 2003 .....	.....
Recommended in the bill	\$200,000,000
Bill compared with:	
Appropriation, fiscal year 2002	+200,000,000
Budget Estimate, fiscal year 2003	+200,000,000

MISSION

This account is established as a mechanism to implement the provisions of pending authorizing legislation to establish election administration reform. This account shall be used to transfer funds to those federal entities that may be authorized by such legislation.

RECOMMENDATION

The Committee has included \$200,000,000 for the requirements of implementing election administration reform and related expenses and makes these funds available subject to authorization. The Committee's recommendation is identical to language that was included in H.R. 4775, the pending fiscal year 2002 supplemental appropriations, for election administration reform which requires the Director of the Office of Management and Budget (OMB) to transfer the funds appropriated, upon enactment of legislation improving the administration of elections, to the Federal entities specified by that legislation, for the purposes designated, and the amounts specified. The Committee notes that H.R. 4775 includes \$450,000,000 for this account in fiscal year 2002.

H.R. 3295, the Help America Vote Act of 2001, authorizes appropriations for states to upgrade and replace voting systems with optical scan or electronic voting equipment on a statewide basis. H.R. 3295 does not, however, take into account those states that had upgraded or replaced their voting systems prior to the November 2000 election. The Committee has included new language to rectify this disparity by providing authorization and appropriations for one-time payments to those states that obtained optical scan or electronic voting equipment prior to the regularly scheduled general election for Federal office held in November 2000. It is the Committee's understanding that this provision affects five states with a total estimated cost of approximately \$23,000,000.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$25,263,000
Budget estimate, fiscal year 2003	25,458,000
Recommended in the bill	24,458,000
Bill compared with:	
Appropriation, fiscal year 2002	- 805,000
Budget Estimate, fiscal year 2003	- 1,000,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$24,458,000 for the Office of National Drug Control Policy (ONDCP), a decrease of \$805,000 below the fiscal year 2002 enacted level and \$1,000,000 below the President's request. The Committee has included bill language withholding \$5,000,000 of these funds until certain actions are taken by the Director of ONDCP regarding the High Intensity Drug Trafficking Areas (HIDTA) program, as discussed in the HIDTA section of this report.

The Committee is extremely concerned by the growth in ONDCP's bureaucracy, particularly in the upper management levels, and believes that ONDCP's salaries and expenses appropria-

tion should be used to support front line activities and not the back office. The Committee therefore directs that no reductions be taken from amounts proposed in the President's request for salaries and expenses for the administration of the Counterdrug Technology Assessment Center, the HIDTA program, or the programs funded through the Special Forfeiture Fund. The Committee further directs ONDCP to submit, within 60 days of the enactment of this Act, an organizational chart for ONDCP, a position description for each position funded in this Act, and a revised object class analysis indicating where the Committee's reductions to this account have been applied.

NATIONAL ALLIANCE FOR MODEL STATE DRUG LAWS

The Committee includes \$1,000,000 for the National Alliance for Model State Drug Laws (NAMSDL). The Committee is concerned about ONDCP's lack of cooperation with NAMSDL in fulfilling its primary purpose of holding model state drug law conferences in all fifty states. The Committee directs ONDCP to report on its strategy for the model state drug laws program no later than 60 days after enactment of this Act.

FEDERAL COUNTERDRUG EFFORTS IN RURAL AREAS

The Committee is aware that rural areas face a significant but frequently overlooked illicit drug abuse problem. The Committee is concerned that although drug use rates by high school seniors in rural areas exceed large urban areas, rural areas often lack adequate drug intervention, prevention, and treatment resources relative to their urban counterparts. The Committee therefore directs ONDCP to report to the Committee on a comparison of Federal counterdrug program activities and expenditures in rural and urban areas.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

Appropriation, fiscal year 2002 to date	\$42,300,000
Budget estimate, fiscal year 2003	40,000,000
Recommended in the bill	55,800,000
Bill compared with:	
Appropriation, fiscal year 2002	+13,500,000
Budget Estimate, fiscal year 2003	+15,800,000

MISSION

Pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (title VII of Division C of Public Law 105-277), the Counterdrug Technology Assessment Center serves as the central counterdrug research and development organization for the United States Government.

RECOMMENDATION

The Committee recommends an appropriation of \$55,800,000 for the Counterdrug Technology Assessment Center, \$13,500,000 above the fiscal year 2002 enacted level and \$15,800,000 above the President's request. Included in the appropriation are \$26,064,000 for counternarcotics Technology Research and Development, and \$29,736,000 for the Technology Transfer Program. The Committee has included continued funding for neuroimaging studies and

genomic research into the relationship between genetic predisposition and environmental factors bearing upon drug addiction in the amount for counternarcotics Technology Research and Development.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

Appropriation, fiscal year 2002 to date	\$226,350,000
Budget estimate, fiscal year 2003	206,350,000
Recommended in the bill	246,350,000
Bill compared with:	
Appropriation, fiscal year 2002	+20,000,000
Budget Estimate, fiscal year 2003	+40,000,000

MISSION

The High Intensity Drug Trafficking Areas (HIDTA) Program was established by the Director of ONDCP pursuant to section 1005 of the Anti-Drug Abuse Act of 1988, and now as reauthorized by section 707 of the Office of National Drug Control Policy Act of 1998 to provide assistance to Federal and State and local law enforcement entities operating in those areas most adversely affected by drug trafficking.

RECOMMENDATION

The Committee recommends an appropriation of \$246,350,000 for the High Intensity Drug Trafficking Areas Program, an increase of \$20,000,000 above the fiscal year 2002 enacted level and an increase of \$40,000,000 above the President's request. The increase above the President's request is to meet requirements to fully fund existing HIDTA program activity, to expand existing HIDTAs where such expansion is justified, and to fund new HIDTAs as appropriate. The Committee provides that HIDTAs existing in fiscal year 2002 shall receive funding equal to the FY 2002 level. This level includes all direct allocations to designated HIDTAs.

The Committee supports a vigorous HIDTA program and is aware of areas facing increased drug trafficking that may be appropriate candidates for designation as a HIDTA, inclusion in an existing HIDTA, or increased funding. As ONDCP reviews candidates for new HIDTA funding, the Committee recommends that it consider the following: expansion of the North Texas HIDTA to include Oklahoma counties; expansion of the Northwest HIDTA to include counties of southwestern and eastern Washington; expansion of the Gulf Coast HIDTA to include Saint Charles Parish, Louisiana; an increase in funding for Arizona and West Texas in the Southwest Border HIDTA; and increased funding for the Chicago, Central Florida, Central Valley, Gulf Coast, Lake County Appalachia, and Midwest HIDTAs. The Committee recognizes the strong pressure to add new HIDTAs and expand those currently existing, and underscores the need for performance based management ensuring that HIDTAs demonstrating performance and need are provided adequate resources. The Committee is nevertheless very concerned about ONDCP's lack of response to the Committee's concerns regarding the HIDTA program. The Committee provided increased HIDTA funding in the fiscal year 2002 appropriation with directions to expand HIDTAs. The Committee is gravely disappointed to

learn that rather than actively exploring opportunities to expand HIDTAs per the directions of the Committee, ONDCP passively waited for eligible counties to contact ONDCP, which resulted in an effective non-response to the Committee's directions. The Committee directs ONDCP to initiate contact with possible candidate counties for their inclusion in HIDTA expansions as identified in this report, and to report to the Committee on this contact no later than December 1, 2002.

HIDTA PERFORMANCE MANAGEMENT AND HIGH PRIORITY TARGETING

Performance measures for HIDTAs have been, and continue to be, an area of focus for the Committee. The ability to match funding needs against budgets depends on reliable and consistent methodology for performance measurement and management. The Committee is concerned about the lack of progress on the development of such measures and their integration with HIDTA management and budgeting. The Committee has therefore included bill language stipulating that \$5,000,000 of fiscal year 2003 funds for the ONDCP Salaries and Expenses shall not be obligated until the Director submits performance measures of effectiveness (PMEs) for the HIDTA program to the Committee. The Committee has also included language requiring that the fiscal year 2004 budget submission for the HIDTA program must be supported by PMEs data, including supporting justifications for each individual HIDTA and an optimal spending allocation based on PMEs.

The Committee is aware that ONDCP has allocated fiscal year 2002 funds to establish a HIDTA National Priority Targeting Project administered by the National HIDTA Assistance Center (NHAC). It is the Committee's understanding that this project will make funds available to HIDTAs that develop and conduct investigations against major drug trafficking organizations affiliated with National Priority Targets and meeting other project criteria. The Committee expects that this new project will be consistent with performance measurement and management goals. The Committee directs ONDCP to report to the Committee no later than September 30, 2002 on how NHAC has allocated its fiscal year 2002 funds, as well as the rationale for the allocation, National Priority Targets, and other priority targeting criteria developed under the project.

SPECIAL FORFEITURE FUND

Appropriation, fiscal year 2002 to date	\$239,400,000
Budget estimate, fiscal year 2003	251,300,000
Recommended in the bill	240,800,000
Bill compared with:	
Appropriation, fiscal year 2002	+1,400,000
Budget Estimate, fiscal year 2003	- 10,500,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$240,800,000 for the Special Forfeiture Fund, an increase of \$1,400,000 above the fiscal year 2002 enacted level and a decrease of \$10,500,000 from the President's request. The recommended appropriation includes \$170,000,000 for the National Youth Anti-Drug Media Campaign, \$60,000,000 for the Drug Free Communities Support Program, \$6,000,000 for the Counterdrug Intelligence Executive Secretariat, \$2,000,000 for Performance Measures Development, \$1,000,000 for the US Anti-Doping Agency, \$1,000,000 for the National Drug Court Institute, and \$800,000 for dues to the World Anti-Doping Agency. The decrease from the President's request is partially a result of the Committee's decision to continue funding the National Alliance for Model State Drug Laws through the ONDCP Salaries and Expenses account, rather than through the Special Forfeiture Fund as requested by the President.

NATIONAL YOUTH ANTI-DRUG MEDIA CAMPAIGN

The Committee is deeply concerned about the effectiveness of the National Youth Anti-Drug Media Campaign (NYADMC), for which Congress has appropriated nearly \$930,000,000 to date. The Committee believes that the ultimate purpose of NYADMC is to reduce drug abuse among youth, and it is on this basis that NYADMC should be judged. The most recent report on the evaluation of NYADMC currently being conducted under the auspices of the National Institute on Drug Abuse indicates that, to date, there is no evidence that NYADMC is having the intended effect on youth drug use. It is the Committee's understanding that the evaluation is incomplete, having collected only two-fifths of the potential data, and that it will be completed sometime in late 2003. The Committee believes that this evaluation is scientifically rigorous and expects to make future funding decisions on NYADMC based upon its results. The Committee expects to see concrete evidence of a clear and statistically significant decline in youth drug use as a direct impact of NYADMC in order to justify future appropriations for this program. The Committee is also concerned that too small a proportion of NYADMC funds are being spent on the actual purchase of airtime and other media space, and therefore the Committee includes language stipulating that no less than \$150,000,000 of NYADMC funds shall be used for media buys.

UNANTICIPATED NEEDS

Appropriation, fiscal year 2002 to date	\$1,000,000
Budget estimate, fiscal year 2003	1,000,000
Recommended in the bill	1,000,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$1,000,000, the same as the amount appropriated in fiscal year 2002 and the same as the amount requested by the President.

TITLE IV—INDEPENDENT AGENCIES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$4,629,000
Budget estimate, fiscal year 2003	4,629,000
Recommended in the bill	4,629,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$4,629,000 for the Committee for Purchase From People Who Are Blind or Severely Disabled, an amount equal to both the fiscal year 2002 enacted level and the President's request.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$43,689,000
Budget estimate, fiscal year 2003	45,244,000
Recommended in the bill	49,426,000
Bill compared with:	
Appropriation, fiscal year 2002	+5,737,000
Budget Estimate, fiscal year 2003	+4,182,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$49,426,000 for the Federal Election Commission (FEC), an increase of \$5,737,000 from amounts appropriated in fiscal year 2002 and an increase of \$4,182,000 above amounts requested by the President. This increase includes \$1,539,000 to maintain current services. The increase also includes \$4,198,000 to implement the Bipartisan Campaign Reform Act (BCRA) (P.L. 107-155) signed by the President

on March 27, 2002. This amount is a decrease of \$1,168,200 from the request of \$5,366,200 submitted by the FEC, a concurrent submission agency, as a budget amendment on April 23. The Committee notes that \$750,000 for BCRA is recommended in H.R. 4775 making supplemental appropriations for fiscal year 2002.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

Appropriation, fiscal year 2001 to date	\$26,524,000
Budget estimate, fiscal year 2002	28,684,000
Recommended in the bill	28,677,000
Bill compared with:	
Appropriation, fiscal year 2002	+2,153,000
Budget Estimate, fiscal year 2003	-7,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$28,677,000 for the Federal Labor Relations Authority (FLRA), an increase of \$2,153,000 above the amount appropriated in fiscal year 2002 and a decrease of \$7,000 from the President's request. The decrease from the President's request is for costs associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees Compensation Act (FECA) which, to date, has not been enacted.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

Appropriation:	
Appropriation, fiscal year 2002 to date	\$410,912,000
Budget estimate, fiscal year 2003	276,400,000
Recommended in the bill	325,711,000
Bill compared with:	
Appropriation, fiscal year 2002	-85,201,000
Budget Estimate, fiscal year 2003	+49,311,000
Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2002 enacted to date ...	6,575,294,000
Limitation on availability, budget estimate, fiscal year 2003	6,919,619,000
Recommended in the bill	6,961,930,000
Bill compared with:	
Availability limitation, fiscal year 2002 enacted to date	+386,636,000
Availability limitation, fiscal year 2003 estimate	+42,311,000

MISSION

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

RECOMMENDATION

The Committee recommends a direct appropriation of \$325,711,000 into the Federal Buildings Fund, a decrease of \$85,201,000 below the fiscal year 2002 enacted level and an increase of \$49,311,000 above the President's request.

CONSTRUCTION AND ACQUISITION

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2002 enacted to date	\$662,680,000
Limitation on availability, budget estimate, fiscal year 2003	556,574,000
Recommended in the bill	646,385,000
Bill compared with:	
Availability limitation, fiscal year 2002 enacted to date	- 16,295,000
Availability limitation, fiscal year 2003 estimate	+89,811,000

RECOMMENDATION

The Committee recommends a limitation of \$646,385,000 for construction and acquisition, a decrease of \$16,295,000 below the fiscal year 2002 enacted level and an increase of \$89,811,000 above the President's request. Increases above the President's request include \$49,311,000 for constructing a new courthouse in Cape Girardeau, Missouri, \$5,000,000 for the Champlain border station in New York, and \$40,000,000 for the FDA consolidation project. Decreases below the President's request include \$2,500,000 for remediation of the southeast federal center and \$2,000,000 for non-prospectus construction.

ORLANDO, FLORIDA, COURTHOUSE

A new courthouse in Orlando, Florida, is now the highest unfunded priority of the courts and the General Services Administration's (GSA) courthouse program. The Committee fully understands the importance of this project and provided \$4,000,000 for fiscal year 2002 in order to ensure that appropriate design work was completed in a timely fashion. The Committee is very disappointed that the President's request did not include funding for this project and that this bill was unable to meet the courthouse construction needs of Orlando, Florida. The Committee will carefully watch for opportunities to meet the funding requirements for this project, which is one of the Committee's highest priorities, as the annual appropriations process proceeds.

BORDER STATION CONSTRUCTION

The Committee has had long-standing concerns about the condition and infrastructure needs of the ports of entry along U.S. land borders. A Committee-requested report completed in June 2000 by the U.S. Customs Service, in consultation with GSA, identified almost \$800 million in unmet infrastructure needs at these land-based ports of entry. For fiscal year 2003, the President's request includes \$27,366,000 in GSA's budget for new construction at border stations. The heightened security concerns, technology advancements, and personnel requirements that have been identified since the terrorist acts of September 11, 2001, bring into question the sufficiency of the requested border station construction projects and whether the designs for current and planned projects adequately meet all of the new physical space configuration and alignment needs. The Committee directs GSA to review all ongoing and planned border station projects to ensure that all requirements, particularly those recently identified, will be met. The Committee is aware that the Customs Service is evaluating the costs and benefits associated with applying a "reverse inspection" pilot project along the northern border and directs GSA to work closely with the Customs Service in its deliberations as it specifically relates to infrastructure requirements of a "reverse inspection" pilot project as well as enhanced security measures along the Northern Border including, but not limited to, technology and staffing. The Committee is also aware of the strong potential for new border station needs at Fabens, Texas, associated with anticipated new bridge construction and directs GSA to stay abreast of the situation and to work with the involved agencies to ensure that all Federal needs are appropriately prioritized and incorporated into GSA's construction plans.

COURTHOUSE CONSTRUCTION

The Committee remains concerned about the costs associated with courthouse construction. GSA recently completed a thorough study that compared state and federal courthouse construction costs. This study concludes that federal projects typically were 10 to 15 percent more expensive than comparable state projects and took on average a year longer to complete. Much of the cost differential between state and federal projects was attributable to higher levels of security required in federal projects and a greater durability in materials, which should lead to long-term savings from reduced maintenance costs. Another factor contributing to increased federal costs was federal mandates involved in construction procurement. A portion of the difference also resulted from significant differences in courthouse space standards as defined for federal courthouses by the US Courts Design Guide. The Committee notes that the area per courtroom (including judge's chambers and suites) averaged almost twice the size of state courtroom areas and suggests that this difference should be carefully evaluated. Additionally, federal projects took an average of one year more to plan, design and construct than did state projects; this time difference should be looked at for ways in which the construction process can be streamlined. The Committee also notes a difference in the funding amount included in the President's request for courthouse con-

struction and the funding amount included in prospectuses submitted by the Administration to Congress for authorization. It is the intent of the Committee to appropriate project funds at the authorized project levels and to make whatever adjustments are necessary on a project basis to obtain this result as it proceeds.

CHATTANOOGA, TN, COURTHOUSE

The Committee is acutely aware of the needs for a new courthouse and for renovating the current building, the Solomon Courthouse, in Chattanooga, Tennessee. The Committee directs GSA to proceed with its discussions with the city to find the most suitable site for the new courthouse to contain the U.S. District Court, the U.S. Attorney's Office, the U.S. Marshals Service, the U.S. Probation Office and Pretrial Services. The Committee is very concerned that determination and acquisition of the site proceed as quickly as possible and directs GSA to continue its evaluation and discussion process with the city with all due speed. As plans for the new courthouse progress, the Committee directs GSA to begin any necessary preliminary studies and plans for renovating the existing courthouse so it can serve the needs of the U.S. Bankruptcy Court.

MIAMI, FLORIDA, COURTHOUSE

The Committee directs the General Services Administration to make every effort to include minority contractors, vendors, and employees in every phase of the design, construction, and operation of the new courthouse to be constructed in Miami, Florida. The Committee further directs the General Services Administration to provide a report by February 1, 2003, on its plans for achieving this essential objective and its progress to date.

GREEN BAY, WISCONSIN, COURTHOUSE

The Committee is aware of the courthouse needs of northeastern Wisconsin. GSA recently determined that it will be significantly more cost effective to build a court facility in Green Bay rather than lease space, and a location for the courthouse has been selected. The Committee expects this project will soon be added to the Five-Year Plan of the Judicial Conference of the United States and looks forward to seeing its needs appropriately reflected in future GSA budget submissions for courthouse construction.

REPAIRS AND ALTERATIONS

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2002 enacted to date ...	\$869,376,000
Limitation on availability, budget estimate, fiscal year 2003	986,029,000
Recommended in the bill	978,529,000
Bill compared with	
Availability limitation, fiscal year 2002 enacted to date	+109,153,000
Availability limitation, fiscal year 2003 estimate	- 7,500,000

RECOMMENDATION

The Committee recommends a limitation of \$978,529,000 for repairs and alterations, an increase of \$109,153,000 above the fiscal year 2002 enacted level and a decrease of \$7,500,000 below the President's request. The decrease below the President's request is

for a design project for repair of the Eisenhower Executive Office Building.

EISENHOWER EXECUTIVE OFFICE BUILDING

The Committee is keenly aware of the deplorable condition of the Eisenhower Executive Office Building and the critical need to move forward on a major multi-year repair and alteration project for this property. In addition, about one-quarter of this building was vacated after September 11, 2001, due to security concerns.

The Committee is also aware that the Administration has not finalized its thoughts on the total scope of work for this project. It is the only design project included in the Administration's fiscal year 2003 request for funding and prospectus approval for which total project costs have not been estimated. The design funds sought by the Administration for fiscal year 2003 are related only to the replacement of the building's primary electric service; no project cost estimation for even this portion of the modernization effort has been provided.

On March 20, 2002, the Committee was informed that the Administration was releasing \$27,209,000 of funds appropriated through fiscal year 2002 emergency supplemental appropriations for security upgrades to this building to allow re-occupancy of the vacated section. The Committee is disappointed with information provided by the Office of Management and Budget (OMB) and GSA on the use of these funds. The Administration has yet to determine how these funds will be used, what specific work will be accomplished, when this work would be started or completed, or whether this security upgrade funding is sufficient to allow any part of the vacated space to be re-occupied.

The Committee is very concerned with the lack of clear, consistent, and timely decision-making by this Administration on this project. The Committee believes that the current lack of progress on planning the entire modernization effort does a serious disservice to the Administration and the affected personnel. The Committee notes that this is an historic structure and believes that repairs to this building are necessary in order to ensure its integrity as well as the safety of the employees who work there. The Committee expects the Administration to give this project the priority attention it deserves. Until the Committee is confident that the Administration has made a final decision regarding this modernization project, the Committee believes it would be premature and inappropriate to fund incomplete design efforts in a piecemeal fashion. Additional concerns related to this project are addressed in the OMB section of this report.

BASIC REPAIRS AND ALTERATIONS

The Committee is strongly aware of the backlog needs for repairs and alterations of the federal inventory of buildings managed by GSA. GSA reported that the repairs and workload inventory was about \$5.8 billion as of February 10, 2002, that it would take 5 to 7 years at current funding levels to reduce the backlog to a sustainable operational level, and that the average age of buildings in the inventory exceeds 50 years. At the same time, GSA has indicated that more than 55 percent of the buildings with identified repair and alteration work items in its inventory (657 buildings out of

1162) have repair needs of \$1,000,000 or less. These work items are below the level requiring a prospectus and are generally funded out of the basic repairs and alterations program. The Committee is supportive of maintaining sufficient levels of funding for this activity such that relatively small repair needs can be met before the problems grow and require more extensive and expensive solutions and has provided the level requested in the budget, \$367,340,000, for this purpose.

The Committee is also aware of specific instances in which basic repairs and alterations requirements for certain buildings have not been adequately addressed. One such case is the Max Rosenn U.S. Courthouse in Wilkes-Barre, Pennsylvania; the Committee directs GSA to spend \$300,000 for meeting the security and other needs of this property if requested by the U.S. Marshals Service.

In several other cases, buildings with modest repair needs have been identified for potential disposal due to changes in federal space requirements. The Committee believes that such properties, even if they house a reduced number of federal tenants and are not currently economical, deserve appropriate levels of basic repairs and alterations funding until such a time that they are disposed of and other space is provided for the federal tenants. The Committee directs GSA to spend \$250,000 to provide for the most pressing repair needs of the historic Morton federal building in Cookeville, Tennessee, prior to its disposal. The Committee also directs GSA to spend \$1,000,000 to provide for the most pressing repair needs of the Federal Bankruptcy Court facilities in the Bow Federal Building in Canton, Ohio prior to its disposal.

INSTALLMENT ACQUISITION PAYMENTS

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2002 to date	\$186,427,000
Limitation on availability, budget estimate, fiscal year 2003	178,960,000
Recommended in the bill	178,960,000
Bill compared with:	
Availability limitation, fiscal year 2002 to date	-7,467,000
Availability limitation, fiscal year 2003 estimate .....	.....

RECOMMENDATION

The Committee recommends a limitation of \$178,960,000 for installation acquisition payments, a decrease of \$7,467,000 below the fiscal year 2002 enacted level and the same as the President's request.

RENTAL OF SPACE

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2002 to date	\$2,952,050,000
Limitation on availability, budget estimate, fiscal year 2003	3,153,211,000
Recommended in the bill	3,153,211,000
Bill compared with:	
Availability limitation, fiscal year 2002 to date	+201,161,000
Availability limitation, fiscal year 2003 estimate .....	.....

RECOMMENDATION

The Committee recommends a limitation of \$3,153,211,000 for rental of space, an increase of \$201,161,000 above the fiscal year 2002 enacted level and the same as the President's request.

NATIONAL CENTER FOR ENVIRONMENTAL PREDICTION

The Committee is aware that GSA is working with the National Oceanic and Atmospheric Administration on a replacement lease prospectus for the National Center for Environmental Prediction currently located in Camp Springs, Maryland. The Committee expects that the lease prospectus will be submitted to the Transportation and Infrastructure Committee no later than 30 days following GSA's submission to the Office of Management and Budget. As this project matures, the Committee directs GSA to explore potential economies of scale associated with the ongoing Food and Drug Administration consolidation in White Oak, Maryland.

BUILDING OPERATIONS

Limitations on Availability of Revenue (not an appropriation):	
Limitation on availability, fiscal year 2002 to date	\$1,832,761,000
Limitation on availability, budget estimate, fiscal year 2003	1,965,160,000
Recommended in the bill	1,925,160,000
Bill compared with:	
Availability limitation, fiscal year 2002 to date	+92,399,000
Availability limitation, fiscal year 2003 estimate	-40,000,000

RECOMMENDATION

The Committee recommends a limitation of \$1,925,160,000 for building operations, an increase of \$92,399,000 above the fiscal year 2002 enacted level and a decrease of \$40,000,000 below the President's request.

GEOTHERMAL HEAT PUMPS

The Committee firmly believes that geothermal heat pumps can provide a significant economic benefit to a wide variety of major GSA construction and repair projects and may lead to a substantial reduction in the use of fossil energy resources. GSA has signed a memorandum of understanding with the Geothermal Heat Pump Consortium, Inc., and is exploring the feasibility and cost-effectiveness of geothermal technology for a few projects. The Committee encourages GSA to more aggressively consider and evaluate geothermal energy technology in its development plans for all major new projects.

PUBLIC SERVICE RECOGNITION WEEK

The Committee recognizes that Public Service Recognition Week, a program of the Public Employees Roundtable, has educated America about the value of the career workforce, which carries out the daily operations of government. This program, which has existed for over 10 years, plays an important role in educating our nation's youth by providing them with timely information about their government. The Committee urges the General Services Administration to support the mission of the Public Employees Roundtable and provides \$100,000 in administrative and logistical assistance to Public Service Recognition Week activities, the same level as was provided for fiscal year 2002.

WINDOW AND CABLE STANDARDS

The Committee urges GSA to carefully review its facility standards with respect to security requirements and upgrade them appropriately to incorporate not only newly recognized risks but also newly developed technologies. The Committee is aware that new types and classes of materials for glass windows and data cables can help mitigate dangers, reduce injuries, and lessen structural damage. The Committee believes these materials should be considered for use in new construction projects as well as in current buildings as appropriate.

RISKS TO BUILDING WATER SUPPLIES

The maintenance of secure working environments for government employees and the assurance of the continuation of ongoing critical governmental operations are important GSA goals. The Committee encourages GSA to work with appropriate groups in assessing the risk of contamination of the water supply for federal facilities by covert introduction of chemical, biological, or radiological elements subsequent to the treatment of the water at a water treatment facility. If such risks are significant, the Committee urges GSA to evaluate the costs and benefits of options for providing effective security for water entering federal facilities, such as the installation of commercially available water purification systems.

BOW BUILDING, CANTON, OHIO

The Committee strongly encourages the GSA to move forward with the ongoing discussions with representatives of the City of Canton, Ohio, on the property exchange involving the Frank T. Bow Federal Building for an adjacent City-owned site with the goal of finding suitable housing for federal tenants in the Canton area, which includes the option of building a new federal building.

USGS COASTAL AND MARINE FACILITY

The Committee directs GSA to work closely with the United States Geological Survey, the University of California at Santa Cruz, and all other interested parties regarding the plans to establish a Pacific Science Center in Santa Cruz, California. The Committee expects GSA to fully assist the USGS in evaluating and planning for its facility needs in the region, including the use, if appropriate, of resources from the Federal Buildings Fund to assist in the development, planning, design, environmental reviews, and other related costs associated with the USGS Pacific Science Center.

POLICY AND OPERATIONS

Appropriation, fiscal year 2002 to date	\$143,139,000
Budget estimate, fiscal year 2003 .....	.....
Recommended in the bill .....	.....
Bill compared with:	
Appropriation, fiscal year 2002	- 143,139,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends no appropriation for Policy and Operations, a decrease of \$143,139,000 below the fiscal year 2002 enacted level and the same as the President's request. The Committee notes that the mission and functions of this account are being proposed for two new accounts, "Policy and Citizen Services" and "Operating Expenses".

POLICY AND CITIZEN SERVICES

Appropriation, fiscal year 2002 to date .....	.....
Budget estimate, fiscal year 2003	\$65,995,000
Recommended in the bill	65,995,000
Bill compared with:	
Appropriation, fiscal year 2002	+65,995,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$65,995,000 for Policy and Citizen Services, an increase of \$65,995,000 above the fiscal year 2002 enacted level and the same as the President's request. The Committee notes that the mission and functions of this account were previously funded through the GSA Policy and Operations account.

OPERATING EXPENSES

Appropriation, fiscal year 2002 to date .....	.....
Budget estimate, fiscal year 2003	\$88,263,000
Recommended in the bill	77,904,000
Bill compared with:	
Appropriation, fiscal year 2002	+77,904,000
Budget Estimate, fiscal year 2003	- 10,359,000

MISSION

This appropriations account provides for Government-wide activities associated with the utilization and donation of surplus personal property; disposal of real property; telecommunications, infor-

mation technology management, and related technology activities; agency-wide policy direction and management; ancillary accounting, records management, and other support services; services as authorized by 5 U.S.C. 3109; and other related operational expenses.

RECOMMENDATION

The Committee recommends an appropriation of \$77,904,000 for Operating Expenses, an increase of \$77,904,000 above the fiscal year 2002 enacted level and a decrease of \$10,359,000 below the President's request. The Committee notes that the mission and functions of this account were previously funded through the GSA Policy and Operations account. Increases above the request level include \$2,500,000 as a transfer to the New York State Historical Society for exhibits, education, collections, and research associated with items and events stemming from the September 11, 2001, terrorist attacks on the World Trade Center; and \$150,000 as a transfer to the Association of Central Oklahoma Governments for establishing alternative fuel facilities. Decreases from the request level include \$5,450,000 in savings realized by the non-recurrence of five items; a reduction of \$1,123,000 associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees' Compensation Act which, to date, has not been enacted; and \$6,436,000 in savings due to the pending transfer of Governor's Island in New York. In light of this transfer, the Committee has subtracted all but \$2,146,000 in GSA's operating budget for the security and maintenance of the island and directs GSA to make no additional funding payments for this property beyond the amount provided.

ANGEL ISLAND IMMIGRATION STATION

The Committee directs GSA, in consultation with the Department of the Interior, National Park Service, and the National Archives and Records Administration, to provide a report on efforts and plans to preserve and restore the Angel Island Immigration Station in California. GSA should also seek input from the Angel Island Immigration Station Foundation in developing the report. Angel Island Immigration Station is a national treasure that has been described as "the Ellis Island of the West." In order to ensure that this landmark is appropriately cared for, the Committee seeks GSA's guidance in assessing and coordinating the proper role of other Federal agencies in moving this project forward. GSA should make a recommendation to the Committee on how Federal involvement in this project should proceed and how best private funding can be leveraged to augment Federal involvement. This report should be provide to the Committee no later than November 30, 2002.

IMPROVED FUEL EFFICIENCY

The Committee is aware of commercially-available technologies for standard vehicles that significantly improve fuel efficiencies and reduce harmful emissions through fuel treatments and catalysts. The Committee directs GSA to explore the use of these technologies

and directs GSA to report its findings to the Committee by April 1, 2003.

The Committee is also aware that GSA has purchased a significant number of flexible fuel vehicles capable of utilizing alternative fuels. However, the Committee is concerned that these vehicles are not making sufficient use of alternative fuels. The Committee directs GSA to provide a report regarding what steps can be taken to maximize the actual use of alternative fuels in GSA fleet vehicles, and to take such steps as may be necessary to provide appropriate encouragement and support for the use of alternative fuels.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2002 to date	\$36,346,000
Budget estimate, fiscal year 2003	37,617,000
Recommended in the bill	37,617,000
Bill compared with:	
Appropriation, fiscal year 2002	+1,271,000
Budget Estimate, fiscal year 2003	

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$37,617,000 for the Office of Inspector General, an increase of \$1,271,000 above the fiscal year 2002 enacted level and the same as the President's request.

ELECTRONIC GOVERNMENT FUND

Appropriation, fiscal year 2002 to date	\$5,000,000
Budget estimate, fiscal year 2003	45,000,000
Recommended in the bill	
Bill compared with:	
Appropriation, fiscal year 2002	- 5,000,000
Budget Estimate, fiscal year 2003	- 45,000,000

MISSION

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

RECOMMENDATION

The Committee recommends no appropriation for the GSA Electronic Government Fund, a decrease of \$5,000,000 below the fiscal year 2002 level and a decrease of \$45,000,000 below the President's request. The Committee notes that funds for this function have been included in Title III of this Act within the Executive Office of the President under the jurisdiction of the Office of Management and Budget.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriation, fiscal year 2002 to date	\$3,196,000
Budget estimate, fiscal year 2003	3,339,000
Recommended in the bill	3,339,000
Bill compared with:	
Appropriation, fiscal year 2002	+143,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$3,339,000 for allowances and office staff of former Presidents, an increase of \$143,000 above the fiscal year 2002 enacted level and the same as the President's request.

FY 2003 BUDGET ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

[In thousands of dollars]

	Ford	Carter	Reagan	Bush	Clinton	Widows	Totals
Personnel Compensation	96	96	96	96	150	0	534
Personnel Benefits	24	6	24	35	56	0	145
Benefits for Former Presidents	170	170	170	170	175	20	875
Travel	50	2	16	58	58	0	184
Rental Payments to GSA	112	102	140	174	436	0	964
Communications, Utilities and Miscellaneous charges:							
Telephone	25	25	17	14	29	0	110
Postage	9	20	10	14	22	2	77
Printing	6	5	13	12	15	0	51
Other Services	14	67	20	26	82	0	209
Supplies & Materials	11	6	21	11	25	0	74
Equipment	4	9	3	64	36	0	116
Total Obligations	521	508	530	674	1,084	22	3,339

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 401. The Committee continues the provision that provides that costs included in rent received from government corpora-

tions for operation, protection, maintenance, upkeep, repair and improvement shall be credited to the Federal Buildings Fund.

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

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

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

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

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

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

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$30,555,000
Budget estimate, fiscal year 2003	31,790,000
Recommended in the bill	31,788,000
Bill compared with:	
Appropriation, fiscal year 2002	+1,233,000
Budget Estimate, fiscal year 2003	-2,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$31,788,000 for the Merit Systems Protection Board (MSPB), an increase of \$1,233,000 above the amount appropriated in fiscal year 2002 and a \$2,000 decrease from the President's request. The decrease from the President's request is for costs associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees Compensation Act (FECA) which, to date, has not been enacted.

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

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

Appropriation, fiscal year to date	\$1,996,000
Budget estimate, fiscal year 2003	1,996,000
Recommended in the bill	1,996,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003 .....	.....

MISSION

Public Law 102–259 established the Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund. Federal payments to that fund are invested in Treasury securities. Interest earnings from the investments are used to carry out the activities of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation. The Foundation awards scholarships, fellowships, and grants and funds activities of the Udall Center for Studies in Public Policy. Public Law 106–568 (section 817) established the Native Nations Institute as part of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation. The purpose of the Native Nations Institute is to provide management and leadership training to Native American tribal leaders.

RECOMMENDATION

The Committee recommends \$1,996,000 for the activities of the Morris K. Udall Foundation, the same as the fiscal year 2002 enacted level and the President’s request.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriation, fiscal year 2002 to date	\$1,309,000
Budget estimate, fiscal year 2003	1,309,000
Recommended in the bill	1,309,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$1,309,000 for the Environmental Dispute Resolution Fund, the same as the fiscal year 2002 enacted level and the same as the President’s request.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

Appropriation, fiscal year 2002 to date	\$245,847,000
Budget estimate, fiscal year 2003	256,731,000
Recommended in the bill	249,731,000
Bill compared with:	
Appropriation, fiscal year 2002	+3,884,000
Budget Estimate, fiscal year 2003	-7,000,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$249,731,000 for the operating expenses of the National Archives and Records Administration, an increase of \$3,884,000 above the fiscal year 2002 enacted level and a decrease of \$7,000,000 below the President's request. The reduction from the President's request is for the initiative to train state and local personnel in the handling of classified and sensitive homeland security data. The Committee believes that funding this effort in this account is premature. The directive for addressing sensitive homeland security information has not been issued, the specific state and local needs for training have not been determined, training options have not been fully developed, and the portion of the initiative aimed at ensuring that Federal agencies have appropriate authorities is unknown.

COMMITMENT TO RECORDS MANAGEMENT BY FEDERAL AGENCIES

The Committee notes that NARA recently commissioned a study on Federal agency records management, shares NARA's concerns that some agencies have not provided an appropriate priority to their records management programs (especially for electronic records), and encourages NARA to develop a strategy for raising agency awareness of and commitment to records management principles, functions, and programs. The Committee further urges NARA to develop a strategy for conducting systematic inspections of agency management programs to periodically (1) assess agency progress in improving records management programs, and (2) evaluate the efficacy of NARA's governmentwide guidance.

ELECTRONIC RECORDS ARCHIVE

The Committee recommends \$11,837,000 for the electronic records archive (ERA) project and makes a portion of this funding available for three years. To mitigate the risks associated with the development and acquisition of an advanced electronic archival system, the Committee directs NARA to reassess the ERA project schedule based on estimates of the amount of work and resources required to complete each task. The Committee expects the ERA project schedule to allow sufficient time for NARA to strengthen its information technology management capabilities by implementing an information technology investment management process, devel-

oping an enterprise architecture, and improving information security.

Beginning on October 1, 2002, NARA shall submit to the Committee quarterly reports on the cost, schedule, and performance of the ERA project. These quarterly reports should provide information on the status of the project's schedule, budget, and expenditures as measured against a reported baseline; a prioritization of project risks and their mitigation efforts; and corrective actions taken to manage identified schedule slippages, cost overruns, or quality problems should they occur.

eRECORDS MANAGEMENT

The Committee notes that NARA has been named by the Administration as the "proposed agency managing partner" for eRecords Management (ERM), one of 24 electronic government projects selected for special emphasis in the President's budget request for fiscal year 2003 under the quicksilver initiative. The Committee also notes that no funds specifically for the ERM effort have been included or identified in NARA's Congressional budget justification for fiscal year 2003. While the Committee does not object to NARA taking the lead for this project, the Committee has not given blanket approval to NARA's use of significant funds (particularly ERA funds) for the ERM project absent the approval of a reprogramming.

REPAIRS AND RESTORATION

Appropriation, fiscal year 2002 to date	\$40,143,000
Budget estimate, fiscal year 2003	10,458,000
Recommended in the bill	10,458,000
Bill compared with:	
Appropriation, fiscal year 2002	- 29,685,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$10,458,000 for repairs and restoration, a decrease of \$29,685,000 below the fiscal year 2002 enacted level and the same as the President's request.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

Appropriation, fiscal year 2002 to date	\$6,436,000
Budget estimate, fiscal year 2002	5,000,000
Recommended in the bill	7,000,000
Bill compared with:	
Appropriation, fiscal year 2002	+564,000
Budget Estimate, fiscal year 2003	+2,000,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$7,000,000 for the National Historical Publications and Research Commission grants program, an increase of \$564,000 above the fiscal year 2002 enacted level and an increase of \$2,000,000 above the President's request. The Committee is aware of a grant application being made by Jefferson Parish, Louisiana, Clerk of Court regarding historical documents and urges that this application be given due consideration. The Committee notes that the National Historic Publications and Records Commission has initiated an effort to encourage a greater inclusion of under-documented groups, such as women and minorities, in the grants program.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$10,117,000
Budget estimate, fiscal year 2003	10,488,000
Recommended in the bill	10,486,000
Bill compared with:	
Appropriation, fiscal year 2002	+369,000
Budget Estimate, fiscal year 2003	- 2,000

MISSION

The Office of Government Ethics (OGE), established by the Ethics in Government Act of 1978, provides overall direction of executive branch policies designed to prevent conflicts of interest and insure high ethical standards. The OGE discharges its responsibilities to preserve and promote public confidence in the integrity of executive branch officials by developing rules and regulations pertaining to conflicts of interest, post employment restrictions, standards of conduct, and public and confidential financial disclosure in the executive branch. It monitors compliance with public and confidential financial disclosure requirements of the Ethics in Government Act of 1978 and the Ethics Reform Act of 1989, to determine possible violations of applicable laws or regulations and recommending appropriate corrective action. OGE also consults with and assists various officials in evaluating the effectiveness of applicable laws and the resolution of individual problems, and prepares formal advisory opinions, informal letter opinions, policy memoranda, and Federal Register entries on how to interpret and comply with the requirements on conflicts of interest, post employment, standards of conduct, and financial disclosure. Finally, OGE issues and amends regulations implementing the procurement integrity provi-

sions relating to negotiating for employment, post employment, and gratuities in the Office of Federal Procurement Policy Act Amendments of 1988, P.L. 100-679.

RECOMMENDATION

The Committee recommends an appropriation of \$10,486,000 for the Office of Government Ethics, an increase of \$369,000 above the enacted fiscal year 2002 level and a \$2,000 decrease from the President's request. The decrease from the President's request is for costs associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees Compensation Act (FECA) which, to date, has not been enacted.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$99,636,000
Budget estimate, fiscal year 2003	128,804,000
Recommended in the bill	128,986,000
Bill compared with:	
Appropriation, fiscal year 2002	+29,350,000
Budget Estimate, fiscal year 2003	+182,000

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$128,986,000 for the Office of Personnel Management, an increase of \$29,350,000 above the enacted fiscal year 2002 level and \$182,000 above the amount requested by the President. The increase does not include \$68,000 requested by the President for costs associated with the pending proposal to integrate the benefits and administrative costs of the Federal Employees Compensation Act (FECA) which, to date, has not been enacted. The Committee also includes a \$250,000 decrease from the President's request for salaries and expenses of the Office of Congressional Affairs. The Committee's recommendation includes \$20,800,000 for the Human Resources Data Network, \$5,800,000 for e-Government initiatives, \$2,500,000 for a government-wide payroll modernization initiative, and \$500,000 for the

establishment of a Telecommuting Training Program designed to educate executive branch managers about the benefits and logistics of telecommuting. The Committee notes that while the number of telecommuters in the Federal Government has increased significantly, from 1 percent in 1999 to 4.2 percent in 2001, telecommuting rates at some federal agencies remain very low and manager reluctance is the most frequently cited barrier to telecommuting. The Committee believes that efforts could be made to encourage managers, through the performance planning and evaluation process, to assess, and where appropriate, create telecommuting plans for their offices and staff. The Committee directs that the Telecommuting Training Program target executive agencies where less than 2 percent of employees telecommute.

FEDERAL EMPLOYEES IN BARNSTABLE COUNTY, MASSACHUSETTS

The Committee is aware that the Federal Salary Council has rejected a proposal by federal employees in Barnstable County, Massachusetts to be considered as an area of application to the Boston-Worcester-Lawrence Pay Area for locality pay purposes. It is the Committee's understanding that Barnstable County, as a small county, has exceptional difficulty in meeting the Council's requirement that a county contain at least 2,000 General Schedule employees to be designated an area of application to the pay area. It is the Committee's further understanding that the Council is awaiting new data from the 2000 census before acting upon any proposed modifications to pay areas, and that such data may take years to produce. The Committee directs the Office of Personnel Management (OPM) to report to the Committee on its intentions regarding all proposals for consideration as an area of application that have been rejected pending new census data.

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

The Committee is aware that the employees of the Butner Low Security Correctional Institute in Butner, North Carolina have recommended to the Federal Prevailing Rate Advisory Committee (FPRAC) that the facility be considered part of the Richmond-Petersburg, Virginia wage area for wage-grade purposes. The Committee directs FPRAC to report to the Committee on the status of this recommendation and the available means of promoting pay parity among wage areas with similar costs of living.

FLEXIBLE SPENDING ACCOUNTS

The Committee supported the introduction of Premium Conversion Plans in 2000 permitting federal employees to pay their health insurance premiums with pre-tax dollars. It is the Committee's understanding that OPM is committed to making Flexible Spending Accounts (FSAs) available to the federal workforce as well. FSAs will permit employees to also pay certain out-of-pocket health care and dependent care expenses with pre-tax dollars. The Committee is aware that most medium and large employers as well as the majority of state and local governments provide these benefits to their employees. The Committee believes that the extension of FSAs to the federal workforce will enhance the ability of the federal government to compete in the labor market and help address current re-

cruitment and retention issues. For these reasons, the Committee directs OPM to report to the Committee on efforts to implement FSAs.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2002 to date	\$1,498,000
Budget estimate, fiscal year 2003	1,498,000
Recommended in the bill	1,498,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$1,498,000 for the Office of Inspector General of the Office of Personnel Management, an amount equal to both the fiscal year 2002 enacted level and the President's request.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriation, fiscal year 2002 to date	\$6,129,000,000
Budget estimate, fiscal year 2003	6,853,000,000
Recommended in the bill	6,853,000,000
Bill compared with:	
Appropriation, fiscal year 2002	+724,000,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES LIFE INSURANCE

Appropriation, fiscal year 2002 to date	\$34,000,000
Budget estimate, fiscal year 2003	34,000,000
Recommended in the bill	34,000,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriation, fiscal year 2002 to date	\$9,229,000,000
Budget estimate, fiscal year 2003	9,410,000,000
Recommended in the bill	9,410,000,000
Bill compared with:	
Appropriation, fiscal year 2002	+181,000,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$11,891,000
Budget estimate, fiscal year 2003	12,434,000
Recommended in the bill	12,432,000
Bill compared with:	
Appropriation, fiscal year 2002	+541,000
Budget Estimate, fiscal year 2003	-2,000

MISSION

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

concerned and require an agency investigation and a report to the Congress and the President when appropriate.

RECOMMENDATION

The Committee recommends an appropriation of \$12,432,000 for the Office of Special Counsel, an increase of \$541,000 above the fiscal year 2002 enacted level and \$2,000 less than the President's request. The decrease from the President's request is for costs associated with the President's pending proposal to integrate the benefits and administrative costs of the Federal Employees Compensation Act (FECA) which, to date, has not been enacted.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date	\$37,305,000
Budget estimate, fiscal year 2003	37,305,000
Recommended in the bill	37,305,000
Bill compared with:	
Appropriation, fiscal year 2002 .....	.....
Budget Estimate, fiscal year 2003 .....	.....

MISSION

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

RECOMMENDATION

The Committee recommends an appropriation of \$37,305,000 for the U.S. Tax Court, an amount equal to both the fiscal year 2002 level and the President's request.

WHITE HOUSE COMMISSION ON THE NATIONAL MOMENT OF REMEMBRANCE

SALARIES AND EXPENSES

Appropriation, fiscal year 2002 to date .....	.....
Budget estimate, fiscal year 2003	\$250,000
Recommended in the bill	250,000
Bill compared with:	
Appropriation, fiscal year 2002	+250,000
Budget Estimate, fiscal year 2003 .....	.....

MISSION

The White House Commission on the National Moment of Remembrance, established by Public Law 106-579, was created to (1) sustain the American spirit through acts of remembrance, not only on Memorial Day, but throughout the year; (2) institutionalize the National Moment of Remembrance; and (3) to enhance the commemoration and understanding of Memorial Day.

RECOMMENDATION

The Committee recommends an appropriation of \$250,000, the same as the level requested by the President.

TITLE V—GENERAL PROVISIONS

THIS ACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 515. The Committee continues a provision prohibiting the use of funds by any person or entity convicted of violating the Buy American Act.

Section 516. The Committee includes a new provision prohibiting the transfer of funds in this Act to any department, agency, or instrumentality of the United States Government, except pursuant to

a transfer made by, or transfer authority provided in, this Act or any other Appropriations Act.

TITLE VI—GOVERNMENTWIDE GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

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

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

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

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

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

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

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

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

Section 609. The Committee continues the provision prohibiting payments to persons filling positions for which they have been nominated after the Senate has voted not to approve the nomination.

Section 610. The Committee continues the provision prohibiting interagency financing of groups absent prior statutory approval.

Section 611. The Committee continues the provision authorizing the Postal Service to employ guards and give them the same special police powers as GSA guards.

Section 612. The Committee continues the provision prohibiting the use of funds for enforcing regulations disapproved in accordance with the applicable law of the U.S.

Section 613. The Committee continues the provision limiting the pay increases of certain prevailing rate employees.

Section 614. The Committee continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Section 615. The Committee continues the provision prohibiting the expenditure of funds for the acquisition of additional law enforcement training facilities.

Section 616. The Committee continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Section 617. The Committee continues the provision requiring agencies to certify that a Schedule C appointment was not created solely or primarily to detail the employee to the White House.

Section 618. The Committee continues the provision requiring agencies to administer a policy designed to ensure that all workplaces are free from discrimination and sexual harassment.

Section 619. The Committee continues the provision prohibiting the importation of any goods manufactured by forced or indentured child labor.

Section 620. The Committee continues the provision prohibiting the payment of any employee who prohibits, threatens or prevents another employee from communicating with Congress.

Section 621. The Committee continues the provision prohibiting Federal training not directly related to the performance of official duties.

Section 622. The Committee continues the provision prohibiting the expenditure of funds for implementation of agreements in non-disclosure policies unless certain provisions are included.

Section 623. The Committee continues the provision prohibiting propaganda, publicity and lobbying by executive agency personnel in support or defeat of legislative initiatives.

Section 624. The Committee continues the provision prohibiting any Federal agency from disclosing an employee's home address to any labor organization, absent employee authorization or court order.

Section 625. The Committee continues the provision prohibiting funds to be used to provide non-public information such as mailing or telephone lists to any person or organization outside the government without the approval of the Committees on Appropriations.

Section 626. The Committee continues the provision prohibiting the use of funds for propaganda and publicity purposes not authorized by Congress.

Section 627. The Committee continues the provision directing agency employees to use official time in an honest effort to perform official duties.

Section 628. The Committee continues the provision, with technical modifications, authorizing the use of funds to finance an appropriate share of the Joint Financial Management Improvement Program.

Section 629. The Committee continues the provision, with technical modifications, authorizing agencies to transfer funds to the Policy and Citizen Services account of GSA to finance an appropriate share of the Joint Financial Management Improvement Program.

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

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

Section 632. The Committee continues the provision requiring documents involving the distribution of Federal funds to indicate the agency providing the funds and the amount provided.

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

Section 634. The Committee continues the provision prohibiting the use of funds to monitor personal information relating to the use of Federal internet sites to collect, review, or create any aggregate list that includes personally identifiable information relating to access to or use of any federal internet site of such agency.

Section 635. The Committee continues the provision requiring health plans participating in the FEHBP to provide contraceptive coverage and provides exemptions to certain religious plans.

Section 636. The Committee continues the provision providing recognition of the US Anti-Doping Agency as the official anti-doping agency.

Section 637. The Committee continues the provision requiring a report by the Inspector Generals detailing policies and procedures for implementing portion of the Rural Development Act, 1972.

Section 638. The Committee includes a new provision requiring each agency to submit a report, at the time the President's budget is submitted, on the use of official time within such agency during the previous fiscal year.

Section 639. The Committee includes a new provision requiring each agency to annually review all programs and activities that it administers and identify all such programs and activities that may be susceptible to significant improper payments.

Section 640. The Committee includes a new provision making a technical correction to the 1994 Pay Act for Federal Law Enforcement Officers for certain series 1811 criminal investigators.

Section 641. The Committee includes a new provision making a technical correction to the Law Enforcement Pay Equity Act of 2000 regarding locality pay for the Uniformed Division of the Secret Service and the U.S. Park Police.

Section 642. The Committee has included a new provision regarding the Bureau of Alcohol, Tobacco and Firearm's policy on releasing law enforcement database information.

Section 643. The Committee includes a new provision requiring that the adjustment in rates of basic pay for the statutory pay systems that takes effect in fiscal year 2003 shall be an increase of 4.1 percent.

Section 644. The Committee includes a new provision that amends Title 5 of the United States Code to make Senior Executive Service employees of the Internal Revenue Service eligible for the same level of pay bonuses as all other Federal employees.

Section 645. The Committee includes a new provision that prohibits funds in the bill from being used to issue regulations relating to the determination that real estate brokerage is an activity that is financial in nature or incidental to a financial activity.

Section 646. The Committee includes a new provision that prohibits funds in the bill from being used for payment on any new federal contract to a subsidiary of a publicly traded corporation if the corporation is incorporated in a tax haven country but the

United States is the principal market for the public trading of the corporation's stock.

APPROPRIATIONS CAN BE USED ONLY FOR THE PURPOSES FOR WHICH MADE

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

Section 1301. Application.

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

COMPLIANCE WITH HOUSE RULES

TRANSFER OF FUNDS

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

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

APPROPRIATION TRANSFERS RECOMMENDED IN THE BILL

Account to which transfer is to be made	Amount	Account from which transfer is to be made	Amount
Treasury Department offices, bureaus and other groups.	\$68,828,000	Department-wide Systems and Capital Investments programs.	\$68,828,000
Treasury Department offices, bureaus and other groups.	5,893,000	Departmental Offices	5,893,000
Customs, Salaries & Expenses	3,000,000	Harbor Maintenance Fee Collection	3,000,000
Federal Departments	5,000,000	Electronic Government Fund	5,000,000
Federal Departments	200,000,000	Election Administration Reform	200,000,000
Treasury Department Offices, Bureaus and other groups.	4,000,000	Expanded Access to Financial Services	4,000,000
Federal Departments	1,350,000	Office of National Drug Control Policy	1,350,000
State and local entities	122,400,000	Federal Drug Programs—HIDTA	122,400,000
Federal Departments	117,600,000	Federal Drug Programs—HIDTA	117,600,000
State and local entities	29,736,000	Counterdrug Technology Assessment Center.	29,736,000
Federal Departments	26,064,000	Counterdrug Technology Assessment Center.	26,064,000
Federal Departments	250,800,000	Special Forfeiture Fund	250,800,000
Merit System Protection Board	2,594,000	Civil Service Retirement and Disability Trust Fund.	2,594,000
Office of Personnel Management	120,791,000	Trust Funds, Office of Personnel Management.	120,791,000
Inspector General, OPM	10,766,000	Trust Funds, Office of Personnel Management.	10,766,000
Federal Financing Bank	79,685,000	General Services Administration, Federal Buildings Fund.	79,685,000
Treasury Department offices, bureaus and other groups.	875,000	General Services Administration, Allowances and Office Staff for Former Presidents.	875,000

RESCISSION OF FUNDS

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

CONSTITUTIONAL AUTHORITY

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

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

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

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

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

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

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

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

(Public Law 105-119)

SEC. 122. (a) * * *

* * * * *

(g)(1) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary of the Treasury is authorized to establish, for a period of ~~4 years~~ *5 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.

* * * * *

SECTION 403 OF GOVERNMENT MANAGEMENT REFORM ACT OF 1994

(Public Law 103-356)

SEC. 403. FRANCHISE FUND PILOT PROGRAMS.

(a) * * *

* * * * *

(f) TERMINATION.—The provisions of this section shall expire on October 1, ~~2002~~ *2003*.

TITLE 5, UNITED STATES CODE

* * * * *

PART III—EMPLOYEES

* * * * *

CHAPTER 71—LABOR-MANAGEMENT RELATIONS

* * * * *

Subpart F—Labor-Management and Employee Relations

* * * * *

SUBCHAPTER IV—ADMINISTRATIVE AND OTHER PROVISIONS

§ 7131. Official time

(a) * * *

* * * * *

(e)(1) Each agency shall submit to each House of the Congress, the Office of Personnel Management, and the Office of Management and Budget, at the time the budget is submitted by the President to the Congress in each calendar year, a report on the use of official time within such agency during the fiscal year last ending before the date of the report's submission.

(2) Each such report shall include, with respect to the fiscal year to which it pertains—

(A) the number of hours of official time that employees spent on labor organization activities;

(B) the number of employees who used official time for labor organization activities;

(C) the number of employees who spent 100 percent of their time on labor organization activities;

(D) the dollar value of the official time spent on labor organization activities;

(E) the dollar value of the office space, equipment, telephone use, and supplies provided to employees using official time for labor organization activities; and

(F) the benefits and disadvantages of using official time for labor organization activities.

* * * * *

Subpart I—Miscellaneous

CHAPTER 95—PERSONNEL FLEXIBILITIES RELATING TO THE INTERNAL REVENUE SERVICE

* * * * *

§ 9505. Performance awards for senior executives

(a) * * *

* * * * *

(d) Notwithstanding section 5384(b)(3), the Secretary of the Treasury shall determine the aggregate amount of performance awards available to be paid during any fiscal year under this section and section 5384 to career senior executives in the Internal Revenue Service. [Such amount may not exceed an amount equal to 5 percent of the aggregate amount of basic pay paid to career senior executives in the Internal Revenue Service during the preceding fiscal year.] *Such amount may not exceed the maximum amount which would be allowable under paragraph (3) of section 5384(b) if such paragraph were applied by substituting “the Internal Revenue Service” for “an agency”.* The Internal Revenue Service shall not be included in the determination under section 5384(b)(3) of the aggregate amount of performance awards payable to career senior executives in the Department of the Treasury other than the Internal Revenue Service.

* * * * *

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

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

FY 2003 new budget authority	\$246,000,000
2003 outlays resulting therefrom	62,000,000

COMPARISON WITH BUDGET RESOLUTION

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

[In millions of dollars]

	302(b) allocation		This bill—	
	Budget au- thority	Outlays	Budget au- thority	Outlays
Discretionary	18,501	18,237	18,500	17,889
Mandatory	16,323	16,308	16,323	16,308

Note.—Outlays in “This bill” include outlays from prior-year budget authorizing.

COMPARATIVE STATEMENT OF NEW BUDGET (OBIGATIONAL) AUTHORITY FOR 2002
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2003
(Amounts in Thousands)

	FY 2002 Enacted	FY 2003 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - DEPARTMENT OF THE TREASURY					
Departmental Offices.....	177,142	191,914	187,241	+10,099	-4,673
Department-wide systems and capital investments Programs.....	68,828	68,828	68,828	---	---
Office of Inspector General.....	35,424	35,424	35,424	---	-4
Treasury Inspector General for Tax Administration.....	123,746	123,962	123,962	+216	---
9/11 Supplemental (P.L. 107-117).....	2,032	---	---	-2,032	---
Subtotal.....	125,778	123,962	123,962	-1,816	---
Air Transportation Stabilization Program Account.....	---	6,041	6,041	+6,041	---
Treasury Building and Annex Repair and Restoration....	28,932	32,932	32,932	+4,000	---
Expanded Access to Financial Services.....	2,000	2,000	4,000	+2,000	+2,000
Counterterrorism Fund.....	40,000	40,000	33,000	-7,000	-7,000
Treasury franchise fund.....	---	---	---	---	---
Financial Crimes Enforcement Network.....	45,837	50,517	51,444	+5,607	+927
9/11 Supplemental (P.L. 107-117).....	1,700	---	---	-1,700	---
Subtotal.....	47,537	50,517	51,444	+3,907	+927
Federal Law Enforcement Training Center: Salaries and Expenses.....	105,680	122,393	152,951	+47,271	+30,558
9/11 Supplemental (P.L. 107-117).....	23,000	---	---	-23,000	---
Subtotal.....	128,680	122,393	152,951	+24,271	+30,558
Acquisition, Construction, Improvements, & Related Expenses.....	33,434	23,329	31,800	-1,634	+8,471
9/11 supplemental (P.L. 107-117).....	8,500	---	---	-8,500	---
Subtotal.....	41,934	23,329	31,800	-10,134	+8,471
Total.....	170,614	145,722	184,751	+14,137	+39,029

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2002
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2003
(Amounts in Thousands)

	FY 2002 Enacted	FY 2003 Request	Bill	Bill vs. Enacted	Bill vs. Request
Interagency Law Enforcement:					
Interagency crime and drug enforcement.....	107,576	107,576	110,594	+3,018	+3,018
Financial Management Service.....	212,850	220,712	220,664	+7,814	-48
Bureau of Alcohol, Tobacco and Firearms.....	810,316	870,775	878,034	+67,718	+7,259
9/11 Supplemental (P.L. 107-117).....	31,431	--	--	-31,431	--
Subtotal.....	841,747	870,775	878,034	+36,287	+7,259
GREAT grants.....	13,000	13,000	13,000	--	--
Total.....	854,747	883,775	891,034	+36,287	+7,259
United States Customs Service:					
Salaries and Expenses.....	2,079,357	2,391,952	2,496,165	+416,808	+104,213
9/11 Supplemental (P.L. 107-117).....	392,603	--	--	-392,603	--
Subtotal.....	2,471,960	2,391,952	2,496,165	+24,205	+104,213
Users fees, conveyance/passenger/other.....	--	-167,000	--	--	+167,000
Harbor Maintenance Fee Collection.....	3,000	3,000	3,000	--	--
Operation, Maintenance and Procurement, Air and Marine Interdiction Programs.....	177,860	170,829	190,000	+12,140	+19,171
9/11 Supplemental (P.L. 107-117).....	6,700	--	--	-6,700	--
Subtotal.....	184,560	170,829	190,000	+5,440	+19,171
Miscellaneous appropriations (P.L. 106-554)....	--	--	--	--	--
Automation modernization:					
Automated Commercial System.....	122,432	122,432	122,432	--	--
International Trade Data System.....	5,400	--	--	-5,400	--
Automated Commercial Environment.....	300,000	312,900	316,900	+16,900	+4,000
Subtotal.....	427,832	435,332	439,332	+11,500	+4,000
Customs Services at Small Airports (to be derived from fees collected).....	3,000	3,000	3,000	--	--
Offsetting receipts.....	-3,000	-3,000	-3,000	--	--
Total.....	3,087,352	2,834,113	3,128,497	+41,145	+294,384
Bureau of the Public Debt.....	186,953	191,119	168,673	-18,280	-22,446
Payment of government losses in shipment.....	1,000	1,000	1,000	--	--

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2002
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2003
(Amounts in Thousands)

	FY 2002 Enacted	FY 2003 Request	Bill	Bill vs. Enacted	Bill vs. Request
Internal Revenue Service:					
Processing, Assistance, and Management.....	3,797,890	3,958,337	3,955,777	+157,887	-2,560
9/11 Supplemental (P.L. 107-117).....	12,990	---	---	-12,990	---
Subtotal.....	3,810,880	3,958,337	3,955,777	+144,897	-2,560
Tax Law Enforcement.....	3,538,347	3,729,072	3,729,072	+190,725	---
9/11 Supplemental (P.L. 107-117).....	4,544	---	---	-4,544	---
Subtotal.....	3,542,891	3,729,072	3,729,072	+186,181	---
Earned Income Tax Credit Compliance Initiative.....	146,000	146,000	146,000	---	---
Information Systems.....	1,563,249	1,632,444	1,632,444	+69,195	---
9/11 Supplemental (P.L. 107-117).....	15,991	---	---	-15,991	---
Subtotal.....	1,579,240	1,632,444	1,632,444	+53,204	---
Business systems modernization.....	391,593	450,000	436,000	+44,407	-14,000
Total (net).....	9,470,604	9,915,853	9,899,293	+428,689	-16,560
United States Secret Service:					
Salaries and Expenses.....	920,615	1,010,435	1,017,892	+97,277	+7,457
9/11 Supplemental (P.L. 107-117).....	104,769	---	---	-104,769	---
Subtotal.....	1,025,384	1,010,435	1,017,892	-7,492	+7,457
Acquisition, Construction, Improvements, & Related Expenses.....	3,457	3,519	3,519	+62	---
Total.....	1,028,841	1,013,954	1,021,411	-7,430	+7,457
Total, title I, Department of the Treasury....	15,646,178	15,865,446	16,168,789	+522,611	+303,343
Appropriations.....	15,041,918	15,865,446	16,168,789	+1,126,871	+303,343
Emergency funding.....	604,260	---	---	-604,260	---
Rescissions.....	---	---	---	---	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2002
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2003
(Amounts in Thousands)

	FY 2002 Enacted	FY 2003 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE II - POSTAL SERVICE					
Payment to the Postal Service Fund.....	29,000	29,000	29,000	---	---
9/11 Supplemental (P.L. 107-117).....	500,000	---	---	-500,000	---
Subtotal.....	529,000	29,000	29,000	-500,000	---
Advance appropriation, FY 2002/2003.....	67,093	47,619	47,619	-19,474	---
Advance appropriation, FY 2004.....	---	31,014	31,014	+31,014	---
Total, title II, Postal Service:					
Fiscal year 2002/2003.....	596,093	76,619	76,619	-519,474	---
Fiscal year 2004.....	---	31,014	31,014	+31,014	---

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

	FY 2002 Enacted	FY 2003 Request	Bill	Bill vs. Enacted	Bill vs. Request
Compensation of the President and the White House Office:					
Compensation of the President.....	450	450	450	---	---
Salaries and Expenses.....	54,651	84,595	50,715	-3,836	-33,880
Office of Homeland Security.....	---	---	24,061	+24,061	+24,061
Executive Residence at the White House:					
Operating Expenses.....	11,695	12,228	12,228	+533	---
White House Repair and Restoration.....	8,625	1,200	1,200	-7,425	---
Special Assistance to the President and the Official Residence of the Vice President:					
Salaries and Expenses.....	3,925	4,066	3,160	-765	-906
Operating expenses.....	318	324	324	+6	---
Council of Economic Advisers.....	4,211	4,405	3,763	-448	-642
Office of Policy Development.....	4,142	4,221	3,251	-891	-970
National Security Council.....	7,494	9,525	7,803	+309	-1,720

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2002
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2003
(Amounts in Thousands)

	FY 2002 Enacted	FY 2003 Request	Bill	Bill vs. Enacted	Bill vs. Request
Office of Administration.....	46,955	70,128	92,681	+45,726	+22,553
9/11 Supplemental (P.L. 107-117).....	50,040	---	---	-50,040	---
Subtotal.....	96,995	70,128	92,681	-4,314	+22,553
Office of Management and Budget.....	70,752	70,752	67,492	-9,260	-9,260
Electronic Government (E-Gov) Fund.....	---	---	5,000	+5,000	+5,000
Election Administration Reform.....	---	---	200,000	+200,000	+200,000
Office of National Drug Control Policy:					
Salaries and expenses.....	25,263	25,458	24,458	-805	-1,000
Counterdrug Technology Assessment Center.....	42,300	40,000	55,800	+13,500	+15,800
Total.....	67,563	65,458	80,258	+12,695	+14,800
Federal Drug Control Programs:					
High Intensity Drug Trafficking Areas Program.....	226,350	206,350	246,350	+20,000	+40,000
Special Forfeiture Fund.....	239,400	251,300	240,800	+1,400	-10,500
Unanticipated Needs.....	1,000	1,000	1,000	---	---
Total, title III, Executive Office of the Presi- dent and Funds Appropriated to the President..	797,571	786,002	1,034,536	+236,965	+248,534

TITLE IV - INDEPENDENT AGENCIES

Committee for Purchase From People Who Are Blind or Severely Disabled.....	4,629	4,629	4,629	---	---
Federal Election Commission.....	43,689	45,244	49,426	+5,737	+4,182
Federal Labor Relations Authority.....	26,524	28,684	28,677	+2,153	-7

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2002
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2003
(Amounts in Thousands)

	FY 2002 Enacted	FY 2003 Request	Bill	Bill vs. Enacted	Bill vs. Request
General Services Administration:					
Federal Buildings Fund:					
Appropriations.....	284,400	276,400	325,711	+41,311	+49,311
9/11 Supplemental (P.L. 107-117).....	126,512	---	---	-126,512	---
Subtotal.....	410,912	276,400	325,711	-85,201	+49,311
Limitations on availability of revenue:					
Construction and acquisition of facilities	(662,680)	(566,574)	(646,385)	(-16,295)	(+89,811)
Repairs and alterations.....	(826,676)	(986,029)	(978,529)	(+151,853)	(-7,500)
9/11 Supplemental (P.L. 107-117).....	(42,700)	---	---	(-42,700)	---
Subtotal.....	(869,376)	(986,029)	(978,529)	(+109,153)	(-7,500)
Installment acquisition payments.....	(186,427)	(178,960)	(178,960)	(-7,467)	---
Rental of space.....	(2,952,050)	(3,153,211)	(3,153,211)	(+201,161)	---
Building Operations.....	(1,748,949)	(1,965,160)	(1,925,160)	(+176,211)	(-40,000)
9/11 Supplemental (P.L. 107-117).....	(83,812)	---	---	(-83,812)	---
Subtotal.....	(1,832,761)	(1,965,160)	(1,925,160)	(+92,399)	(-40,000)
Subtotal, limitations.....	6,503,294	6,839,934	6,882,245	+378,951	+42,311
Repayment of Debt.....	(72,000)	(79,685)	(79,685)	(+7,685)	---
Rental income to fund.....	---	---	---	---	---
Total, Federal Buildings Fund.....	410,912	276,400	325,711	-85,201	+49,311
(Limitations).....	(6,575,294)	(6,919,619)	(6,961,930)	(+386,636)	(+42,311)
Policy and Operations.....	143,139	---	---	-143,139	---
Policy and Citizen Services.....	---	65,995	65,995	+65,995	---
Operating Expenses.....	---	88,263	77,904	+77,904	-10,359
Office of Inspector General.....	36,346	37,617	37,617	+1,271	---
Electronic Government Fund.....	5,000	45,000	---	-5,000	-45,000
Allowances and Office Staff for Former Presidents.	3,196	3,339	3,339	+143	---
Total, General Services Administration.....	598,593	516,614	510,566	-88,027	-6,048

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2002
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2003
(Amounts in Thousands)

	FY 2002 Enacted	FY 2003 Request	Bill	Bill vs. Enacted	Bill vs. Request
Merit Systems Protection Board:					
Salaries and Expenses.....	30,555	31,790	31,788	+1,233	-2
Limitation on administrative expenses.....	2,520	2,594	2,594	+74	---
Morris K. Udall Foundation:					
Morris K. Udall Trust Fund.....	1,996	1,996	1,996	---	---
Environmental Dispute Resolution Fund.....	1,309	1,309	1,309	---	---
National Archives and Records Administration:					
Operating expenses.....	244,247	256,731	249,731	+5,484	-7,000
9/11 Supplemental (P.L. 107-117).....	1,600	---	---	-1,600	---
Subtotal.....	245,847	256,731	249,731	+3,884	-7,000
Reduction of debt.....	-6,612	-7,186	-7,186	-574	---
Repairs and Restoration.....	39,143	10,458	10,458	-28,685	---
9/11 Supplemental (P.L. 107-117).....	1,000	---	---	-1,000	---
Subtotal.....	40,143	10,458	10,458	-29,685	---
National Historical Publications and Records					
Commission: Grants program.....	6,436	5,000	7,000	+564	+2,000
Total.....	285,814	265,003	260,003	-25,811	-5,000
Office of Government Ethics.....	10,117	10,488	10,486	+369	-2
Office of Personnel Management:					
Salaries and Expenses.....	99,636	128,804	128,986	+29,350	+182
Limitation on administrative expenses.....	115,928	120,791	120,791	+4,863	---
Office of Inspector General.....	1,498	1,498	1,498	---	---
Limitation on administrative expenses.....	10,016	10,766	10,766	+750	---
Government Payment for Annuitants, Employees					
Health Benefits.....	6,129,000	6,853,000	6,853,000	+724,000	---
Government Payment for Annuitants, Employee Life					
Insurance.....	34,000	34,000	34,000	---	---
Payment to Civil Service Retirement and Disability					
Fund.....	9,229,000	9,410,000	9,410,000	+181,000	---
Total, Office of Personnel Management.....	15,619,078	16,558,859	16,559,041	+939,963	+182

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2002
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2003
(Amounts in Thousands)

	FY 2002 Enacted	FY 2003 Request	Bill	Bill vs. Enacted	Bill vs. Request
Office of Special Counsel.....	11,891	12,434	12,432	+541	-2
United States Tax Court.....	37,305	37,305	37,305	---	---
White House Commission on the National Moment of Remembrance.....	---	250	250	+250	---
Net FY2002 proceeds from WTC stamp.....	---	---	---	---	---
Total, title IV, Independent Agencies.....	16,674,020	17,517,199	17,510,502	+836,482	-6,697
Grand total (net).....	33,713,862	34,276,280	34,821,460	+1,107,598	+545,180
Current year, FY 2003.....	33,646,769	34,197,647	34,742,827	+1,096,058	+545,180
Appropriations.....	(32,363,357)	(34,197,647)	(34,742,827)	(+2,379,470)	(+545,180)
Emergency funding.....	(1,283,412)	---	---	(-1,283,412)	---
Rescissions.....	---	---	---	---	---
Advance appropriations, FY 2003 / FY 2004... (Limitations).....	67,093	78,633	78,633	+11,540	---
	6,575,294	6,919,619	6,961,930	+386,636	+42,311

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2002
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2003
(Amounts in Thousands)

	FY 2002 Enacted	FY 2003 Request	Bill	Bill vs. Enacted	Bill vs. Request
CONGRESSIONAL BUDGET RECAP					
Scorekeeping adjustments:					
Bureau of The Public Debt (Permanent).....	148,000	151,000	151,000	+3,000	---
Federal Reserve Bank reimbursement fund.....	134,000	137,000	137,000	+3,000	---
US Mint revolving fund.....	17,000	---	---	-17,000	---
Sallie Mae.....	1,000	1,000	1,000	---	---
Federal buildings fund.....	14,000	15,000	7,000	-7,000	-8,000
Advance appropriations:					
Postal service, FY 2004.....	---	-31,014	-31,014	-31,014	---
GSA, FY 2003-2004.....	---	---	---	---	---
OMB retirement accruals.....	---	745,000	---	---	-745,000
Emergency supplemental.....	---	---	---	---	---
Total, scorekeeping adjustments.....	314,000	1,017,986	264,986	-49,014	-753,000

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

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

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

FIVE YEAR OUTLAY PROJECTIONS

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

	<i>Millions</i>
Outlays:	
Fiscal year 2003	29,825
Fiscal year 2004	3,092
Fiscal year 2005	966
Fiscal year 2006	361
Fiscal year 2007 and future years	265

Note.—The above table includes mandatory and discretionary appropriations and excludes outlays from prior year budget authority.

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

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

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

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

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

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

The Committee has continued language which provides funds for operation and maintenance of the Treasury Building and Annex,

hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for real properties leased or owned overseas; official travel expenses, official reception and representation expenses; and unforeseen emergencies of a confidential nature. The Committee continues language providing funds for grants to state and local law enforcement groups to help fight money laundering. The Committee includes new language regarding funds for Treasury-wide financial audits and the transfer of these funds.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS

The Committee has continued language that provides funds for the development and acquisition of automated data processing equipment, software, and services; and providing transfer authority.

OFFICE OF INSPECTOR GENERAL

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

INSPECTOR GENERAL FOR TAX ADMINISTRATION

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

AIR TRANSPORTATION STABILIZATION PROGRAM

The Committee has included language that provides funds for the Air Transportation Stabilization Board.

TREASURY BUILDINGS AND ANNEX REPAIR AND RESTORATION

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

EXPANDED ACCESS TO FINANCIAL SERVICES

The Committee has included language that provides funds for the Expanded Access to Financial Services account. These funds are made subject to the program being authorized and may be transferred. The Committee includes language directing that none of the funds shall be used (1) to provide real property, automated teller machines, or any other equipment for use by any financial institution, (2) for any program or activity that incurs costs in excess of \$100 for each participant who is expected to establish an account, or (3) for any program or activity that does not provide at least \$0.50 in non-federal matching funds for each \$1.00 received from the Expanded Access to Financial Services account.

FINANCIAL CRIMES ENFORCEMENT NETWORK

The Committee has continued language that provides funds for hire of vehicles and official reception and representation expenses;

the travel of non-federal personnel attending conferences or meetings involving financial law enforcement, intelligence, and regulation; the purchase of personal services contracts; and allowing FinCEN to provide assistance to Federal law enforcement agencies with or without reimbursement.

COUNTERTERRORISM FUND

The Committee continues and modifies language that provides funds for the Secretary of the Treasury to reimburse Treasury Department organizations for support of counterterrorism efforts. The Committee includes new language permitting Federal agencies to be reimbursed for costs incurred when responding to a Secret Service request to provide security for National Special Security Events, and modifies language to make such funding available only after notice of proposed use has been submitted to the Committees on Appropriations in accordance with reprogramming and transfer guidelines, and funds have been apportioned.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

The Committee has continued language that provides funds for: material and support costs of basic training; the purchase and hire of vehicles; student athletic and related activities; uniform purchases; for the conduct of and participation in firearms matches, and presentation of awards; room and board for interns; training U.S. Postal Service, State and local law enforcement personnel; training of foreign law enforcement personnel on a space available, reimbursable basis with discretion by the Secretary to waive reimbursement; training of private sector security officials on a reimbursable space available basis; travel expenses of non-federal personnel to attend course development meetings and training sponsored by the Center; training for the GREAT program; and the provision of short term medical services for students undergoing training at the center. It has also continued language authorizing acceptance of gifts, including funding of a gift for certain honor graduate students, and to authorize obligation of funds in anticipation of reimbursements from agencies receiving training at the Center, provided that total obligations do not exceed total budgetary resources at the end of the fiscal year. New language is included to authorize the Center to accept non-reimbursable detailees from other Federal agencies to staff accreditation functions.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

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

INTERAGENCY CRIME AND DRUG ENFORCEMENT

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

FINANCIAL MANAGEMENT SERVICE

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

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

The Committee has continued language which provides funds for the hire of aircraft, the services of expert witnesses, official reception and representation expenses, training of State and local law enforcement agencies, the provision of laboratory assistance to State and local agencies, the payment of attorney's fees, the equipping of certain vessels, vehicles, equipment or aircraft. The Committee has continued language that: provides that no funds shall be used to consolidate or centralize the records pertaining to firearms licenses; prohibits the payment of administrative expenses in changing the definition of curios or relics; prohibits the transfer of ATF's functions to another Federal agency; prohibiting electronic retrieval of information gathered pursuant to 18 U.S.C. 923(g)(4) by name or personal identification; and prohibits ATF from acting upon applications for relief from Federal firearms disabilities. The Committee has continued language relating to payment of per diem and/or subsistence allowances to cover situations where a major investigative assignment requires an employee to work 16 hours or more per day or to remain overnight at his or her post of duty; and continues language providing funding for cooperative research and development programs for Laboratory Services and Fire Research Center activities. The Committee has included new language providing that funding for new headquarters shall remain available until September 30, 2004. The Committee has continued and modified language regarding the purchase of vehicles.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

The Committee has continued and modified language that provides funds for official reception and representation expenses, personal services contracts abroad, compensation to informers, rental space for pre-clearance operations, special operations, procurement of automation infrastructure items, research, uniforms, repairs to Customs facilities, and the child pornography tipline. The Committee continues the provision establishing the aggregate overtime limitation. The Committee has continued and modified language regarding the purchase and lease of vehicles.

HARBOR MAINTENANCE FEE COLLECTION

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

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

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

AUTOMATION MODERNIZATION

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

U.S. MINT

The Committee has continued language identifying the source of funding for the operations and activities of the U.S. Mint and specifying the level of funding for circulating coinage and protective service capital investments.

BUREAU OF THE PUBLIC DEBT

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

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

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

TAX LAW ENFORCEMENT

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

EARNED INCOME TAX CREDIT COMPLIANCE INITIATIVE

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

INFORMATION SYSTEMS

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

BUSINESS SYSTEMS MODERNIZATION

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

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

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

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

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

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

UNITED STATES SECRET SERVICE

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

eral law enforcement officers, and on a reimbursable, space-available basis to foreign law enforcement officers and private security officials. The Committee has included new language authorizing the Secret Service to obligate funds in anticipation of reimbursements for training provided at the James J. Rowley Training Center, and authorizing the provision of short-term medical services for students at the Center.

ACQUISITION, CONSTRUCTION, IMPROVEMENT, AND RELATED
EXPENSES

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

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

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

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

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

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

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

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

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

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

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

Section 119. The Committee includes a new provision that extends the pilot project for designated critical occupations for one additional year.

Section 120. The Committee continues the provision that requires authorization for the construction and operation of a museum by the United States Mint.

Section 121. The Committee continues the provision that prohibits funds made available through this Act from being used for the production of Customs Declarations that do not inquire whether the passenger had been in the proximity of livestock.

Section 122. The Committee includes a new provision that directs the Federal Law Enforcement Training Center to establish an accrediting body to set standards for measuring and assessing the quality and effectiveness of Federal law enforcement training.

TITLE II—POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

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

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

COMPENSATION OF THE PRESIDENT AND THE WHITE HOUSE OFFICE

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

OFFICE OF HOMELAND SECURITY

The Committee has included new language that provides funds for the Office of Homeland Security, pursuant to Executive Order 13288.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

The Committee has continued language that provides funds for operation and maintenance of the White House for official entertainment expenses; language specifying the authorized use of funds; language specifying that reimbursable expenses are the exclusive authority of the Executive Residence to incur obligations and receive offsetting collections; language requiring the sponsors of political events to make advance payments; language requiring the national committee of the political party of the President to maintain \$25,000 on deposit; language requiring the Executive

Residence to ensure that amounts owed are billed within 60 days of a reimbursable event and collected within 30 days of the bill notice; language authorizing the Executive Residence to charge and assess interest and penalties on late payments; language authorizing all reimbursements to be deposited into the Treasury as a miscellaneous receipt; language requiring a report to the Committee on the reimbursable expenses within 90 days of the end of the fiscal year; language requiring the Executive Residence to maintain a system for tracking and classifying reimbursable events; and language specifying that the Executive Residence is not exempt from the requirements of subchapter I or II of chapter 37 of title 31, United States Code.

WHITE HOUSE REPAIRS AND RESTORATION

The Committee has continued language that provides funds for the repair, alteration, and improvement of the Executive Residence at the White House.

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

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

COUNCIL OF ECONOMIC ADVISERS

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

OFFICE OF POLICY DEVELOPMENT

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

NATIONAL SECURITY COUNCIL

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

OFFICE OF ADMINISTRATION

The Committee has continued language that provides funds for expenses of the Office and the hire of vehicles and funds for a capital investment plan that provides for the continued modernization of the information technology infrastructure. The Committee has continued and modified language regarding information technology within the Executive Office of the President, requiring the submission of a report that includes a current description of (1) the Enterprise Architecture, as defined in OMB Circular A-130 and Federal Chief Information Officer guidance; (2) the Information Technology (IT) Human Capital Plan; (3) the capital investment plan for implementing the Enterprise Architecture; and (4) the IT capital planning and investment control process. The Committee has continued

and modified language requiring that this report be reviewed and approved by OMB and reviewed by the General Accounting Office.

OFFICE OF MANAGEMENT AND BUDGET

The Committee has continued language that provides funds for expenses, the hire of vehicles, carrying out provisions of chapter 35 of 44 U.S.C., directs that funds shall be applied only to items for which appropriations were made, prohibits the review of agricultural marketing orders and the alteration of certain testimony. The Committee has continued language funding a representational allowance and has continued language prohibiting the use of funds for the purpose of OMB calculating, preparing, or approving any tabular or other material that proposes the sub-allocation of budget authority or outlays by the Committees on Appropriations.

ELECTRONIC GOVERNMENT FUND

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

ELECTION ADMINISTRATION REFORM

The Committee has included new language providing funds to implement the provisions of pending authorizing legislation to establish election administration reform. This account shall be used to transfer funds to those Federal entities that may be authorized by such legislation. The Committee includes a provision authorizing one-time payments to those states which had obtained optical scan or electronic voting equipment for the administration of elections for Federal office in the State prior to the regularly scheduled general election for Federal office held in November 2000.

OFFICE OF NATIONAL DRUG CONTROL POLICY

The Committee has continued language that provides funds for expenses, research, official reception and representation expenses, participation in joint projects, and allows for the acceptance of gifts. The Committee has continued language providing funds for model state drug law conferences and policy research and evaluation and making these funds available until expended. The Committee has included new language withholding a certain amount of funds from obligation until the Director submits performance measures of effectiveness for the High Intensity Drug Trafficking Areas (HIDTA) program to the Committee. The Committee has also included new language requiring that the fiscal year 2004 budget submission for the HIDTA program be supported by performance measures of effectiveness and include supporting justification for each individual HIDTA as well as an optimal allocation for each HIDTA based on the same measures.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

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

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

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

SPECIAL FORFEITURE FUND

The Committee has continued language that provides a certain level of funding for the Drug-Free Media Campaign Act, for the Drug-Free Communities Act, and to provide a grant to the National Drug Court Institute, and for the Counterdrug Intelligence Executive Secretariat and the US Anti-Doping Agency. The Committee has included new language providing funding for performance measures development and for membership dues to the World Anti-Doping Agency. The Committee has also included new language requiring that a certain amount of funds for the national media campaign be spent on media buys.

TITLE IV—INDEPENDENT AGENCIES

COMMISSION FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

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

FEDERAL ELECTION COMMISSION

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

FEDERAL LABOR RELATIONS AUTHORITY

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

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

The Committee has continued language dealing with the conditions under which funds made available to the Federal Buildings Fund can be used and has designated certain projects that can be undertaken. Many technical provisions have been included regarding use of funds in the Federal Buildings Fund that are not specifically authorized by law.

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

POLICY AND CITIZEN SERVICES

The Committee includes new language that provide funds for expenses for Government-wide policy and evaluation activities associated with the management of real and personal property assets and certain administrative services; Government-wide policy support responsibilities relating to acquisition, telecommunications, information technology management, and related technology activities; and providing Internet access to Federal Information and services.

OPERATING EXPENSES

The Committee includes new language the provides funds for expenses for Government-wide activities associated with utilization and donation of surplus personal property; disposal of real property; telecommunications, information technology management, and related technology activities; agency-wide policy direction and management, and Board of Contract Appeals; accounting, records management, and other support services incident to adjudication of Indian Tribal Claims by the United States Court of Federal Claims; and official reception and representation expenses. A portion of the funds are made available until expended.

OFFICE OF INSPECTOR GENERAL

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

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

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

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

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

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

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

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

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

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

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

MERIT SYSTEMS PROTECTION BOARD

The Committee has continued language that provides funds for the Board, including the rental of conference rooms in the District of Columbia and elsewhere, the hire of passenger motor vehicles, and the direct procurement of survey printing.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

The Committee has continued language that provides funds for the review and declassification of documents, the hire of passenger vehicles, and language that authorizes the Archivist to use excess funds available from the amount borrowed for construction of the National Archives facility for expenses necessary to provide storage for holdings. The Committee continues language specifying funds for the electronic records archive and making a portion of these funds available until September 30, 2005.

REPAIRS AND RESTORATION

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

OFFICE OF GOVERNMENT ETHICS

The Committee has continued language that provides funds for the Office, including the rental of conference rooms in the District of Columbia and elsewhere, the hire of passenger motor vehicles, and official reception and representation expenses.

OFFICE OF PERSONNEL MANAGEMENT

The Committee has continued language that provides for expenses of the Office, services authorized by 5 U.S.C. 3109, medical examinations under certain conditions, rental of conference rooms, hire of passenger motor vehicles, official reception and representa-

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

OFFICE OF INSPECTOR GENERAL

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

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE HEALTH BENEFITS

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

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

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

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

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

OFFICE OF SPECIAL COUNSEL

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

UNITED STATES TAX COURT

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

WHITE HOUSE COMMISSION ON THE NATIONAL MOMENT OF REMEMBRANCE

The Committee has included new language funding the White House Commission on the National Moment of Remembrance.

TITLE V—GENERAL PROVISIONS

THIS ACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 515. The Committee continues a provision prohibiting the use of funds by any person or entity convicted of violating the Buy American Act.

Section 516. The Committee includes a new provision prohibiting the transfer of funds in this Act to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other Appropriations Act.

TITLE VI—GOVERNMENTWIDE GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

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

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

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

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

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

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

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

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

Section 609. The Committee continues the provision prohibiting payments to persons filing positions for which they have been nominated after the Senate has voted not to approve the nomination.

Section 610. The Committee continues the provision prohibiting interagency financing of groups absent prior statutory approval.

Section 611. The Committee continues the provision authorizing the Postal Service to employ guards and give them the same special policy powers as GSA guards.

Section 612. The Committee continues the provision prohibiting the use of funds for enforcing regulations disapproved in accordance with the applicable law of the U.S.

Section 613. The Committee continues the provision limiting the pay increase of certain prevailing rate employees.

Section 614. The Committee continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Section 615. The Committee continues the provision prohibiting the expenditure of funds for the acquisition of additional law enforcement training facilities.

Section 616. The Committee continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Section 617. The Committee continues the provision requiring agencies to certify that a Schedule C appointment was not created solely or primarily to detail the employee to the White House.

Section 618. The Committee continues the provision requiring agencies to administer a policy designed to ensure that all workplaces are free from discrimination and sexual harassment.

Section 619. The Committee continues the provision prohibiting the importation of any goods manufactured by forced or indentured child labor.

Section 620. The Committee continues the provision prohibiting the payment of any employee who prohibits, threatens or prevents another employee from communicating with Congress.

Section 621. The Committee continues the provision prohibiting Federal training not directly related to the performance of official duties.

Section 622. The Committee continues the provision prohibiting the expenditure of funds for implementation of agreements in non-disclosure policies unless certain provisions are included.

Section 623. The Committee continues the provision prohibiting propaganda, publicity and lobbying by executive agency personnel in support or defeat of legislative initiatives.

Section 624. The Committee continues the provision prohibiting any Federal agency from disclosing an employee's home address to any labor organization, absent employee authorization or court order.

Section 625. The Committee continues the provision prohibiting funds to be used to provide non-public information such as mailing or telephone lists to any person or organization outside the government without the approval of the Committees on Appropriations.

Section 626. The Committee continues the provision prohibiting the use of funds for propaganda and publicity purposes not authorized by Congress.

Section 627. The Committee continues the provision directing agency employees to use official time in an honest effort to perform official duties.

Section 628. The Committee continues the provision, with technical modifications authorizing the use of funds to finance an appropriate share of the Joint Financial Management Improvement Program.

Section 629. The Committee continues the provision, with technical modifications, authorizing agencies to transfer funds to the Policy and Citizen Services account of GSA to finance an appropriate share of the Joint Financial Management Improvement Program.

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

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

Section 632. The Committee continues the provision requiring documents involving the distribution of Federal funds to indicate the agency providing the funds and the amount provided.

Section 633. The Committee continues the provision to extend the authorization for franchise fund pilots for one year in order to

allow the Administration to evaluate their results and make a decision regarding permanent authority.

Section 634. The Committee continues the provision prohibiting the use of funds to monitor personal information relating to the use of Federal internet sites to collect, review, or create any aggregate list that includes personally identifiable information relating to access to or use of any federal internet site of such agency.

Section 635. The Committee continues the provision requiring health plans participating in the FEHBP to provide contraceptive coverage and provides exemptions to certain religious groups.

Section 636. The Committee continues the provision providing recognition of the US Anti-Doping Agency as the official anti-doping agency.

Section 637. The Committee continues the provision requiring a report by the Inspector General detailing policies and procedures for implementing portion of the Rural Development Act, 1972.

Section 638. The Committee includes a new provision requiring each agency to submit a report at the time the Presidents budget is submitted, on the use of official time within such agency during the previous fiscal year.

Section 639. The Committee includes a new provision requiring each agency to annually review all programs and activities that it administers and identify all such programs and activities that may be susceptible to significant improper payments.

Section 640. The Committee includes a new provision making a technical correction to the 1994 Pay Act for Federal Law Enforcement Officers for certain series 1811 criminal investigators.

Section 641. The Committee includes a new provision making a technical correction to the Law Enforcement Pay Equity Act of 2000 regarding locality pay for the Uniformed Division of the Secret Service and the U.S. Park Police.

Section 642. The Committee has included a new provision regarding the Bureau of Alcohol, Tobacco and Firearm's policy on releasing law enforcement database information.

Section 643. The Committee includes a new provision requiring that the adjustment in rates of basic pay for the statutory pay systems that takes effect in fiscal year 2003 shall be an increase of 4.1 percent.

Section 644. The Committee includes a new provision that amends Title 5 of the United States Code to make Senior Executive Service employees of the Internal Revenue Service eligible for the same level of pay bonuses as all other Federal employees.

Section 645. The Committee includes a new provision that prohibits funds in the bill from being used to issue regulations relating to the determination that real estate brokerage is an activity that is financial in nature or incidental to a financial activity.

Section 646. The Committee includes a new provision that prohibits funds in the bill from being used for payment on any new federal contract to a subsidiary of a publicly traded corporation if the corporation is incorporated in a tax haven country but the United States is the principal market for the public trading of the corporation's stock.

DETAILED EXPLANATIONS IN REPORT

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

APPROPRIATIONS NOT AUTHORIZED BY LAW

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

APPROPRIATIONS NOT AUTHORIZED BY LAW

[In thousands of dollars]

	Last year of authorization	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
Department Wide Systems and Capital Investments Program.	NA	NA	NA	\$68,828,000
Air Transportation Stabilization Program.	NA	NA	NA	\$6,041,000
Treasury Building and Annex Repair and Restoration.	NA	NA	NA	\$32,932,000
Expanded Access to Financial Services.	NA	NA	NA	\$4,000,000
Financial Crimes Enforcement Network.	NA ¹	NA	NA	\$51,444,000
Counterterrorism Fund	NA	NA	NA	\$33,000,000
Federal Law Enforcement Training Center, Salaries and Expenses and Acquisition, Construction, Improvement and Related Expenses.	NA ²	NA	NA	\$184,800,000
Interagency Crime and Drug Enforcement.	NA	NA	NA	\$110,594,000
Bureau of Alcohol, Tobacco and Firearms, except those activities related to the enforcement of tobacco smuggling and regulation of explosives.	NA ³	NA	NA	\$891,034,000
US Customs Service (except Harbor Maintenance Fee).	1992	Such sums	\$1,484,084,000	\$3,125,497,000
Office of Management and Budget, Office of Information and Regulatory Affairs.	.....	.....	.....	\$7,001,000
Executive Office of the President, Electronic Government Fund.	NA	NA	NA	\$5,000,000
Election Administration Reform.	NA	NA	NA	\$200,000,000
ONDCCP, Salaries and Expenses, Model State Drug Laws.	NA	NA	NA	\$1,000,000
Counter Technology Assessment Center Technology Transfer.	NA	NA	NA	\$29,736,000
Special Forfeiture Fund (except Media Campaign and Drug Free Communities).	NA	NA	NA	\$10,800,000
Federal Election Commission	1981	\$9,400,000	\$9,662,000	\$49,426,000

APPROPRIATIONS NOT AUTHORIZED BY LAW—Continued

[In thousands of dollars]

	Last year of authoriza- tion	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
Office of Government Ethics ..	1999	Such sums	\$8,492,000	\$10,486,000

¹ Established pursuant to Treasury Order 105-08.

² Established pursuant to Treasury Order 140-01.

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

FULL COMMITTEE VOTES

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

FULL COMMITTEE VOTES

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

ROLLCALL NO. 1

Date: July 9, 2002.

Measure: Treasury, Postal Service, and General Government Appropriations Bill, FY 2003.

Motion by: Mrs. Meek.

Description of Motion: To strike and replace bill and report language related to the account, "Expanded Access to Financial Services".

Results: Rejected 25 yeas to 33 nays.

Members Voting Yea

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

Members Voting Nay

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

FULL COMMITTEE VOTES

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

ROLLCALL NO. 2

Date: July 9, 2002.

Measure: Treasury, Postal Service, and General Government Appropriations Bill, FY 2003.

Motion by: Ms. DeLauro.

Description of Motion: To prohibit the use of funds for payment on any new contract to a subsidiary of a publicly traded corporation if the corporation is incorporated in a tax haven country but the United States is the principal market for the public trading of the corporation's stock.

Results: Adopted 41 yeas to 17 nays.

Members Voting Yea

Mr. Aderholt
 Mr. Boyd
 Mr. Cramer
 Ms. DeLauro
 Mr. Dicks
 Mr. Edwards
 Mrs. Emerson
 Mr. Farr
 Mr. Fattah
 Mr. Goode
 Ms. Granger
 Mr. Hinchey
 Mr. Hobson
 Mr. Hoyer
 Mr. Jackson
 Ms. Kaptur
 Mr. Kennedy
 Ms. Kilpatrick
 Ms. Kilpatrick
 Mr. Latham
 Mrs. Lowey
 Mrs. Meek
 Mr. Mollohan
 Mr. Moran
 Mrs. Northup
 Mr. Obey
 Mr. Peterson
 Mr. Price
 Mr. Regula
 Mr. Rogers
 Mr. Rothman
 Ms. Roybal-Allard
 Mr. Sabo
 Mr. Serrano
 Mr. Sherwood

Members Voting Nay

Mr. Bonilla
 Mr. Callahan
 Mr. Cunningham
 Mr. Doolittle
 Mr. Frelinghuysen
 Mr. Istook
 Mr. Kingston
 Mr. Knollenberg
 Mr. Kolbe
 Mr. LaHood
 Mr. Lewis
 Mr. Miller
 Mr. Nethercutt
 Mr. Taylor
 Mr. Tiahrt
 Mr. Vitter
 Mr. Young
 Mr. LaHood

Mr. Skeen
Mr. Sununu
Mr. Sweeney
Mr. Visclosky
Mr. Wamp
Mr. Wicker
Mr. Wolf

FULL COMMITTEE VOTES

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

ROLLCALL NO. 3

Date: July 9, 2002.

Measure: Treasury, Postal Service, and General Government Appropriations Bill, FY 2003.

Motion by: Mr. Moran.

Description of Motion: To prohibit the use of funds to establish, apply, or enforce any numerical goal, target, or quota related to private sector competitions or private contractor performance under OMB Circular A-76.

Results: Rejected 26 yeas to 30 nays.

Members Voting Yea

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

Members Voting Nay

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